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UNION STATION IMPROVEMENT ACT OF 1978


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HEARING BEFORE THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE

NINETY-FIFTH CONGRESS

SECOND SESSION

ON

S. 2995

A BILL TO FACILITATE THE IMPLEMENTATION OF SECTION 703 OF THE RAILROAD REVITALIZATION AND REGULATORY REFORM ACT OF 1976, TO PROVIDE FOR THE CONVERSION OF A PART OF THE NATIONAL VISITOR CENTER TO RAILROAD PASSENGER SERVICE, AND FOR OTHER PURPOSES

MAY 25, 1978

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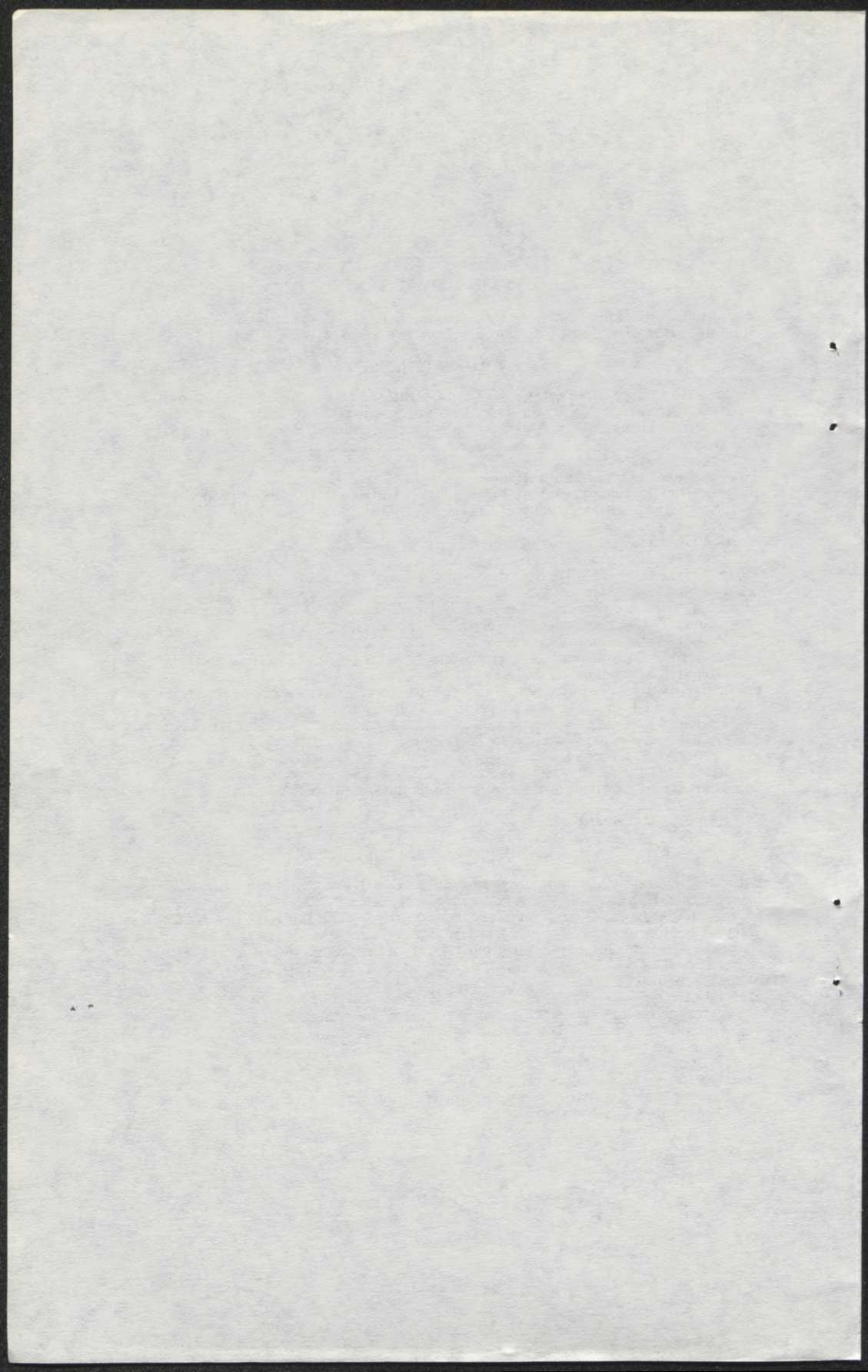
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UNION STATION IMPROVEMENT ACT OF 1978

THURSDAY, MAY 25, 1978

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, D.C.

The committee met at 10:35 a.m., pursuant to call, in room 4200, Dirksen Senate Office Building, Hon. Daniel Patrick Moynihan presiding.

Present: Senators Randolph (chairman of the full committee), Moynihan, Stafford, and Domenici.

OPENING STATEMENT OF HON. DANIEL PATRICK MOYNIHAN, U.S. SENATOR FROM THE STATE OF NEW YORK

Senator MOYNIHAN. Good morning.

Before we begin the hearing, I would like to acknowledge the presence of our revered chairman, Senator Randolph, and the ranking minority member, Senator Stafford. Since we are here, the hearing can begin.

Our subject, of course, is the question of the conversion of a part of the National Visitor Center at Union Station to a railroad passenger service terminal. This brings together so many of the interests of this committee, and not the least one which it serves, with the increasing effect of this, over the last 3 years, which is concern for historic buildings and great American architecture. Union Station is one of Burnham's greatest buildings, and it continues as such.

I could add, Mr. Chairman, the further information that the president of Pennsylvania Railroad who agreed to move it and build it where it is was, a Mr. Cassatt, who was the father of Mary Cassatt, our greatest impressionist.

Senator RANDOLPH. I like that.

Senator MOYNIHAN. Mr. Chairman, I believe you have some thoughts on the subject. Perhaps you would have the goodness to address yourself to this.

OPENING STATEMENT OF HON. JENNINGS RANDOLPH, U.S. SENATOR FROM THE STATE OF WEST VIRGINIA

Senator RANDOLPH. Mr. Chairman, you are very kind to provide for members of the subcommittee and the full committee the opportunity to join you for the hearing today.

The Secretary of Transportation is delayed. We are informed by members of his staff that he is at the White House. We hope that his schedule will enable him to come a little later.

My comments will be very brief. We know that a center, a place for visitors who are in our Nation's Capital, has long been needed.

We have the Kennedy Center and the Kennedy Stadium and other places throughout this city. But there is, as you have said, a certain valid reason why, near the Capitol in Union Station, we had felt the need to keep the station intact, to refurbish it so that it could be of benefit to literally tens of thousands of people who visit Washington each month.

The Committee on Environment and Public Works, therefore, in 1967 authorized such a facility. The Visitor Center at Union Station was a well conceived concept. I think that it was an appropriate program.

We know that often the ideas for such efforts sometimes become muddied and muddled. I am not attempting to be critical. I am not. We have known that we have had problems in connection with this project, with the improvement of the Center itself.

However, underuse of the present facility indicates that the existing center is, and this is not often said, not too small but too large. Consequently, it seems to be inefficient. Because you are so identified with New York State and New York City, and in fact the world, if I may be expansive this morning—I remember watching a few nights ago the story of Flo Ziegfeld in connection with the follies. I found there an undying truth. He was constantly being asked, because of the success of his shows, why he didn't place them in larger theaters. He said very emphatically he wished to keep them in the small theaters. He wanted to see the people at the box offices trying to get in.

I think there is some validity in not having an auditorium with many thousands of people. It might be a tremendous audience, but the auditorium is three or four times the size of that audience. Therefore, it looks as if there was an inefficient use of the auditorium.

The legislation, S. 2995, recommended by the administration, is projected to reduce the size of the Visitor Center to smaller proportions and improve the temporary railroad terminal.

The original authorization back in 1967 called for the establishment of a Visitor Center. There was a decline in railroad ridership. Trains were not being operated.

Union Station was designed and used profitably for so many years and aided visitors coming in and out of the Nation's Capital.

The trend of less ridership is being reversed. This is the reason, Mr. Chairman—and I know that you and others on the committee, certainly the ranking minority member, Bob Stafford, are rethinking this program, looking at it and then refashioning it with a view toward serving the people through the Visitor Center, those future travelers who are coming to the Nation's Capital.

For 10 years the National Visitor Center project has been plagued with cost overruns. Not of the magnitude of defense projects, to be sure, but regardless of the size of an overrun the people begin to wonder why an overrun at all. That is very natural.

There have been work stoppages which have been very troublesome, and scores of other problems which we have been apprised of and which we have read of.

It is impossible to place the blame—and I don't think anyone wants to place the blame—for the project's failure or at least substantial failure on any single person or organization.

If this Congress is at fault, then we must resolve this problem and we must have a new solution for the problem as it presently exists.

Now in S. 2995 the Senate has before it a solution that I think is conducive to revitalization of the railroads themselves as a very popular and necessary mode of transportation for the people.

We know that from the Harper's Ferry station on the Chessie System to Union Station approximately 200 persons arrive each morning and return each evening. It is a very substantial ridership each day just for that short segment.

We must consider these alternatives and we must certainly have some alternatives. This gives us an opportunity to have a look and hopefully come up with something that is feasible, workable, and practical that can be done with the money that would be available.

So I think we are all willing to work with interested parties that have a purpose and good reason to help us, because there is a dilemma present—we need not attempt to hide it; we would not want to—of providing visitor information facilities, coupled with a rail terminal that has a reasonable use. So I think both purposes can stem from the discussions here.

I thank you.

Senator MOYNIHAN. Mr. Chairman, that is a remarkable, comprehensive statement. It only lacks the observation that it takes someone of your experience to know this history and of your character to recognize that not everything done need be fixed permanently in its place; and if situations change, our Government's response should change.

Senator RANDOLPH. That is right. Jefferson said it even before you. He might not have said it as well.

Senator MOYNIHAN. No.

Senator RANDOLPH. In regard to the ridership from Harper's Ferry that I previously mentioned I have the exact figure now. There are, from the eastern panhandle of West Virginia, boarding at Martinsburg and Harper's Ferry, approximately 800 commuters who come from what we call the eastern panhandle, several countries; 800 people arriving in the morning and returning to lovely living in the evening in, of course, West Virginia. You don't mind my saying that.

I was just thinking, Mr. Chairman, you know we all have something we remember very well. It may have been only an hour ago; it may have been a long time ago.

At the age of 10 years I wanted to see Ty Cobb play baseball. I knew all about him. I read all about him. Dad brought me to the District of Columbia. I wanted to see Ty Cobb play in old Griffith's Stadium, and I saw him. I will never forget that trip. I rode day coach, rode all night. That was OK. There were many cinders coming in through the window. It was very hot. But many people came here for many years for reasons. But there is a feeling that the terminal must not degenerate or deteriorate into anything other than is useful for the use of people.

Senator MOYNIHAN. That is exactly so. Could I just add, of course this terminal had a particular relationship to the Congress. The location there was negotiated with the Congress. The post office next to it was part of it, made it possible to do so. The only other

thing was to put it right on the Mall at the bottom of Capitol Hill. So this is something we have been concerned about for a long time. Senator Stafford?

Senator STAFFORD. Thank you very much, Mr. Chairman. I think the chairman of the full committee has pretty well covered the whole matter, as he always does, very well.

As he said, I am prepared to rethink this matter at this time. And consistent with my northern New England ancestors, being chary of words, I will stop with the observation that the bill that you and the chairman have put in has a mild psychological appeal to me because it looks like a bargain. So I am ready to go.

Senator MOYNIHAN. So, then, is the committee.

Is Hon. James Joseph, Under Secretary of the Interior, present?

Mr. Joseph, good morning. We are going to ask you to, if you don't mind, hold off testifying because I believe you and Mr. Adams are testifying together. Isn't that the case?

Mr. JOSEPH. Yes.

Senator MOYNIHAN. You are next in line. We wanted you to be clear about that.

Mr. Schneider of the Department of Transportation. Did you wish, Mr. Schneider, to appear separately from the Secretary?

Mr. SCHNEIDER. Yes.

Senator MOYNIHAN. Then why don't you come forward, sir. If the Secretary does appear, I shall feel less compunction to tell you that that has happened and we will pick up with you afterward.

Good morning, Mr. Schneider. You are Director of the District of Columbia Department of Transportation. We welcome you to the committee.

STATEMENT OF DOUGLAS SCHNEIDER, JR., DIRECTOR, D.C. DEPARTMENT OF TRANSPORTATION, ACCOMPANIED BY JIM CLARK, ASSISTANT DIRECTOR FOR POLICIES AND PLANNING

Mr. SCHNEIDER. Thank you very much. This is Jim Clark with me who is our Assistant Director for Policies and Planning and who has, on behalf of the city, been working very closely with the Interior Department and the Federal Department of Transportation on the arrangements at the Visitor Center, which I would like to think of at least as much as a transportation center.

We have a prepared statement that I don't want to read and you probably don't want to hear.

Senator MOYNIHAN. Would you submit that for the record?

Mr. SCHNEIDER. Yes. (See p. 80.)

Senator MOYNIHAN. Mr. Clark, good morning and welcome to the committee.

Mr. Schneider, would you then let us have your views?

Senator STAFFORD. Mr. Chairman, could we have the prepared statement circulated?

Senator MOYNIHAN. Please.

Mr. SCHNEIDER. Mr. Chairman, I think we have an opportunity in the case of the Visitor/Transportation Center to do something very significant for the District of Columbia, not only as a Federal city that receives a lot of tourists and visitors but from the point of view of the whole local and regional transportation system.

It is almost unique in that we have an opportunity here to bring together the Metro System, which is already operating there, the interstate rail system, which is operating there—only in my view somewhat inadequately because of the limited facilities—and the local taxicab service is accommodated there, and the local bus service comes in there. There is also an opportunity for the future, and I think you will hear some testimony on this, that we ought to also make accommodation for intercity bus service, Greyhound and Trailways primarily.

But here is an opportunity to bring together at one place so that people, no matter where they are coming from or where they are going to, including air, because the Metro puts the air terminal together with the rail terminal, an opportunity to put all of those people together at one place so that their transfers and movements, no matter what mode they come on or are leaving on, or whether they are local, regional, national, or international, they all come together in a convenient place.

I just want to say that the city is in full support and encourages you to finish this project. Without the bill, without finishing the project in this manner, we will have missed a tremendous opportunity to do something for transportation in this area and in this region.

I don't want to take any more of your time.

Senator MOYNIHAN. That couldn't be more concise, Mr. Schneider. Don't run away. Secretary Adams has arrived and he is up here with his former colleagues and friends. He can hold a moment.

Mr. Chairman, have you some questions? I might just comment that Chairman Randolph mentioned the great revival of rail transportation in the period since the Visitor Center was conceived and established. That extends to the subway transportation.

At this point a person can come in from Harper's Ferry by rail and just with an easy transfer at this point make his way to National Airport and fly off. Why anybody would want to leave Harper's Ferry I can't imagine. But the people could fly in and by rail make it, too.

Senator STAFFORD. Mr. Chairman, they might want to leave so they can come here and then fly to Vermont.

Senator MOYNIHAN. All right, we agree.

Chairman Randolph?

Senator RANDOLPH. Just one question. How many persons do you believe, on an average day, come to Washington, D.C., by one means or another?

Mr. SCHNEIDER. I don't have all of those numbers in my head, Senator, but I could get that for your record. We have commuter rail and the whole works. We can put that together for you.

Senator RANDOLPH. Thank you. Thank you very much.

[The information requested follows:]

Estimated average daily inbound travel to the District of Columbia

Mode:	Persons
Automobile.....	¹ 883,000
Transit	¹ 70,000
Commuter bus	² 2,500
Intercity bus.....	² 6,000
Commuter train	³ 3,000
High speed rail.....	³ 4,500
Long haul rail.....	² 700
Airplane.....	⁴ 7,000
Other (tour buses, etc.).....	¹ 37,000
Total	1,021,200

Sources:

¹D.C. Department of Transportation, 1975.²U.S. Department of Transportation, 1976.³Amtrak, 1978.⁴U.S. Department of Transportation, 1977. (Deplaning passengers at National and Dulles Airports only).

Senator MOYNIHAN. We thank you, gentlemen. We appreciate this.

Excuse me, Senator Stafford.

Senator STAFFORD. If I might just address one question to Mr. Schneider. That is this: Is it your view that S. 2995 will lead to better use of the Union Station complex and present setup?

Mr. SCHNEIDER. Absolutely. There is absolutely no question about it. Without the passage of that bill it would be a disaster because it is half complete.

Senator STAFFORD. Thank you very much.

Senator MOYNIHAN. Thank you, gentlemen.

Now we have the great pleasure to hear from our old colleague and good friend, the Honorable Brock Adams, who is Secretary of Transportation.

Mr. Secretary, Secretary Joseph is here as well. I understand you wish to appear as a panel. We asked him if he would have the courtesy to wait for you, which, of course, he did. So we welcome the two Honorables.

You have some associates with you. Perhaps you would like to introduce them to the committee.

STATEMENTS OF HON. BROCK ADAMS, SECRETARY OF TRANSPORTATION, ACCOMPANIED BY: HANNAN KIVETT, ARCHITECT; JACK SULLIVAN, FEDERAL RAILROAD ADMINISTRATOR; HON. JAMES JOSEPH, UNDER SECRETARY, DEPARTMENT OF THE INTERIOR; AND RICHARD R. HITE, DEPUTY ASSISTANT SECRETARY FOR BUDGET POLICY ADMINISTRATION

Secretary ADAMS. Thank you Mr. Chairman. I would like to introduce Hannan Kivett who is one of the architects who has worked to develop the plan we are presenting, and Mr. Jack Sullivan, Administrator of the Federal Railroad Administration.

Senator MOYNIHAN. He is well known.

Mr. JOSEPH. With me is Mr. Hite who is the Deputy Assistant Secretary for Budget Policy Administration.

Senator MOYNIHAN. Welcome

Secretary ADAMS. Mr. Chairman, I have a prepared statement. I would ask that it be put in the record in full, and I will summarize it. That way I will not take too much time from the panel and we can go quickly to the questions that the committee may have.

Senator MOYNIHAN. Fine. Do we have a copy of your testimony? We do. Thank you. We will put that in the record. (See p. 84.)

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

In 1968, the Congress decided, and I think wisely so, that the Union Station complex, with the rather beautiful old building that was there, should not be torn down but should be retained, and also that we should have a Visitor Center in proximity to the Capitol.

As a result of this, the building was in effect leased by the Park Service, and the Department of the Interior took over to develop within it a Visitor Center with appropriate parking to be behind it. The railroad station as such was torn down, and in the back there was to be a small station.

At that time we had about a million passengers a year on the Northeast corridor. The number of rail passengers had been dropping steadily.

Since then, however, the number of passengers has approximately doubled, and we now have a great renaissance of rail passenger travel. We also, have now connected the subway station to the Union Station complex, and the bus system of the city is tied to the station. Unfortunately, we also have a half completed project.

Secretary Andrus and I discussed this situation a year ago. We both made a proposal, and I lost, and therefore the Department of Transportation was selected to go in and revive this project.

I want the committee to understand that this has not been a struggle between any of the departments. It has been an attempt to try to correct the present situation, do it for the least possible cost, and get the greatest possible benefit both for visitors and as an intermodal transportation terminal.

Our proposal is set forth on page 4 of my statement. We must first accomplish some immediate repairs to this building. It is deteriorating rapidly. In fact, some of the offices had to be evacuated because water is coming in through the roof. The electrical system is in a state that it could fail. The heating system does not work because the building was opened up to create a Visitor Center, and then when the money ran out the contractor left. The building has exposed girders, exposed wiring, exposed heating equipment.

So regardless, Mr. Chairman, of what philosophical thoughts one might have about how the building should end up being used, immediate things must be done for the safety and structural integrity of the building itself. It will not stay as it is. I can't tell you what part will fall in next. But if you have been through the building, as I have, you can see both exposed structural members and that the wiring isn't any good.

As immediate repairs, we have proposed to go in and do the structural repairs; we would put in the necessary fire protection; we would insure the integrity of the garage and ramp and stop the deterioration.

There are pictures in the book that has been distributed to the committee to show how this would be done.

The second thing we propose concerns the parking facilities. Unfortunately, Mr. Chairman, access to the garage was never completed. We propose to complete the garage, as a facility capable of holding 1,400 cars, and be sure that you can get cars in and out of it. We have proposed that this be done immediately, so that people could use the garage.

The third part of our proposal concerns the elderly and handicapped. I have talked about this with Secretary Andrus as recently as this last week. As part of this project, the building was opened up to build new facilities; the elevators were removed. These are to be replaced. We have not been able to get them replaced so far because, while there is an UMTA grant for the transit facilities that have been partially put into the station, we can't release that until we get a certification from somebody that the work has been done and what work has been done. Then we reimburse for that work.

Secretary Andrus has indicated to me he needs that money to put the elevators in immediately. I wanted you to know that we are trying to do that on a short-term basis right now, and that would be built as part of a long-term project. In other words, we don't want to build something and tear it out. What we build in would be part of the total project.

Then, fourth, in addition to completing a ramp that would take you up into the garage, we also would provide a place where taxis could queue. Again I am sure you have been through that station as I have. There is mass confusion in front of it and around it. We would provide an area where taxis could line up and then people could go in and out of the front door more safely.

I am sure you know what has occurred on the House side. I am sorry about those developments, because the subcommittee went with us and approved the plan that you see before you but the full committee has a different approach to it. Here is the basic problem.

The original plan that was never completed, called for a roadway to be built around the back of the station. I will ask Mr. Kivett to indicate the relevant areas on the chart we have with us. The green part is the Union Station, the building that we are all familiar with. The blue part is the temporary station that they started to construct in the back, which is much smaller. We would not propose to tear that out. We would use it for food and storage of baggage and would maintain its integrity.

But the problem with the plan that has been proposed in the House is that, there would be a road between the old station and the railroad station, so that in effect you have isolated the visitors building. If you go in the front door of the visitors building, or you are a visitor who has come in and looked at the materials that are there and then wants to catch the train, you have to run across the road or you have to go up over a stairway and across and down.

The tracks are pushed back, out away from the original building. So you maintain two buildings, which costs a lot more money. We don't think it should be done.

So our proposal, which we hope the committee will adopt and which is in the bill, is to use the station as both a transportation facility and a visitor center. We would take part of the Northeast corridor money, to improve the station. This is a key terminal—next to New York, Mr. Chairman, this handles more passengers than any of the other 15 stations along the corridor. The Visitor Center's integrity would be maintained with the visuals and audio section that is shown, on the chart in green. You would not build the road but simply—the track base is still there—bring the tracks back in where they originally were. You would enter through the front door shown by the dotted line, and then you would have concessions on both sides for use both by the visitors and by the rail passengers. We hope there would be a mixture of both.

Rail will become a greater and greater means of visitors' arrival. Bus people can come from the ramp. People would be able to get in from the garage and go over the ramp and down into the Visitor Center, and either catch a train or catch a cab out at the front door. We would put the ticketing inside of the building right at the part he is pointing to. So you have a compact, one building approach to it.

We would propose to contribute from the Northeast corridor program \$22 million, in funds that are already available. The total cost would be \$52 million. It might be less than that. We would put it out on fixed contracts. In other words, we would not go open ended. I say it might be less than that, because we have to go in and see how badly hurt that structure has been by the weather since it was left sitting there. As you know, once you tear apart an old building and start inside of it, you are not absolutely certain about what you are going to find. But we have given you an upside figure for doing it.

Mr. Chairman, Secretary Joseph will testify from Interior. But Secretary Andrus and I have done everything possible to try to get a common position on this to create an intermodal terminal and a Visitor Center and correct the disaster which we presently have. Thank you, Mr. Chairman.

Senator MOYNIHAN. Thank you, Mr. Secretary.
Secretary Joseph?

STATEMENT OF JAMES A. JOSEPH

Mr. JOSEPH. Thank you, Mr. Chairman. My statement is very brief. Rather than recite the multitude of problems which have beset the Visitor Center, I would like to submit for the record a copy of a letter from Secretary Kleppe to Senator Byrd, as well as a detailed chronology of events which describe the history of the Visitor Center. (See p. 91.)

Mr. Chairman, our concern today is not with past mistakes or failures but simply with where we go from here. Secretary Adams and Secretary Andrus reached an agreement in July of last year that Union Station, in light of anticipated increased rail passenger use in the years to come, should be devoted principally to railroad passenger station use.

For that reason, the Departments of Interior and Transportation, both together, are recommending the enactment of S. 2995. We believe that the enactment of 2995 will accomplish a necessary

transition. We believe that the Departments working together can develop plans that will accommodate both rail passenger and visitor needs, and also at the same time preserve the beauty and dignity of Union Station for the benefit of the city and the Nation.

I will be pleased to answer any questions you may have.

Senator MOYNIHAN. We thank you, Mr. Secretary. I think since you have had the grace to appear as a panel we will question you as a panel.

Mr. Chairman?

Senator RANDOLPH. There are just two or three matters that I think we might clarify. Mr. Secretary, what are the estimates that you have at the present time of rail travelers using Union Station by the end of this century?

Secretary ADAMS. Approximately 23,000 a day, Mr. Chairman.

Senator RANDOLPH. In 1967 when we authorized the legislation, what was the estimate? Do you have a comparison? Is there someone who could do that?

Secretary ADAMS. I could give you this comparison. In 1968, Mr. Chairman, we were at about a million passengers a year. We are now at about 2 million a year.

Senator RANDOLPH. 3,000 a day?

Secretary ADAMS. 23,000 by the end of the period that you mentioned.

Senator RANDOLPH. 23,000?

Secretary ADAMS. Yes, Mr. Chairman.

Senator RANDOLPH. That is what I am saying. At the million it would have been 3,000.

Secretary ADAMS. Yes, I am sorry. I didn't understand your question. Yes, you are correct.

Senator RANDOLPH. Let's go to the Northeast Corridor. I think we have to bring Washington into the picture as compared with some other areas.

How do projected expenditures for the other stations on the Northeast Corridor compare to the amount recommended in Senate 2995 for Union Station?

Secretary ADAMS. Let's see. For Baltimore we are budgeting \$15 million. For Newark we are budgeting \$23 million; for Route 128, \$23 million. I can give you each one if you want it detailed for the 15, Mr. Chairman. These are some I have just picked out. Wilmington, \$12.5 million; Philadelphia, \$12.7 million. The amount for Union Station is higher than the other stations along the way because this one was torn apart.

Senator RANDOLPH. \$22.7 million, is that Washington?

Secretary ADAMS. What is it?

Senator RANDOLPH. \$22.7 million, is that Washington, D.C.?

Secretary ADAMS. No. We are planning to take \$22 million out of the existing Northeast Corridor program and ask for a separate authorization of \$30 million.

Senator RANDOLPH. That brings it to \$52 million?

Secretary ADAMS. Yes. We have a breakdown of that, Mr. Chairman, in the booklet in front of you on page 6.

Senator RANDOLPH. Yes. That is just what I checked.

Mr. Joseph, what is the average visitor attendance per day at the Visitor Center at the present time?

Mr. JOSEPH. We have about 700,000 to 800,000 visitors per year, which averages out to about 2,000 per day, recognizing that there are peak periods when it would be higher than that.

Senator RANDOLPH. 2,000 a day?

Mr. JOSEPH. Yes.

Senator RANDOLPH. There are some persons who think that no one is visiting the center. As you hear them talk one would think that it was a complete failure. I am not trying to say it has been a success, but 2,000 persons are using it daily.

Mr. JOSEPH. Yes. Those are our figures.

Senator RANDOLPH. How would that compare with the projections?

Mr. JOSEPH. It is my understanding that it is substantially below. But we must also allow for the fact that there is no parking.

Senator RANDOLPH. That is right. And in S. 2995, as I recall, provides for 1,400 parking spaces.

Mr. JOSEPH. 1,200 I think.

Senator MOYNIHAN. Actually increase it to 1,400?

Mr. JOSEPH. Yes.

Secretary ADAMS. We would increase it to 1,400. It was 1,200. Under the plan we are proposing, it would go to 1,400.

Senator RANDOLPH. So that would provide the necessary parking which would, of course, increase the use, is that right?

Mr. JOSEPH. Yes. We think there is a direct correlation between the amount of parking available and the number of users. So we think that an increase in parking would lead to an increase in use.

Senator RANDOLPH. Mr. Joseph, is there adequate space for the Visitor Center and all its needs and uses from the standpoint of transportation and visibility?

Mr. JOSEPH. With the addition of the west wing, as Secretary Adams has proposed, we think that there would be sufficient space to serve the Visitor Center's needs. We therefore support the proposal from the Department of Transportation.

Senator RANDOLPH. We are not here to criticize the action of a House committee, but I am wondering if you can be specific as to why you object to what the House committee has done?

Secretary ADAMS. I am never critical of a committee, Mr. Chairman.

Senator RANDOLPH. No. But you come——

Secretary ADAMS. But I have strong feelings.

Senator RANDOLPH [continuing]. You come as an advocate of something different. Let's put it that way.

Secretary ADAMS. Precisely. That is correct.

In the first place, they would build a roadway directly down the middle of the railroad tracks, between the railroad tracks and the Visitor Center. I think that is wrong.

Second, you would have to maintain two buildings, which is going to cost you a considerable amount of additional money.

Third, under their plan there will be serious traffic congestion in that back area——in other words, everybody is trying to get in there and get through it.

Fourth, if you want to get out at the front and enter the front door, you walk about a third of a mile, if you can find it, to get to the railroad station, which is kind of hidden in the back.

Fifth, we have this massive project, the Northeast Corridor, going into effect, and this is the southern terminus of it, and therefore it should be an adequate terminus.

Finally, I think that you will have to appropriate or authorize more money because we will be unable to use transportation money for any of the rehabilitation of that building. And we will also have to rely on getting that ramp built there in order to provide a roof for the station that is in the back.

So we do not think that is a good plan. Therefore, we have recommended this type of compromise.

Senator RANDOLPH. Thank you, Mr. Chairman.

Senator MOYNIHAN. We thank you, sir.

Could I just ask, to get our numbers straight, we estimate there are now 6,000 persons a day arriving by rail. Would that be the 2 million figure?

Secretary ADAMS. That is the intercity figure.

Senator MOYNIHAN. Yes. Then there are 2,000 visitors, some of whom arrive by rail. How many, Mr. Joseph? Do you have any feeling for that?

Mr. JOSEPH. I don't. But let me check with some of the people who work with it directly and see if we do.

We don't, Mr. Chairman.

Senator MOYNIHAN. Some portion thereof.

Senator STAFFORD?

Senator STAFFORD. Thank you, Mr. Chairman. You just brought up two matters that also interested me. I would be curious to know how many of the 800,000 persons per year you estimate see the Visitor Center actually are visitors for that purpose, and how many are in fact simply transiting to catch a train. I think that would be a fairly important figure.

Mr. JOSEPH. I would be delighted to check and see if we could give you an estimate, but we would not have precise figures.

Senator STAFFORD. Thank you.

Secretary ADAMS. I will give you the breakdown as accurately as we have it. We have about 7,000 passengers per day that are on the high-speed rail, in other words going north; about 2,000 long-haul people coming in from the south, Florida trains and so on; and about 4,700 people commuting.

Senator MOYNIHAN. That is a sizable number of people coming in.

Senator STAFFORD. Mr. Secretary, it is always a pleasure to see you over here. Let me ask you these questions.

From what you have said, I gather that the first order of business, if we authorize the program that you have asked for, would be the installation of elevators, directed toward taking care of the needs of handicapped people.

Am I correct in that?

Secretary ADAMS. That is correct.

Senator STAFFORD. I would very strongly indorse what you propose to do here in that case.

What has been the profile on rail passenger use of Union Station over the past decade? I guess you touched on that. But what is the projected use over the next decade? I think you said quite a few

million by the year 2000. But just looking ahead 10 years, which might be of more interest to me and those of us on this committee than the year 2000.

Secretary ADAMS. I have the figures, Mr. Chairman, for 1977, 1982 and 1990. In 1977, high-speed rail, 1.9 million; long-haul, 500,000; commuter rail, 1.3 million. It is estimated in 1982 that high-speed rail will be 2.7 million; long-haul, 640,000; commuter rail, 1.6 million. In 1990, 6.2 million as high-speed rail; 1.6 million on long-haul; and 2.4 million commuter rail.

Senator STAFFORD. Thank you very much.

Could you give us your estimate as to how dependent the Northeast Corridor generally will be for adequate station facilities here in Washington, which you did characterize as the terminus of the operations?

Secretary ADAMS. It is terribly important, Senator, because this not only is the terminus of the Northeast Corridor but it is also the collection point for the trains that come in from the south which connect to go into the Northeast Corridor area.

Senator STAFFORD. Thank you.

Let me address a couple of questions to Secretary Joseph.

Mr. Joseph, approximately \$65 million, according to my figures, have been spent so far to refurbish the Union Station complex, including highway funds. Yet we are now told that the station's turn of the century plumbing and electrical systems are in danger of failure and that the roof is leaking and could collapse and that the foundation is crumbling.

Might I ask why the National Park Service failed to identify these problems earlier and failed to do anything about them during its work on this project?

I might say, if you prefer to, you can answer this in writing.

Mr. JOSEPH. Let me preface my response by saying that my understanding of the total expenditure of funds to this point is about \$46.2 million rather than the amount that you suggested.

As to why there have been so many problems, I have submitted a detailed chronology of what has transpired for the record which will be a part of these proceedings. (See p. 93.)

Senator STAFFORD. Then let me ask this question: I understand the National Park Service, or at least certain people in the Service argue that the Visitor Center has had a notable lack of success, first due to lack of parking and, second, failure of the Center to obtain exhibits and appropriate publicity to enable it to attract visitors. In fact, some say that assistance has been systematically denied to the Center in an effort to assure its failure.

Would you have any comment on this?

Mr. JOSEPH. Senator, as you know, success is relative. If you were judging success on the basis of the initial projection for us, then you would have to say it was a failure. But then you would also have to look at the mitigating circumstances, like the lack of parking.

My understanding of the projections for future use is that if there is sufficient parking, we would likely be talking about 3 to 5 million users a year. So it has been successful in terms of serving 800,000 people a year. It could be more successful if there was parking.

As far as the publicity and that sort of thing is concerned, I assume that that could probably be more, but that is related to a lot of other factors. We have about 15 people working full time to service the visitors on a regular basis. It goes up to about 40 in the summer.

We have supported that effort. Secretary Andrus and I have both supported it. I don't think it is true we have not supported it.

Senator STAFFORD. Thank you very much.

I understand that the discrepancy between the figure I used of \$65 million and yours of \$46 million, or thereabouts, is because the figure I used included certain highway funds, about \$20 million worth that were not part of the figure that you are quoting. That keeps us on the same track.

Mr. JOSEPH. Yes sir.

Senator STAFFORD. Thank you, Mr. Chairman.

Senator MOYNIHAN. Thank you.

Senator RANDOLPH. One quick question. I will be meeting in a few minutes with 150 students from West Virginia. Do any of them go to the Visitor Center, at Union Station?

Mr. Joseph. We have a number of student groups who visit the Visitors Center, if that is the question you are asking.

Senator RANDOLPH. Yes.

Mr. JOSEPH. It is used, and it is ideally suited for use by student groups.

Senator RANDOLPH. How do they get the information that it is there and operative?

Mr. JOSEPH. Well, I suspect the information that we have would be the information they have on other attractions in Washington, which is provided through the National Park Service. That includes all the other monuments and national park facilities.

Senator RANDOLPH. Mr. Joseph, the reason I ask the question, I have been asking these groups if they know anything about the Visitor Center at Union Center, and they say no. I have specifically done it because as we were thinking about this legislation, I have met with 8 to 10 groups on the steps of the Capitol and have had a reason to talk and ask them these questions. They are high school students. In some instances they are elementary and secondary students. They don't know about the Center.

I am not critical. I am just trying to see what has been or has not been done to inform the people of the existence of the Center. They know about the others. They don't know about this.

Mr. JOSEPH. We prepare a brochure which is distributed. In addition to other brochures on other attractions in Washington, this brochure is mailed out to people who inquire about it through correspondence, and a lot of people do. But we have made an attempt to give it the publicity similar to other attractions. But I suspect there are probably a lot of people, because of its newness and incompleteness, that have not known about it.

Senator RANDOLPH. I am sure that is true.

Mr. JOSEPH. Senator, I have a copy of a brochure here if you would like to see it.

Senator RANDOLPH. I think we ought to have it in the record.

Senator MOYNIHAN. Please submit that for the record.



photograph: Robert C. Lauman

The best place to begin your visit to Washington, D.C., is the National Visitor Center. Here you will receive a warm welcome to the Nation's Capital and be able to get free information about the city's many memorials, galleries, museums, and government buildings. Here, too, you can learn of the city's history and of places that played small and large roles in this Nation's history.

The center features an 80-screen slide show, motion pictures, a bookstore, and a host of other services that can help you make the most of your visit to the Nation's Capital. National Park Service employees can answer your questions and provide information on the variety of activities available. Literature on National Park Service sites and other points of interest in the Washington area is also available.

As its name implies, the National Visitor Center also represents the Nation—not just Washington. Persons planning visits to other areas of the United States may obtain travel information in the Discover America Hall of States.

The National Visitor Center is located in former Union Station and is an outstanding example of adaptive reuse of a historic structure. Designed by Daniel H. Burnham, the building was completed in 1907 and today enjoys National Historic Landmark status.

The diagram on the inside of this folder will help you locate the many facilities, services, and programs in the National Visitor Center. We're here to help you have a good visit, so don't hesitate to ask questions.

National Park Service, U.S. Department of the Interior



photograph: Michaels Associates

"Welcome to Washington" Orientation

On 80 screens a slide show presents a spectacular perspective of Washington, D.C.—a city of government, memorials, and people. At the end of the presentation is a listing of facilities and programs of interest to the visitor in and around Washington.

Information Desks

Opposite the main entrance is an information desk where National Park Service employees answer questions and distribute literature about the Washington area. A second desk is in the Gallery.

Theaters

Two 28-minute color films are shown alternately on the half-hour in the twin theaters. In theater 1 you can see *Washington: City Out Of Wilderness*, a film that depicts the city's history from the days of L'Enfant to the present. In theater 2 the *Idea of America* chronicles the struggle for freedom and individual rights that has shaped this Nation.

Discover America Hall of States

If you are planning a trip anywhere in the United States, this is the place to begin. Nine different regional counters provide information you will need for sightseeing, hotel-motel accommodations, camping, sports, and various events in the different states, territories, possessions, and localities.

Gift Shop

A fine selection of gifts representing the work of American Indian craftsmen is available in the gift shop. Items include hand-crafted silver jewelry, blankets, pottery, and art. Souvenirs of your visit to Washington are available, too.

Union Station

A new modern railroad station provides ticket and reservation services for train travelers.

Restaurant

Fast-food service is available. The restaurant provides a leisurely setting in which to enjoy your meal and relax.

Visitor Services

Special facilities and services for visitors include a post office, Traveler's Aid, International Visitor Information Services, assistance for the handicapped, and lodging, eating, tour bus, and USO information.

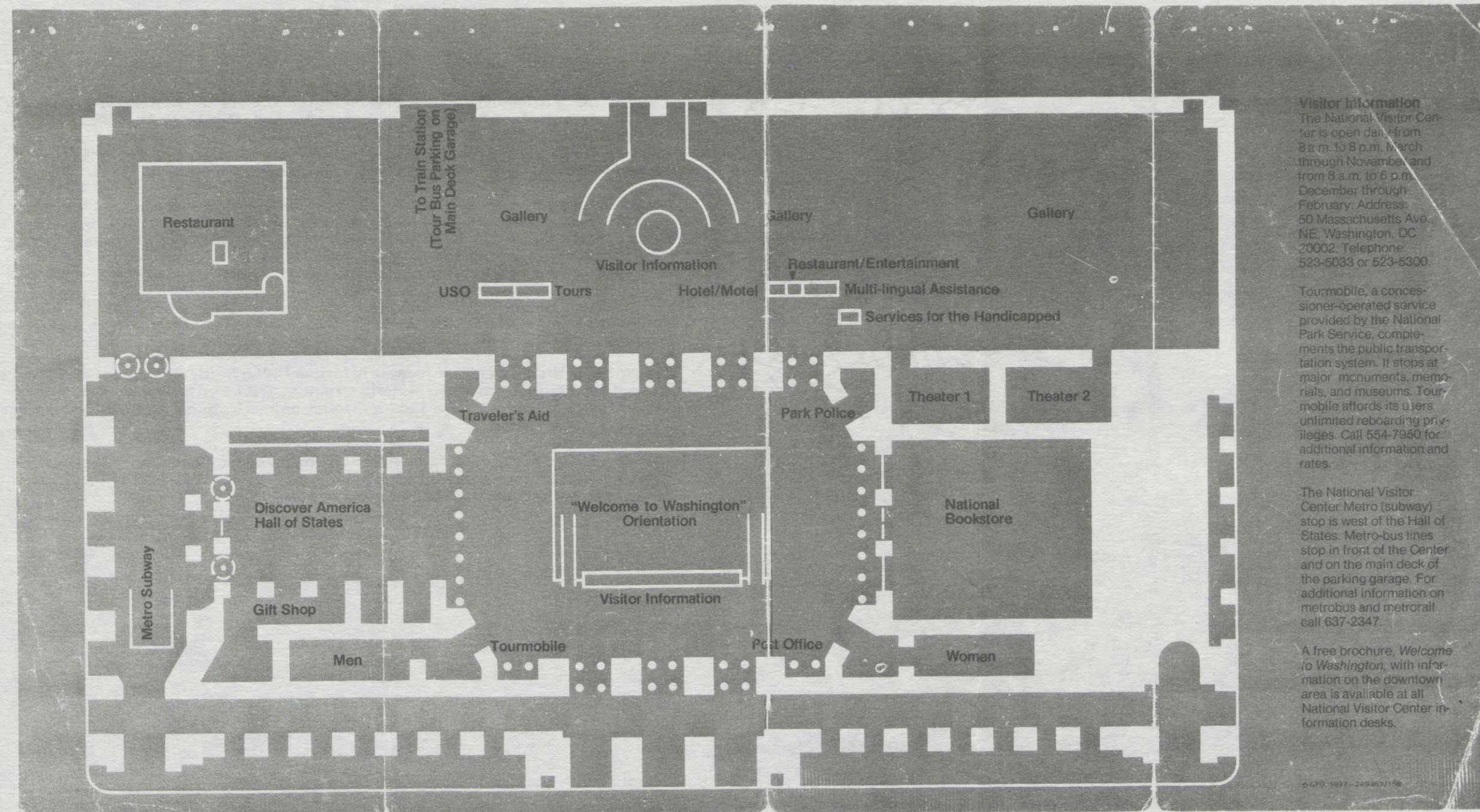
Gallery

In the Gallery area are exhibits that change frequently on various aspects of the Nation's and the city's history. Along the rear wall two pictorial "albums" with time lines chart the history of the United States and the District of Columbia.

National Bookstore

The National Bookstore, a nonprofit organization, has books that deal with all aspects of the American experience. You can find titles on the women's movement, art, music, sports, history, and biography. A detailed guidebook, *Washington, D.C.*, in full color, is available for \$2.

National Visitor Center



Visitor Information

The National Visitor Center is open daily from 8 a.m. to 8 p.m. March through November, and from 8 a.m. to 6 p.m. December through February. Address: 50 Massachusetts Ave. NE, Washington, DC 20002. Telephone: 523-5033 or 523-5300.

Tourmobile, a concessioner-operated service provided by the National Park Service, complements the public transportation system. It stops at major monuments, memorials, and museums. Tourmobile affords its users unlimited reboarding privileges. Call 554-7950 for additional information and rates.

The National Visitor Center Metro (subway) stop is west of the Hall of States. Metro-bus lines stop in front of the Center and on the main deck of the parking garage. For additional information on metrobus and metrorail call 637-2347.

A free brochure, *Welcome to Washington*, with information on the downtown area is available at all National Visitor Center information desks.

[The brochure referred to appears in the foldout opposite this page.]

Senator RANDOLPH. Now a further question. When visitors come to the Visitor Center, as it is now, what do they see that is worthwhile, interesting, or informative?

Mr. JOSEPH. I will let one of the persons operating it answer that.

Mr. HITE. Mr. Chairman, we do have the national bookstore which is I think a very edifying facility, particularly for students. We have the audio visual slide show. And in the west wing from time to time—admittedly, sir, not as frequently as we hope to have in full operation—we have exhibits from various States and things of interest of this nature.

We also have several facilities to pick up information with respect not only to the Washington, D.C., metropolitan area but other national locuses of visitors.

Mr. Chairman, it has been somewhat inhibiting with respect to advertisement, if I could expand on the Under Secretary's statement, because of the lack of completed parking facilities. We have felt that we couldn't adequately handle a tremendous influx of visitors over a sustained period of time. This was a tremendous worry to us during the Bicentennial year.

Senator RANDOLPH. Thank you.

Senator MOYNIHAN. Thank you, Mr. Chairman.

Senator STAFFORD. Mr. Chairman, I just wanted to reserve the right to submit questions in writing to the witnesses for response subsequently in writing, rather than take up more time of the committee here.

Senator MOYNIHAN. That will, of course, be done.

Gentlemen, I have a set of questions that I would like to submit. Then I would like to make three comments quickly and ask one question.

First to Secretary Joseph. If I had an observation about the Visitor Center, it is that its purpose should be to help people decide where they want to go and find out how to get there.

The most extraordinary efforts, if you move Mt. McKinley into the Grand Concourse down there, you wouldn't have the equal of the things people can see 15 blocks away from the Visitor Center. I mean you are not the National Gallery or the Hirshorn or the Portrait Gallery or the hearing rooms of the Senate Committee on Environment and Public Works, the most extraordinary public attractions in town. You shouldn't be asked to compete. That is not your business.

Second, is it your judgment, I would like to ask the whole panel, that the design which has been approved by the House of Representatives in effect would have the effect of inhibiting the use of this facility as a railhead, as a railroad station? It is a third of a mile from where you think you are getting off to get into the railway station until you actually get to a car. You hope to enhance the use of the rail, and you feel this would inhibit that.

Secretary ADAMS. That is correct.

Senator MOYNIHAN. You mean there is no mistaking that, what, four-lane road behind it?

Secretary ADAMS. Three-lane road, going across the back, and it will have taxis dropping people off.

Senator MOYNIHAN. Senator Randolph, that is a curious design if you want people to get from one side to the other. It is bound to make it more difficult. I mean the thing is you want the thing as close together as you can get it.

Secretary ADAMS. Yes; in one building.

Senator MOYNIHAN. This has been a most persuasive and helpful morning. We do very much thank you, Secretary Adams and Secretary Joseph.

Forgive me, Senator Domenici. Senator Domenici has appeared.

Senator DOMENICI. I came in because I happen to use that facility. I am a commuter and come in on a commuter train. I am just going to give you my observation, not knowing a great deal of background.

But it appears to me that it serves neither purpose at this point. It is in my opinion a hodge-podge. We have a brand new facility way in the back for the railroad passengers. When I come in in the morning as a commuter I have to walk what appears to be a couple of blocks through a huge building that I have never seen anyone in.

I don't know if you put in the record how many people use this Visitor Center, but I assume you have.

Senator RANDOLPH. Yes.

Senator DOMENICI. But it does seem to me that what we have now is absolutely unrealistic. We have a Visitor Center that to me isn't going to work, and a major railroad commuter facility that is completely out of focus, it appears to me, with the overall facility.

I am just hopeful that when we make a decision that we certainly make the commuter part work also. It seems to me that that is going to grow.

Is there not evidence that the railroad passenger usage is going to grow in this area?

Secretary ADAMS. That is what my testimony was, Senator. What we have proposed is just what you say, to move the tracks in so that you come directly into one building, the station itself. You would enter the front door. You would walk around the audio visual section. You see where the arrows go to the trains. You are either going to the commuter station or you are going south or up the Northeast Corridor.

Senator DOMENICI. I have no further questions.

Senator MOYNIHAN. We thank you for that testimony.

Senator DOMENICI. Let me ask one other question to the Interior. How many people go into that pit where you show the films down there? Do you have some figures on that?

Mr. JOSEPH. Our figures for total use is about 800,000 a year, which averages out to about 2,000 persons per day for the Visitor Center. As to how many of that 800,000 go down into the pit, I don't know. I can't break that down.

Senator MOYNIHAN. Is the number that go down into the pit the number that come up?

Mr. JOSEPH. We hope so.

Senator MOYNIHAN. Thank you, gentlemen.

[Brief recess.]

Senator MOYNIHAN. The Chair is going to take the liberty of breaking the strict order of the witnesses to appear this morning,

as we know that Mr. Charles Horsky is present who will testify on behalf of the Federal City Council and that he has been here all morning and is one of those persons representing the public interest, conceived in its largest manner. Therefore, we would like to hear from you.

Senator STAFFORD. Mr. Chairman, before the witness proceeds, I wonder if you would indulge me if events overtake us, Mr. Fred Schwengel is here and may seek an opportunity to speak.

Also, there was a series of photographs given to us during the testimony of the two Secretaries. I would ask unanimous consent they might be made a part of the hearing record.

Senator MOYNIHAN. Yes, indeed; that will be done.

[The photographs referred to appear at p. 141. Responses from the Department of Transportation to written questions follow:]



DEPARTMENT OF TRANSPORTATION
FEDERAL RAILROAD ADMINISTRATION
WASHINGTON, D.C. 20590

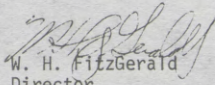
Mr. Joseph Bowman
Research Assistant
Committee on Environment
and Public Works
4204 Dirksen Senate Office Building
Washington, D. C. 20510

0 5 JUN 1978

Dear Mr. Bowman:

Enclosed is our response to specific questions raised by Senator Moynihan on Senate Bill S2995 on May 25. Herbert Jackson of my staff or any of the other principals with whom you have been discussing the subject would be more than pleased to provide any additional or backup information.

Sincerely,


W. H. Fitzgerald
Director
Planning and Budget
Development

Enclosure

Q.1. Does DOT involve itself this heavily in the operation of all train stations or just those along the Northeast Corridor?

A. The Northeast Corridor Project has provided specific impetus for the Department to be extensively involved in the programming, planning, design, and subsequent construction of major improvements to 15 primary railroad stations along the Northeast Corridor on behalf of the \$1.8 billion Northeast Corridor Improvement Project. Washington Union Station has been given special attention due to its critical nature as the southern terminus of the Corridor Project and its presently unsatisfactory accommodation of rail travelers as a result of the National Visitor Center taking over the entire historic building for its functions, the incompleted parking transit and vehicular access facilities as well as the deteriorated condition of the main building's structural and utility systems.

The Federal Railroad Administration is involved to some degree in those railroad stations across the country which are providing services on behalf of the full Amtrak system although generally from an overview and funding level perspective.

Q.2. How many train stations are there along the Northeast Corridor?

A. There are 26 active intercity rail stations along the Northeast Corridor today. 15 stations are slated for some level of improvement as a part of the Northeast Corridor Improvement Project.

Q.3. Are there any other stations along the Northeast Corridor which handle more rail passengers than Union Station, Washington?

A. Washington Union Station handles the second largest amount of intercity rail travelers not only along the Northeast Corridor but elsewhere in Amtrak's system. New York City handles the largest number of intercity rail travelers in the country.

Q.4. Will these stations receive more or less Northeast Corridor funds for improvement than Union Station?

A. The attached chart reflects the last official station budgets for both operational and non-operational improvements. Washington Union Station is programmed to receive the largest amount of funds.

Northeast Corridor Station Budgets
 March 1978
 (costs in millions of dollars fully inflated
 exclusive of 9% for Program Management)

<u>Station</u>	<u>100% Federal- Operational</u>	<u>50% Federal/50% Local Nonoperational</u>
Washington	11.98	21.72
New Carrollton	2.89	10.39
Baltimore	3.50	9.41
Wilmington	3.57	7.98
Philadelphia	2.76	8.92
Trenton	0.56	9.13
Metropark	0.50	10.72
Newark	4.77	15.29
New York	1.21	4.81
Stamford	3.42	11.15
New Haven	7.41	10.49
New London	0.46	.24
Providence	5.25	8.31
Route 128	3.42	15.03
Boston South	<u>7.80</u>	<u>9.76</u>
	59.50	153.35

Q.5. What mode of transportation brings the most people to the District of Columbia annually? How does rail travel compare?

A. The private automobile still dominates personal trips into Washington, D.C. intercity and charter buses would rank second; airlines third and intercity rail fifth. This relative ranking assumes a mixture of tourists and business-related travelers.

Q.6. Section 2(e) of § 2995 authorizes the Department of Transportation to acquire by purchase, lease, condemnation or otherwise any property interests "related to Union Station." Does this mean that privately-owned properties adjacent to Union Station or elsewhere, can be purchased at some later date by Transportation if they decide to do so?

A Effect of § 2(e)

This section would, in fact, permit DOT to purchase properties adjacent to Union Station at a later date. However, we have no plans to do so.

The purpose of this section is to permit DOT to negotiate for property rights held by the railroads and not conveyed to the United States in the lease. We must acquire certain property rights in the station from Washington Terminal Company. In addition, minor design changes might require DOT to have additional easement or access rights from the railroads in order to complete the project. This section would permit DOT to acquire those rights if it became necessary.

Q.7. Does Transportation presently have any plans to do this? What specific pieces of property does Transportation plan to purchase and at what cost?

A At present, DOT has no plans to acquire any specific privately-owned property or property rights outside the station. Section 2(e) is intended as a safeguard provision -- if acquisition of additional rights become necessary in order to complete the project, we could do so without having to ask for additional legislation.

Q.8. Section 3 of § 2995 authorizes assignment by the Washington Terminal Company to DOT all of their rights and obligations, without limitation. What obligations would be involved? Does this mean that the Washington Terminal Company would have to be compensated?

A WTC is obligated by law to operate a railroad passenger station at Union Station. In its capacity as manager of the station, it has certain rights and obligations under an agreement with all the railroads using the station. It also has rights to the use of the replacement station building (which is part of the property leased to the Department of the Interior) in order to carry out their obligations.

We think that relief from these obligations would be sufficient compensation for the related rights which would be assigned to us and that no additional compensation should be necessary.

Q.9. How much does DOT estimate has been spent on the Visitor Center up to this point? How much has Transportation alone spent?

A. The attached chart reflects our understanding of the amount of monies spent to date correlated with their funding sources and specific physical elements of the complex. DOT will have contributed approximately \$9.76 million for the transit deck and associated ramps.

May 1978

WASHINGTON UNION STATION/NATIONAL VISITOR CENTER
COST EXPENDITURES AND FUNDING SOURCES

Funding Sources	Expenditures To Date	Program Element
o DOI (National Park Service) Buildings and Utilities Roads and Trails	\$ 8.86 12.82 <u>\$21.68</u> million	Rehabilitation of main building National Visitor Center exhibits Contribution to Parking Garage
o DOT UMTA	\$ 8.16*	Transit Facility (Deck, Southeast and Southwest Ramps)
FHWA	1.60 <u>\$ 9.76</u> million	H. Street Ramp to Parking Garage
o PRIVATE Railroads GSI Misc. (USO, etc.) Railroads	\$16.43** .17 .02 5.0 <u>\$21.62</u> million	Parking Garage Concessions Concessions Replacement Rail Station
TOTALS	\$53.06 million	

NOTES: * \$6.3 to \$6.9 million to be vouchered by DOI to justify payment by UMTA. Part of railroad's \$16.43 million investment considered 20% local match by UMTA. Grant is between District of Columbia and UMTA.

** First Mortgage - \$16 million borrowed for capital improvements (parking garage) from Chemical and Immigrant Savings Banks of New York at 7½% per year for 25 years.
Second Mortgage - \$27 million at 5% interest for 25 years (property value) held by Terminal Realty Baltimore Company.

Q.10. What is the need for a steam line connection to be constructed between Union Station and the Capitol steam plant, as the bill proposes? What will that cost, and is it included somewhere in the estimate prepared by the consultant you retained? If so, it is not obvious, and can a cost breakdown be submitted for the record?

A. The present heating source for the Union Station complex utilizes an outmoded steam plant which is owned and operated by the Washington Terminal Company in Ivy City. This facility is remote from the complex, very inefficient in terms of energy consumption and the railroads have informed the Department of the Interior of their intention of abandoning the plant in the next 2-3 years due to its high operating and maintenance costs. The Department of the Interior commissioned a technical study on present costs of this system versus tapping into the existing Capitol steam plant lines adjacent to the Old Post Office building and determined that the most cost effective solution would be to use this readily available steam source.

Consultants to the Northeast Corridor Project have estimated the cost of providing this new steam plant connection to be between \$350,000 and \$400,000. Additional expenditures are required within the old building on behalf of the control and distribution systems which have also been included in DOT's present estimate for rehabilitating the historic building's infrastructure.

Q.11. Why did the House Public Works and Transportation Committee find it necessary to stipulate that construction of the steam line would be an expense of Transportation, not Congress?

A. The Architect of the Capitol's policy is that the design costs and construction for expanding the existing steam lines to serve additional Federal buildings must be borne by the user agency and not the Congress directly.

Q.12 Does Department of Transportation foresee the need for any change in the lease agreement with WTC, in the event responsibility should be transferred to them by Interior, as the bill proposes?

A We are uncertain as to whether it would be necessary to renegotiate the existing lease in order to resolve any of the issues raised in connection with the transfer of Union Station to DOT. If it does become necessary, I consider that DOT would have a legal right to do so.

Senator MOYNIHAN. May I say what an honor it is for this committee to have before it one of the persons who fought two decades and has now devoted the great capacity and skill and zealously to the concerns of the Nation's Capital. We know with what affection he is held by the junior Senator and in what esteem he is held in the committee. We welcome you, Mr. Horsky.

STATEMENT OF CHARLES HORSKY, FEDERAL CITY COUNCIL

Mr. HORSKY. Thank you, Mr. Chairman. You are much too generous.

I have a prepared statement which I will submit for the record. (See p. 158.) I would prefer just to speak.

Mr. HORSKY. In the main, the Federal City Council and the committee of that council for which I appear believe the the agreement worked out between Secretary Adams and Secretary Andrus is highly desirable. It is certainly important for the Nation, for the Congress, for the city of Washington, for everyone, to have the Visitor Center complex completed and not left in its half finished state where it is neither a good railroad station nor a good Visitor Center.

I therefore completely applaud the proposal by Secretary Adams as he stated it this morning that he would finish the repairs that are necessary to the main building and that he would complete the garage and that he would complete the elevator for handicapped people which is now missing.

It does seem to me, however, that in evaluating the Visitor Center, as the committee is trying to do this morning, it is unfair to assume that it has had a fair shake. The parking facility was an integral part of the concept of the Visitor Center. Indeed, as it was originally contemplated, the basic plan for the whole complex assumed a 4,000 car garage and a substantially larger railroad station which would be completed than the one that is now there, and extension to the east of the present station.

With that parking facility and with the availability of tourmobiles in front of the station, the idea was for visitors to come, park their cars, receive an orientation as to where to go and how to go, and then tour the monuments and sights of this city by tourmobile. This would give the Visitor Center a real chance to show what it is worth. Even with the 1,400 car garage completed it will have a much better chance to show what it can do.

The problem that I think the committee faces is how much of what is there should be Visitor Center and how much of it should be railroad station. Secretary Adams suggests what essentially is a three-quarters railroad station and one-quarter Visitor Center, or perhaps a little bit more Visitor Center than that. He assumes in his plan, and I couldn't see the pictures but I assume they are the same I have seen earlier, that the rail facility would occupy all of the concourse, which is the glass roofed part of the station behind the main building, and the so-called Hall of States which is the west wing of the main building.

I would suggest to you that a more equitable distribution, in light of the uncertainties both of the potential of the Visitor Center and perhaps unwarranted skepticism that I have of the enormous increase of rail traffic which Secretary Adams projects, would be to

provide for a 50-50 split—to have the concourse be the rail facility and the main building be the Visitor Center.

I think it is also fair to say that the Visitor Center has not been as attractive to visitors as it might be. It seems to me it is more a showplace for the Park Service than a service to the visitor. And I believe that with a little more attention on the part of the Park Service and the Interior Department it can be made more attractive in terms of functional support.

Now one of the problems which Secretary Adams worries very much about is how far you have to walk from the front door of the building or the station to the train. He would reduce that by 200 or 300 feet by moving the rails back a little bit. But there would still be a very long walk.

As you probably know, the original concept was to have the rail passenger traffic served by a roadway behind the station where taxicabs and buses and private cars could discharge rail passengers. It was to be a one-way circle around behind the building and would provide immediate access to the train by someone getting out of a taxicab and walking in.

The objection raised to that roadway by Secretary Adams and others, as I have heard it, is that people who come in the front of the main station would have to walk through the station and then across that roadway, which is a traffic hazard or a pedestrian hazard.

It is possible now to avoid that road crossing by a ramp which starts up from the concourse and crosses over the roadway and then down into the station. And at the moment, of course, the roadway isn't being used so there is just a walkway across it, a covered plywood walkway.

But if the station were going to be used in its best way, that roadway would be finished. Secretary Adams does not propose to do that. He would rather have the rails moved back.

This seems to me to still leave to some extent a long walk to the front door, even to the extended rail. I would suggest the committee give serious consideration to finishing that roadway, either at the level it is now, that is the street level, or perhaps at an elevated level such as next to the ramp to the garage, so that in some fashion a person who wants to get on a train and takes a taxicab from here doesn't have to get off at the front door of the Visitor Center and walk through it to get to the railroad station or to get to the train.

I think that is a matter that the committee might well consider as a possible alternative to closing that roadway entirely or making everyone come in through the front door of the station—visitors and rail passengers alike.

On the whole, however, I urge with the strongest possible emphasis that the committee report a bill to the Senate and let's get on with something. I am sure that with your help, Mr. Chairman, a compromise can be worked out with the views of the other body. They are as interested as I am sure you are in having something done to restore to Washington an adequate rail station and an adequate Visitor Center. I am sure they would be very happy to come to some kind of a compromise which will permit it to be done.

Thank you very much.

Senator MOYNIHAN. I just would like it to be clear on the record right at this moment that as far as this committee is concerned, there is no more persuasive voice that has been heard; the voice of experience and genuine commitment to what can be done in the best interest of Washington.

Mr. HORSKY. Thank you.

Senator MOYNIHAN. Senator Stafford?

Senator STAFFORD. I have nothing to add, Mr. Chairman. I think, Mr. HORSKY, you are a very good witness. I know the spirit of compromise is how we work here. I am prepared to compromise between this body and the House as long as the compromise resembles our bill much more than that of the House.

Mr. HORSKY. The true spirit of compromise.

Senator MOYNIHAN. I just want to make one point. You make the point that the Visitor Center is not now complete, that there is work that has in effect not been finished. This is an enterprise which, among others things, or perhaps the first thing it does is finish the Visitor Center. Far from dismantling it, it completes it. Can we get the Visitor Center people thinking that way? I mean we are finishing their enterprise, not sort of diminishing it in some way.

Mr. HORSKY. I hope so.

Senator MOYNIHAN. Well, that is Secretary Andrus' problem perhaps. And the point about the roadway is a real one, and it may be something we can work out in the conference committee.

But you do make two fundamental points. One is that we finish the Visitor Center, and we have to in a sense restore to Washington a major railroad station facility.

Mr. HORSKY. Right.

Senator MOYNIHAN. And that is our compatible objective.

Mr. HORSKY. Yes.

Senator MOYNIHAN. We thank you very much.

Mr. HORSKY. Thank you.

Senator MOYNIHAN. Now we turn to a group of witnesses who have been kind enough to come forward with specific involvement in the transportation industry. First of all Mr. Don Brazier who is the vice president for finance of Amtrak.

Mr. Brazier, you have been very patient. We do very much appreciate your letting Mr. HORSKY go ahead of you. We welcome you. You have some associates with you.

STATEMENT OF DON R. BRAZIER, VICE PRESIDENT FOR FINANCE, AMTRAK CORP., ACCOMPANIED BY: W. SCOTT ARMENTROUT, NORTHEAST CORRIDOR GENERAL COUNSEL AND DONALD PROSS, STAFF MEMBER

Mr. BRAZIER. Yes, I do, Mr. Chairman. I have next to me Mr. W. Scott Armentrout who is the Northeast Corridor General Counsel. Next to him is Mr. Donald Pross who is a staff member in our corporate planning department at Amtrak headquarters. They have been intimately involved in discussions with the Department of Transportation and the Department of Interior in arriving at the plan that has been presented to the committee today.

Senator MOYNIHAN. We welcome your associates to the committee.

Mr. BRAZIER. We would like on behalf of Amtrak, Mr. Chairman, to add our voice in support to the plan presented by Secretary Adams today and to urge the committee to proceed to provide the necessary authorizations to complete the Union Station and the Visitor Center.

We completely concur that passenger volume through Union Station is on an upward growth, and this will continue as the corridor between New York, Washington, and Boston is completed under the current corridor improvement program.

We also expect that rail commuter service will continue to grow, and Amtrak intercity passenger traffic to and from points south and west of Union Station will increase. We see a corridor-type growth in ridership between Washington and Richmond, Va.

As a matter of fact, Mr. Chairman, even during normal heavy traffic periods today, the rail facility at the Washington terminal is overcrowded and very congested.

We also completely support Secretary Adams' order of priorities for getting the work done. We believe that that is a program that should be completed in the priorities that he has stated, and we completely concur in those.

There are only two things that I think are pertinent to Amtrak's concerns with respect to the Washington Union Station, and those are that Amtrak be given the opportunity—and we are certain we will be given the opportunity—to directly participate in the negotiation and approval of any agreements that affect this project and its future development as it relates to rail passenger service. We certainly have no complaints on that score today, and we do not expect any in the future.

There are only two things that I think are pertinent to Amtrak's concerns with respect to the Washington Union Station, and those are that Amtrak be given the opportunity—and we are certain we will be given the opportunity—to directly participate in the negotiation and approval of any agreements that affect this project and its future development as it relates to rail passenger service. We certainly have no complaints on that score today, and we do not expect any in the future.

Second, any increases in Amtrak's cost under any plan should be clearly noted and specifically funded by the Congress. We are concerned with the Amtrak deficit which has received a lot of publicity recently. It is our judgment if we assume responsibility for operation of Union Station, under a lease from the Department of Transportation, that there will be additional operating costs involved which will show up in Amtrak's budget and for which operating funds will have to be provided.

It is necessarily important to us that this be recognized so that such funding can be specifically provided by the Congress.

We are very hopeful, Mr. Chairman, that the committee will reach a resolution that is consistent with Secretary Adams' plan and complete this facility which will be to the benefit, as we view it, of the rail passenger service and the Visitor Center and also the city of Washington. Thank you very much, sir. We will attempt to respond to any questions you have.

Senator MOYNIHAN. Will you have any role in the ownership of Union Station under the proposed arrangement?

Mr. BRAZIER. The ownership will be transferred to the Department of Transportation, and it is the plan that we would lease from the Department of Transportation that part of it that is devoted to rail passenger service.

Senator MOYNIHAN. You want that lease arrangement to provide you the true cost of doing the job?

Mr. BRAZIER. Yes, sir.

Senator MOYNIHAN. That seems perfectly reasonable and a straightforward proposition.

Just a question. Is the Northeast corridor your most lucrative? Is that the term? No. Is that your best run? How are you doing?

Mr. BRAZIER. Yes, sir. Approximately 60 percent of our traffic, of the whole Amtrak system, is in the Northeast corridor.

Senator MOYNIHAN. Sixty percent?

Mr. BRAZIER. Yes, sir.

Senator MOYNIHAN. By which you mean passengers?

Mr. BRAZIER. Yes, sir; actual passengers.

Senator MOYNIHAN. So are you doing reasonably well? Are you making any money?

Mr. BRAZIER. Mr. Chairman, we are making money in the Northeast corridor metroliner service in terms of the costs that are directly attributable to that service. We do not make money on any Amtrak run. regretfully, if we allocate the corporate and other overhead costs that are necessary to meet all of the fixed operating costs of Amtrak. But it is in the corridor and our metroliner service that we have the best financial picture, and we do make money in terms of relating revenues to avoidable costs for that service.

Senator MOYNIHAN. Do you share the Secretary's optimism on the growth of rail demand?

Mr. BRAZIER. Yes, sir, we do. And I think it is reasonable to expect that volume of traffic with the train frequencies that we will attain as the corridor improvement program is completed.

Senator MOYNIHAN. So a good functioning terminal here is important to those estimates, I assume, and will have some real economic benefits to everybody.

Mr. BRAZIER. Yes, sir. I would say it is critical.

Senator MOYNIHAN. It is critical.

Mr. BRAZIER. Yes, sir.

Senator MOYNIHAN. That is even a more important word.

We very much appreciate your coming and making very clear your position, a very fairminded one. It is very important to hear 60 percent of your traffic goes through the Northeast. This is critical to the further development which is part of a lot of strategy, including the President's energy techniques, and we thank you very much for your testimony.

Mr. BRAZIER. Thank you very much, Mr. Chairman.

Senator MOYNIHAN. Now we are to hear from Mr. C. W. Shaw who is manager of the Washington Terminal Co.

Mr. Shaw, we welcome you to the committee.

STATEMENT OF C. W. SHAW, MANAGER, WASHINGTON
TERMINAL CO.

Mr. SHAW. Thank you, Mr, Chairman. I have a written statement which I submitted, and with your permission I would like to summarize that statement.

Senator MOYNIHAN. Would you submit it for the record?

Mr. SHAW. Yes, sir. (See p. 169.)

Senator MOYNIHAN. Then you may proceed exactly as you wish.

Mr. SHAW. Thank you, sir.

I have been manager of the Washington Terminal Co. since 1965. The Terminal Co. is the corporation which operates the rail passenger terminal in Washington.

It is my understanding there are two proposals concerning the Visitor Center and the Union Station complex. First is the bill endorsed by the administration, which is Senate 2995, and H.R. 11207, and the bill reported by the House Committee on Public Works and Transportation last week, H.R. 12796.

It is my further understanding that H.R. 12796 would complete the project as originally planned and the new passenger station would remain in its present location.

The administration bill, on the other hand, would move the passenger station back in the older building.

The Washington Terminal Co. stock is owned in equal parts by the Baltimore & Ohio Railroad and the National Railroad Passenger Corp., Amtrak. Amtrak believes that passenger ridership in future years will require a larger facility than the present station. The proposal to move back into the old building would provide greater station space.

Baltimore & Ohio believes that the current station is adequate for present and reasonably foreseeable needs and does not favor tearing down the facility which has been recently constructed at a cost of \$3.7 million.

In regard to the specific provisions of the pending legislation of Senate 2995, the Terminal Co. has three concerns. First, the bill contemplates that the Department of Transportation, not the Terminal Co., would operate the rail passenger station. Presumably the intent is that DOT would operate the waiting room and other station facilities inside the station building; whereas, the Terminal Co. would continue to be responsible for operations at station track level and in remaining terminal facilities, which comprise approximately 130 acres.

Second, the Terminal Co. is authorized to assign to the Secretary its rights and obligations in, to, or concerning the rail passenger station. As I stated, the Terminal Co. has invested approximately \$3.7 million in the new station. These improvements are included in the capital case upon which the many railroad users pay rent to the terminal.

If the Washington Terminal Co.'s interest in a new station is to be turned over to DOT, the Terminal Co. should be reimbursed for its investment.

Third, under the contractual arrangement by which terminal expenses are currently allocated among the using railroads, those railroads must approve any substitution of facilities which go into the rent base.

Several years ago when the terminal users approved the move to the new station, one of the factors which weighed heavily was that the predicted operating costs of the smaller, new station would be substantially less than the old.

If Congress determines that station operations should be returned to the old station building, it is only fair that arrangements should be made to protect the railroad users against any increase in operating costs.

With these clarifications and changes, the Washington Terminal Co. would not oppose the administration's bill. As long as our rights are protected, we will do our part to implement whatever plan is approved by the Congress. Whichever approach Congress adopts, the terminal company feels very strongly that something must be done immediately to move ahead with the project. As it is now, the parking facility remains largely unusable, the new railroad station is unfinished, and passengers must walk too far to reach the railroad station.

The new station has suffered substantial water damage due to the unfinished state of the parking garage. This situation could become extremely serious unless construction of the garage is completed.

Of course, the costs for completing all components are subject to continuing escalation.

This concludes my summary of my prepared statement. I would be pleased to answer any questions you might have.

Senator MOYNIHAN. You have answered the most important question we have to put to you, Mr. Shaw, which is that you feel that, I think your last line is that you ask the Congress to take some action to finish the project.

Mr. SHAW. Yes.

Senator MOYNIHAN. This is something that couldn't be more important to the public understanding or the committee's or Congress. The original plans for the Visitor Center haven't been finished, and we hope to have a larger rail traffic down there, and we need to merge these two. We need to get this job done.

The Washington Terminal Co. has some obvious, legitimate concerns which you set forth very clearly. I have some questions I would like to submit for the record for you to answer. If we proceed, we would like to hear from you whether you have been able to reach some acceptable arrangement with the Department of Transportation. I think this is a negotiation between you and the Department of Transportation, not the Congress. But let us know how that goes, will you?

Mr. SHAW. I sure will.

Senator MOYNIHAN. Thank you, sir, for appearing.

Mr. SHAW. Thank you, sir.

[Mr. Shaw's responses to written questions follow:]

The Washington Terminal Company

UNION STATION • WASHINGTON, D. C. 20002

C. W. SHAW, JR.
Manager

June 21, 1978

Mr. Joe Bowman
 Committee on Environment and Public Works
 Room 4204
 Dirksen Senate Office Building
 Washington, D. C. 20510

Dear Mr. Bowman:

This is in response to Senator Moynihan's letter to me dated May 30, 1978. The answers to your questions are as follows:

Question 1. What is the present organizational structure of WTC? What companies or organizations comprise the principal ownership?

Answer. All of the stock of The Washington Terminal Company (WTC) is owned, in equal parts, by The Baltimore and Ohio Railroad Company (B&O) and the National Railroad Passenger Corporation (Amtrak). The Board of Directors of WTC consists of eight members, four nominated by each owner.

Question 2. How has this changed since 1968, when authorization was given for Interior Department to lease Union Station from WTC, and for its conversion to a Visitor Center?

Answer. In 1968, the owners of the stock were B&O and the Philadelphia, Baltimore and Washington Railroad Company (PB&W), a subsidiary of Penn Central Transportation Company. In 1976, PB&W's stock was conveyed to ConRail and immediately thereafter to Amtrak.

Question 3(a). Have these lease agreements been modified since that time?

Answer. Pursuant to the National Visitor Center Facilities Act of 1968, the United States, acting through the Secretary of the Interior, and the owners of the Union Station property entered into an Agreement and Lease dated December 18, 1968. The original Agreement and Lease were replaced by an Agreement and Lease dated March 1, 1972. The 1972 Agreement and Lease were amended twice by letter agreements dated December 21, 1973 and October 31, 1974. In addition, a Financing Restructuring Agreement was entered into November 22, 1974.

(2)

Question 3(b). If the Center were turned over to Transportation Department, as S. 2995 would authorize, would additional modifications to the lease be necessary?

Answer. Yes. Two changes which would be required would be (a) to substitute the Secretary of Transportation for the Secretary of the Interior in all the documents, and (b) to relieve the Washington Terminal Company and its agents from paragraph 8(a) of Revised Attachment A of the October 31, 1974 letter agreement, which requires them to construct "the new station described in drawings by the Visitor Center Architect dated September 9, 1974...." A detailed review of all relevant agreements would be required to determine what additional changes would be necessary.

Question 4. Sec. 3 of this bill makes reference to the Owner, who will assign their rights and obligations to Department of Transportation upon request. Who is the owner referred to here?

Answer. Section 3 refers to "the Company." Presumably the reference is to The Washington Terminal Company and its successors and assigns, as it was in the original National Visitor Center Facilities Act.

Question 5. What are the obligations involved? Does this include indebtedness?

Answer. We did not draft the bill and do not know what is intended. As I indicated in my testimony, this section should be clarified or modified in at least two respects. First it should be made clear exactly what the operating and maintenance responsibilities of WTC and DOT will be -- will DOT have responsibility for everything within the physical confines of the station building, and WTC everything outside, or what? Second, WTC has invested approximately \$3.7 million in the new station. If it is to turn over the station to DOT, it is entitled to be compensated for its investment.

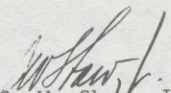
Question 6. Has the Washington Terminal Company at any time discussed, with the Architect of the Capitol or Interior Department, construction of a steam line from the Capitol steam plant to Union Station? Why is this needed or wanted?

Answer. Yes. Due to changes in the type of railroad passenger equipment being operated into Washington Terminal, in the near future it will no longer be economically feasible to maintain WTC's power plant, which presently supplies heat and hot water to the Visitor Center. The Government would save considerable money by supplying steam to the Visitor Center from the Capitol steam plant, rather than keeping the WTC plant operating for that sole purpose.

Questions 7 and 8. Should S. 2995 be enacted into law? What will be WTC's future role insofar as either the Center's remaining space or the railway station are concerned? Does WTC advocate enactment?

Answer. Washington Terminal Company has two primary interests: (1) that some legislation be enacted which will result in completion of the garage and other facilities, and (2) that its rights be adequately protected. With the modifications proposed in my testimony, WTC does not object to either of the pending legislative approaches to solving the problem.

Yours very truly,



C. W. Shaw, Jr.
Manager, WTC.

Senator MOYNIHAN. Now is the case that we are next to hear from Mr. Lewis from the American Bus Association and Mr. Knappen of Trailways. I believe that is the case.

Mr. Arthur D. Lewis is president of the American Bus Association, and Mr. Ted Knappen is vice president of the Eastern Division of Trailways Corp.

Mr. LEWIS. James Corcoran who is vice president of Greyhound is joining us also.

Senator MOYNIHAN. We welcome each of you gentlemen. We will constitute you a panel to talk on these matters.

STATEMENT OF ARTHUR D. LEWIS, PRESIDENT, AMERICAN BUS ASSOCIATION, ACCOMPANIED BY TED KNAPPEN, VICE PRESIDENT, EASTERN DIVISION, TRAILWAYS CORP.; AND, JAMES T. CORCORAN, VICE PRESIDENT, GREYHOUND CORP.

Mr. LEWIS. Thank you, Mr. Chairman.

Mr. Chairman, we appreciate the opportunity you have given us to testify here. I would like to submit my testimony for the record and summarize it briefly, if I may. (See p. 175.)

Senator MOYNIHAN. That is most agreeable.

Mr. LEWIS. Thank you.

The American Bus Association is a national trade association of the intercity bus industry. The intercity bus industry is comprised of approximately 1,000 individual private bus companies. They serve approximately 15,000 communities in the country, over 276,000 miles of route. It is interesting to note that the intercity bus industry provides the only form of public transportation to over 14,000 communities in the country.

For many years we have advocated policies leading to the integration of the transportation services in this country. It is believed that total travel by common carrier transportation will increase with an improvement in the ability of passengers to move easily between transportation modes. Anything which facilitates the ease

of connections between modes will assist in diverting travelers from the private automobile to common carrier transportation.

We believe this should be a major objective in national transportation policies since all forms of common carrier ground transportation are more fuel-efficient and environmentally compatible than the private automobile.

We believe that an integration of the services of the intercity bus industry with other modes provides the only opportunity to do this since its service is so much more pervasive and ubiquitous than other modes.

I don't think you can call a terminal an intermodal terminal, as was defined by the Secretary this morning, and exclude the intercity bus industry.

I would like to turn to the appendixes that I have here, Mr. Chairman, to show you the network of service in and out of Washington, on exhibit A, by the intercity bus industry and the number of stations served by it, as contrasted to railroads from Washington on the next page.

Senator MOYNIHAN. Yes.

Mr. LEWIS. Then reaching to some of the questions you had this morning about volume and business.

The bus industry currently carries in and out of Washington 6.6 million people; 5.8 million of these per year in scheduled service and 800,000 in commuter passengers. That contrasts to 2.2 million for Amtrak.

I apologize for not having other rail passengers than Amtrak. I would like to have an opportunity to study that and submit that. There are a few trains not operated by Amtrak in here.

Senator MOYNIHAN. Would you do that?

Mr. LEWIS. Yes, sir.

[The information referred to follows:]

Intercity-Bus Trends
Principal Operations in Northeast Corridor
Compared With Remainder of Country
1971 - 1976

Routes of principal Class I intercity bus companies primarily within the Northeast Corridor suffered a decline of 25.8 percent in annual passenger-miles between 1971 and 1976 and a decrease of 27.4 percent in numbers of passengers carried. Other routes of the Class I carriers, by comparison, showed decreases considerably less sharp -- 9.2 percent for passenger miles and 11.5 percent for passenger count.

Bus miles were cut 16.8 percent for the Corridor operations as compared with 6.5 percent in other operations. As a result, the average load (passenger miles divided by bus miles) declined 10.7 percent in the Corridor services and 2.6 percent elsewhere.

Revenues declined 1.9 percent for the Corridor routes as compared with a rise of 22.5 percent on other operations, resulting in revenue per bus mile up 17.9 percent on the Corridor routes, less than three-fifths the increase in the corresponding average for other operations (31.1 percent).

These trends are shown on the attached sheet.

Comparative Performance
Principal Northeast Corridor Bus Operations
With Remainder of Country
1971 - 1976

<u>Passenger Miles</u>	
Northeast Corridor	- 25.8%
Other parts of country	- 9.2
Total country	- 11.0
<u>Passengers</u>	
Northeast Corridor	- 27.4%
Other parts of country	- 11.5
Total country	- 13.1
<u>Bus Miles</u>	
Northeast Corridor	- 16.8%
Other parts of country	- 6.5
Total country	- 7.5
<u>Revenues</u>	
Northeast Corridor	- 1.9%
Other parts of country	+ 22.5
Total country	+ 19.6
<u>Average Load</u>	
Northeast Corridor	- 10.7%
Other parts of country	- 2.6
Total country	- 3.6
<u>Average Revenue Per Bus Mile</u>	
Northeast Corridor	+ 17.9%
Other parts of country	+ 31.1
Total country	+ 29.3

Source: ABA (Bus Facts), carrier records, and reports to the Interstate Commerce Commission.

Mr. LEWIS. Routinely we have three times the volume of traffic in and out of this community.

I would like to point out in your discussion this morning about who visits the Visitor Center and Chairman Randolph's concern with the 150 people that came from West Virginia, I suspect they came by bus and I suspect that is the reason why they did not know about the Visitor Center.

Senator MOYNIHAN. You are probably quite right.

Mr. LEWIS. I would suspect if you were to put the intercity bus industry and its tremendous volume of traffic in this terminal, you would be a long way toward increasing the impact of the Visitor Center on the consciousness of the visiting traveler to Washington, D.C.

I would like also to make another comment. I would like to submit another document for the record if I may. This morning the Secretary of Transportation gave rather substantial forecasts for the increase in traffic on Amtrak over the next 15 years or so. We have filed an answer to that, our comments on the environmental impact statement put out by the Department of Transportation last year.

We commented in that that the very large forecast for traffic on Amtrak's Northeast corridor is, No. 1, predicated on a 23-percent increase in population from 1975 to 1990 in the Northeast corridor. The trend in population is down in the Northeast corridor.

Second, the forecast has an increase of 33 percent in per capita travel from 1975 to 1990. And the trend in common carrier travel in the corridor, bus, rail and air, is down and has been for the last 10 years.

The volume of auto traffic in the corridor is increasing at a relatively low rate, reflecting again the trends in population and the like.

So we have filed a comment on the environmental impact statement and question the basic traffic forecasts on which all of the corridor expenditures are being made, including the need for great expansion for Amtrak at the station, to the exclusion of a transportation mode that today carries three times the volume of the intercity rail industry.

I would like, if I may, to file our comment for the record on this.

Senator MOYNIHAN. Would you do that, Mr. Lewis? We will make that a part of the record. We will direct the comment to the Secretary of Transportation and see what he has to say.

Mr. LEWIS. Yes, sir. I would like very much to see that.

Senator MOYNIHAN. We were struck very much by the rapid increase he projected.

Mr. LEWIS. Yes, sir.

[The information follows:]

BEFORE THE
DEPARTMENT OF TRANSPORTATION
FEDERAL RAILWAY ADMINISTRATION

FRA - RNC - ELS - 77-01 - D

Draft of Environmental Impact Statement on the
Northeast Corridor Improvement Project

STATEMENT OF
AMERICAN BUS ASSOCIATION

This statement is filed by the American Bus Association with the Federal Railway Administration following review of the Draft Programmatic Environmental Impact Statement on the Northeast Corridor Improvement Project, Number FRA - RNC - ELS - 77-01 - D, dated August 15, 1977.

The American Bus Association is the national organization of the intercity bus industry. Collectively the 400 operator members of the Association provide more than 90 percent of the intercity bus transportation in the United States. Many of its members compete directly with Amtrak service in the Northeast Corridor, and have a vital interest in a balanced transportation plan for the corridor.

The Association finds that the report contains several assumptions which are not borne out by the facts and are contrary to existing economic and social trends. The Association further believes that correcting these assumptions to reflect current facts and trends which are now very much in evidence will invalidate the Draft Environmental Impact Statement on the Northeast Corridor Improvement Project.

The following analysis is provided.

1. The traffic forecast is predicated on a growth of 23% in the population of the northeast corridor area by 1990. It also assumes a sharp increase in trips per capita (with no justification shown) and the forecast shows 131.3 million intercity person trips in 1990, an increase of 66% over 1975. This projection ignores the fact that the northeast corridor area has had no growth in population since 1970 and that economic trends in the northeast are such that there is little likelihood there will be any increase in population by 1990. In fact, the Bureau of Census report which is summarized in the October 24, 1977 edition of Sales and Marketing Management projects a decline of 0.4% in major metropolitan areas transversed by the northeast corridor rail passenger system in the period 1976-1981.

Accompanying the decline in population growth in the northeast has been a significant slowing down in the growth rate of the labor force in the northeast. Between 1970-1975, the labor force grew at a rate of 2.2% while the national labor force grew 15.7%. Manufacturing employment has been declining for some time. From 1960 to 1975 manufacturing employment dropped 9% in New England and 15.7% in the mid-east states of New York, New Jersey and Pennsylvania.

These population and employment trends are caused by a well publicized, long-term shift of people and jobs from the northeast to the sun belt. This is confirmed on page 2 of the Bureau of Census Report Population and Estimated Projection which states, "Migrants are leaving the larger and older urban centers in the central regions and moving to metropolitan areas in the south and west."

The assumption that traffic per capita in the northeast corridor will increase significantly is not borne out by the trend in traffic volume in this decade. The Impact Statement states that combined Amtrak and airline traffic in the corridor has not yet increased since 1969. Actually it is down. Bus traffic in paralleling operations between Boston and Washington is also down, having declined 26% in passenger miles from 1971 to 1976. Thus, total common carrier travel between corridor cities is down at least since the beginning of this decade and probably from an even earlier date. We do not have complete data on intercity auto travel in the corridor, but there is reason to believe that the trend in intercity auto travel is either flat or increasing at the rate of only 1.5%-2.5% per year.

Thus, there is no basis whatsoever for the presumption that there will be any increase in the volume of common carrier traffic in the corridor between 1975 and 1990, and only a very modest increase in total intercity traffic, if any increase at all.

The current situation is reminiscent of the thousands of school buildings that were built in the late 1960's and early 1970's whose justification was predicated on population trends of the early 1960's. With the sharp decline in the rate of growth of population since then, the vast majority of these buildings are not needed now and may not be needed at all, at least in this century.

Yet, the basic underlying justification for the NECIP is the necessity to accommodate an enormous increase in traffic volume in this area.

II. A related justification for the project is largely predicated on the assumption that Amtrak will be able to divert 12.8% of the then existing automobile traffic to rail service. This is done by a statistical technique that assumes that the passenger will convert all time factors involved in a trip "into a cost factor based on his value of time attribute, and then selects that mode which minimizes the total trip cost....mode splits are determined by calculating what proportion of travelers utilize each available intercity mode."

That technique assumes a pure economic rationale in a person's selection of Amtrak vs. the automobile. We doubt this has credibility with any responsible transportation analyst. We do not believe there is any historic study which can prove that a person makes a selection between the use of his car or any common carrier on the basis of pure time and cost factors, center city to center city.

The report assumes that a reduction in elapsed time from three hours to two hours and forty minutes between Washington and New York and from four hours and thirty minutes to three hours and forty minutes will be meaningful in improving the competitive relationship of Amtrak to the car. This assumption puts too much emphasis on elapsed time as a competitive factor, particularly when it ignores the fact that the vast bulk of corridor traffic is not between the terminals of New York, Boston and Washington, but between these cities and the intermediate cities between them and between the intermediate cities themselves. Time savings on these shorter segments would be only a fraction of the total time saved from terminal to terminal. Again, there is no statistical basis to assume that such marginal changes in elapsed time would cause the driver to get out of his car and into Amtrak. Yet the environmental impact statement assumes one out of eight potential automobile travelers would divert to the bus because of the project.

On the other hand, there is a good reason to presume that an increase in the quality of service for one common carrier would have an effect on its competitive position with another common carrier and particularly in relation to the competitive position of the bus with Amtrak. There is good reason to believe that Amtrak has already diverted a significant amount of traffic from the bus industry on the corridor. From 1971 to 1976 bus traffic carried in the corridor by corridor operators declined 26%, whereas regular route traffic elsewhere in the country declined only 11%. With the improvement contemplated in speed, frequency of service and more commodious trains the common carrier bus industry can expect an acceleration in the diversion of its traffic to Amtrak by

1990. This could easily result in diverting much more bus traffic to Amtrak than the 28.4% forecast in the study. The diversion could easily be twice this volume or more with an eventual destruction of the bus industry in the corridor. This is particularly true if Amtrak follows the pricing policy advocated in the study of cutting fares south of New York by 19% and north by 10%. With this pricing policy, sheer catastrophe could occur to the bus industry.

III. The corridor project also is justified on the basis that Amtrak must be expanded to relieve the congestion on the highway facilities in the corridor, although the report recognizes that the diversion from the automobile would affect this problem only in the most minimal manner.

This is borne out by the graph on page 214 of the Impact Statement which shows the level of automobile traffic on the corridor broken down between local traffic and intercity traffic. It shows very clearly the fact recognized by the report that "the problem of providing intercity highway service is not one of inadequacy in the link between suburban areas." The table shows that local traffic on adjacent highways in the New York metropolitan area is approximately twenty times the volume of intercity passenger traffic. In Philadelphia the local traffic on adjacent highways is 7 to 8 times the volume of the intercity traffic and in Boston, it is approximately ten times.

The bottlenecks in the corridor are caused by local traffic and those bottlenecks will have to be cured in order to accommodate local traffic. A diversion of 12.8% (one out of 8) of something which is only 5% of the volume of local traffic in and around New York is not going to have any effect on New York's problems and the need to cure them. A similar conclusion can be reached regarding Philadelphia and Boston.

IV. The report states that Conrail will encounter substantial capital costs to make its motive power compatible with the electrical system to be installed in the northeast corridor. Costs are estimated to be \$20 million.

The report states that the source of funds would be those already provided by the 4R Act. Conrail, however, estimates the capital costs for motive power conversion because of the project to be a minimum of \$75 million. It is surprising that FRA, at the time of issuance of this report, did not then know that Conrail is going to require more federal funding than is provided by the 4R Act. This \$75 million funding would not only involve funds not now authorized but would be a significant burden for Conrail, itself a private enterprise company, and one that must be treated like a private enterprise company in governmental relations with it.

The report recognizes that the northeast corridor is one of the most complex rail systems in the country and one of the most congested, particularly between Philadelphia and New Haven. It also recognizes that the facility between Washington and Philadelphia is a two-track system and is inadequate. An expanded Amtrak as forecast in the project will ultimately force utilization of a parallel Chessie line or the installation of a third track. Either course of action will require a large amount of money not dealt with in the Impact Statement.

The NEC project assumes a priority of Amtrak intercity operations over all others, particularly over freight operations in the corridor. This could have significant adverse impact not only on Conrail's economic results, but might be a factor which could result in stimulating further the migration of industry out of the corridor. The report states that, "A number of controls must be placed on freight operations. Among the more probable controls are: limitations on train length; elimination of freight entry during peak passenger traffic hours; elimination of make-up or switching movement utilizing high speed track; and requirement of continuous movement for all access and egress to and from high speed tracks."

It is difficult to evaluate the day in and day out negative impact this would have on Conrail's cost and operations, but it cannot be ignored.

It would be significant. However, it is passed off in the report by the statement that, "Faced with these capital and operating costs, Conrail might find it cost-effective to make investments in alternate routes and remove freight traffic from the corridor wherever possible." By this statement the report ignores a major impact of the project and passes it off backhandedly with the statement, "The implementation of any major freight diversion routes will, then, be based on judgment of Conrail's management and the availability of funding."

V. The affect on air quality will be adverse, not minimally improved by the corridor project. If the traffic volume as forecast in the corridor project does not materialize or if Amtrak does not succeed in diverting to itself 12.8% of the automobile traffic, the improvement in air quality standards which are forecast could not occur. By diverting traffic from the bus, the program would actually impair air quality standards.

The Impact Statement candidly admits that the project "will increase the localized emission from regional power plants due to increased electrical consumption." Many of these generating plants are located in heavily polluted urban areas.

VI. The Environmental Impact Statement says that by 1990, with operations at full patronage levels, (whatever that means) the project will reduce the total energy consumption for intercity passenger transportation in the northeast corridor by 0.6%.

But this is predicated on a 61% load factor in regular operations and this is an impossibility. As shown in the Impact Statement, Amtrak operated in the base period at a load factor of 37%. While it may improve modestly from this level utilizing 390 passenger trains, such improvement in the load factor would be minimal at best. If Amtrak did not increase its load factor from the base period it would have to increase seat miles by 65% and this would likely require an increase in train mileage approaching 50%.

With a forecast energy reduction for the NEC area of only 0.6% there is no way Amtrak could increase train miles by a factor approaching 50% and not cause a significant increase of total fuel consumption in the northeast corridor.

The report assumes that by Amtrak going 100% to electrical power and by diverting auto traffic to it that a reduction can be made in consumption of petroleum products in the corridor. However, to achieve the goal by 1990, the report assumes that 40.7% of the electric power generated in the northeast in that year would come from nuclear power. That compares to a figure of about 1% today and completely ignores the fact that at the present time a 12-14 year period is required to bring a new nuclear project into production. There is no analysis as to how such a capacity could conceivably be brought on stream.

Alternatively the report assumes that a significant amount of electrical power can be generated by a conversion of east coast oilfired power plants to coal. This ignores the problem of converting oil using utilities to coal which have never before used coal. Thus, the Impact Statement is wrong in its forecast of reduction of energy consumption and it is wrong in its forecast of the rate at which it will save petroleum fuel.

VII. The forecast of operating results set forth on pages 33 to 37 are misleading. The report states that there will be a dramatic improvement of productivity of public investment in operation of rail passenger services in the corridor with the deficit per revenue passenger mile declining from 8.4¢ in 1976 to 1.0¢ or 2.5¢ in 1990. The report states "In conclusion, it appears that not only will the NECIP reduce the total Amtrak operating deficit for NEC service, but the deficit on a passenger mile basis will be reduced by at least 70% in 1990." The figures quoted above of 8.4¢ is the deficit in 1976 stated in 1976 dollars. The deficit in 1990 is also predicated upon 1976 dollars, but the deficit calculated on a unit basis is predicated on the volume of traffic in 1990. The

implication from the statement is that there will be improved operating efficiencies which will reduce the loss on the service. And this is not the case. Actually, this improvement comes only with a rather cavalier treatment of the problem of inflation and is a misrepresentation of the facts.

Predicated on 1976 dollars, the estimated cost of operation in 1990 is shown to be a range of \$300 million to \$350 million. In its 5-year plan Amtrak forecasts operating costs to be in that range as early as 1982 (\$332 million). Furthermore, the implication in the report that Amtrak's overhead would drop considerably during this period is not borne out by the forecast shown in Amtrak's five-year plan. In 1982 its five-year plan shows an operating ratio of approximately 200% in the corridor and this is about the same ratio that existed in 1976. 1982 is six years later than 1976 and it is only eight years prior to 1990.

Furthermore, Amtrak's operating costs are predicated on the load factor of 61% which, as noted above, is an unreal projection. The best one could expect is a modest improvement in load factor with the 390 passenger trains utilized. If no improvement is obtained over the base period shown in the Impact Statement, train miles operated would be about 50% greater than the miles on which the 1990 cost line was projected. Costs would obviously be much greater than forecast and the deficit astronomical.

The deficit in the corridor projected in Amtrak's five-year plan for 1982 is \$153 million and preliminary analysis of the five-year plan shows this to be quite optimistic. This is up 65% from the operating deficit in 1977. There is little or no reason to assume that the full operating deficit by 1990 will not increase by another 65% at least. This would indicate a deficit in the corridor operation of \$250 million alone not counting any allocation of corporate overhead.

In addition, in order to evaluate the program and its economic consequences to the nation, the corridor improvement costs of \$1.9 billion should be amortized over a reasonable period of time. Over a period of 20 years, amortization costs would average another \$95 million.

Similarly, treating the cost of capital employed in the project, the interest costs to the government of 8½% on the embedded capital involved in the project would increase the total annual cost of the project to our society by another \$85 million or so.

Thus, properly anticipating the operating losses of about \$250 million per year, adding to that a normal write-off of investment costs of about \$95 million and adding also a charge for capital used of about \$85 million per year, results in a basic ongoing annual cost attributable to this project of about \$500 million per year.

This is an enormous expenditure of funds for what will constitute a very marginal improvement in service to the public, one which will actually result in a degradation of the environment, will use more energy than will be consumed otherwise and will likely destroy a competing common carrier which is much more energy efficient and environmentally compatible.

Mr. LEWIS. We have been advocating the development of intermodal terminals nationwide. An endorsement of this concept by this Congress would be a very important first step in implementing that program.

It provides the best opportunity in the Nation's Capital for us to show the values which can be gained by an improvement in the interface between transportation modes.

We were gratified when in late 1975 the U.S. Congress mandated an Intermodal Transportation Center at Union Station when enacting the Amtrak Improvement Act of 1975, Public Law 93-496. This act authorized \$5 million for planning transportation intermodal terminals. This \$5 million planning authorization included \$1.5 million for planning of a multimodal facility in Washington Union Station to interface with Amtrak, the intercity buses, local transit and Metro Subway, and the air carriers at National Airport via the Metro Subway from Union Station.

In spite of the 1976 Department of Transportation task 14 study report, which recommended the inclusion of intercity bus facilities, we heard nothing throughout the entire year 1977; nor did we see any activity by the Department in implementation of the task 14 recommendations.

We were very disturbed when Secretary of Transportation, Brock Adams, in testifying before the Subcommittee on Public Buildings and Grounds, urged that Washington's Union Station be modified solely for the benefit of the rail modes and to the total exclusion of intercity business.

At this point in time we think it is unconscionable in our view for the Department of Transportation to recommend or advance any plan that does not now provide for and incorporate intercity bus facilities at Washington's Union Station.

It is our very strong view that this Congress must insist that the Department of Transportation address itself to the challenge of bringing together intercity bus, intercity rail, commuter rail, local transit, local sightseeing bus charter and tour services.

We don't think this Congress should accept any compromise that would permit rail expansion in the present Union Station and ignore or defer inclusion of the intercity bus facilities in this intermodal complex. Any compromise at this time must be interpreted as a retreat from the intermodal concept and abandonment of what is necessary for a perfected national transportation system.

We know that Secretary of Transportation Adams rejected the drawings which were recommended by the architects, Skidmore, Owings & Merrill, because it would cost too much to include the intercity buses at \$50 million in the facility.

Senator MOYNIHAN. Would you go over that once again, sir? Skidmore, Owings & Merrill produced plans that would include the intermodal—

Mr. LEWIS. It would put the intermodal in the facility over the long-haul traffic, requiring a platform to be—

Senator MOYNIHAN. The additional cost was what?

Mr. LEWIS. \$50 million. Logically he rejected that. We would concur with that.

Senator MOYNIHAN. That is a lot of money. I guess this is SOM.

Mr. LEWIS. But we ourselves took a look at it and we believe an intermodal terminal facility can be constructed on block 720 that would accommodate the intercity bus industry and the tour and charter industries at a cost for the building in the order of \$8 million. The land itself would be an additional \$2.5 million. So we don't see anything higher like the enormous expenditure of \$50 million for a bus facility.

Again, I don't want to belabor the point, but as we reach forward in our society, attempting to make public transportation more accessible and used to a greater extent by the general public in lieu of their automobiles, we believe that intermodal terminals will be an important element of that, and it is critical at this point to step firm in that direction and not back away from it.

Senator MOYNIHAN. Could I just ask you—and this is obviously very important testimony, Mr. Lewis—block 720, that is a designation of Washington real estate, is that it?

Mr. LEWIS. Yes.

Mr. CORCORAN. Senator, if you look at Union Station, that is to the right. It is now jointly owned by Amtrak and the Washington Terminal Co. It is the old mailhouse building there. It is generally in that area right there. I think it is up farther a little bit. I think it is almost directly opposite to the right of the concourse where that east ramp goes up there.

Senator MOYNIHAN. I got you. That designation of the city was laid out by blocks, as I recall.

Mr. CORCORAN. Right. That is where it comes from. The architect has all different plans on it. But the land right now is jointly owned by Amtrak and the Washington Terminal Co. I believe. I don't believe it is in use.

Senator MOYNIHAN. It is an old building there; it is just derelict.

Mr. CORCORAN. It is just standing there, a vacant building.

Senator MOYNIHAN. All right. Let's hear from Mr. Knappen.

STATEMENT OF TED KNAPPEN

Mr. KNAPPEN. Thank you, Mr. Chairman. I also have a prepared statement which I would like to submit for the record. (See p. 186.)

We fully subscribe to the comments of Mr. LEWIS. There are just a couple of extra comments I would like to make.

In the Northeast corridor in the last 7 years, since the inception of Amtrak, the intercity bus industry has been gravely damaged. Trailways, for example, has lost almost 40 percent of its passenger miles in the Northeast corridor during that period of time. Now this compares to a nationwide, excluding the Northeast corridor, slight increase of about 2.2 percent.

It is clear that this is largely caused by the subsidized competition of Amtrak on an hourly basis in the corridor. There are good reasons and good arguments for the prosperity of Amtrak. I don't argue with those.

But certainly one of the good reasons and good intents was not to put the intercity bus industry out of business.

Senator MOYNIHAN. Certainly not. Do you have any figures that would indicate how many of the new rail passengers probably or arguably represent bus passengers who have just moved over?

Mr. KNAPPEN. That is an interesting point, Mr. Chairman. We have not done a study on it.

Senator MOYNIHAN. Why don't you?

Mr. KNAPPEN. But Amtrak and FRA have done some studies which I think tell the story very well. Again this is in the Northeast corridor improvement project and environmental impact statement.

They estimate that between now and 1990 that Amtrak will divert from bus 28.6 percent of the existing bus passengers. Now that is in addition to the diversion that has already occurred.

These are Amtrak and FRA figures. They are not bus industry figures. So I think that obviously under the present scheme of things we face a very grave problem and one that clearly is not intended by the Government planners.

Senator MOYNIHAN. I am going to introduce a law—I am going to get a law passed—which reduces the pension rights of any official in Government who gives us an estimate of something in the next 20 years of something like 28.6 percent as against quite a lot to a little. Some 28.6 percent?

Mr. KNAPPEN. A slight margin for error there, I am sure. I think the really significant point here is that from a public—

Senator MOYNIHAN. I am really thinking now—if you let me interrupt—of \$1,000 of retirement pay for every 1 percent you are off.

Mr. KNAPPEN. I think the significant thing here is from a public policy standpoint this really doesn't make a whole lot of sense.

There is an interesting new report out by the Interstate Commerce Commission which rather clearly demonstrates that the intercity bus is substantially the most energy-efficient mode of transportation and is the safest and obviously the most cost-efficient.

For all of these reasons it seems to us that it is essential that we continue as a viable mode of transportation. Unless we have some sort of equality of treatment with regard to the development of

new facilities in the Northeast corridor, that clearly cannot happen.

It seems to us that the Washington proposed intermodal transportation center is an ideal place to start and set a real model for the Nation.

For those reasons we firmly believe that we should be included as equal partners in this program. Thank you.

Senator MOYNIHAN. Mr. Knappen, this is sort of unsettling testimony. Is it the case that out of a certain kind of upper middle class presumption that rails are better than buses we took an efficient private enterprise system and destroyed it, or not destroyed it but hurt it by a Federal subsidy on an alternative system which serves no larger public purpose? Could you submit for the record that Interstate Commerce report, a summary of it?

Mr. KNAPPEN. I certainly will. I will be happy to, sir.

[The following has been excerpted from the above named report. The complete report has been retained in the committee files.]

THE INTERCITY BUS INDUSTRY
A PRELIMINARY STUDY

INTERSTATE COMMERCE COMMISSION
BUREAU OF ECONOMICS
May, 1978

This study, issued as information, has not been adopted by the
Interstate Commerce Commission.

PREFACE

This comprehensive but preliminary review of the bus industry was initiated by Chairman A. Daniel O'Neal in recognition of concerns that the industry may be facing issues which will influence its ability to serve the public in the future. The Bureau of Economics was asked to conduct a study which would quickly bring together as much information as possible to gain a preliminary assessment of the past, present, and future state of the industry.

This review was assembled by the Bureau's Section of Motor Carrier Analysis with assistance from Offices and Bureaus within the Commission and from others outside the Commission. Major contributions included those made by the Section of Cost and Valuation and the Section of Financial Analysis in the Bureau of Accounts. Important assistance also was provided by the Bureau of Investigations and Enforcement, The Bureau of Operations, Bureau of Traffic, and the Office of Proceedings--particularly the Section of Operating Rights and the Section of Rates.

Contributions from outside the Commission were made by the Department of Transportation and assistance and cooperation were rendered by several carriers in the bus industry, the American Bus Association, and the National Bus Traffic Association, Inc. Advice from the Council on Wage and Price Stability, the Department of Justice, and the Federal Trade Commission was also helpful.

It became clear as the material was assembled that even though much information was brought into focus, there are substantial gaps in our understanding of the industry. Therefore, while the effort here represents a rather comprehensive assembly of data, it more properly serves as a threshold study for assessing priorities in considering the need for more refined data, research, and analysis in the future.

Ernest R. Olson
Director

Executive Summary

This is a comprehensive but preliminary review of the history, development, and present structure and health of the intercity bus industry. Although substantial data were assembled and analyzed, reliable projections of the future were not possible.

The study traces the industry from its beginnings as an outgrowth or extension of the development of the automobile. Growth was enhanced by extensive road building activity in response to mushrooming auto use. Early bus firms quickly extended operations to intercity service as a result and local and regional firms proliferated. Merger activity in the 1920's led to the creation in 1926 of the now dominant Greyhound Company and of the Trailways System in 1936, which welded many small carriers into two national systems.

General growth and prosperity of the industry has in recent years been dimmed by a shrinkage of passenger demand and certain reduced profitability, particularly on regular route passenger service. Charter and package express services have by contrast, shown growth with apparent profit.

Early regulation imposed by the States in the interest of safety and for various economic reasons, became less influential with passage of the Motor Carrier Act of 1935, which brought both interstate bus transportation of passengers and truck transport of freight under Federal control. Federal regulation generally has focused on entry and merger activity and to a lesser extent (until recent years) on fare levels.

Even though buses serve the most extensive network of communities (over 15,000) of any common carrier and provide much lower cost service with greater fuel efficiency than the automobile (with low passenger counts) and other carriers, the bus passenger market has declined in recent years, showing only a temporary upsurge during the 1974 fuel shortage. Clearly, the automobile is by far the most potent competitor to bus travel, as it is to the bulk of common carrier (rail, air) passenger service. Amtrak and air carriers in select markets appear to also offer some competition to intercity buses.

The bus passenger market is somewhat unusual compared to that of other common carrier modes. Bus passengers tend to be drawn from the low income and non-professional occupational groups. The relatively young and old, students, military personnel and retirees are heavy users. Moreover, a high proportion of trips taken are non-business oriented and are for relatively short distances.

The industry is dominated by the Greyhound and Trailways systems. Their size and high profile may unduly distort the general perception of an industry which is actually quite heterogeneous. Almost two-thirds of class I carrier operating revenues are generated by regular route intercity service. Most of the rest of the revenues comes from growing charter and special services (16.3 percent in 1976), and package express service (15.2 percent in 1976). Package express, a significant

growth area for the two dominant national systems, but not necessarily for regional carriers, appears to have filled a void in a burgeoning and increasingly competitive small shipment service market. Efforts to more clearly identify the unique characteristics of carriers on either a regional or size grouping basis were largely unsuccessful due to the nature of the available data and the unique operations of individual carriers in these groups.

Comprehensive financial analysis suggests that current rates of return appear to be low, and incentives to provide regular route service seem limited.

The existence of cross-subsidy among services rendered (regular route, charter, and package express), or between various routes (intercity dense routes and rural routes) is very difficult to assess with presently available costing and accounting tools. The innovative cost analysis efforts used in this study suggest, however, that regular route passenger service is subsidized by the other services. Certainly, those other services appear to be more profitable. Whether certain routes may be more profitable than others could not be definitely ascertained.

Passenger complaints and other Commission reviews provided some perception of passenger service and satisfaction. Concerns relating to baggage checking and liability proved to be a focal point. Unauthorized service in charter operations is also a point of issue. Both are receiving continuing attention by the Commission.

State financial assistance to bus service is relatively limited. However, a major effort in the State of Michigan to provide service demonstration subsidized programs in the State has resulted in the services being continued following the termination of subsidy. Programs in other States are largely commuter bus oriented or are too new to provide valid assessment of results and permanent impact.

Bus technology shows a promise for increasing the efficiency of the vehicle. There is continuing opportunity for improved fuel efficiency although potential for improvements in the comparative efficiency of the bus relative to other forms of passenger transport seems limited. The use of turbine power has been in the range of possibility for some time but still seems to be in the distant future. Refinements, rather than any dramatic breakthrough in technology and passenger comfort seem to be the trend of future equipment changes.

The opportunity to assess the future of the industry was reviewed. Only limited work has been done in the field and yet, available econometric analysis suggests that passenger demand is sensitive to service and that fare reductions may not be an especially effective tool to increase ridership, particularly over short distances. However, much more refinement will be necessary to gain reliable guidelines for a sound study of industry demand.

Long term and short term projections which have been made of the industry were also reviewed. The longer term bus ridership projections appear to be overly optimistic. Shorter term

estimates seem more realistic, but because of their recent vintage could not be evaluated for accuracy. While no long term estimate of the future is presently satisfactory, there is promise that with additional research and refinement, a projection tool can be developed to assess the future with reasonable accuracy.

Viewed at the current crossroad, the bus industry appears to have achieved maturity and undergone a certain measure of decline--if regular route passenger service is the key criterion of health. Regular route service has declined since 1966 and bus ridership represents a declining share of the intercity travel market. Profits appear to be declining and the cost of capital improvements has been impacted by inflation.

The fact that bus service is provided to many points not served by other common carriers and for a unique ridership population having few transportation alternatives may tend to preserve a basic ridership level. However, growing affluence, the pervasiveness and availability of the automobile along with the impact of competition from other modes in select markets will continue to present substantial challenges.

A bright spot appears to be the growth of charter services and the expansion of package express service. With regard to the latter, providing competitive, reliable scheduled service seems to offer a unique opportunity for profit growth.

Difficulty in generating sufficient revenues to replace equipment under conditions of inflation and in upgrading or relocating terminals suggests the possibility of need for policy revision.

The fuel efficiency of the equipment and flexibility of service also suggest that the bus has a potential beyond the traditional view. The subsidized experiments in Michigan indicate that demonstration programs may provide some incentive to consider options for social benefit.

It may well be that the bus industry deserves to be viewed with new respect for the special market it serves. Clearly, the industry is confronted with a number of concerns which deserve to be addressed. The absence of sophisticated analytical tools suggests that the industry should reconsider and review its costing and pricing knowledge, marketing strategy, service capabilities, and facilities for meeting present and potential ridership needs in today's economic and social environment. Government, too, whether State or Federal, should match the industry with a review of social and transportation policy, including regulatory needs, to discern opportunities for encouraging and assuring the maintenance of adequate and effective service. Preliminary analysis suggests that such reviews can provide a deeper understanding of the major issues confronting the bus industry. This should, in turn, aid in the development of solutions to assure that future bus service will be provided by a healthy industry.

Chapter 8: Conclusions and Recommendations

Conclusions

This study has assembled a wealth of information from a wide range of sources. Nevertheless, it is clear that there is a scarcity of in-depth industry information from which soundly based analyses can be made and upon which definitive conclusions can be reached. So, many of the conclusions derived can at best be termed tentative. The study does suggest, however, that the current financial performance of the industry merits the dedicated concern of those who are charged with responsibility for setting policy which will affect the long term viability of bus transportation.

The bus industry plays a vital role in the transportation of intercity travelers. It provides transportation service to 15,000 large and small points, including virtually all the small towns in rural America--as well as thousands of cross-roads and other "flag stops." No other form of public common carrier transportation approaches this broad coverage. Moreover, the industry serves a major segment of the traveling public which has little or no option for alternative transport, including students, retirees, and low income and minority groups. With an average trip length of approximately 115 miles, the industry serves as a relatively convenient and flexible mode of transport for short trips. The results of promotions offering reduced long-distance fares suggest untapped potential for trips of longer length as well. The private automobile is by far the primary competitor with Amtrak and air carriers showing selective competition in certain markets.

Obviously, the industry faces difficulties. A relatively stable demand for regular route service (currently about 340 million passengers served annually) showed only a temporary upturn during the OPEC fuel crisis. This reflected a shift of ridership from the private auto when fuel supply difficulties made using the bus a necessary alternative. When fuel became available (even at a higher price), ridership returned to earlier levels. The automobile appears to have permanently captured an overwhelming share of the intercity passenger market. With continuing increased auto registrations and increased affluence, and in the absence of severe barriers to auto use, the auto seems destined to continue its impact on bus passenger ridership.

The bus industry has not been successful in penetrating the market for business travel or for travel by persons with higher incomes. These are large and relatively stable markets served by competing common carriers and represent potential revenue growth opportunities for this industry. The study refers to secondary source information indicating reasons for failure to capitalize on these markets (status, travel time, flexibility) but little evidence is available to verify these perceptions or to quantify attempts by carriers to successfully alter them.

Despite slackened demand and loss of market share in basic regular route intercity service, charter service, which provides a flexible, low cost means to respond to "group" needs for customized transportation service, has shown growth in recent years. Together with the substantial expansion of package express services offered by some carriers, these two services offer bright spots in the industry outlook and suggest areas of possible emphasis for intercity bus operators.

With the commanding presence of Greyhound and to a lesser degree the Trailways system, industrywide data may be severely skewed to the extent that Greyhound and Trailways data differ from average industry performance. Further analysis must avoid confusing these dominant carriers' performance for industry performance.

That commanding presence was generated by the initiative of management and appears to have been fostered by acceptance in regulatory policy of the desirability of through service and a strengthened industry. In this climate, the industry grew and prospered from its early beginnings through the consolidation periods in the late 1920's and 1930's, and during World War II. Since growing into maturity, however, passenger growth has flattened for a variety of reasons and today the future of the industry is far from clear. Available projections of future ridership appear to be unrealistically optimistic and would seem to be based upon an expectation of major government policy shifts or on revisions in the economic climate. Such major changes as placing substantial restrictions on private automobile use, huge increases in fuel cost or restrictions on its availability, and revisions in rail subsidy might well work to benefit buses. But these do not presently appear to be realistic possibilities. Therefore to be useful, projection techniques will need considerable refinement.

With a demand plateau, inflation caused cost increases, and little significant productivity improvement, bus industry profits appear to have suffered in recent years. The effect has impacted current and projected financial positions to the point that access to capital markets may be impaired. Management's evaluation of profit levels appears to have influenced it to reduce the rate at which equipment and facilities are replaced or improved, which in turn may lead to further rider-ship deterioration. It also suggests that in the future there is a possibility of ridership and industry declines through reductions in schedules and elimination of what are seen as marginal and less desirable routes and services.

Pricing policy is a basic ingredient in generating revenue. Bus rates are generally based on mileage except for those routes which are seen as competitive with air and Amtrak, and where certain special purpose promotional fares have been instituted. While this suggests a positive policy of equal treatment for riders regardless of whether travel is on high density routes or in rural areas, there may be flaws in the philosophy. A uniform mileage formula does not consider differences in operating costs and demand

characteristics among routes and regions. As a result, overall profitability may suffer for firms operating in areas which diverge widely from a norm. A proper assessment of the effect of fare policy is flawed by the present relatively unsophisticated costing tools. Thus it is difficult to apportion costs among passenger, express package, and charter services.

In summary, the industry appears to have reached maturity, suggesting that a reversal of its present declining market-share position will require new and different efforts at self-help and modifications in external and internal policy.

Internal subsidy which seems to exist between and among services suggests that a dedicated effort in cost finding and data development will be necessary to more clearly identify service and route cost and profit levels. More refined analysis of ridership demand and demand elasticity is also a basic issue which deserves intensive study. With results of such analyses at hand, the following may be achieved: (1) pricing and service revisions, (2) modified marketing strategies, (3) increased profitability, and (4) social needs.

Government policy also needs to be considered in the light of current economic, environmental, energy, social, and other goals. Certainly the industry's position in serving the passenger (and freight) needs of the nation in the context of resources expended and the balance of Federal support given to competitive services deserves to be reviewed.

An industry and government analysis of the current and future role of bus transport might well result in the industry being viewed differently than it has been in the past. Clearly, the bus industry offers certain unique services not available from other carriers. It should be given the opportunity to operate in the framework of a balanced transportation policy so that as a healthy industry it may serve effectively.

In the final section, tentative recommendations are introduced to suggest where industry self-analysis and government policy considerations should be focused.

Recommendations

This preliminary analysis of the bus industry has surfaced an array of data and information, offered insights into the industry, and allowed certain tentative conclusions to be made. Clearly, however, the study has identified a number of areas in which considerable further study and analysis are warranted. This need forms the nucleus of the recommendations made. Recommendations focus on six general areas. Within each, specific actions are presented in a priority ordering. These are intended to serve two broad purposes: (1) to improve understanding of the nature of the intercity bus market and the industry that serves it and (2) to offer actions which may be taken to provide a climate that will allow the industry to continue meeting its public service obligations.

Public Passenger Transportation

Before a definitive assessment of the future role of the intercity bus industry can be made, a national transportation plan should be developed. Agencies charged with insuring the adequacy and safety of national transportation services employ various policy instruments to attain desired objectives within their broadly defined authority. However, these objectives sometimes appear to be conflicting. Especially illustrative of this is the varying public assistance provided to the different passenger modes. Formulating a national plan could serve as a guideline to facilitate the formation of a balanced passenger transportation system. The plan itself should take into account both market and nonmarket and considerations and objectives, and measure the balance of private and public resources necessary to attain desired goals.

Market Analysis

1. A detailed study of the nature of demand for intercity travel services in the United States, particularly the needs, attitudes, and preferences for particular modes among various segments of the population, should be conducted. A corollary study of demand for "incidental services" such as express package and charter service is likewise recommended. Such a research effort should provide in-depth insight on the present market position of the bus industry and indicate the direction of appropriate industry response. It should also offer insight into options for formulating marketing strategy for the future and for assessing the role of future Federal policy.

2. Passenger traffic flow data (similar to Amtrak flow data, cost and revenue reports, and CAB origin and destination studies) should be developed to augment knowledge about demand trends, market size, and modal share. These data should indicate, among other things, city-pair, rural and small community traffic, trip purpose, seasonality, and other elements of passenger demand.

Industry Analysis

1. Knowledge of the relationship between industry costs and pricing is relatively unsophisticated. This preliminary analysis has left many unanswered questions. It suggested that the bus industry's rate structure may not be well related to underlying costs, and/or satisfactorily priced for various services.

A comprehensive standard engineering cost system, which would permit industry analysts and policy makers to judge the performance of carriers in providing transportation services in the various markets, should be developed. The development of this methodology would permit the isolation of particular carrier costs to specific services offered to the public. Such a system would aid the Commission in (a) administering the industry's fare level and rate structure, (b) granting operating rights, (c) making policy decisions affecting the bus industry, and (d) balancing the system of intercity passenger transportation services.

2. The bus industry, in seeking general fare increases, should be required to estimate the impact of fare increases on financial performance and expectations of cost changes, taking into account plans to apply or not to apply authorized fare increases on various routes and schedules. This should provide better analysis and understanding of the real impact and benefit of fare changes.

3. Criteria by which carrier financial health can be determined and measured should be developed to aid in the assessment and establishment of reasonable fares. Financial forecasting methods should be refined to provide information on impending problems among firms, regions of the country, and in the industry as a whole.

4. The effects of industry structure (large firm dominance, grouping of carriers specializing in various regions, lengths of haul, charter, etc.) on fares, service quality, equipment innovation, entry, route abandonment and on other dimensions of market behavior should be studied. Further understanding of the effects of industry structure on market behavior will aid policymaking in regulatory modification (entry, rate freedom, rules concerning intermodalism, etc.).

Regulatory Options

1. Fare structures should be studied in depth with a goal to establishing policy guidelines which take account of (a) fare elasticity of demand, (b) marketing strategies arising from sound market analysis, (c) competitive rate levels, (d) carrier cost levels, (e) revenue need, and (f) environmental, energy, and National Passenger Transportation System objectives.

2. The impact of State regulation, particularly service level requirements and route abandonments, should be considered as factors influencing the overall health of the industry. Federal transportation and regulatory policy should also consider the impact of State policies and requirements on the interstate movement of passengers.

3. Regulatory guidelines and precedent in the grant of regular route and charter operating authority should be reevaluated to determine the influence present policy has in meeting the overall needs of the industry and the traveler in various segments of the travel market.

4. The growth of and new industry initiatives in providing package express service and the relationship of such service to similar air, rail, motor carrier, and freight forwarder package services suggest a need to reevaluate present regulatory policy and service concepts in the provision of such service. Bus route structure, service, pricing, and equipment limitations might well be revised in recognition of competitive, technological, and service demand changes.

5. The effect and incidence of unauthorized operations should be quantified and measured to assess their impact on authorized carriers and the reason for occurrence. This could serve to set the appropriate level of enforcement activity and/or serve to provide the basis for revised regulatory standards for authorizing operations.

Development of Analytical Tools

1. A capability and criteria for applying benefit/cost (cost effectiveness) analysis to policy alternatives should be considered. This approach would seek to assess and measure dollar benefits accrued by all parties associated with an action, against dollar costs to be incurred. Positive and negative implications of an action should also be measured against public policy goals.

2. Soundly based short and long term econometric demand and forecasting models should be developed to aid in accurately determining the probable effects of entry and rate decisions upon the carriers and ridership.

Government Participation

Whether Federal policy towards the intercity bus industry should be modified cannot be properly assessed on the basis of this preliminary study. However, on the basis of information developed, it does suggest the desirability for certain governmental actions.

1. Based upon the outcome of the market and cost studies suggested, opportunities might be considered for supporting "demonstration projects" to determine the effectiveness of various suggested approaches to improve bus industry ridership and profitability.

2. Engineering studies on bus and engine design and development (paralleling that which has benefited the airline industry and the mass transit field) might be sponsored to improve fuel efficiency and achieve productivity gains.

3. Using market studies as a guide, financial inducements might be considered to improve the quality and/or location of terminals and other facilities. Such support could include such approaches as sale and lease-back, land ceding, tax benefits, condemnation, and adjustments in street and highway traffic patterns.

4. Low interest loans, or loan guarantees, might be considered on a showing of "best effort" of carrier performance and of a continuing need for service in selected markets (in conjunction with a threat of loss of essential carrier service).

5. The Interstate Commerce Commission should continue to take a lead role in analyzing the industry with a view to influencing its future viability in providing sound service commensurate with the public need.

Senator MOYNIHAN. What will be done to you people? Have we tried to put you out of business because Lewis Mufford preferred railroads to buses?

Mr. KNAPPEN. I think you put your finger on a very interesting point, Senator. That is that when we talk about bus riders, we are talking about largely the disadvantaged passenger. Again, this report, which is an outstanding factual document, although kind of wishy-washy in its conclusions—

Senator MOYNIHAN. It is an Interstate Commerce Commission report. It is going to have to be wishy-washy.

Mr. KNAPPEN. It has some good demographic material which indicates that the majority of bus passengers have family incomes of less than \$10,000 a year. That is taken from the 1972 Census of Transportation.

But really what has happened here is those people who are not articulate, who are not the advantaged, really have become disadvantaged in terms of Government transportation planning and assistance. They have nothing, while the relative elite that travel by Metroliner have really benefited from the Northeast corridor project.

I am not knocking that project. I am just saying that that is the fact. That is what has occurred.

Mr. LEWIS. What we have had in this country, Mr. Chairman, is a strong expression of the desire to reconstitute a rail system in this country and an action to do so, without taking into consideration the effect of that on the private enterprise competitors of Amtrak.

Over a period of time, particularly in the Northeast corridor, the effect has been very significant. Of course, that is the area where people say they justify the high-speed service because of the requirement to take care of a lot of people. Still, in all, the bus industry has the ability to do that vis-a-vis the 6.6 million people we carry short-haul in and out of Washington as compared to 2 million for Amtrak.

Senator MOYNIHAN. Mr. Corcoran, did you wish to testify?

Mr. CORCORAN. No. However, I would like to say that, Greyhound alone, coming in and out of Washington, has 38 commuter buses, along Route 1, Laurel, College Park, and into downtown Washington, that are completely full. We also run 10 buses to and from Annapolis that are completely full.

Senator MOYNIHAN. Are you trying to compete with Mr. Knappen?

Mr. CORCORAN. No. I am just trying to say we feel we should be treated in the same perspective as the railroads. We are not trying to ask for anything more. But we feel because the people we take are disadvantaged and poor, that they should not be left out of this intermodal transportation terminal at this time. They should be included.

The Government is going to spend \$52 million for a terminal here. We see no reason why they shouldn't put at least \$10 million into it for the bus people if they are going to put that kind of money into rail passenger service.

Senator MOYNIHAN. Has Greyhound lost traffic in the Northeast corridor?

Mr. CORCORAN. I would think so. Our revenues are down, Senator. In 1971, the intercity bus industry averaged about 16.3 percent rate of return which was very good. Amtrak came into being in 1970. So we will assume they got going around 1971.

In 1976, I think the intercity bus industry rate of return was 8.3 percent. So there has been a steady decline. Obviously, we can't just equate that to Amtrak. The car and low air fares, also contributed.

Senator MOYNIHAN. Why don't you give us some numbers, though, from Greyhound?

Mr. CORCORAN. Yes.

Senator MOYNIHAN. Let me ask the three of you a question. Are the bus companies willing to make a capital contribution toward the costs that might be associated with an intermodal facility here?

Mr. LEWIS. I am not able to answer that, Senator. Maybe representatives of either of the two carriers can discuss that.

Mr. KNAPPEN. I will be happy to address that point. I think the simple answer is that we are in a position, Trailways at least, where we cannot and think that we should not. We do expect to pay a fair and reasonable rent as we have heard Amtrak say today they would.

Senator MOYNIHAN. You have to pay rent.

Mr. KNAPPEN. Yes. But I think that is a very important point that I would like to address. From Trailways' standpoint, we are talking about mind-boggling amounts really. If the 10.5 figure is roughly accurate, that would mean that assuming Trailways were building its own facility, it would cost \$5 or \$6 million. Trailways' before tax profit last year nationwide was \$10.4 million. From that, we have to buy our buses and build terminals and so forth nationwide. It is clear that under no circumstances would we be in a position to build the kind of facility that we are talking about.

Senator MOYNIHAN. Would you be prepared to pay economic rent, I mean a rent that would actively reflect the cost?

Mr. KNAPPEN. Yes; we would.

Senator MOYNIHAN. Mr. Corcoran?

Mr. CORCORAN. Senator, in 1974, Greyhound testified before the Senate Commerce Committee and said they would put front money up. However, the situation has greatly changed since then. Our financial condition has deteriorated with the impact of Amtrak and other things.

We feel, as put out recently in the Wisconsin transportation study, that the capital construction for terminal should be done out of public funds for all modes of transportation.

Greyhound is willing to pay the operating expenses which is a reasonable user charge, just like we are working with city of New York, and with the New York Port Authority,

But we feel the financial situation in the bus industry at the present time does not permit us to put in any capital expenditures. To do so would put us into a disadvantage with the other modes.

Senator MOYNIHAN. I understand that. The port authority mode is satisfactory. It works pretty well.

Mr. LEWIS. As you know, the airline terminal facilities are constructed by a public fund of one form or the other. The airline is paid.

Senator MOYNIHAN. What if we ask you to kick in some of the money you get from selling your existing downtown facilities? I bet we can deal a little bit.

Mr. KNAPPEN. Mr. Chairman, our present facility is a renovated wallpaper factory. I am really not sure how much there is to talk about.

Senator MOYNIHAN. I am just trying to get Corcoran there into a mood of complacency.

Gentlemen, you have put some very good testimony and important questions to us. You have certainly more than interested me. It seems to me that there is a whole range of issues involved. The Government has taken a certain kind of fashionable view of the movement and done some real damage to a taxpaying private enterprise which provides a real service to a section of the population that isn't always available to other things, and whether or not we should be part of it, because partly the Visitor Center maybe needs your people who use your buses to come to the Visitor Center as much as people who ride in club cars.

I don't want to make this a great class issue.

I want to thank you very much for your testimony. I look forward to some of the material you said you would get for us, Mr. Corcoran, on your passenger decline or whatever. And I am going to get that ICC study on costs; is that right?

Mr. KNAPPEN. Yes, sir.

Senator MOYNIHAN. We will put a summary of that in our record. We appreciate that very much.

Is Congressman Schwengel here? I understand that you would like to appear before the committee. You are always welcome. You are well and favorably known in this committee, sir, having been our colleague and counterpart for so many years.

STATEMENT OF FRED SCHWENDEL

Mr. SCHWENDEL. Thank you, Mr. Chairman. It is good to be back. I had been on the Public Works Committee in the House for 16 years. It has almost been 6 years since I have been there. So I am very much aware of what the Public Works Committee is doing. I am glad to be back.

Regarding this hearing, it may be of value to note that I was one of the original sponsors of the Visitor Center. I pioneered this program dating back 20 years. I had more than just casual interest because I was president of the Historical Society and the committee came to me and said, "Would you take the leadership to produce a film that possibly could be shown at the Visitor Center," similar to the kind of film they have at Williamsburg. So we accepted that challenge.

We have the film. I hope you have seen it. If not, I hope you will see it.

Because I have been so long interested in this and because I have a genuine concern about the inadequacy of our facility here to handle the traffic of people who come here, I am vitally interested in this proposition to complete the Visitor Center.

You know, we are serving in a place that is visited by more people from all over the world than can be claimed by any capital anywhere, and the building right here on the Hill where you serve

and I have served is the most visited capital building, it is the most open building. It is a fabulous place, and I am totally sold on getting people here to see it.

The original concept, as Senator Randolph pointed out this morning, was a good one and it is still good. I am here today because of my genuine interest and deep convictions.

I would like to ask unanimous consent, to place my statement in the record. I don't want to load you with everything I have here because I might overdo it, so let me just summarize this. [See p. 192.] I use as an introduction a phrase of a man from New York that says let's get at the facts. He was Governor of New York once and ran for President. Here are the facts.

The DOT plan, according to testimony I have read, will cost \$52 million; the House plan \$36 million. The DOT Plan tears down \$4 million in new construction and brings rail service into the concourse section of the Union Station. The House plan leaves the Union Station as it is and completes the roadway between the Union Station and the railroad station.

DOT says it would cost \$1.6 million to complete the roadway. However, another estimate by the chief engineer of Chessie says it would cost only \$200,000. So there is an alleviation there.

The Government has already spent \$48 million in taxpayers' money for the National Visitor Center. DOT wants us to give it to Amtrak. So after another \$52 million is spent, under the DOT plan Amtrak will receive a building costing over \$100 million.

The Government entered a lease-purchase agreement with the Washington Terminal Co. to pay \$3.5 million a year in rent for 25 years. At the end of 25 years, the building may be purchased for \$1.

Do the members of this body want to give the people a railroad station or National Visitor Center? That is a prime question.

DOT buys out the concession and gives the revenue to Amtrak. The House plan puts the revenue back in the U.S. Treasury. That is a vast difference.

The Department of Transportation says that the reason Amtrak needs concourse space in Union Station is because of increased ridership projected through 1990. The Director of the Northeast Corridor Improvement Project said that the DOT projection was based on implementation of a high-speed rail. He also said that this equipment had not been acquired and that there were no indications of when it would be available.

The projections of DOT and Amtrak have not been accurate in other circumstances. I want to add here I have been one of the strongest promoters of Amtrak programs while I was in Congress and since. I am convinced we have to have the railroad. We need to encourage and help all we can. They have overestimated before and I think they are overestimating now.

The operators of Union Station have not fully utilized the station due to is uncertainty and potential owners have been leary of opening restaurants and so forth at Union Station.

The Secretary of Transportation states that if any other plan but his plan is adopted, that he would be reconsidering his wisdom in authorizing any Northeast corridor funds. The total funding for NECIP was \$1.9 billion. The Secretary is holding a gun at the

Senate and the Congress. Even if the DOT plan is adopted, we will put \$22 million into the Union Station of that fund.

Those are in summary my reasons for being strongly for the House plan.

Senator MOYNIHAN. The House plan.

Mr. SCHWENGEL. That is right; or the Walsh plan, whichever you would like to call it.

I would like to say on the future use of that capital need, if we will do what I recommended—and you can read the testimony of 12 years ago before the committee—that if we would build the facilities for parking—at that time it called for 4,000 spaces, and 300 places for buses—that place would be so busy you wouldn't even want to think of giving any part of it back to anybody.

Senator MOYNIHAN. And buses you say.

Mr. SCHWENGEL. Yes.

Thank you very much, Mr. Chairman.

Senator MOYNIHAN. Thank you, Congressman. We want you to stay close to us as we move forward in this. Will you?

Mr. SCHWENGEL. Yes.

Senator MOYNIHAN. I think you proved yourself, if it is possible, to be more valuable out of the Congress than in because you do things like this.

Mr. SCHWENGEL. You are very kind. I am sold on this place, the history we have made and are making. I honestly believe that contrary to the concept of people it is the greatest collection of able men and women that we have ever seen. But nobody knows it and nobody talks about it.

Senator MOYNIHAN. That is why we like you. We can't say that inside.

Thank you very much.

Mr. SCHWENGEL. You are welcome.

Senator MOYNIHAN. The morning is quite a bit passed. The chairman has to be or should have been some time ago in another meeting. But Mr. Irving Schlaifer, chairman of the Emergency Taxicab Committee, has asked 2 minutes to speak.

STATEMENT OF IRVING SCHLAIFER, CHAIRMAN, EMERGENCY TAXICAB COMMITTEE

Mr. SCHLAIFER. I want to thank you, Mr. Chairman, very much for the opportunity to be able to speak. I did send a letter dated May 25, 1978. I want to have that in the record.

Senator MOYNIHAN. Please.

[The letter and accompanying material appear at p. 195.]

Mr. SCHLAIFER. I want to say this: I know it was not the intent of the people involved to cause great financial harm to those of us in the sightseeing and taxicab industry. However, we have suffered great financial losses.

In the taxicab industry alone, which I am well acquainted with, there used to be some 400 taxicab drivers licensed as tour guides. Now we are down to about 40.

I can greatly remember in front of the railroad station providing services to people who come to the station. That is no longer there. It is not at the Lincoln and other memorials either.

If your committee can somehow prevail upon the National Park Service to make this all available to us once more without any kind of a contract, because we realize a great many people will be coming in. They will not be wanting to use the tourmobile services. They will be wanting a privately conducted tour that the independently owned taxicab drivers can offer. If your committee can prevail upon the National Park Service to do that for us, we would appreciate it.

We feel that we are offering a service that is very much needed. We are not in agreement with the concept of the National Visitor Center as has been mentioned by yourself and Senator Randolph. A great number of people who come here have no idea there is such a thing as the National Visitor Center. In fact, as professional tour guides, we have to do everything possible to make certain our visitors make the most efficient use of their time. There are far too many more important places to show people in Washington to have them use their time at the National Visitor Center.

Unfortunately, that is what the facts are. People want to see the Capitol building. They want to see the Smithsonian museums. They want to go to the home of our first President in Mount Vernon.

Most people who come here only have about 2 days in which to accomplish what they want to do. There is no way in the world they can sacrifice that time to go to the National Visitor Center when there are far more important places to visit, and they have top priority to see these other places first. The last thing that they would ever want to see would be the National Visitor Center. Unfortunately, that is true.

Senator MOYNIHAN. Well, sir, let me say if you would put in the record the exact question you want to have the committee address to the Park Service, I will be happy to see that is done and that a formal answer is made a part of this record. Because once again this committee is concerned that the projects of business people, people involved in enterprises that pay taxes and have a perfect right to exist and provide real services—otherwise they wouldn't be in business—are being driven out by Government competition, which is not sufficient and warranted sometimes.

Mr. SCHLAIFER. The type of competition we are faced with, the National Park Service has heavily subsidized the tourmobile operation. Therefore, they can drop their price to the point where we possibly couldn't do so. If they weren't subsidized, they would have to pay for the services they provide.

The National Park Service distributes their folder. The staff virtually sells the tour for the tourmobile operation. They give free advertisement. Their information is given away at memorials around town.

No mention is made whatsoever of the other services available. We would like to have the National Park Service recommend nobody's service and just say to the people there is a list of tour services available in the yellow pages of the telephone book. They are free to make their own choice.

Senator MOYNIHAN. It seems to me that is a matter that should be put to the Park Service. Your question will be just exactly what we need to do it. We thank you for appearing before this committee.

Mr. SCHLAIFER. Thank you very much.

Senator MOYNIHAN. I want to thank our stenotypist and citizens who patiently waited for us and staff who has been, as usual, busy and effective. The situation is more complex now that we have finished than before we began, but that is often the process by which decisions eventually are made.

Thank you all.

[Whereupon, at 12:45 p.m., the committee recessed, to reconvene subject to the call of the chair.]

[The bill, S. 2995, statements, and other material submitted for the record follow:]

95TH CONGRESS
2D SESSION

S. 2995

IN THE SENATE OF THE UNITED STATES

APRIL 26 (legislative day, APRIL 24), 1978

MR. RANDOLPH (for himself and Mr. MOYNIHAN) (by request) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

A BILL

To facilitate the implementation of section 703 of the Railroad Revitalization and Regulatory Reform Act of 1976, to provide for the conversion of a part of the National Visitor Center to railroad passenger service, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Union Station Improve-
4 ment Act of 1978".

5 SEC. 2. Section 101 of the National Visitor Center Fa-
6 cilities Act of 1964 (40 U.S.C. 801) is amended—

7 (1) by inserting "(a)" before the first sentence;

8 and

9 (2) by inserting at the end thereof the following

10 new subsections:

II

1 “(b) At the request of the Secretary of Transportation,
2 the Secretary shall assign to the Secretary of Transportation
3 the lease of the facilities which the Secretary entered into
4 pursuant to subsection (a) of this section, together with all
5 rights in, to, or concerning Union Station, including, without
6 limitation, the purchase option required by section 102¹(a)
7 (5) of this Act.

8 “(c) After the lease is assigned to the Secretary of
9 Transportation pursuant to subsection (b) of this section, the
10 Secretary of Transportation shall operate, or cause to be
11 operated, as a rail passenger terminal, that portion of the
12 premises not sublet to the Secretary for operation of the Na-
13 tional Visitor Center. The Secretary of Transportation may
14 make such alterations to the premises and provide, or cause
15 to be provided, such services as he or she deems necessary
16 or desirable for the benefit of rail passengers.

17 “(d) After the lease is assigned to the Secretary of
18 Transportation pursuant to subsection (b) of this section,
19 the Secretary may sublease from the Secretary of Trans-
20 portation, that portion of the facilities required for the con-
21 tinued operation of the National Visitor Center, as the Secre-
22 tary and the Secretary of Transportation may agree upon.

23 “(e) After the lease is assigned to the Secretary of
24 Transportation pursuant to subsection (b) of this section,
25 the Secretary of Transportation is authorized to acquire by

1 lease, purchase, condemnation, or otherwise any property
2 interest (including, without limitation, contract rights and
3 real property) related to Union Station but not held by the
4 United States which the Secretary of Transportation deems
5 necessary to carry out this Act or section 4 (h) of the De-
6 partment of transportation Act (49 U.S.C. 1653 (h)).”.

7 SEC. 3. Section 102 (a) of the National Visitor Center
8 Facilities Act of 1968 (40 U.S.C. 802 (a)) is amended—

9 (1) by striking subsection (3) and inserting in lieu
10 thereof the following :

11 “(3) After the lease is assigned to the Secretary of
12 Transportation pursuant to section 101 (b) of this Act, the
13 Secretary of Transportation shall complete or cause to be
14 completed, the parking facility, including approaches and
15 ramps for adequate circulation, to accommodate automobiles,
16 buses, and other transportation as appropriate, in the air
17 space northerly of and adjacent to the existing Union Sta-
18 tion building, and such structure shall continue to be leased
19 to the United States as a part of the facilities to be leased to
20 the United States pursuant to section 101 (a) of this Act.”;

21 (2) by striking subsection (4) and inserting in lieu
22 thereof the following :

23 “(4) The Secretary of Transportation may authorize the
24 Company to cease further construction of the new railroad
25 passenger station in the area beneath and adjacent to the

1 parking facility referred to in paragraph (3) of this subsec-
2 tion. The Company is further authorized, upon request of the
3 Secretary of Transportation and without regard to any other
4 law, to assign to the Secretary of Transportation all of the
5 Company's rights and obligations (including, without limita-
6 tion, occupancy, operation, and maintenance) in, to, or con-
7 cerning a rail passenger station at Union Station (including,
8 without limitation, the old Union Station building, the con-
9 course, and the new rail passenger station now operated by
10 the Company) and, upon the effectiveness of such assign-
11 ment, to cease operations of a rail passenger station at Union
12 Station.”; and

13 (3) by striking subsection (8) and inserting in lieu
14 thereof the following:

15 “(8) The rental paid by the Secretary under the sub-
16 lease entered into pursuant to section 101(d) of this Act
17 shall be a fair and equitable share of the cost of renting or
18 purchasing and operating and maintaining Union Station,
19 taking into account the respective fair market rental values
20 and operating and maintenance costs of the spaces sublet to
21 the Secretary and of the remainder of Union Station.”.

22 SEC. 4. Section 103 of the National Visitor Center Fa-
23 cilities Act of 1968 (40 U.S.C. 803) is amended by striking
24 out “under this subchapter” after “leased”, and inserting in

1 lieu thereof "or subleased under section 101 (d) of this Act
2 and operated as a National Visitor Center".

3 SEC. 5. Section 109 of the National Visitor Center Fa-
4 cilities Act of 1968 (40 U.S.C. 807) is amended by striking
5 out the full text thereof and inserting in lieu thereof the
6 following:

7 “(a) There are authorized to be appropriated to the
8 Secretary, to remain available until expended, such sums
9 as are necessary for the operation and maintenance of the
10 National Visitor Center including, without limitation, pay-
11 ment of rent under the sublease entered into pursuant to
12 section 101 (d) of this Act.

13 “(b) There are authorized to be appropriated to the
14 Secretary of Transportation, to remain available until ex-
15 pended, \$30,000,000 to carry out the purposes of this Act.

16 “(c) The Secretary of Transportation is authorized to
17 use funds received from the operation of the facilities through
18 subleases, concessions, or similar activities, to pay the cost
19 of leasing, operating, maintaining, and, if the purchase op-
20 tion is exercised, purchasing Union Station pursuant to this
21 Act.

22 “(d) The Secretary of Transportation is authorized to
23 expend funds appropriated pursuant to section 704 (a) (2)
24 of the Railroad Revitalization and Regulatory Reform Act

1 of 1976 (45 U.S.C. 854 (a) (2)) to carry out the purposes
2 of this Act without regard to the matching funds require-
3 ment of section 703 (1) (B) of such Act (45 U.S.C. 853
4 (1) (B)).”.

5 SEC. 6. Section 110 of the National Visitor Center Fa-
6 cilities Act of 1968 (40 U.S.C. 808) is amended by strik-
7 ing the second word of the first sentence and substituting
8 in lieu thereof “Secretary of Transportation”.

9 SEC. 7. The National Visitor Center Facilities Act of
10 1968 is amended by adding thereto a new section 111 as
11 follows:

12 “SEC. 111. The Secretary of Transportation is au-
13 thorized to construct a connection between the Union
14 Station heating system and the Capitol steam plant and
15 to use steam from the Capitol steam plant to heat Union
16 Station.”.

STATEMENT TO THE SENATE COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS OF
DOUGLAS N. SCHNEIDER, JR., DIRECTOR,
DISTRICT OF COLUMBIA DEPARTMENT OF
TRANSPORTATION, CONCERNING UNION
STATION IMPROVEMENTS

On behalf of Mayor Washington, I wish to express appreciation for this opportunity to appear before the Committee on Environment and Public Works in support of the proposal by the Departments of Transportation and Interior to complete the Union Station/National Visitors Center complex.

We can create at Union Station a facility that will serve local and out-of-town travellers, who move in a variety of modes, with convenience and efficiency rarely achieved anywhere.

Through Union Station, an intercity rail traveller can, through a convenient Metrorail connection, continue his journey by air from Washington National Airport. Commuter trains are met by local taxi, bus and rail service right in the terminal. The station provides a major connecting point for local bus passengers to be fed into the Metrorail system. There is in the terminal a partially completed parking garage for private vehicles.

So we already have a major interchange point for intercity commuter and long-distance rail, air, local bus and rail, taxicabs and private vehicles.

What is there new, added to what the administration proposed, will constitute a great transportation and visitor facility.

For the future, we will be thinking about including intercity bus terminals, including commuter buses. Beyond that, Union Station would seem to be an ideal location for a public-use heliport to connect downtown and other employment centers with the airports and, as the demand develops, with other cities.

The city has done some projects in the last two or three years which were planned to serve and facilitate the Visitor Center and transportation terminal as it was contemplated to be built.

We have replaced the old H Street underpass with a new viaduct. The new structure was made elevated specifically for the purpose of direct vehicle access to the Metrobus terminal and the incomplete parking garage. This new bridge will also facilitate direct access by intercity buses if in the future

an intercity bus terminal is added to the complex.

The roadway system has been completely reconfigured in the front of Union Station. This improvement was designed to separate the through and station access traffic functions, to eliminate the many conflict points we had for so many years, by channelizing the several traffic streams, and to enhance the Columbus Plaza setting with additional landscaping. But the reconfigured road system cannot perform as designed unless the connections are completed to the parking garage and bus terminal behind Union Station.

In addition, the Metrorail rapid transit line and station serving Union Station has been completed and is in revenue service between Silver Spring, Maryland and National Airport in Virginia.

The local and Federal grant funds that the District of Columbia and the Washington Metropolitan Area Transit Authority have invested in support of a completed Union Station complex totals over \$36 million. I wish to reiterate that these investments were in support of a complete transportation terminal. Moreover, the absence of the planned parking and circulation system on terminal property will create intolerable

problems. Pressures for more street parking will mount and thereby further reduce limited traffic carrying capacities.

In our view, completion of the parking garage, completion of the southeast ramp, and construction of a taxi queuing ramp are essential to the proper functioning of the complex and the surrounding city streets. I would also agree with the Secretary of Transportation that rail use of the concourse is an acceptable alternative to use of both the west wing and concourse.

I again thank the Committee for inviting the testimony of the District of Columbia. I trust that the municipal interests to be served by the completion of Union Station as originally contemplated and now proposed by the administration will help persuade the Committee to act favorably on these improvements at Union Station.

STATEMENT OF BROCK ADAMS, SECRETARY OF TRANSPORTATION,
BEFORE THE SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC
WORKS CONCERNING UNION STATION/NATIONAL VISITOR CENTER,
THURSDAY, MAY 25, 1978.

Mr. Chairman and Members of the Committee:

I am pleased to be able to appear before you today with our proposal to complete and improve the Washington Union Station/National Visitor Center complex and to put an end to a very vexing problem.

Back in 1968, when the Congress passed the Visitor Center Act, Union Station appeared to be nearing the end of its useful life as a railway passenger terminal. Since the late 1940's, train travel had decreased significantly. However, as the need for a railway terminal seemed to be waning, the need for improved accommodations for visitors to the Nation's Capital was becoming more and more urgent. The Congress recognized the trend of the times by designating the Union Station building as the National Visitor Center.

Nevertheless, since the inception of the National Visitor Center, transportation trends have changed while the Visitor Center has been underutilized. In view of the environmental and energy-related benefits of rail transportation, the Congress in 1974 authorized the Northeast Corridor Improvement Project. This is a \$1.75 billion

Federal commitment to the preservation and enhancement of intercity rail passenger service in the heavily populated Atlantic Seaboard region. As a direct and desired result of this Federal commitment, Amtrak patronage at Union Station is expected to increase significantly from its current level. Also, with the completion of the Metro Red Line from Dupont Circle to Silver Spring, and the corresponding rerouting of Metrobuses, Union Station has already become an important link in Washington's public transit network. In view of these changes, the Secretary of the Interior and I have agreed on the need for a more rational allocation and application of Federal resources.

The practical problems at Union Station today are serious and require immediate attention. The Interior Department, through the National Park Service, is saddled with a facility which is too large for its needs. Train passengers must walk long distances, approximately one-third of a mile from the front door on Columbus Plaza to the train loading platforms.

In addition, work has been suspended on the parking garage and improvements to the main building. For this reason, there is no place for potential rail passengers or Visitor Center users to park-- a further obstacle to increased use of the facility. Exposed structural

elements in the unfinished facilities are physically deteriorating. Conditions in the buildings have become hazardous for employees, visitors and rail passengers. Repairs are essential even if the present use of the building is to continue. In other words, the present facilities are less than adequate for current and future needs.

For more than a year now, Secretary Andrus and I have been discussing this problem, and have agreed that the Department of Transportation should assume control of Union Station and should quickly complete and reconfigure this facility as a transportation and visitor center.

We have also agreed on the necessity to complete the near-term repairs expeditiously, the nature of the long-term work and the timing for completion, the general allocation of space in the building, and who will own and operate the station.

What we present for your consideration is a coordinated proposal that we believe will meet the needs of all of the potential users of the complex: tourists, commuters and long distance travelers. I must emphasize that it will cost money and is going to take some time to complete. However, our best judgment is that our proposal is a workable plan which everyone can live with and which can be performed within the proposed funding and time schedules.

Now, I would like to explain what we propose to do and give you the basic facts and figures. (You may wish to follow along in the reference books we have supplied for your information.)

First of all, immediate repairs are essential to the parking garage, the southeast ramp, and the main building. These structural supports and fire protection measures are needed immediately to insure the integrity of the garage, ramp, and the Station itself, and to stop the deterioration which every day adds to the ultimate cost of completing these facilities. These urgent remedial efforts will help to preserve the National Visitor Center and rail terminal alike. (Note pictures in reference book.)

Second, the completion of the parking garage will include minor changes in design to expand the planned parking capacity from 1,200 to 1,400 cars for rail travelers and visitors to the National Visitor Center.

Third, our program includes railway station improvements which will expedite passenger processing, provide appropriate waiting areas, upgrade public services and other amenities, and allow for revenue-producing concessions. Under our proposal the upgraded rail terminal will provide the elderly and handicapped and all other rail passengers with direct and expeditious access from Columbus Plaza to the trains by reducing the physical distances by approximately

50% to 60%. Making the station accessible to elderly and handicapped persons is consistent with the Architectural Barriers Act of 1968, Section 16 of the Urban Mass Transportation Act of 1964, as amended, and Section 504 of the Rehabilitation Act of 1973. Our program also provides for rail use of the Station's west wing and concourse.

Fourth, on-site roadway improvements will include completing the partially constructed southeast ramp which provides a local bus access to the garage. A taxi queuing ramp will be constructed on the east side of the Station to reduce congestion in Columbus Plaza and adjacent city streets. Again, these roadway improvements will benefit all users of the facility.

Fifth, long-term repairs to the main building would include a modernized electrical distribution and branch circuit system; a new roof and roof drainage system; a new heating system; and long-term structural system repairs. (Note pictures of exposed wiring which creates a safety hazard.)'

Sixth, non-construction costs would pay for the Government's possible acquisition of certain property interests at the Station to carry out our recommended program.

As you can see from the attached summary of costs for the recommended construction program, the price tag is not a small one. We estimate that approximately \$30 million in new authority will be required to rehabilitate the old Station building, complete construction, and provide a usable facility for rail passengers and visitors. I am not particularly pleased with this figure, but I think it is a realistic one. It would be our intention to put the contract out for competitive bids, with fixed price requirements, to protect as much as possible against cost escalation and inflation. The cost estimate assumes that construction begins in January 1979. Of course, there will be cost increases if that date is not met.

The Department of Transportation is willing to contribute an additional \$22 million from funds already authorized for the Northeast Corridor Project bringing the total project cost to \$52 million. Given the troubled history of the complex, I see no possibility of collecting the capital funds required from the variety of other Federal and local entities involved with the complex. Any attempt to do so would only further delay an already much delayed project.

If the plan is approved, Secretary Andrus and I are prepared to implement this program immediately.

This concludes my prepared statement Mr. Chairman. I would be happy to answer any questions you or any of the members of the Committee may have at this time.

STATEMENT OF UNDER SECRETARY JAMES A. JOSEPH BEFORE THE SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS ON S. 2995, A BILL TO PROVIDE FOR THE CONVERSION OF A PART OF THE NATIONAL VISITOR CENTER, MAY 25, 1978.

MR. CHAIRMAN,

I AM PLEASED TO BE HERE THIS MORNING TO DISCUSS WITH YOU THE CIRCUMSTANCES OF THE NATIONAL VISITOR CENTER. AS IS KNOWN BY ALL, THE NATIONAL VISITOR CENTER PROJECT HAS ENCOUNTERED A SERIES OF DIFFICULTIES IN ITS CONSTRUCTION TO THE POINT THAT, TODAY, ITS CRITICAL PARKING GARAGE FACILITY IS STILL UNCOMPLETED AND AVAILABLE FUNDS ARE EXHAUSTED. RATHER THAN RECITE THE MULTITUDE OF PROBLEMS WHICH HAVE BESET THE VISITOR CENTER, I WOULD LIKE TO SUBMIT FOR THE RECORD A COPY OF SECRETARY KLEPPE'S LETTER AND DETAILED CHRONOLOGY OF EVENTS DESCRIBING THE VISITOR CENTER'S HISTORY AND FORWARDED TO SENATOR BYRD AND REPRESENTATIVE YATES ON JANUARY 13, 1977.

OUR CONCERN TODAY IS WHERE TO GO FROM HERE WITH THE NATIONAL VISITOR CENTER. AS YOU KNOW, SECRETARY ADAMS AND SECRETARY ANDRUS REACHED AGREEMENT IN JULY OF LAST YEAR THAT UNION STATION, IN LIGHT OF ANTICIPATED INCREASED RAIL PASSENGER USE IN THE YEARS TO COME, SHOULD BE DEVOTED PRINCIPALLY TO RAILROAD PASSENGER STATION USE. FOR THAT REASON, THE DEPARTMENTS OF INTERIOR AND TRANSPORTATION ARE RECOMMENDING THE ENACTMENT OF S. 2995, WHICH WOULD TRANSFER LEAD AUTHORITY FOR COMPLETION OF THE NATIONAL VISITOR CENTER'S PARKING GARAGE AND USE OF THE OLD UNION STATION BUILDING TO THE DEPARTMENT OF TRANSPORTATION. BY MUTUAL AGREEMENT, THE NATIONAL

VISITOR CENTER MAY OCCUPY A PORTION OF THE OLD UNION STATION BUILDING, PRINCIPALLY THE MAIN HALL AND THE EAST WING, FOR AN ANNUAL COST OF A MILLION DOLLARS OR LESS. WE CONSIDER THAT, NOTWITHSTANDING THE REAL NEEDS OF VISITORS TO WASHINGTON, RAIL PASSENGERS MUST TAKE PRECEDENCE IN UTILIZATION OF THE FACILITIES OF UNION STATION.

WE BELIEVE THAT THE ENACTMENT OF S. 2995 WILL ACCOMPLISH THIS TRANSITION. SECRETARY ADAMS, I AM SURE, HAS DESCRIBED TO YOU IN DETAIL HIS PLANS FOR RAIL PASSENGER UTILIZATION OF UNION STATION. I BELIEVE THAT THE TWO DEPARTMENTS, WORKING TOGETHER, CAN DEVELOP PLANS THAT WILL ACCOMMODATE BOTH RAIL PASSENGER AND VISITOR NEEDS AND ALSO PRESERVE THE BEAUTY AND DIGNITY OF UNION STATION FOR THE BENEFIT OF THE CITY AND NATION.

I WILL BE PLEASED TO ANSWER ANY QUESTIONS YOU MAY HAVE.



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

Includes July 1977 Addendum

JAN 13 1977

The Honorable Robert C. Byrd
The United States Senate
133 Rayburn Senate Office Building
Washington, D.C. 20510

Dear Senator Byrd:

In hearings before the Subcommittee of the House on Interior and Related Agency Appropriations on August 31, 1976, we furnished a background chronology of some significant events associated with the National Visitor Center. I am now taking the liberty of forwarding to you the results of a further review of our records which expands on that chronology. Also enclosed is a memorandum on the legal aspects of contracting procedures used at the Center.

I believe any review of the full record would show that the past ten years demonstrate our mutual interest in bringing to reality a fully operating National Visitor Center. That review would also show a number of key events which could not have been anticipated by the most prescient among us, and which were directly responsible for pushing the cost of the Center far above what was originally anticipated. These events range from overly optimistic estimates and a delay in arranging financing at the outset, to the energy shortage, a resurgence of rail passenger activity, construction delays and inflation as the years passed.

As I read the enclosed document, I am struck by the close working relationship which this Department had with the Congress and also by the near-unanimous support for the Center on the part of the Congress, the President and the media when critical decisions were made in the 1960's and again in 1974. I am also convinced that the visitor center concept to which we all became fully committed remains a sound concept. However, I fully realize that the transportation situation has changed and that the Department of Transportation would prefer assuming jurisdiction over a significant portion of the complex.

Whatever the outcome, I am certain that this Department will continue to search with other interested parties for the best solution for eventual completion and use of the Center.

Sincerely,

(Sgd) Thomas S. Kleppe
Secretary of the Interior

Enclosures

Identical letter sent to: Honorable Sidney R. Yates
House of Representatives
Washington, D. C. 20515

NATIONAL VISITOR CENTER

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NATIONAL VISITOR CENTER

Background

In the mid 1960's, Washington, D. C. was well established as a prime attraction for visitors from all over the United States and throughout the world. Visitation was on the rise and responsible forecasters were predicting that visitation would more than double by 1980. Congress and the Executive Branch were sensitive to the absence of systematic and effective services to assist visitors. They also recognized the difficulties often experienced by visitors in finding convenient parking spaces for their automobiles. (The search for parking included consideration of large garages under the Ellipse and the Mall and additional parking at Arlington National Cemetery.)

Accordingly, in 1966, Congress established the National Visitor Center Study Commission to "make a full and complete investigation and study of sites and plans to provide facilities and services for visitors and students coming to the Nation's Capital." The Commission considered many alternatives and recommended Union Station, an architectural landmark owned by the Washington Terminal Company, in turn owned by the Baltimore and Ohio and Penn Central Railroads, as the site for a National Visitor Center for four principal reasons:

- "1) it will be convenient for visitors arriving by rail and rapid transit, and will be accessible to the Center Leg Freeway for those traveling by automobile and bus;
- 2) it is a historic monument in danger of demolition for economic reasons;
- 3) it is in close proximity to the Capitol, the destination of many visitors, and an interpretive shuttle system will permit convenient service to this and other points of interest;
- 4) it requires a minimum outlay of public funds in order to begin a Visitor Program."

When Union Station was proposed and debated by Congress in 1967, and when the National Visitor Center Facilities Act was enacted in 1968, railroad usage of the Station had declined to the point where the owners were willing to relinquish the building in favor of a smaller terminal which they would construct.

The news media favored the project, as reflected in this December 4, 1967, editorial in the Washington Evening Star:

"Thanks to the excellence of the House debate the other day on the plan to convert Union Station into a National Visitors Center, there is now a good chance that the legislation needed to advance this worthy project will win Congress' final approval this month.

The Senate Public Works subcommittee, which will consider the House-passed bill tomorrow, should require no persuasion as to the need for such a facility...."

From optimistic beginnings, the nine-year period since enactment has seen financing difficulties, changes in project size and scope, negotiations and renegotiations toward agreements on how to proceed, amendments to the original Act, Congressional examinations of cost escalations, overruns and delays, strikes, additional funding to supplement the private resources, and termination of a major portion of the project.

Additionally, a number of events which could not have been anticipated in 1968 caused a reexamination of the Visitor Center at Union Station and delayed completion of the facility at or near the originally estimated price. Paramount among these events are the energy shortage which has been largely responsible for the resurgence of passenger and rail use, and inflation which, coupled with other factors, rendered original cost estimates obsolete.

Increased rail usage has produced a renewed interest in Union Station not only by the railroads but also by the Department of Transportation. DOT previously regarded Union Station as ideal for bringing various modes of transportation together to promote easier use, but funding was not available for this purpose and the visitor center concept, proceeding under Congressional mandate in times of energy abundance and declining rail passenger traffic, prevailed.

Funds necessary for completion changed dramatically from the \$16 million noted in the Act. Construction was delayed more than five years from the time of the original estimate, primarily because of funding difficulties. The Penn Central Railroad went bankrupt, further complicating funding arrangements. The prime interest rate soared as did the rate of inflation. With inflation came a labor and materials price rise.

There were also unforeseen construction-related problems. For example, the original cost estimate was based on a general inspection of the building rather than a detailed inspection. Target estimates were made from incomplete drawings and quantity estimates were based on typical structures. The parking garage structure, however, was atypical and

complex because construction had to proceed over operating rail facilities. Access to the track area, though originally expected to be good because of decreasing passenger rail service, became a major problem as the demand for passenger service increased.

Costs increased from changes in the construction schedule occasioned by adjacent Metro construction, railroad restrictions from changes in track availability, work stoppages, strikes and the Amtrak lawsuit. Costs also increased from the acceleration order which was intended to complete the facility for the Bicentennial Year.

The following explains what occurred as the National Visitor Center became a \$50 million project instead of the originally intended \$16 million, while the capacity of the parking garage, which will not be completed until additional funding is obtained, decreased to 1,200 cars from a generally anticipated 4,000 cars.

National Visitor Center Facilities Act of 1968

The National Visitor Center Facilities Act of 1968, P.L. 90-264, was enacted March 12, 1968. The Act authorized the Secretary of the Interior to negotiate and enter into agreements and leases with the Washington Terminal Company, the owner of Union Station, or its successors, for the purpose of leasing Union Station for use as a National Visitor Center where tourists could get an orientation to Washington, and adjacent air space for a related parking facility to be constructed by the owners.

The general plan was to permit the United States to lease Union Station, adjacent air space, and \$16 million worth of new construction to be undertaken by the owners, without initially spending any Government funds. Purchase of the property and improvements was to be paid to the owners over the term of the lease through the Visitor Center lease payments. It was also understood that the owners would seek a private mortgage loan to provide the \$16 million construction funds. The points of the legislation most relevant to subsequent events are:

- a. The lease rate and terms were specified as not to exceed \$3.5 million and 25 years, respectively;
- b. The parking facility was directed to be constructed in air space over the railroad tracks north of the Union Station building and to contain "as nearly as possible" 4,000 automobiles;
- c. The cost of the improvements (renovation of Union Station and construction of the parking facility) was not to exceed \$16 million;

- d. The owners were to provide the \$16 million from private sources and construct the improvements pursuant to their own private construction contracts for the Secretary as tenant;
- e. The owners were also to construct a smaller new rail passenger terminal adjacent to or beneath the proposed parking facility at their expense, to accommodate a dwindling number of train passengers;
- f. The lease was to commence when the facilities were available for public use;
- g. The Secretary was to have the option to purchase the leased property during the term of the lease at not more than fair market value less credit for rental payments attributable to purchase by agreement.

The report of the National Visitor Center Study Commission had also said, "If the \$11 million cost must be adhered to, a garage for 3,036 cars and 116 buses can be constructed at this time..." or for 3,500 cars. These figures were translated into legislation which said that "as nearly as possible four thousand motor vehicles" should be accommodated in the garage, which would be constructed at a cost of roughly \$11 million. The 4,000 figure became the target though there was substantial evidence to suggest this was not attainable with the available funds.

By letter of October 6, 1967, Secretary Udall had supported an early version of the bill that was to eventually become the Act, but noted, in agreement with the Commission's report:

- a. The \$11 million that the bill earmarked for construction of the parking facility of 4,000 automobiles was based on a dated estimate; it would take \$13.2 million to build only a 3,676-car and 116-bus parking garage. He recommended deletion of the bill's cost ceilings for this reason.
- b. The bill only permitted lease of the property and that it would perhaps be preferable to purchase rather than lease as the Federal use would be for an indefinite period of time; a request for an amendment to provide a purchase alternative and direct Government construction of improvements was made.

The bill that eventually became the Act omitted these two recommendations.

1968 Agreement and Subsequent Financing

The Department of the Interior entered into negotiations with the owners of the property and the negotiations culminated successfully in a mutually acceptable agreement and lease, both of which were formally executed on December 18, 1968. The Baltimore and Ohio Railroad and the Penn Central Railroad, parent companies of the Washington Terminal Company, were the negotiating agents, and the actual owners. The terms of the agreement and lease, authorizing a 7% interest rate on the \$16 million mortgage were approved prior to its execution by the National Visitor Facilities Advisory Commission. The U.S. General Services Administration approved the property appraisal and concurred in the fair rental value for the property as altered and improved.

From the time the agreement was executed until April 1969, the owners attempted unsuccessfully to finance the project with the 7% annual interest rate limitation set forth in the agreement. Conditions of the money market, where the interest rate ran to approximately 9% for similar loans, were such that the project might be deferred indefinitely.

On April 17, 1969, the owners proposed that they advance sufficient funds, estimated at \$500,000, at the floating prime rate, to carry the project forward to approximately March 31, 1970, and that they attempt to line up a construction loan on the best terms available to carry the project through to completion and to repay the owners' advances. If the annual interest rate on the borrowings arranged exceeded 7%, the limitation on the cost of financing the improvements as provided under the present agreement would not be applicable. In this event, the lease rentals would be recalculated to cover the increased interest cost.

On May 6, 1969, Assistant Secretary of the Interior Leslie L. Glasgow advised the owners that while awaiting the interest rate to reach an acceptable level, they could, within the current agreement, advance \$500,000 at an interest rate not to exceed 7% per annum but there was no consent to arrange the loan on the best terms available. On June 5, 1969, the owners agreed to advance the funds to finance the project through the initial planning and well into the construction drawing stages and the necessary approvals by the Secretary and other appropriate officials. The Penn Central Transportation Company bankruptcy of June 21, 1970, further complicated the search for financing.

On September 28, 1970, the National Visitor Facilities Advisory Commission met to give the railroads an opportunity to review for the full Commission the status of the financing. The owners asked at that time that the proposed amendment to lift the 7% interest limitation be signed prior to seeking another offer for financing. The Commission voted not to recommend approval until such time as the railroads could present a firm offer for the loan. The Commission was recessed pending a further report of the railroads on such an offer.

Secretary Morton, on September 20, 1971, expressed his concern to the owners "that the project is being unreasonably delayed... You are requested to submit, within 45 days...a specific program for performance of the agreement..." Following receipt of information that the railroads were not in accord on financing, the Secretary again asked the railroad presidents to arrive at a final determination of the future of the project. Shortly thereafter, the B&O Railroad assumed management responsibility for the project, and sought financing under the 1968 Agreement.

On February 4, 1972, President Nixon, in his message to the Congress on the Bicentennial for the District of Columbia, directed the Secretary of Transportation to coordinate plans for supplementing the subway lines by 1976 with a network of other public transportation for visitors. The President stated further:

"At the hub of this network should be a new National Visitor Center in and around Union Station. Such a facility, desirable for all years, becomes indispensable as we look to the Bicentennial. I have therefore charged the Secretary of the Interior, in consultation with the Secretary of Transportation, to take immediate action to move the National Visitor Center out of the talk stage, and to prepare new proposals for bringing it to completion by 1976. ... An 'air rights' parking garage for buses and visitors' cars, convenient public transit connections, and a central information facility tied in with a citywide tourist guidance and information system would be the major features of the project. (Emphasis added.)"

Recognizing that this project provided an opportunity for public and private resources to combine in filling a Bicentennial need, the President asked the two Secretaries to seek substantial railroad participation in developing the new proposals.

1972 Agreement and Lease

Further intensive negotiations resulted in the March 1, 1972, Agreement and Lease, which replaced the 1968 Agreement with the corporate owners of the property. The major change in the 1972 Agreement was the interest rate increase to 7½%, up from 7%, with a concomitant increase in rental payments. There were also these provisions, largely repeated from the 1968 Agreement:

- a. The owners were to bear cost overruns on the \$16 million construction, if, subsequent to receiving firm bid and performance bond assurances, the cost nevertheless ran

over. However, if such assurances could not be procured, construction would not begin until the Secretary agreed to a scaled down project which could, in fact, support the bid and bond assurances.

- b. The rental rate (\$3,338,127.04) was identified as a function of the monies needed to amortize the \$16 million mortgage loan mentioned above over 25 years at 7½% interest and a \$27.05 million mortgage loan over 25 years at 5% interest. The latter loan represented the portion of the loan attributable to the time purchase of fee title to the leased property;
- c. The Government was to have the option to purchase fee title to the leased property at any time after the first year of the lease term upon payment of specified sums and the option to purchase the leased property in fee for \$1 at the end of the 25-year lease term.
- d. The entire agreement was subject to the owners being able to procure the 7½% mortgage loan mentioned above.

Several elements of the 1972 Agreement reflecting the mandates of the Act should be noted:

- a. The Government's legal status pursuant to the 1972 Agreement (reflecting the Act) was that of a prospective tenant until the improvements were completed and an actual tenant as of completion.
- b. Contracts entered into by the owners for construction of the improvements were non-government contracts between private parties and not subject to the Federal Procurement Regulations. However, the 1972 Agreement, pursuant to the Act, specified nonetheless that such items as the Washington Plan, EEO requirements, and Davis-Bacon Act requirements were to be included in such contracts.
- c. The Secretary only agreed and was authorized to reimburse the owners through rental payments pursuant to the Act exactly \$16 million for construction. Therefore, there legally could have been no compensation to the owners for cost overruns above the \$16 million. The provision noted above respecting firm bids, performance bonds, and the requirement to scale down construction if necessary reflect the owners' desire to minimize exposure to an overrun. The Act, by placing an absolute cost ceiling on construction and dictating the location and size of the parking facility, necessitated these unique provisions in the 1972 Agreement.

There was no provision for Federal funding and the design and location of the rail passenger station was not specifically defined.

Construction Loan

Although the new agreement was dated March 1, 1972, it was not executed until September 21, 1972. Nevertheless, the agreement permitted the owners to actively seek financing under the new terms and to close the loan conditionally on April 17, 1973, permitting the first phase of construction to begin on May 7, 1973, with completion scheduled for January 1, 1976.

The condition of the loan was that final loan approval would not be forthcoming until final plans, specifications and cost estimates were available and approved. The loan permitted construction to commence pending these events, as it immediately did, but all loan funds were guaranteed to be reimbursed by the B&O Railroad in the event of failure of final approval. The net result of these arrangements was that the owners were permitted to commence work but only at their own risk and expense in the event that project costs were not acceptable.

The loan was closed on the assumption of constructing a 2,000-car parking garage for \$11 million and spending \$5 million for renovation and construction of Union Station for visitor center purposes. The garage had been reduced in size and redesigned, primarily because of rapidly rising costs of labor and materials.

The 1973 Amendment:

Due to cost escalations that occurred since the passage of the Act, considerable scaling down of the project was necessary to keep it within the overall statutory cost limitation. In accordance with the scaling down provisions of the 1972 Agreement and contemporaneous with the signing of the Agreement, Interior, on September 8, 1972, approved a statement of estimated project costs which specifically included a parking facility with spaces for 2,015 vehicles.

As the 1972 Agreement also provided that with certain fees, including interest on the loan, mortgage broker fees, surveys, appraisals, etc. to be charged against the \$16 million which the owners committed to the project, and additional costs from 4½ years of inflation since 1968, more funds were required to complete the facilities by 1976. Of the \$16 million, which was based on a 1967 estimate, as of January 22, 1973, there was available only \$12,284,000 for actual brick and mortar construction.

Accordingly, the Secretary of the Interior sought amendment to the 1968 Act and on February 20, 1973, H.R. 5857 was introduced to authorize

\$8.68 million to complete construction related to the Visitor Center which the owners would not be able to accomplish under their financing arrangements and the agreement. As examples, only one of two proposed visitor welcome programs and one of two of the theaters would be provided; the east reception area would not be completed; improvements to the mechanical and electrical system to permit air conditioning of the concourse and lounge areas would not be accomplished; the removal of the east end of the concourse and construction of the east ramps for Tourmobile and garage access would not be undertaken; the badly needed complete exterior cleaning, tuck pointing, roof repair and replacement would not be possible.

The \$8,680,000, sought in the Fiscal Year 1974 Budget, would permit the completion of all this construction work. It would also provide for the audiovisual equipment, exhibit construction, and furnishings (at a cost of \$1,580,000) which had always been considered the responsibility of the Government to provide and install within the structural elements funded by the railroads. The goal of completing the facility in time for the American Revolution Bicentennial celebration was now clearly established.

The Act of July 6, 1973, ("1973 Amendment") amended P.L. 90-264, among other matters, to authorize \$8.68 million to be appropriated and spent by the Secretary to supplement the construction to be undertaken by the owners. Such supplementation was permitted to take place directly by competitive bidding, or where deemed by the Secretary to be in the best interests of the United States, by negotiated contract with the owners, so long as the agreement and lease authorized by the owners (the 1972 Agreement) had been entered into by the Secretary. Funds in the amount of \$8.68 million were appropriated in July 1974. Also authorized, with no expenditures attached, was the extension of interpretive transportation services to other tourist attractions.

As the agreement and lease authorized by P.L. 90-264 had been executed, the Secretary was immediately authorized to expend the money as a supplement to the private funds.

1973 Letter Agreement

Just prior to passage of the 1973 Amendment, on May 31, the owners' Contractor Agent, the George Hyman Construction Company, received the first solicited bids which revealed a major cost escalation, \$17 million for the parking garage, as compared with a projected \$11 million for the scaled down version. The National Park Service arranged for an independent cost analysis which on July 20 confirmed the \$17 million figure. Efforts to modify the scaled down plan first suggested that a functional parking facility for in excess of 1,750 vehicles could be built within the \$16 million availability, but that a portion of the

funds formerly earmarked for remodeling Union Station would have to be diverted for the parking complex. Further review, in the fall of 1973, revealed that only a 1,200-vehicle facility could be built for in excess of \$16 million. Options explored at this time included resuming the project with Interior funds and abandoning the project, at a probable cost of \$4 to \$9 million. Work stopped in the fall of 1973 until the cost problems could be solved.

On November 15, 1973, the House Subcommittee on Public Buildings and Grounds, Committee on Public Works, and Interior officials, taking into account the cost escalation and the continued desirability of new parking, agreed that \$22.5 million of the \$24.68 million available funds should be programmed to construct the parking garage, and that additional funds should be authorized to complete the conversion of Union Station. Such legislation was introduced as H.R. 11763 and hearings were held in December on an additional authorization of \$12.9 million.

The specific arrangements of the scaled down project were detailed in the December 21, 1973, Letter Agreement and accompanying Attachment A ("1973 Letter Agreement") between the Secretary and the owners. The 1973 Letter Agreement identified a certain portion of the parking facility which was estimated to cost \$16 million as Project 2A (essentially the main slab and ramps) and made it the responsibility of the owners to construct. The 1973 Letter Agreement also identified a Project 2B (essentially the first thru third parking levels) of the parking facility and a Project 1, Conversion of Union Station into the Visitor Center, to be built with the Government funds authorized by the 1973 Amendment and appropriated in July 1974. Project 3 consisted of the replacement rail passenger station.

The 1973 Letter Agreement established the following obligations by amendment of the 1972 Agreement:

- a. Project 2A to be built with the owner's \$16 million was defined thereby waiving the owners' right to further scaling down of construction responsibilities pursuant to the firm bids and performance bonds provision of the 1972 Agreement; in other words, regardless of what the cost might prove to be for Project 2A, the owners were obliged to construct and pay for it;
- b. The owners were to build Project 2B, estimated to cost \$6.5 million, for the account of the Government pursuant to the pre-existing private construction contract, a February 27, 1973, "Contractor Agent Agreement" with Hyman, and subcontracts entered into pursuant thereto but as modified by the terms of the 1973 Letter Agreement;

- c. The Secretary was to undertake the renovation and construction work for Project 1 pursuant to Government contract authority, with no absolute right of the owners or Hyman to such construction work.

As Project 2 work was already substantially commenced by December 21, 1973, pursuant to existing non-government contracts, (principally the Contractor Agent Agreement) such contracts remained in effect for the construction of Project 2. They were, however, amended substantially by negotiation to include to the extent practicable the provisions of the Federal Procurement Regulations applicable to a cost type government construction contract, even though legally, such requirements were not applicable to private construction contracts. For example, the contractor agent fee for Project 2B was required to be a fixed fee as opposed to the percentage of cost provision contained in the original Contractor Agent Agreement, costs of construction were required to be computed pursuant to Subparts 1-3.808 and 1-15 of the Federal Procurement Regulations, and a limitation on fees on cost type subcontract work was included.

Project 1 construction work, because it had not been substantially commenced and was physically separable from Project 2 construction work, was deleted altogether by negotiation from the Contractor Agent Agreement so as to permit direct government contracting pursuant to all of the usual applicable Federal Procurement Regulations, although this was not legally required.

The parties formally agreed that all construction work was to be "fast-tracked" under cost reimbursable contract principles; that is, commenced and undertaken prior to completion of final plans and specifications. This decision was dictated by the Congressional and Presidential mandate that the National Visitor Center be completed by January 1976 to serve as the focal point of the Bicentennial celebration in Washington, D. C.

Late in 1973, construction costs were accelerating at approximately \$84,000 a month, according to the contractor. The energy crisis further complicated the condition and affected delivery of materials. Where subcontractors and suppliers had been giving firm 30-day bid prices, their bids were now good for seven days. Steel bars were increasing in price. Time required for deliveries of steel pilings had increased from four to seven months.

Amtrak Suit and Loan Withdrawal

Upon the execution of the 1973 Letter Agreement, construction work was resumed on the project under the new framework described above. A lawsuit filed on June 28, 1974, by Amtrak against the owners of Union Station upset these arrangements. The suit, among other things, charged the owners with failure to provide an adequate replacement passenger terminal

and alleged a discrepancy in the title to Union Station with the result that the \$16 million private bank loan secured by a mortgage on the property was withdrawn.

The critical allegation of the complaint was that the Washington Terminal Company, which at the time of the passage of the Act owned Union Station and the adjacent air space subsequently leased for the National Visitor Center, fraudulently conveyed the premises to subsidiaries of the owner, Terminal Realty Baltimore Company (B&O) and Terminal Realty Penn Company (Penn Central) as a means of diverting the anticipated revenues from the National Visitor Center agreement and lease away from the operator of the Union Station terminal, the Washington Terminal Company.

In conjunction with this allegation the assertion was made that because of the alleged diversion, the Washington Terminal Company did not have sufficient assets to construct a replacement rail passenger station as required by the Act. The fraudulent conveyance charge, under applicable District of Columbia law, had the immediate effect of placing a cloud upon the owners' title to the property leased to the Secretary by the 1972 Agreement. As this property was the security interest for the \$16 million loan mentioned above, and the alleged fraud placed in jeopardy the title of the mortgagees (the owners), the New York bank consortium, as of August 5, 1974, withdrew its loan commitment to the owners.

Because of the withdrawal of the loan commitment, the owners notified the Secretary on August 20, 1974, that they were halting all construction work and terminating the 1972 Agreement, as amended by the 1973 Letter Agreement, effective August 31, 1974. When the owners cut off their financing on that date, the Secretary temporarily assumed the full cost of construction. The owners also advised the Secretary that though they would not devote any more of their corporate funds to the project, there were conditions under which they would be willing to proceed.

The owners justified this termination action by citing the provision of the 1972 Agreement which made their obligations conditional on the existence of the \$16 million loan. As the loan had been withdrawn, they asserted that they had the right to terminate the 1972 Agreement.

After a period of negotiation, the Secretary requested the Department of Justice to file suit against the owners in an effort to compel performance of the obligations of the 1972 Agreement. The Government lawsuit was filed on September 5, 1974, and a motion for a temporary restraining order forbidding the owners to halt construction work was made the same day. An immediate hearing was held on this motion. The motion was denied and the Government agreed to continue to fund the construction work until a hearing could be held on the Government's motion for a preliminary injunction against the owners. On September 20, 1974, this hearing was held and again the Government's motion was denied, the court holding

preliminarily that the owners did have the right to terminate their obligations due to the loan withdrawal. On September 26, 1974, the Secretary halted the temporary funding of construction and work on Project 2 ceased.

Federal funding was used during this brief period in September because it was the only means available to keep the project under construction during negotiations toward settlement of the Amtrak lawsuit. The Secretary considered it the responsible course of action to fund construction work so long as a reasonable possibility of a settlement existed. To let construction come to a halt would probably result in a loss of several millions of dollars in appropriated funds already expended, and in substantially increased construction costs if work were to be recommenced.

The Secretary was concerned as to his legal authority to continue Federal funding even for a short while under these circumstances and, therefore, consulted with the Comptroller General as well as with the Department's Solicitor. The Comptroller General determined that the Secretary was authorized to commit a portion of the \$8.68 million appropriated for the Visitor Center to finance the construction.

Congressional Hearings

In an attempt to resolve the litigation impasse, the House Public Works Subcommittee on Public Buildings and Grounds, Committee on Public Works, had conducted oversight hearings on September 12, 1974. The following excerpts express the deep concern for the project and summarize the circumstances which led to the predicament at that time:

MR. SHUSTER: These are the kind of things that need to be nailed down. Somebody comes in here, some phantom and tells us that for X dollars we are going to get 4,000 parking spaces and then the years go by and somehow the people of America end up getting less than one-third of that for twice the cost and these things need to be nailed down.

Who did it? I want to find out. Who is the bureaucrat or who is the Government contractor that made such outrageous projections? Let us put his name up in neon lights.

MR. GRAY: My friend from Pennsylvania raises a very important point.

Let me say having sat on both the Visitors Center Advisory Committee and the original

author of the bill this estimate of 4,000 parking spaces was made by an architect and engineer and this was back in 1966 and of course you can see a simple escalation of 10 percent for eight years plus the fact it seems every time we try to do something for the public we are always the poor boy.

We started out here with not one nickel of taxpayers' money involved. We are building \$2 billion worth of Federal bureaucracy at this time but when it comes to facilities for taxpayers we decide to go private enterprise because the railroads back in 1966 assured us they could come up with all the money.

Well, they procrastinated for four years before a contract was signed and then interest rates went up and they came back four years later and amended that again, so I can tell you exactly how it happened. It was a bad estimate to start with and private enterprise did not come up with the money. They kept telling us we have to wait for this agreement and that agreement and here we are nine years later still trying to amend this thing to please the railroads and the banks.

We probably could have taken \$8 million or \$10 million and built this facility and had it in use now.

So it is the old American tradition of allowing private enterprise which has not worked very well to the taxpayers in the Nation's Capital and that is why we find ourselves in this dilemma; but I agree with you implicitly...

* * *

MR. GRAY: Just one more point on that subject, and we will pass on to something else.

It is the American taxpayer that is paying because the original lease that we negotiated with you in 1968, I pointed out to the gentleman from Pennsylvania, called for a much larger parking facility.

All of the improvements, not the \$20 million we are going to have to crank in, but all of the improvements to be made while we have gone and shrunk down in size in the improvements for the public you are still committed, sir, to receive \$3.3 million a year for the next twenty-five years, which aggregates more than \$82 million the government is committed to pay to you so you paid no penalty for whatever the cause, whether it is Penn Central's bankruptcy, procrastination, or what.

You are sitting there as this project goes, and God hopes it does get to go, getting exactly the same amount of money over the next twenty-five years for that property, and we are sitting here getting much less than we would have gotten so it is the poor taxpayers that have been ripped off on this proposition, not the railroads, because they are still sitting there with a \$82 million plus lease for a \$16 million expenditure that they do not even want to make.

MR. WATKINS (Vice Chairman of the Board, B&O Railroad): Sir, the \$82 million that you refer to, the \$3.5 million was directly at the request of this Committee, that this was the financing that the United States preferred, rather than investing its money initially.

MR. GRAY: And at that time we did and we wound up with a contract that we are hung with because we now have spent a considerable amount of money.

Otherwise, I can tell you, sir, we would deauthorize that project, forget about Union Station and go down on the Mall someplace with \$5 or \$10 million, and build a facility we can all be proud of.

You have us where we cannot extricate ourselves without spending several millions of dollars worth of taxpayers' money and that is why we are too far from shore to turn back, and that is the purpose of this hearing.

The cost aspects of the project are further detailed in this extract, from the same hearings:

MR. GRAY: ... This project has changed in complexities many times. There have been matters of extenuating circumstances far beyond the control of Congress.

What could we do to keep the Penn Central, for example, from going in bankruptcy?

We had to go through long litany of going through bankruptcy courts.

What could we do about inflation and steel going up 25 percent the last year?

Every single construction project in this country, both private and public, has escalated from 40 to 80 percent during this year.

So I hope the press and others have not picked up that this is a white elephant that is continuing to cost money. Every project in the country has continued to increase in cost due to inflation.

As I said, the FBI Building started out with \$20 million, and it is \$128 million now.

We have got a request in here to build \$100 million mint out in Denver, Colorado. Every day it is delayed, it is going to cost more money.

When you compare the \$20 million, if this bill is approved before us, the eight million before and the 12 million now, if you compare that 20 million, the cost of that entire facility of taxpayers' money is infinitesimal compared to the monies we are spending on short-term.

I am not being critical. In fact, I applaud it.

But we spent \$12 million of taxpayers' money out in Spokane, Washington, for a six-month world fair for a visitors center. I saw it a month ago. It has got a beautiful 60-foot high screen and is very good.

But if we can spend \$12 million for a six-month show out on the West Coast, for God's sake, we ought to be able to afford \$20 million in the Nation's Capitol, so in the Nation's Capitol, for the next 50 or 60 years, school children can find a place to get a hot dog and people can park their cars.

This is absolutely ridiculous to beat this horse at this kind of game.

I wanted to ask the Secretary if he does not agree with me, if these agreements fall through and we stop that project, it will cost us \$12 million or more to close the thing up without a facility.

- MR. MORTON: I think it will certainly cost us a great deal of money. I do not think we are bound to the line. You are in the ball park.
- MR. GRAY: It would cost millions to terminate the contract and the public would have nothing?
- MR. MORTON: That is correct.... (National Visitor Center Act Amendments: Hearings on H.R. 16615 Before the Subcommittee on Public Buildings and Grounds of the Committee on Public Works, United States House of Representatives, 93rd Cong., 2nd Sess. 52 (1974)).

1974 Letter Agreement

As of September 26, 1974, the project was halted with the prospect of total termination and abandonment in the near future. Termination costs were estimated to be as high as \$20 million, depending on the outcome of protracted litigation. Although the Government lawsuit would continue, the prospects of ultimately prevailing were not good and there was no prospect of prevailing in a time period which would permit the project to be completed by January 1976.

The Department determined that the only means to achieve completion of the project in a timely fashion was to negotiate a settlement with the owners, which would necessarily require a settlement of the Amtrak lawsuit and unconditional reinstatement of the New York bank consortium's loan commitment. The Secretary chose to pursue this three-part effort, essentially consistent with the owners' statement of conditions under which they would proceed, and, consequently, achieved settlement in three separate stages: the October 31, 1974, Letter Agreement with the owners (the "1974 Letter Agreement"); a contemporaneous agreement by Amtrak to withdraw its lawsuit with prejudice; and the Financing Restructuring Agreement of November 22, 1974 (the "Financing Agreement"), all of which culminated in the withdrawal with prejudice of both the Amtrak and the Government lawsuits and reinstatement of the loan on December 18, 1974.

The negotiations which achieved this settlement were long and complex. The final resolution, however, was incorporated into the following provisions of the 1974 Letter Agreement as supplemented by the Financing Agreement, as amended:

- a. The owners would construct in a timely fashion a new railroad passenger station underneath the parking facility pursuant to plans and specifications approved by Amtrak as an adequate replacement rail passenger station.
- b. The owners and the Secretary would split a projected cost overrun of \$.85 million on Project 2A occasioned by the delays in the project described above and the Secretary would bear any cost overruns in excess of that amount.
- c. The Secretary would commence "Partial Rent Payments" (the amount of rentals attributable to the amortization of the \$16 million loan) at such time as the banks had advanced the full \$16 million for project costs.

The critical decision of the Secretary here, at least from the point of view of hindsight, is "b" the cost overrun agreement. Through 1976, that provision is estimated to cost the Government some \$1.5 million. The decision was in the public interest not only because it permitted the possibility of completing the project on time, but because the alternative, continuation of the Government lawsuit, held out the prospect of an ultimate financial loss greater than any likely cost overrun on Project 2A, and much greater than the approximately \$1.5 million that the cost overrun decision appears to have cost. At the time of execution of the 1974 Letter Agreement, it was considered that

adequate funds, based on the construction costs incurred to date, were available to cover any foreseeable cost overrun on Project 2A. Also, the 1974 Letter Agreement, as supplemented by the Financing Agreement, gave the Secretary authority to terminate work on Project 2A at any time it would have been considered prudent to do so because of the availability of funds to cover the obligation.

The 1974 Amendment

Responding to the shutdown occasioned by the Amtrak lawsuit, and with the objective of getting the project back on track, H.R. 17027 quickly moved through the House and Senate. This legislation, according to the October 3, 1974 House of Representatives Report on the bill, "will put the final capstone on what is needed and necessary to complete the project." The minority views portion of that same report included this comment:

"Much as we support the objective of a Visitor Center in the Nation's Capital, we cannot support this legislation. The project's evolution from a totally private venture to a major Federal responsibility, the drastic scaling down of its scope and escalation of cost suggest that enactment of this bill will represent an open-ended commitment by Congress to a project whose costs far outweigh the benefits."

On the other hand, the urgency of completing and not abandoning the project is reflected in the following excerpts from the debate on the floor of the House of Representatives on October 10, 1974. In response to objections raised about additional funds for the project, Congressman Kenneth J. Gray stated:

"We have already spent almost \$3 million which will be lost forever. The railroads have spent \$5 million that will be lost forever. That is \$8 million, and it will cost approximately \$12 million to restore that historic landmark back to its original use, which means a total of \$20 million.

"For \$12.9 million, we can have a parking garage, a brand new train station, and a modern orientation center--for \$12.9 million instead of the \$20 million that it will cost to stop the project."

The urgency of completing the station was reflected in this comment, also by Congressman Gray:

"I think that if anyone reads the morning Washington Post or last night's Star-News he will see that public opinion is pointing out that it will be a national disgrace if this project is not finished."

and by Congressman Glenn M. Anderson:

"As stated in an editorial in the Washington Post this morning, it is now or never. And I surely agree with the editorial of this fine newspaper that we need to 'urge the Members of the House to approve the authorization to prevent a costly national embarrassment and to get work resumed on this necessary project.'

"Much work has already been done to assure that the anticipated 40 to 50 million visitors will have an attractive and convenient focal point to provide not only adequate parking facilities and a coordinate for varied transportation system, but also a place to refresh and receive the sufficient information to become oriented to this great city..."

"I doubt that if we were not to complete this visitors center, that when our visiting constituents come to Washington in less than 2 years and find themselves stranded, without adequate facilities that they will understand or appreciate our dallying--and thereby possibly wasting up to \$20 million--just to fill up the hole now existing in the Union Station."

The 1974 Amendment was enacted as P.L. 93-478 on October 26, 1974. The Act made technical amendments to P.L. 90-264, as amended, consistent with the 1974 Agreement which was in process at the time, so that the banks would reinstate the \$16 million loan. It also increased Interior's authorization for direct financing by the Government by \$12.9 million, primarily for additional traffic circulation ramps around the station and for full renovation of the Visitor Center and construction of interpretive facilities.

The completion of the National Visitor Center had become seemingly irreversible because of (1) the agreements between the Department of the Interior and the railroad owners, (2) a pending Urban Mass Transportation Administration grant of \$5.5 million for possible participation in transit-related costs, (3) the impracticality of terminating the construction, which was well underway at the time, and (4) the mandate of Congress through the 1974 Amendment. On this latter point, the conversion, not originally conceived as a Bicentennial project, now had, as one of its most potent driving forces toward completion, the desire of Congress

to see a tangible product in Washington of sufficient caliber to be a Bicentennial achievement where visitors could be served. So strong was the motivation that when construction had been halted on September 26, 1974, the future plans included prominent mention that decided improvements were needed for the millions of visitors expected in Washington during the Bicentennial. Among the options was the possibility of considering temporary facilities for visitor services.

Construction Progress and Delays

The effects of delays toward completion during this shutdown were not unlike those which occurred previously. For instance, revised cost estimates on conversion of Union Station (Project 1) were delayed for months early in 1975 because full architectural plans were not available. As a result, decisions on the scope of work had to be delayed. It was also necessary to slip target dates for starting most conversion work as the amount of available funding had not been determined. None of the \$12.9 million authorization of 1974 had been made available and the supplemental appropriation process then anticipated would consume at least 90 days before the funds could be obligated. Plans for the parking garage were based on anticipation of the Urban Mass Transportation grant of about \$5.5 million to the District of Columbia, but the amount and time of availability were uncertain.

Work on the parking facility, southwest ramp, and the H Street overpass had been substantially stopped since May 1, 1975, due to labor strikes. Work on the southeast ramp was delayed because the UMTA grant was not available.

Funding

The strikes were settled by August 1975, enabling a full complement of the construction work force to return to work, and the funding was beginning to match the total project costs of \$43,080,000 estimated late in 1974. With the now \$16.43 million from the railroad owners and \$8.68 million included in the Fiscal Year 1974 appropriation:

- a. \$8.5 million of the \$12.9 million authorized by the 1974 Amendment was made available from unprogrammed Federal Aid Highway Act Contract funds,
- b. the UMTA grant reached \$8.15 million as a result of further negotiations in which additional mass transit elements of the parking garage complex were identified, and,

- c. a Federal Highway Administration grant of \$1.44 million was made to the D. C. Department of Transportation for construction of a northwest ramp to connect H Street with the parking garage,

and, other minor funds brought to over \$43 million the total funding availability.

Termination

On May 11, 1976, the George Hyman Construction Company notified the railroad owners that additional funding of \$4.9 million was needed to complete the parking garage. If this additional funding requirement was not assured by May 14, Hyman would terminate construction of the garage. At the request of Interior, Hyman agreed to continue working on a week-to-week basis but the projected deficit had risen to \$6 million by May 26. As funding was not available, the Secretary suspended construction of the garage on June 3 and sought funding through Amtrak and the Department of Transportation, but continued construction of the ramps and the National Visitor Center. The Center was substantially completed on July 1, 1976.

On July 13, at Interior's request, Hyman submitted a lump-sum fixed price proposal of \$28.77 million for the garage, which indicated that the deficit could be \$6.4 million for the garage. Obtaining a fixed price for completion of the southeast ramp proved more difficult because of railroad requirements for track availability. Further estimates from Hyman led to termination of the parking garage and produced an estimate of \$45.6 million to complete work under the terminations. Congressional concurrence was obtained on September 28 for \$3,245,397 of additional Federal Aid Highway Act Contract Authority within the previous \$12.9 million authorization to work on the deck and ramp portions of the garage and to close down construction of the parking levels.

In mid-October, Hyman provided a southeast ramp estimate of \$8 million and a total estimate for completion according to the existing terminations on the garage of \$49.647 million. A requested southeast ramp termination estimate of \$3.2 million led to terminating that portion of the project effective November 15.

Work continues, under the termination orders, to utilize the materials and labor which were already under contract at the time of termination. Some additional work was arranged to assure the safety of the structure and of people who would be working near or passing by the structure. All current activities under the terminated arrangements should be concluded by the spring of 1977.

Current Operations

The National Visitor Center is operating daily pursuant to provisions of the National Visitor Center Facilities Act of 1968. The Center has served over 600,000 visitors since its opening on July 4, 1976. An audio-visual orientation, theaters, a book store, visitor information, a restaurant, gift shops, language assistance to foreign visitors and assistance to the handicapped are among the services provided.

Visitors arrive at the Center by train, taxicab, metrobus, and subway and private automobile. When the parking garage is completed, it will provide easier access thereby largely fulfilling the National Visitor Center mission.

Addendum to 1/18/77 Report to Senator Byrd and Representative Yates

On January 14, 1977, in the late stages of the Ford Administration, DOT Secretary Coleman proposed to the President of the Senate legislation which would assign the Union Station lease to DOT. Under the bill, completion of construction would be undertaken by DOT with a portion of the complex to be subleased to the Park Service for operation of the National Visitor Center. The bill was introduced as S. 562 on February 1, 1977.

The Department of the Interior opposed the bill because all forecasts for use of the complex were speculative; the incomplete garage, vital to operation of the Visitor Center, prevented a true test of the Center while Amtrak and Transportation forecasts about rail passenger use could not be verified for years. Interior favored some immediate adjustment of space with an evaluation three years after construction to decide ultimate use of the complex.

In a meeting between Interior Secretary Andrus and Transportation Secretary Adams on April 1, they agreed to the concept of the Department of the Interior completing the project and making additional space available for Transportation use. However, a letter from Secretary Andrus to Secretary Adams on April 6 revealed the need for further understanding on some of the details. Officials of both Departments commenced negotiations on construction details, use of the parking garage, space allocation within Union Station, management of the complex, and lease payments.

When it became evident that Interior efforts would far outweigh results accruing to the Department and to the National Visitor Center, Interior retreated to a position where DOT would assume responsibility and lease a portion of the complex to Interior for operation of a Visitor Center.

In July 1977, Secretary Andrus and Secretary Adams notified Senator Magnuson of their agreement, acknowledging transportation as the proper major use of the complex, granting DOT the lease and subleasing approximately a third of the Union Station building to the Park Service.

Legislation supported by both Departments will soon be introduced. Management and financial arrangements remain to be settled.



UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON, D.C. 20240

DEC 27 1976

Memorandum

To: Secretary
From: Solicitor
Subject: National Visitor Center

This memorandum explains the legal rationale underlying the contracting procedures utilized for the National Visitor Center Project (Project). Several questions have been raised which suggest a possible misconception of the basic contract framework authorized by the laws applicable to the Project.

By way of brief background, the National Visitor Center was authorized by the National Visitor Center Facilities Act of 1968, as amended, 40 U.S.C. § 801, et seq. (the Act). The Act authorized the Washington Terminal Company, its successors or assigns, to alter the Union Station Building to provide adequate facilities for visitors and to construct a parking facility with private funds in consultation with the Secretary of the Interior. The Government was authorized to enter into a rental arrangement for the Project over a period of 25 years with future annual appropriations.

On December 18, 1968, the Department of the Interior entered into a Lease Agreement with the Terminal Realty Baltimore Co. and the Terminal Realty Penn Co. (owners), successors to the Washington Terminal Company. That agreement was superseded on March 1, 1972, as a result of the Penn Central bankruptcy. The latter agreement was amended on December 21, 1973, following an amendment to the Act, P.L. 93-62, July 6, 1973, which essentially provided Federal appropriations for the first time for alteration and construction purposes. The agreement was again amended on October 31, 1974, following the second amendment to the Act, P.L. 93-478, October 26, 1974, which increased Federal appropriations for alteration and construction purposes. The Act and the Lease Agreement are more fully discussed in a contemporaneous narrative which

considers the policy decisions and circumstances surrounding the construction activities at the National Visitor Center (Narrative).

The principal area of misunderstanding is the applicability of the Federal procurement laws and regulations to the Project. Assertions have been made, for example, that an improper cost-plus-a-percentage-of-cost type of contract was used in the Project. The issue arises in relation to the contract awarded by the owners to the Hyman Construction Company on February 27, 1973.

An improper cost-plus-a-percentage-of-cost type of contract is not involved in this Project. To be improper, those provisions of the Federal procurement laws and regulations which prohibit cost-plus-a-percentage-of-cost contracting in Government procurement contracts would have to apply to the Hyman contract. For reasons which will become clear in light of the discussion which follows, the Hyman contract was a private arrangement and hence the Federal procurement laws and regulations did not apply.

The Act clearly authorized a private project, performed by private owners, initially with private financing only, which would subsequently be reimbursed by the Government through rent payments. Section 102 of the Act provided as follows:

(1) the Company shall agree to make such alterations of the Union Station Building as the Secretary determines necessary to provide adequate facilities for visitors. . .

* * *

(3) the Company, in consultation with the Secretary, shall construct a parking facility, . . . and such facility shall, upon completion, be leased to the United States for a term not to exceed twenty-five years; . . .
(40 U.S.C. § 802(a) (1) and (3)).

The Act authorized the Government to negotiate a lease with the owners, but the owners, not the Government, were to perform the alteration and construction work.

Moreover, the specific application of the Davis-Bacon Act (40 U.S.C. § 276a) requirements to the alteration and construction work authorized by the Act indicates that the project was considered to be private construction. The Davis-Bacon Act specifies prevailing wage rates for laborers and mechanics in the construction of public buildings and public works. In any Government construction contract, the Davis-Bacon Act requirements are always included in the general provisions. However, Congress felt it was necessary to specifically apply the Davis-Bacon Act provisions to the alteration and construction activity of the Act since this was not a public building or public work.

The private nature of the Project is also evident from the legislative history. The following is a dialogue between Senator Hiram L. Fong and William A. Schmidt, Commissioner of Public Buildings Service, General Services Administration (GSA), during Committee Hearings:

- SENATOR FONG: You made reference to the Davis-Bacon Act, and you think that should not be in the bill; is that correct?
- MR. SCHMIDT: I do so, Senator . . .
- SENATOR FONG: This facility actually will be a private facility when it is built?
- MR. SCHMIDT: It will be privately owned, will be owned by the Washington Terminal Company.
- SENATOR FONG: Do you think it is proper that we should have such a restriction in a private facility?
- MR. SCHMIDT: I would recommend against it. If the Davis-Bacon Act is to be applied to leases which the Government enters into for space, then I think it should be handled as a general legislation and not on a specific project basis.

SENATOR FONG: There is no present law requiring it now; is there?

MR. SCHMIDT: That is correct. (The National Visitor Center; Hearings on H.R. 12603 Before the Subcommittee on Public Buildings and Grounds of the Committee on Public Works, United States Senate, 90th Cong., 1st Sess. 55 (1967)).

This testimony of Mr. Schmidt of GSA, the agency primarily responsible for the Federal procurement laws and regulations, indicates this is a private project, privately owned, and that compliance with the provisions of the Davis-Bacon Act, a law relating only to public buildings and public works, is not required.

Additionally, § 102(b) of the Act specified that the terms and conditions of the Lease Agreement had to be jointly prescribed by the Administrator of GSA and the Secretary of the Interior. The Administrator and the Secretary prescribed terms and conditions appropriate for a private undertaking. Consequently, they did not require the owners to apply the Federal procurement laws and regulations to the alteration and construction work or to the subcontracts for services during the term of the lease.

The first amendment to the Act authorized the Secretary "to undertake, directly by competitive bidding or, if he deems it to be in the best interest of the United States, by negotiated contract with the company, its successors, agents, and assigns, such alterations and construction, with regard to the Union Station Building and the adjacent parking facility, as he deems necessary The Secretary may exercise the authority under this subsection without regard to whether or not title to the Union Station Building or the airspace adjacent thereto is in the United States" [Emphasis added.] 40 U.S.C. § 802(c). The first amendment to the Act also authorized \$8,680,000 of appropriated funds for immediate use and the second amendment increased that amount to \$21,580,000.

The effect of these amendments was to add current appropriations, in addition to the future rent appropriations, to a private enterprise, when the Secretary negotiated with

the owners and/or agents. This is evident in the House Report on the National Visitor Center, accompanying H.R. 17027,

H.R. 17027, as reported, provides certain technical amendments to the National Visitor Center Facilities Act of 1968, as amended, in order to make the law consistent with the present plans for the National Visitor Center . . . additional funds authorized thereby are required to supplement the construction work undertaken by the private owners of Union Station [Emphasis added.] (H.R. Rep. No. 93-1426, 93d Cong., 2d Sess. 1 (1974)).

The Secretary, in his discretion, could have used the funds for direct contracting for alteration and construction. However, this was not considered feasible since, among other reasons, the utilization of more than one contractor on different parts of a project would have been chaotic, and two contractors working on different floors of one parking lot would have been a guaranteed disaster. Also, continuity of operations was essential to meeting the Bicentennial deadline. These circumstances were apparent in the statement made to Congress in support of the first amendment to the Act by John Kyl, Assistant Secretary of the Interior, on H.R. 5857:

These funds would be used for construction which the owners will not be able to accomplish under their financing arrangements. For continuity in program administration and efficiency in contracting, the bill specifically authorizes the Secretary to negotiate contracts for the work with the owners or their agents. [Emphasis added.] (S. Rep. No. 93-228, 93d Cong., 1st Sess. 5 (1973)).

In February 1973, prior to the first amendment to the Act, the owners had already awarded a contractor-agent agreement to the Hyman Construction Company, and construction work had begun on the parking facility in the spring of 1973. Thus by the time of the first amendment to the Act on July 6, 1973, construction work was in progress under a private contract.

Disruption of existing private contractual arrangements was not feasible in light of the Bicentennial deadline, nor was it required or contemplated by the Act, as amended. It is noteworthy that direct appropriations were authorized to improve property which was privately owned and the provisions in 40 U.S.C. § 255, restricting such improvements of private property, were waived by this amendment. Congress thereby specifically authorized the improvement of private property with Federal funds.

There are other aspects of this legislation, in addition to the issues already discussed, which show that Congress intended that the Secretary interpret the Act broadly in favor of continuity of the project. For example, section 107 of the Act provides that "[a]ll existing laws or parts of laws inconsistent with the provisions of this chapter are hereby repealed to the extent to which they are so inconsistent . . ." 40 U.S.C. § 806. When it was apparent that the project would not continue in 1974 unless rent payments could legally be paid after all private funds were expended, Congress amended the Act to allow rent payment before the project would be available for public use. At the same time Congress deleted language from the original Act because the actual parking plan did not reflect the original plan in the Act.

The above discussion demonstrates that the Federal procurement laws and regulations are inapplicable to the Hyman contract. The provisions of the Act and its legislative history unequivocally contemplated a private contract for a unique construction project. The Federal Procurement Regulations (FPR), which set forth in great detail the requirements of the Federal Property and Administrative Service Act of 1949, as amended, 40 U.S.C. § 471, et seq., do not apply to a private contractual relationship.

It is also apparent from the FPR itself that its provisions did not apply to the contracts awarded by the owners. The FPR applies to leases of real property only to the extent explicitly stated in the specific FPR provisions. FPR 1-1.004-1. The Lease Agreement between the United States and the owners did follow the FPR as to the terms and conditions of the lease form, because FPR 1-16 prescribes a standard form for the lease of real property. There are no restrictions in this form against cost-plus-a-percentage-of-cost contracting or fee limitations, and the like, although certain policies are applied to subcontracts.

Thus, the March 1, 1972 Lease Agreement, in paragraph 3.e., required only the following for the alteration and construction work to be contracted for by the owners:

- e. the alterations and construction referred to in subparagraphs a. and b. of paragraph 1 shall be performed under contracts which conform to the provisions of Paragraphs 9, 10, 12, 13 and 14 of the lease, Exhibit "B-Revised" hereto.

These paragraphs are, respectively, covenant against contingent fees for soliciting, members of Congress not to benefit, equal opportunity, nonsegregated facilities and examination of records by the Comptroller General. This is also consistent with the standard practice of GSA when entering into leases for real property. The GSA uses the same form for leasing that we used for the National Visitor Center and does not use the standard requirements applicable to Government construction. GSA does not concern itself with the terms and conditions of the lessor's construction contract.

Furthermore, FPR 1-3.401(b), which prohibits cost-plus-a-percentage-of-cost contracting and prescribes fee limitations, is not explicitly applied to leases. Also, FPR 1-3.401(b) provides that "all prime contracts (including letter contracts) on other than a fixed-price basis, shall by an appropriate clause prohibit cost-plus-a-percentage-of-cost subcontracts." [Emphasis added.] No such clause was required for subcontracts in the Standard Form for Lease of Real Property in FPR 1-16, although such a clause is provided in appropriate circumstances. See, for example, FPR 1-7.202-8, applicable to cost-reimbursement type supply contracts and FPR 1-7.402-8, applicable to cost-reimbursement type research and development contracts.

Moreover, Congress was aware of the Government's interpretation of the Act. The House Public Works Subcommittee on Public Buildings and Grounds was fully apprised of the Government's day-to-day activities regarding the project. The project was frequently debated before the Committees and on the floor of the Congress. This is apparent from the following discussions on the floor of the House on October 10, 1974:

. . . If we go back in here and fill up the hole, as the gentleman from Iowa stated, we will have to knock out all those concrete and steel pilings.

We were right in the middle of this project and were stopped by Amtrack's lawsuit. It is not the fault of this Congress. We found ourselves between a rock and a hard place. The only thing we can do to resolve this dilemma is furnish this authorization

MR. SMITH OF NEW YORK: Mr. Chairman, I want to ask if the U.S. Treasury can recover the money on the original agreement after the lawsuits are settled?

MR. GRAY. That is a very good legal question. I have checked with our committee counsel and he feels we have a legal bona fide contract between the Department of the Interior and the railroads to make these improvements [Emphasis added.]
(120 Cong. Rec. H10373 (daily ed. October 10, 1974) (remarks of Reps. Gray and Smith)).

Finally, although the Government was not required to follow the FPR applicable to Government construction contracting, it did in fact apply the essential FPR principles to the maximum extent possible, for sound business reasons, when current appropriations were added to the project. For example, fees on subcontract work by Hyman were limited to 10 percent of target cost, the contractor-agent fee was fixed to an estimated cost, and competitive fixed-price subcontracting was required, except when Hyman performed subcontracting work with its own forces, which required specific justification, written approval, and incentive contracts. In the first amendment to the Lease Agreement, the FPR cost principles were even applied retroactively to the construction work which the owners were performing with private financing.

Another issue which has been indirectly raised with respect to the Project is the so-called "open-ended" provision of the second amendment to the Lease Agreement whereby the Secretary agreed to pay in part cost overruns applicable to section 2A of the Project. It has been asserted that this obligation is illegal because of its alleged open-ended character. Also, the Secretary's judgment in agreeing to such a provision has been questioned. On the latter issue, as described in the above-referenced "Narrative," we note that there was ample justification for agreeing to the provision, namely the possible loss of a \$20 million investment if the Project was not reestablished.

From a legal standpoint, the provision cannot be considered as a violation of 31 U.S.C. § 665(a) or 41 U.S.C. § 11, the applicable statutes, both of which forbid the Government from entering into contracts for which appropriated funds are not available. As a matter of law, a cost ceiling is read into all Government contracts which are subject to a specific, "not to exceed" authorization and appropriation, as with the Act, and the Government is not liable in excess of such cost ceiling. Curtis v. U.S., 2 Ct. Cl. 144 (1866); Shipman v. U.S., 18 Ct. Cl. 138 (1883); 40 Comp. Gen. 608 (1961). Therefore, by law there could be no fund deficiency for which the Government would be liable.

In the Curtis case, supra, at page 150, the court quoted from pertinent legislation as follows:

That before the Secretary of the Treasury shall procure or erect the buildings provided for in the second section of this Act, or commence operations under any of the provisions of the same, at San Francisco, State of California, it shall first be his duty to make a contract or contracts for the erection of said buildings, and procuring the machinery necessary for the operation of said unit, at a sum or sums which shall not, in the whole, exceed the sum of \$300,000.

At pages 151 and 152, the court explained the legal effect of this provision, as follows:

The proviso in this statute was not an appropriation, but a condition or limitation. It says, in effect: 'The cost of the branch unit in California, with all its appurtenances and apparatus, shall not exceed \$300,000; and if it should the Government shall not be liable for the excess.' To all intents and purposes the Government wrote this limitation upon the face of the contract The statute became to the claimant notice in law and in fact that the expenditures could not be carried beyond certain limits

The Visitor Center Act placed a similar limitation in both the first and second amendments, which provided that "not to

exceed \$21,580,000 of the funds authorized to be appropriated in section 109 shall be available to the Secretary to carry out the provisions of this subsection." The provisions of this subsection provided for a negotiated contract with the owners and agents.

The legislative history of these amendments further explains the clear intent to limit the contract authority. For example, the Senate Report on the first amendment stated:

. . . the bill specifically authorizes the Secretary to negotiate contracts for the work with the owners or their agents. The authority of the Secretary under the amendment is limited to not more than \$8,680,000. (S. Rep. No. 93-228, 93d Cong., 1st Sess. 5 (1973)).

The House Report on the second amendment provided:

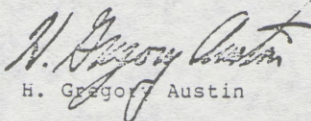
Second, H.R. 17027, as reported, increases the ceiling on authorization for the National Visitor Center from \$8.68 million to \$21.58 million. (H.R. Rep. No. 93-1426, 93d Cong., 2d Sess. 1 (1974)).

Not only did the authorizing statute contain a specific limitation of funds, but the second amendment to the Act, P.L. 93-478, was specifically referenced in the second amendment to the Lease Agreement. The Hyman Agreement with the owners was expressly subject to the Lease Agreement of March 1, 1972. Therefore, Hyman had actual as well as legal notice of this limitation.

Since the fund limitation was legally a part of the Agreements involved, there was no unauthorized obligation prescribed by 31 U.S.C. § 665(a) and 41 U.S.C. § 11.

For these reasons, we do not consider that the subject cost overrun provision can be described as illegal, although, as a general matter, of course, it is prudent to specifically include cost ceilings in all contracts when feasible.

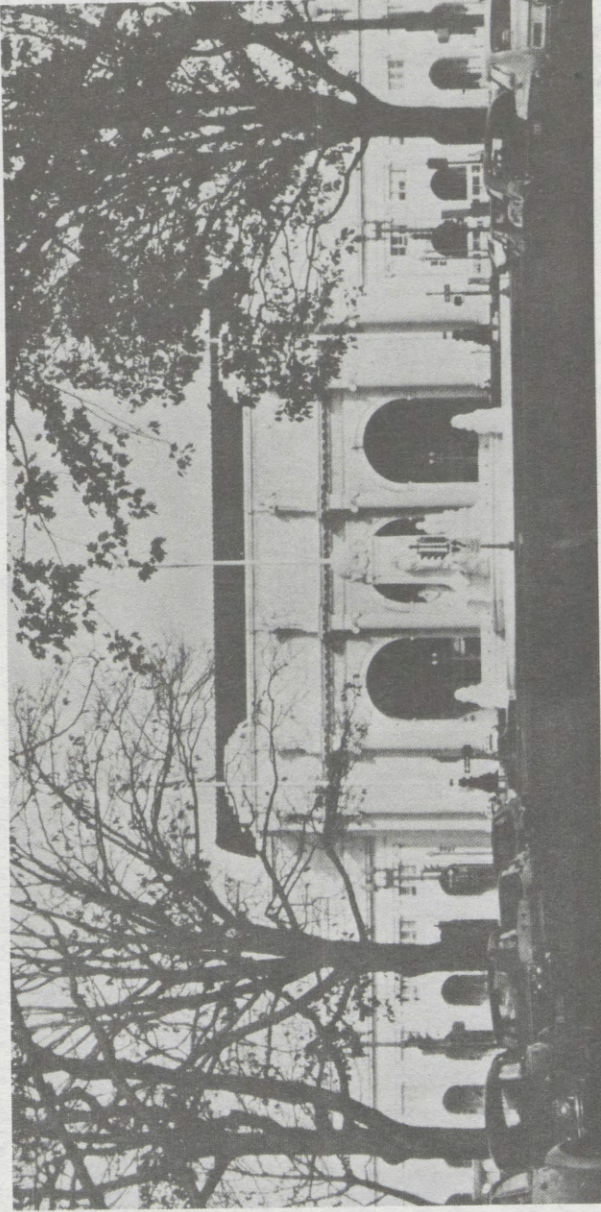
We trust this clarifies the legal issues involved.



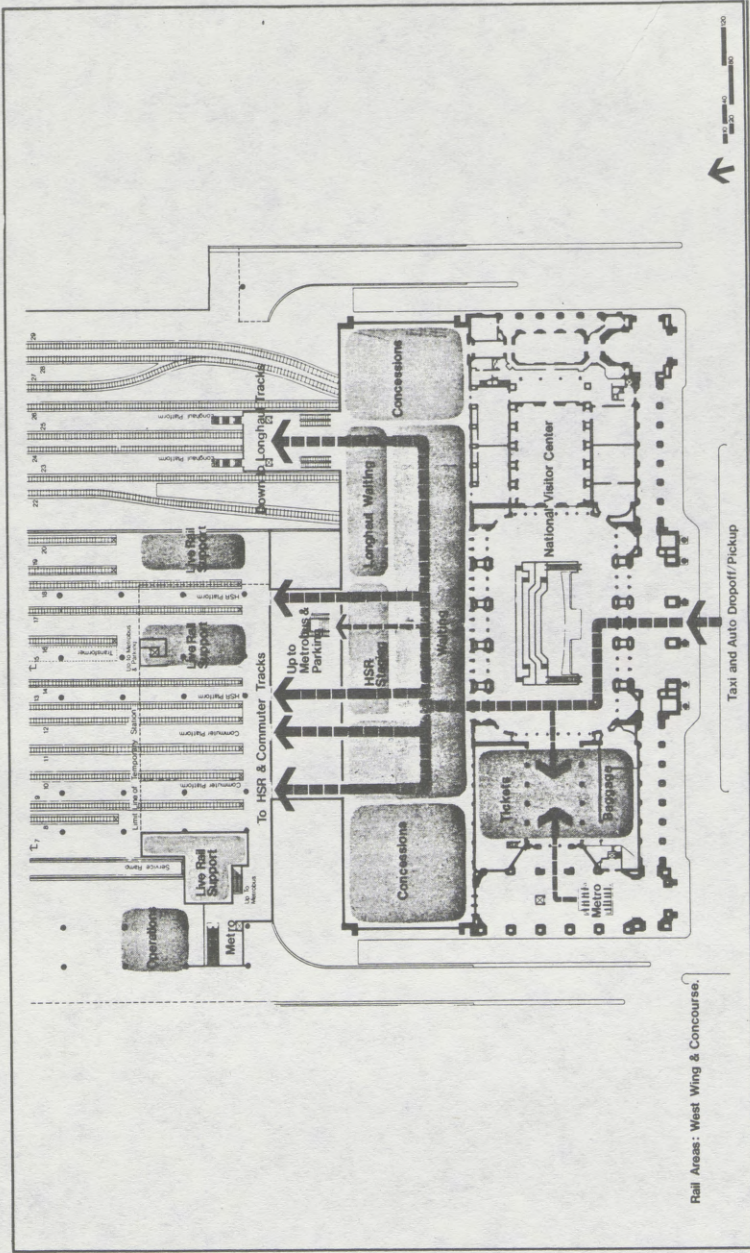
H. Gregory Austin

RECOMMENDED CONSTRUCTION PROGRAM
WASHINGTON UNION STATION

May 1978

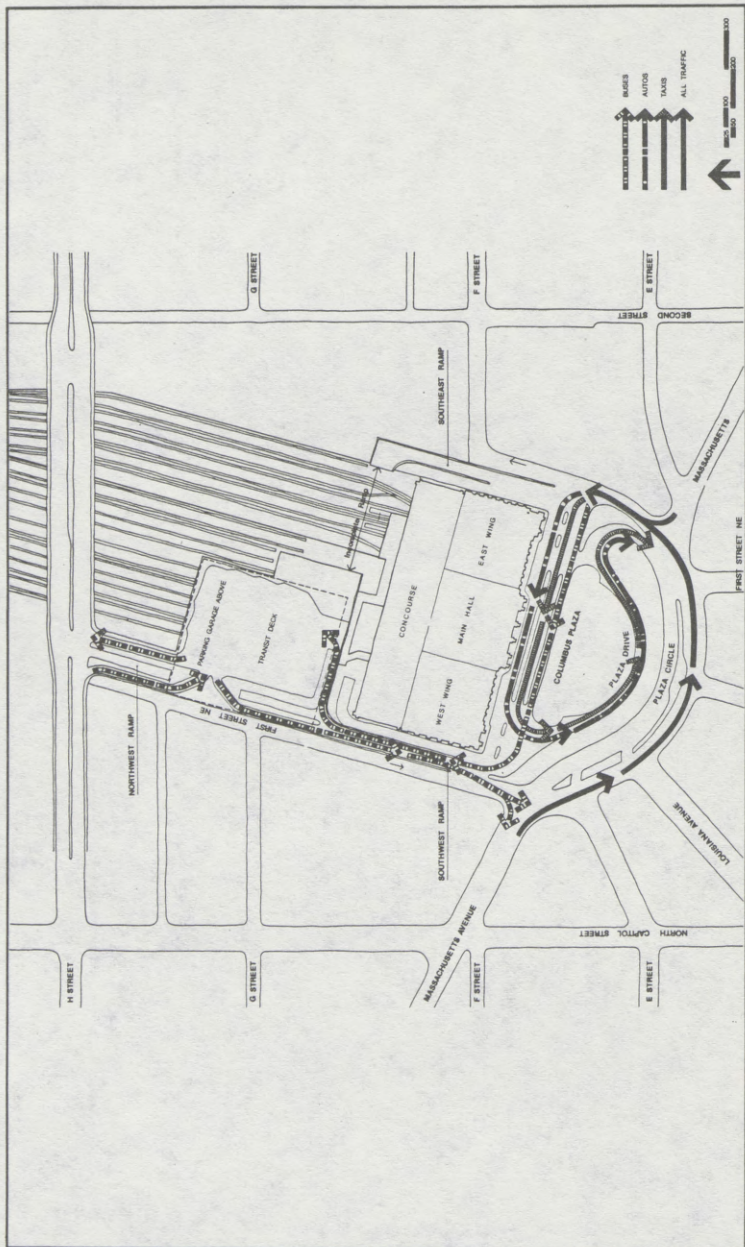


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Federal Railroad Administration



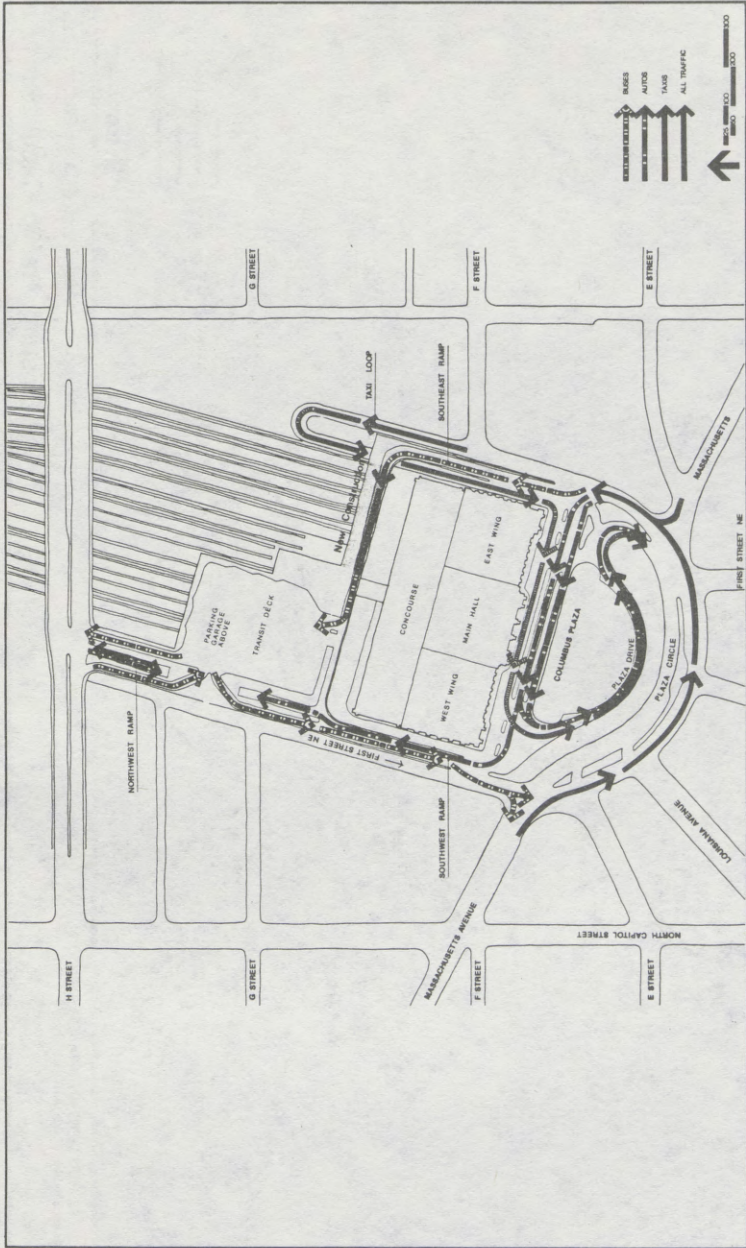
Washington Union Station
Recommended Station Plan

U.S. DEPARTMENT OF TRANSPORTATION
Federal Railroad Administration



U.S. DEPARTMENT OF TRANSPORTATION
Federal Railroad Administration

Washington Union Station
Existing Traffic Circulation



U.S. DEPARTMENT OF TRANSPORTATION
Federal Railroad Administration

Washington Union Station
Recommended Traffic Circulation

4

**SUMMARY OF COSTS
NECESSARY CONSTRUCTION PROGRAM
REGARDLESS OF STATION USE
WASHINGTON UNION STATION
(\$ Million)**

Program Element	Costs Construction Start January 1979
Near Term Repairs	
Garage and Southeast Ramp	1.28
Main Building	3.48
Parking Garage	13.10
On Site Roadway Improvements	
Southeast Ramp	6.06
Long Term Repairs/Main Building	10.14
TOTAL	\$34.06

U.S. DEPARTMENT OF TRANSPORTATION
Federal Railroad Administration

**SUMMARY OF COSTS
RECOMMENDED CONSTRUCTION PROGRAM
WASHINGTON UNION STATION**

(\$ Million)

Program Element	NECIP Contribution Toward Construction Costs	New Authorization
1. Near Term Repairs		
a. Garage and Southeast Ramp	.64	.64
b. Main Building	-	3.48
2. Parking Garage	6.55	6.55
3. NECIP Station Improvements	11.98	-
4. On Site Roadway Improvements		
a. Southeast Ramp	3.03	3.03
b. Taxi Loop	.64	.64
5. Long Term Repairs / Main Building	-	10.14
6. Non-Construction Costs	-	5.00
TOTAL	\$22.84	\$29.48

U.S. DEPARTMENT OF TRANSPORTATION
Federal Railroad Administration

WASHINGTON UNION STATION
FACT SHEET - DEPARTMENT OF TRANSPORTATION LEGISLATIVE PROPOSAL
May 1978

● Patronage Projections (no. of passengers)	1977		1982		1990	
	Annual Ridership	Typical Daily Ridership	Annual	Typical Daily Ridership	Annual	Typical Daily Ridership
High Speed Rail	1.9 million	7,000	2.7 million	10,000	6.2 million	23,000
Long Haul	500,000	2,000	640,000	2,400	1.6 million	4,300
Commuter Rail	1.3 million	4,700	1.6 million	6,200	2.4 million	9,400

● Square Footage Requirements	Existing Square Footage	Projected Space Requirements
National Visitor Center		
Main Hall	38,800	38,800
West Wing	21,700	-
East Wing	29,600	29,600
Concourse	85,000	-
Basement	109,500	59,000
Upper Floors	50,000	50,000
Rail Station		
Main Level	40,000	100,000 s.f.
Basement and Upper Floors	20,000	80,000 s.f. (includes Commissary)

● Annual Cost Exposure	1977	Future Allocations
National Visitor Center		
Rent (to Chessie)	\$3.5 million	To Be Determined
Operating and Maintenance	\$2.5 million	
Revenues - Concessions	Unknown	
NVC TOTAL	\$6.0 million	
Rail Station		
Rent (to Chessie)	\$ 550,000	
Operating and Maintenance	\$1.7 million	
Revenues - Concessions	(\$ 276,000)	
RAIL TOTAL	\$1.96 million	

● ACCESSIBILITY	Spring 1978	Completion of DOT Improvements	Feet Saved
Front door to baggage check-in	700 ft.	50 ft.	650 ft.
Front door to high speed train gate	775 ft.	390 ft.	385 ft.
Front door to long haul train gate			
Normal Traveller	1,065 ft.	425 ft.	640 ft.
Handicapped Traveller	1,800 ft.	425 ft.	1,375 ft.

STATEMENT OF BROCK ADAMS, SECRETARY OF TRANSPORTATION, BEFORE THE HOUSE COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS, CONCERNING UNION STATION VISITOR CENTER, WASHINGTON, FEBRUARY 22, 1978.

Mr. Chairman and Members of the Subcommittee:

I am pleased to be able to appear before you today with our proposal to complete and improve the Washington Union Station/National Visitor Center complex and to put an end to a very vexing problem.

Back in 1968, when the Congress passed the Visitor Center Act, Union Station appeared to be the best site for a new, modern, and safe railway passenger terminal. Since the late 1940's, train travel had decreased significantly. However, as the need for a railway terminal seemed to be waning, the need for improved facilities for the Nation's capital grew. The Congress recognized the trends of the times by designating the Union Station building as the National Visitor Center.

Nevertheless, since the inception of the National Visitor Center, transportation trends have changed. In view of the environmental movement, the Congress in 1976 authorized the Northeast Corridor Improvement Project. This is a \$1.75 billion dollar federal commitment to the preservation and enhancement of inter-city rail service in the densely populated Atlantic Seaboard region. As a direct and desired result of this federal commitment, Amtrak patronage at Union Station is expected to increase significantly from its 1977 level. The Washington Metropolitan Area Metro Red Line from Dupont Circle to Silver Spring, and the corresponding routing of metro buses, Union Station has already become a major transit hub in the Washington public transit network. In view of these trends, the Secretary of Interior and I see the need for a more rational allocation and application of Federal resources.

The practical problems at Union Station are serious and require immediate attention. The Interior Department, through the National Park Service, is saddled with a facility which is grossly inadequate to serve the thousands of walk long distances from the Metropolitan Columbus Plaza to the trains. (Exhibit 1)

In addition, work has been suggested on the parking garage and improvements to the main building. For this reason, there is no place for potential passengers or Visitor Center staff to wait. The need for a safe and unobstructed path for the further contact to increase the use of the facility is a major physical deteriorating. If something is not

done very quickly, conditions in the building will become hazardous for employees, visitors, and rail passengers. These repairs will have to be made even if the present use of the building is continued. In other words, the current conditions are less than adequate for current and future needs.

Ever since last Spring, Secretary Andrus and I have been discussing the problems there are in the building. The Department of the Interior should assume control of Union Station and should implement on an expedited basis the completion and reconfiguration of this facility as a transportation and visitor center complex.

We have agreed on the necessity to complete the near-term repairs expeditiously, the nature of the long-term work and the timing for completion. We have agreed on the need to complete the building, and who will own and operate the station.

What we present for your consideration is a coordinated proposal that we believe will meet the needs of all of the potential users of the complex, tourists, commuters, and long distance travelers. It must emphasize that it will cost money and is going to take time to complete. However, our best analysis, based upon available facts, is that our proposal is a workable plan which everyone can live with and which can be performed within the proposed funding and time schedules.

Now, I would like to explain what we propose to do and give you the basic facts and figures. We have prepared a chart which starts with the facts which are on display and included at the back of my testimony.

First of all, near-term repairs are necessary to complete the building. These structural support and fire protection measures are needed immediately to insure safety and structural integrity of the building. We propose to complete these repairs to arrest the decay of the Station itself, and to add to the ultimate cost of completing the facilities. These urgent remedial efforts will help to preserve the National Visitor Center and rail terminal alike.

Second, the completion of the parking garage will include major changes in design (at little or no increase in projected cost) to expand the parking area to accommodate approximately 1,400 cars for rail travelers, and visitors to the National Visitor Center.

Third, our program includes railway station improvements which will provide necessary processing, provide appropriate waiting areas, upgrade public services and amenities, and allow for revenue-producing concessions. Under the proposed program, the National Visitor Center will provide rail passengers with direct, and expeditious access from Colum-

bus plaza to the trains. Our proposed program provides for rail access from the Station's west wing and concourse. (Exhibit 2)

Fourth, on-site roadway improvements will include the widening of the main building's southeast ramp (which provides local bus access to the garage transit deck from Columbus Plaza). A taxi queuing ramp will also be constructed on the east side of the Station to reduce taxi congestion on the main building's access streets. Again, these roadway improvements will benefit all users of the facility, whether visitors, rail travelers, or both. (Exhibits 3 and 4)

Fifth, long-term repairs to the main building would include a modernized electrical distribution and branch circuit system; a new roof structure; a new heating system; new heating systems; and long-term structural system repairs.

Sixth, non-construction costs would pay for the Government's possible acquisition of certain parcels of land at the Station to implement our recommended program.

As you can see on the chart which summarized the cost of the recommended construction program (Exhibits 5 and 6) we estimate that approximately \$2 million will be required to rehabilitate the Old Station building, complete the facility for rail passengers and provide usable space for the National Visitor Center. This is an not particularly pleased with this figure, but I think it is a realistic one. It would be our intention to put the contract out on a competitive bid basis to meet the requirements, to protect as much as possible against cost escalation. The cost estimate assumes a construction start in January, 1979. In the case, there will be cost increases beyond the \$2 million. The cost of the program start is delayed beyond that date.

We estimate that approximately \$22 million of the \$25 million cost can come from funds already authorized by the National Park Service Project. The \$30 million balance of the \$52 million cost would have to come from a new authorization and appropriation. Given the ability of collecting the capital funds required from the variety of other Federal and local entities involved with the complex. Any attempt to do so would only further delay an already much delayed project.

That briefly is what Secretary Andrus and I propose to do. If the plan is approved, we are prepared to implement the program immediately.

This concludes my prepared statement, Mr. Chairman. I would be happy to answer any questions you or any of the members of the Committee may have.

WASHINGTON UNION STATION
RECONFIGURATION OF TEMPORARY STATION (MOVING BACK 8 TRACKS)
SALIENT ARGUMENTS

- *1. Reduces walking distances (385 feet less) from Front Door to High Speed Rail gate.
- **2. Additional fleet load/unload capacity (+ 2 Car Lengths for 8 Tracks, + 1200 Passengers).
- *3. Single building for Rail and National Visitor Center use.
4. Straightforward circulation and flow from Columbus Plaza (Front Door).
- **5. Least costly operations & maintenance exposure to Federal Government. Saves Amtrak + \$1.5 million/year (Costs to use Temporary Station).
6. Optimizes potential for generating concession income in Main Building; rail users and visitors.
7. Eliminates duplication of station operations/management personnel. Washington Terminal Co. dissolved for station operations purposes.

CRITIQUE OF HOUSE PUBLIC WORKS PLAN
TO COMPLETE
NATIONAL VISITOR CENTER, REPLACEMENT STATION, AND CONCOURSE ROADWAY
AS ORIGINALLY PLANNED

Impact on Rail Travellers

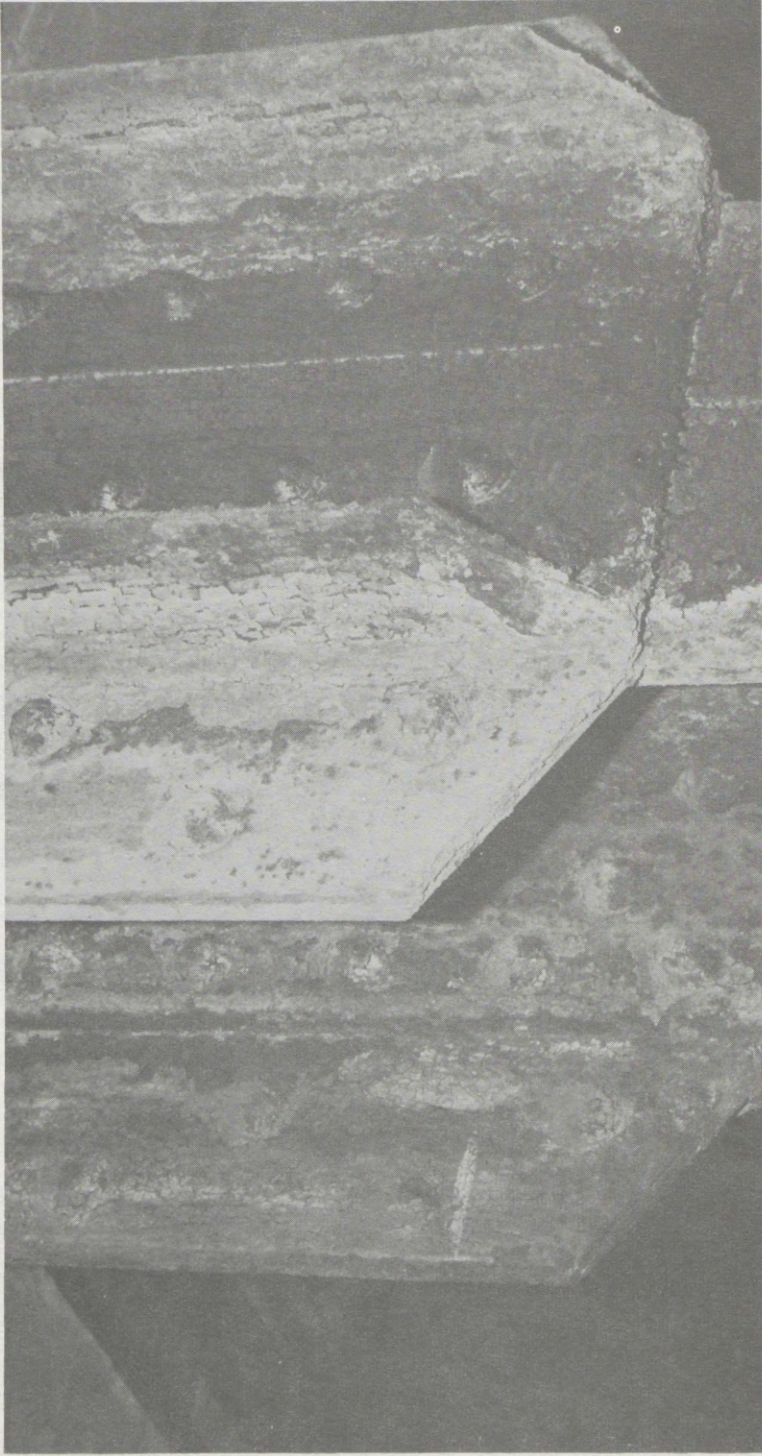
CAPITAL COSTS:	House Plan	<ul style="list-style-type: none"> ● \$36.66 million in new authorizations to the Department of the Interior.
	DOT Plan	<ul style="list-style-type: none"> ● \$29.48 million in new authorizations plus full use of \$22.84 million NECIP authorized and appropriated funds (FY 79).
ANNUAL COST EXPOSURE:	House Plan	<ul style="list-style-type: none"> ● \$7.0 million operating cost to taxpayers (two separate buildings).
	DOT Plan	<ul style="list-style-type: none"> ● Less than \$5 million operating cost to taxpayers (single building).
SQUARE FOOTAGE ALLOCATION:	House Plan	<ul style="list-style-type: none"> ● 52,000 square feet for rail uses in completed replacement station.
	DOT Plan	<ul style="list-style-type: none"> ● 100,000 square feet for rail uses on single floor (West Wing and Concourse) of main Union Station building.
TRAFFIC AND CIRCULATION:	House Plan	<ul style="list-style-type: none"> ● 3-lane concourse-level roadway splits old building and replacement station; ● Serious traffic congestion problems due to inadequate roadway capacity; ● Rail patrons must cross three lanes of moving traffic when walking between the replacement station and Columbus Plaza.
	DOT Plan	<ul style="list-style-type: none"> ● All vehicular traffic uses Columbus Plaza, traditional front door of Union Station; ● Single building for rail and visitor center use; ● Clear and direct pedestrian circulation, passenger flow and user orientation throughout the historic building; ● Handicapped and elderly accessibility fully accommodated.
CONCLUSIONS:	House Plan	<ul style="list-style-type: none"> ● Completes National Visitor Center as planned. ● Completes rail transportation facilities as planned in 1968 with no recognition of increases in rail patronage since the energy crisis. ● Provides no station improvements in anticipation of Washington Union Station function as southern terminus for the \$1.8 billion Federal investment in Northeast Corridor High Speed Rail Project.
	DOT Plan	<ul style="list-style-type: none"> ● Responds to increased rail transportation needs while accommodating ongoing visitor center functions; ● Establishes a single integrated complex in historic building for patrons of both the rail and visitor facilities; ● Minimizes ongoing operations and maintenance costs to taxpayers; ● Provides an appropriate southern terminus for Northeast Corridor High Speed Rail Improvement Project.



Exposed and deteriorated steel beams at ground level between new railroad station and present visitor center. Note flaking and heavy rust buildup. Also effective thickness of steel has been heavily reduced.



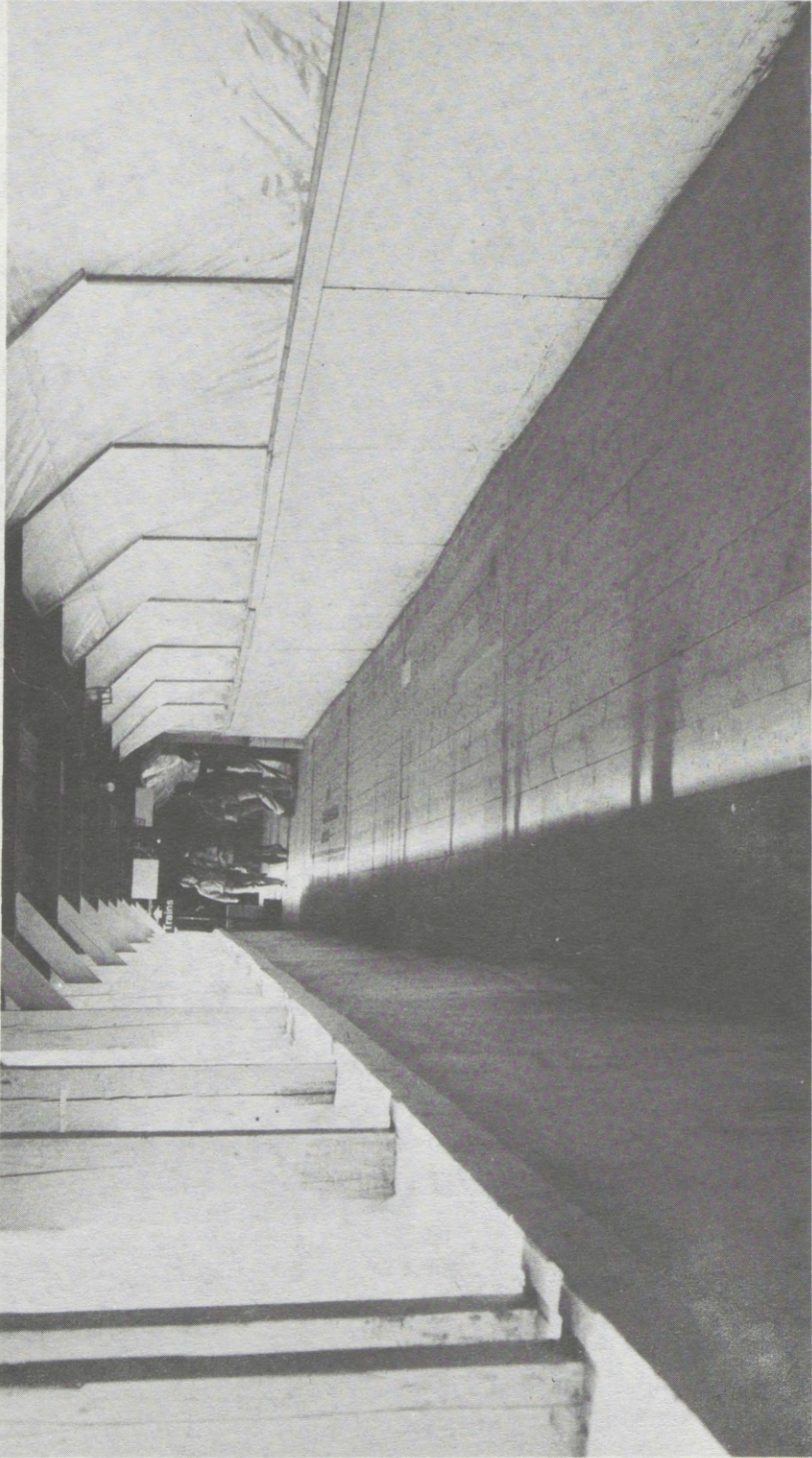
Exposed reinforcing of uncompleted parking garage. Reinforcing has begun to corrode, rust and deteriorate in some areas, due to exposure to the elements.



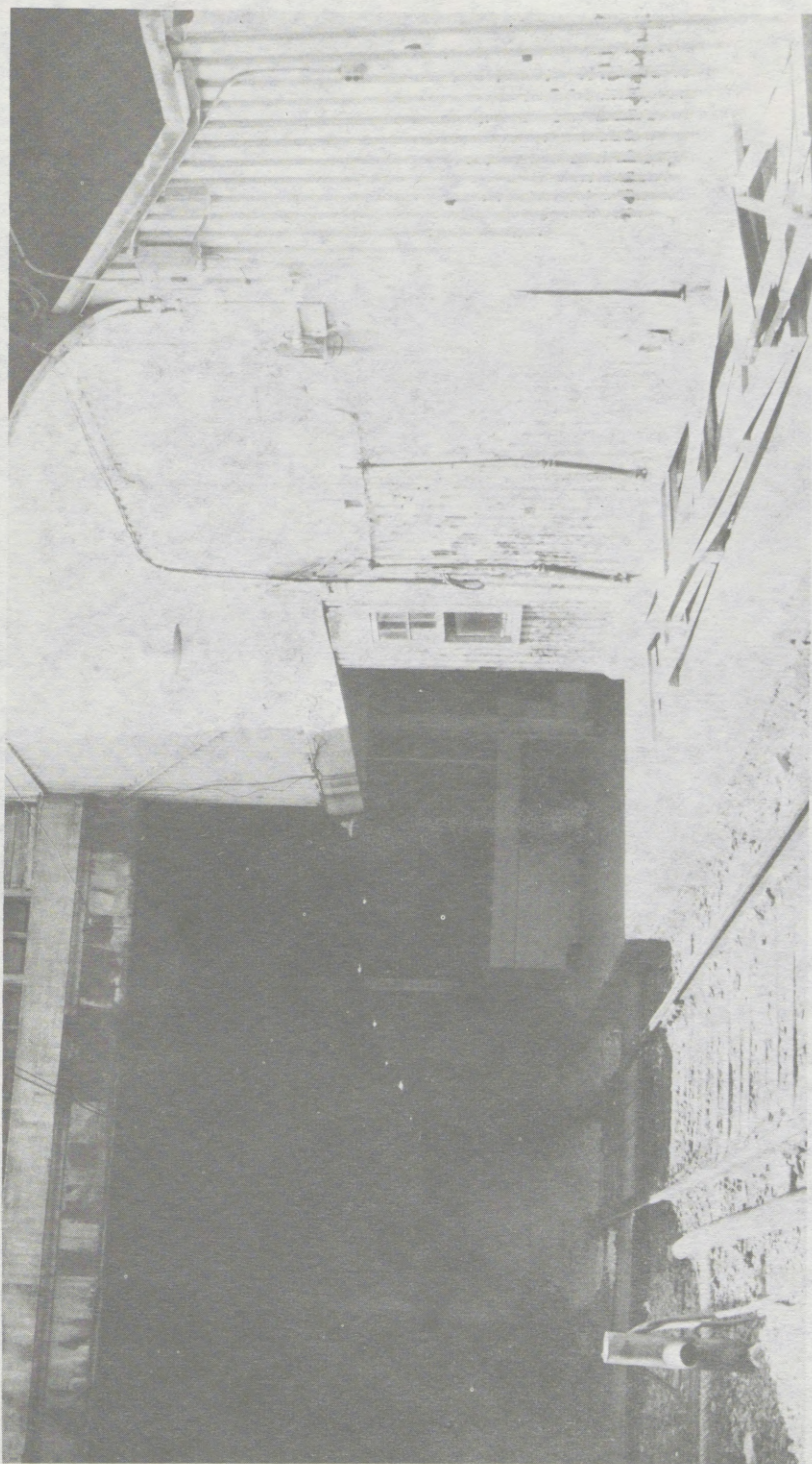
Deteriorated concrete and structural steel, which supports the southbound tracks above. Supports are located in mail handling tunnel, where water proofing and drainage above in the tracks is very poor; thus water seeps through causing deterioration.



Distances to board long distance trains.



Wood temporary platforms to board trains from lobby to both local and long distance trains.



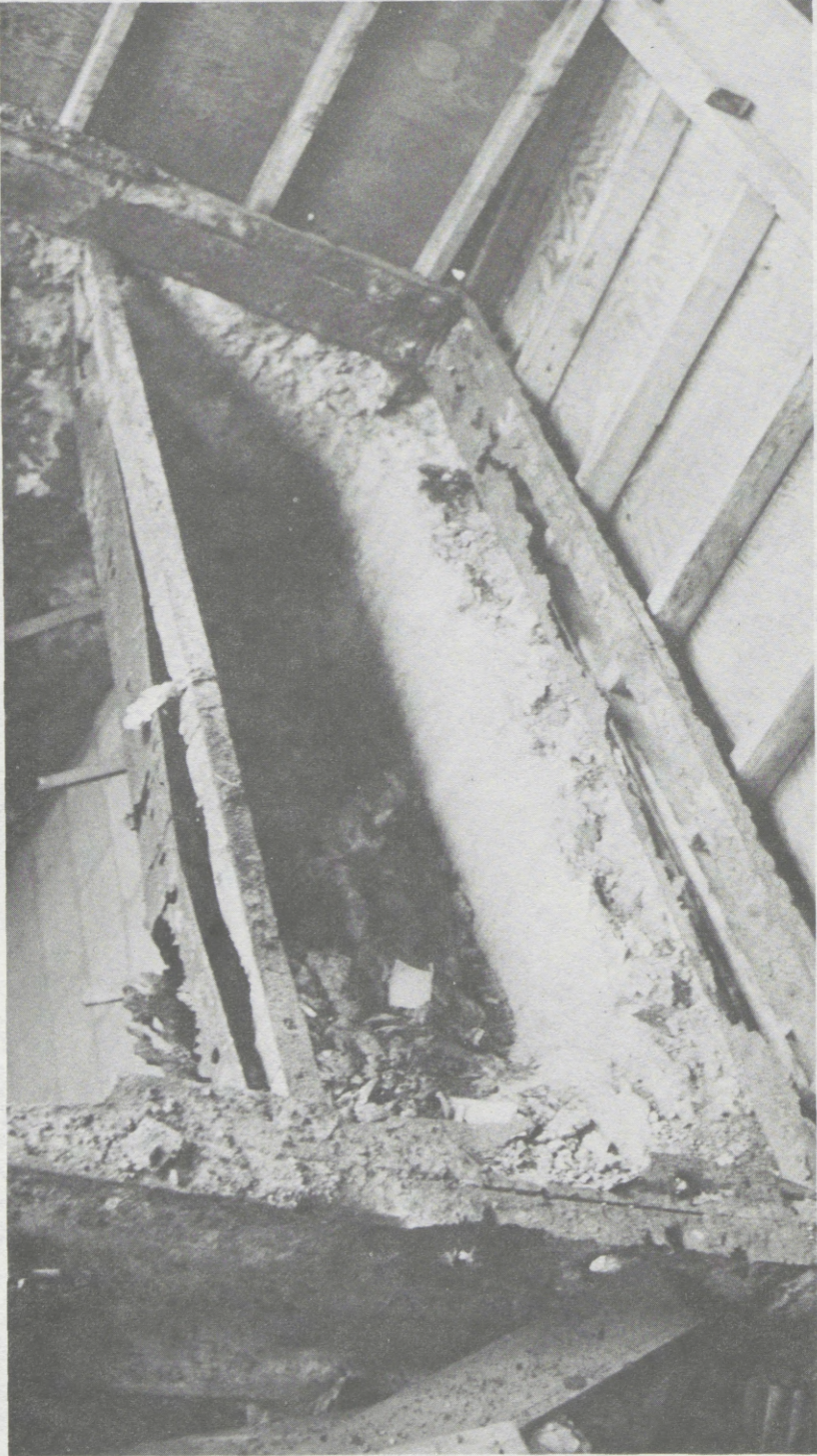
General deterioration of long distance train platforms.



Decayed wooden platform—termite ridden and rotted—supported by temporary 8" x 4".



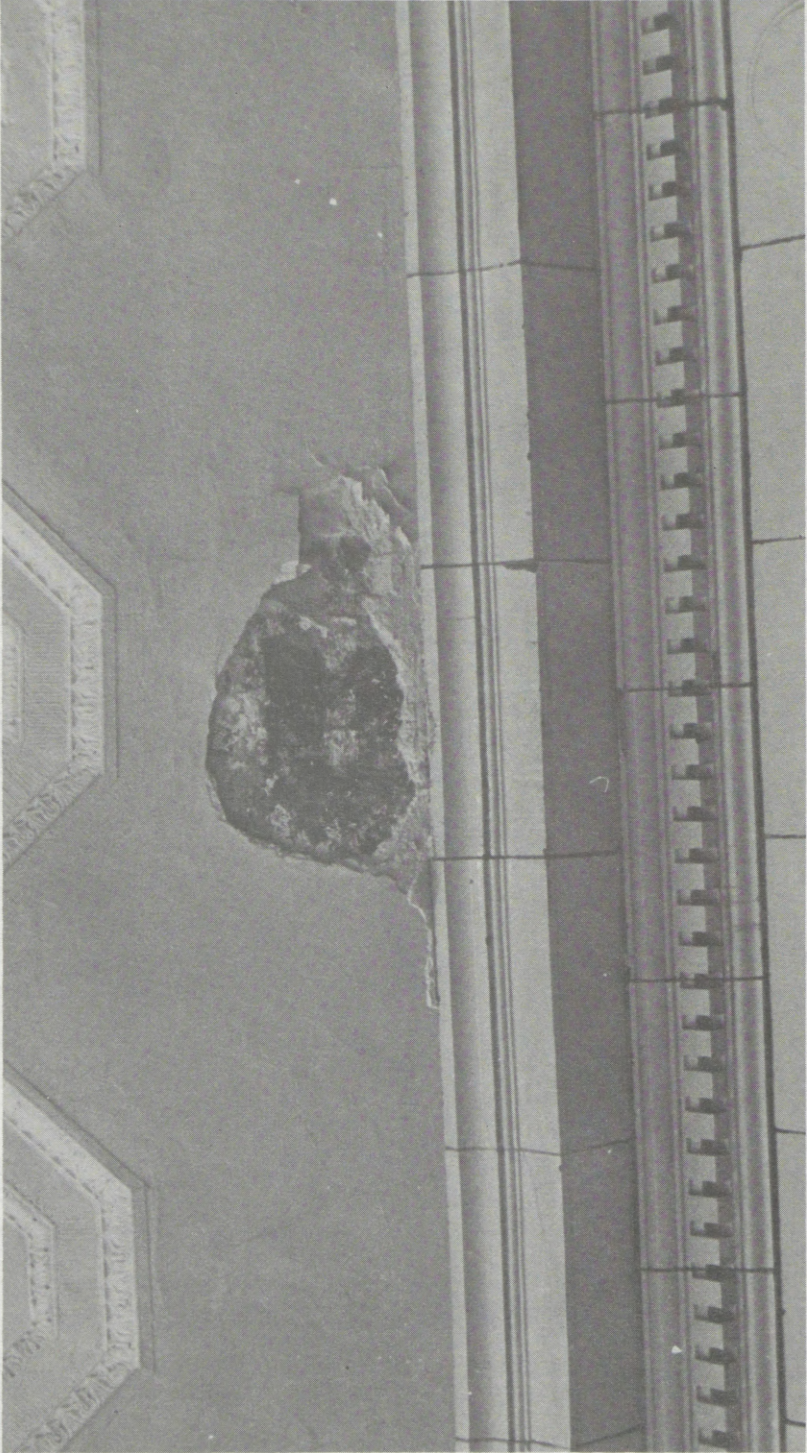
Decay of existing wood decking over old elevator shafts.



Decay of existing wood decking over old elevator shafts.



Decay of existing wood decking over old elevator shafts and support wood deck for ticketing office.



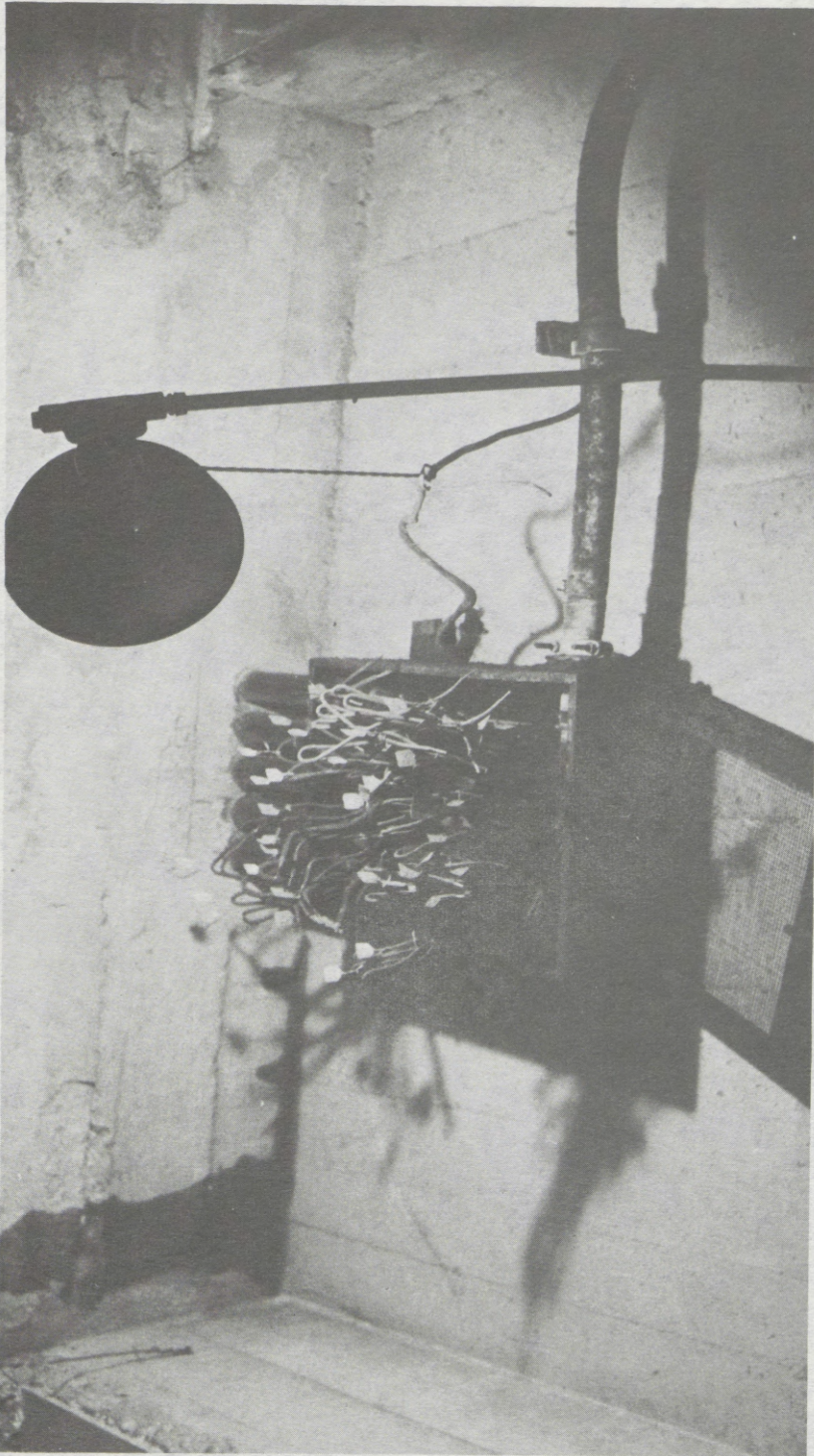
Deteriorated ceiling in visitor center due to water leaking through roof.



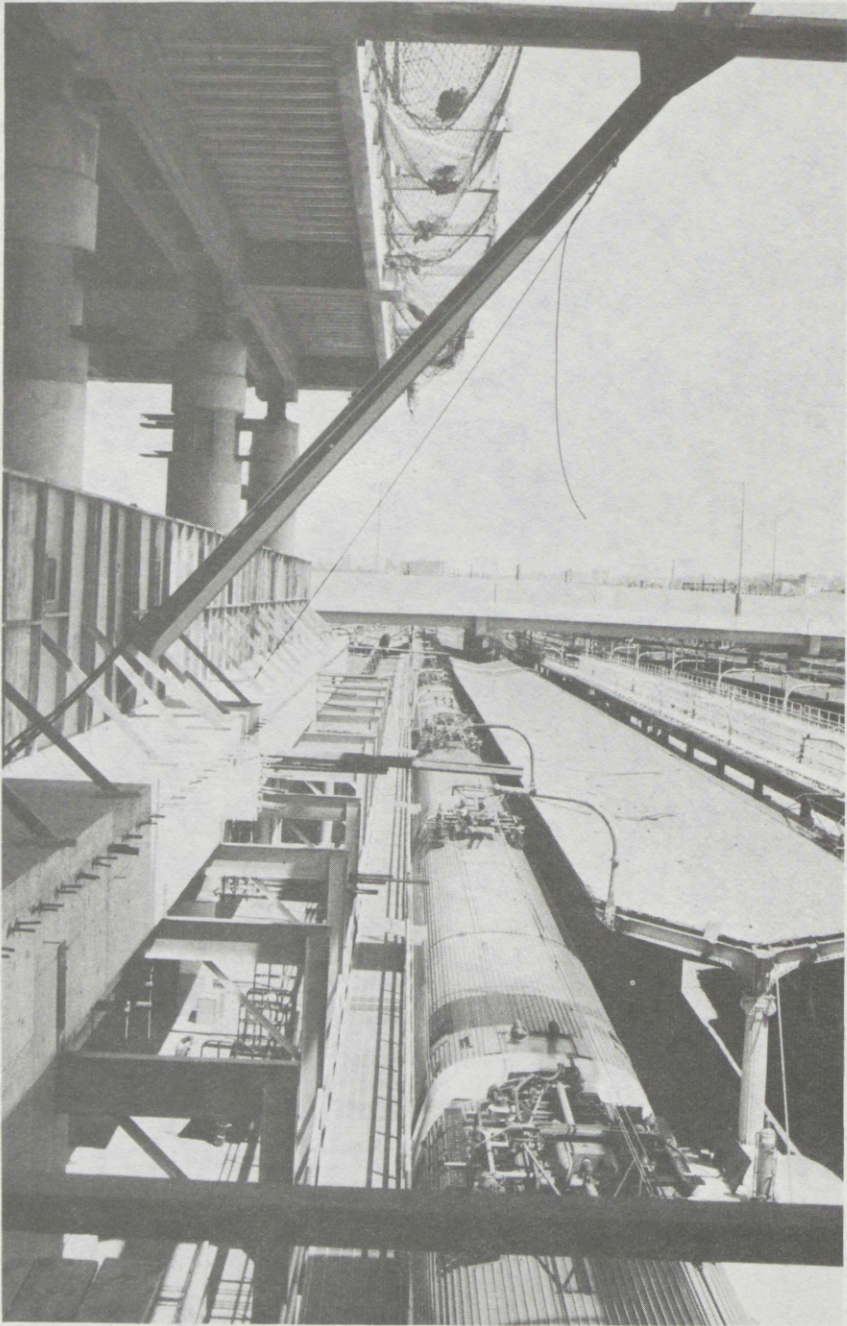
Exposed and deteriorated steel beams at ground level between new railroad station and present visitor center. Note flaking and heavy rust buildup. Also effective thickness of steel has been heavily reduced.



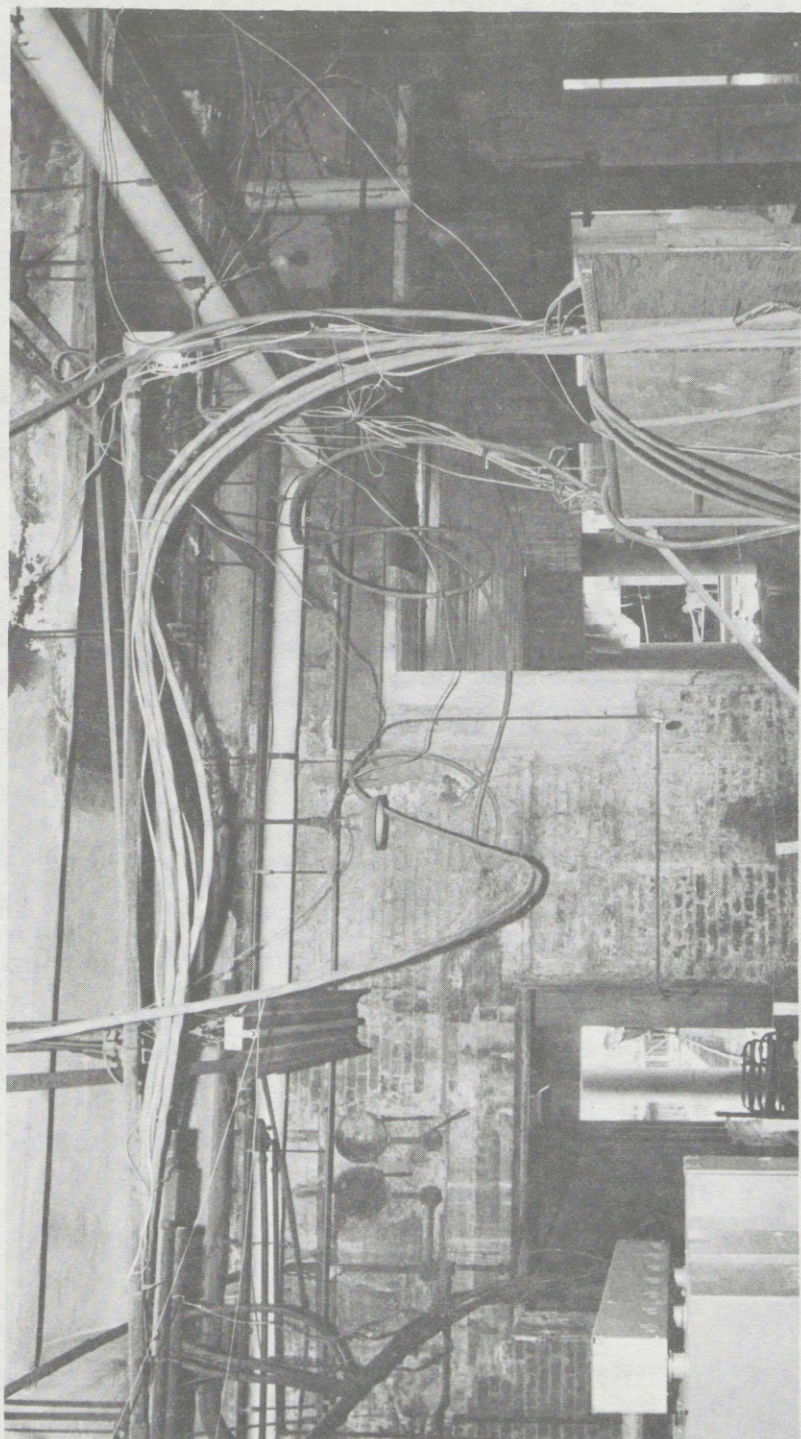
Debris in abandoned elevator shaft (several shafts are in similar condition). These shafts are covered by wooden platforms—fire hazards as they are located above temporary wood walkways to train platforms.



Exposed ticket wiring underneath station.



Debris catching nets located directly over high voltage catenary lines and wiring.



Exposed wiring under temporary wood platforms and walkways which create fire hazards.



Temporary station—long lines waiting to board trains.

STATEMENT BY CHARLES HORSKY
ON BEHALF OF THE FEDERAL CITY COUNCIL
BEFORE THE
SENATE COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS
MAY 25, 1978

Mr. Chairman, my name is Charles Horsky. I am here today on behalf of the Federal City Council, a non-profit organization of 100 business and civic leaders devoted to improving the Nation's Capital.

Several years ago, I had the pleasure of serving as White House Advisor with respect to National Capital Area affairs. In that capacity, I was involved in the early efforts to establish a major orientation facility for visitors at Union Station. After returning to private life, I continued to follow the legislative and construction process. Last year, that process came to a halt. A partially completed Visitor Center was opened in 1976 without adequate parking or adequate access. Structural and mechanical improvements needed to be made. It was clear that to complete this work would require additional millions of dollars. Because this facility holds such important potential for the Nation's Capital, the Federal City Council appointed a special Task Force to examine the situation and offer whatever assistance it could.

Mr. Chairman, our Task Force has spent a considerable amount of time looking into this project. We have toured the building, studied the General Accounting Office report on its financing, discussed its operational problems with the National Park Service

and Amtrak officials, reviewed a consultant's design alternatives for future development, and discussed its prospects many times with officials at both the Interior and Transportation Departments.

As a result of our investigations and deliberations, we have concluded that:

1. It is essential that the Government immediately authorize funds: to repair the roof and other structural deficiencies; to complete the parking garage and access ramps; and to upgrade the mechanical systems in the main building. These steps need to be taken to make the building safe and usable.
2. The Visitor Center's ability to attract and orient tourists has not yet had a fair test because the parking garage and access ramps remain incomplete. Without sufficient parking at the facility, large numbers of visitors will simply not be attracted to it.
3. The rail passenger terminal facilities are not conveniently located with respect to the existing roadway system and may not be adequate to serve future growth in Northeast Corridor rail traffic.
4. Speculation and uncertainty as to whether the greater proportion of users eventually turns out to be rail passengers or tourists arriving by automobile should not delay completion of the facility. The work that must be done immediately will not interfere with any contemplated use.

5. Responsibility for completing the construction and rehabilitation of the Visitor Center should be clearly assigned to one Federal agency.

The Administration has proposed to transfer responsibility for managing the building from the Interior Department to the Department of Transportation. Under the agreement reached between Secretary Andrus and Secretary Adams the building would be repaired, the garage would be completed, the Concourse and Hall of States sections of the Burnham Building would be converted back to railroad terminal purposes, and some of the railroad tracks would be brought back to the Concourse area. The Department of Transportation proposes spending approximately \$52 million to accomplish these purposes. Some \$30 million would be new authorization and \$22 million would come from funds already appropriated for improvements in the Northeast rail corridor.

In the main, we think that the Administration's plan is a reasonable one. We commend both Secretary Adams and Secretary Andrus for taking this initiative and we encourage the Committee to give the plan full consideration.

We would suggest, however, that it is unnecessary at this time to extend train-related activities into the Hall of States area. The Park Service needs to have additional time to develop an active orientation program and to test fairly the Visitor Center concept. In our judgment, they need the entire front half of the Burnham Building for these purposes.

Another difficulty that warrants further consideration is the so-called Concourse level roadway behind the station. The Department of Transportation plan would eliminate this roadway. Many people believe that the roadway is necessary to provide adequate access both to the Visitor Center and to the railway station. A compromise may be necessary. One possibility would be to build the rear roadway at the level of the already agreed upon ramp to the parking garage with escalators down to both the current rail station and the Concourse, thereby providing the additional access desired by many, and eliminating the competition between taxis and train passengers. Such an elevated roadway could also serve as a covering for potential rail facility expansion in the future.

Mr. Chairman, no matter what agreement may be reached with respect to these matters, our primary concern is that the project not become so tied up in jurisdictional and design disputes that no funds are made available to complete those elements that everyone agrees will be needed. Therefore, we hope that your Committee will at least decide to authorize funds and assign responsibility necessary to get the project moving forward this year.

Unless that happens, everyone will be the loser -- the travelers to and from the city who deserve a better facility to orient themselves and transfer to other forms of transportation; the District of Columbia, which needs a more efficient means of handling its millions of visitors each year; and the Congress

itself, which has assumed the responsibility for developing more appropriate means of welcoming its constituents to Capitol Hill and to the Mall.

We are hopeful that through the leadership of this Committee the current administrative and funding impasse can be broken. Mr. Chairman, as it now stands, the National Visitor Center is not achieving the purposes for which it was intended. It stands as an embarrassment to the Congress, to the Executive Branch and to the Nation's Capital. We urge you to provide the leadership which you have demonstrated so many times in behalf of this city so that, in cooperation with representatives of the House Committee and the Administration, an agreement can be worked out that will permit the Visitor Center to better serve the needs of the City, the Federal government and the Nation.

Statement of Paul H. Reistrup
President
National Railroad Passenger Corporation (Amtrak)
before the
Committee on Environment and Public Works
United States Senate

National Visitor Center Improvement Act

May 25, 1978

Mr. Chairman, Members of the Committee

Amtrak appreciates the opportunity to participate in this search for a legislative solution to the present very unsatisfactory situation at Union Station.

I think it is important to say, at the outset, that had the National Visitor Center complex been completed as originally planned the resulting facility would have been inadequate from the point of view of the rail passenger service and would have become even more seriously inadequate in future years. Both the Department of the Interior and the Department of Transportation recognize this and have recommended an improved design as well as the funding necessary to complete the needed work.

Amtrak supports the design concept as it has evolved, and we support resumption of construction of a modified complex that will better serve all users--visitors as well as rail passengers. We agree with Secretary of Transportation Adams's assertion that finishing this project according to the way it was on the drawing boards before the enactment of the Northeast Corridor Improvement Program "does nothing but perpetuate a mistake."

As matters now stand, and as the two Departments have recognized, the Visitor Center has far more space than it needs and the rail passenger facility does not have enough. Rail passenger volume through Union Station is on an upward growth curve, and this growth will markedly accelerate as rail service

is improved in the corridor between Washington and Boston. Rail commuter service is also being improved and expanded, and, with Metro rail service now reaching further into the metropolitan area, commuter traffic through Union Station can be expected to grow exponentially. Amtrak's intercity traffic to and from points south and west of Union Station is also increasing, and we are now seeing a "corridor" type of growth in ridership between Washington and Richmond. This revival of rail traffic was unanticipated by planners of the present and still uncompleted "replacement" facility.

Even today, during normal heavy travel periods, the present rail facility becomes overcrowded and confusing for the public, with some spillover back into the old concourse area. The station as presently situated will not permit the expansion that will be required to accommodate the increased Northeast Corridor travel volumes.

I should also note that Amtrak ridership today would be even higher at Union Station had we not lost our patron parking there. Elimination of the valet parking was the first casualty of the construction program, while the new parking garage remains unfinished and unavailable for public parking. This remains a most serious problem and a source of continuing complaints from the public.

Another problem is public access to the rail facilities, including the distance and circuitry of the paths passengers must take to get from or to the trains. Under the plans in effect when construction stopped, access was to be made even more difficult by the addition of a three-lane roadway on the ground level between the old concourse part of the Visitor Center and the railroad station. Almost all of the railroad users would have had to cross this roadway and its associated vehicular congestion to get to where they are going. With completion of the upper-level ramps, this ground-level roadway is unnecessary. From the standpoint of the using public, it is a most serious design flaw.

Amtrak supports and will work cooperatively with the Congress and the Departments of Transportation and the Interior on a solution that will 1) provide adequate space for rail passengers, especially for future needs, 2) complete the parking structure, 3) eliminate the three-lane roadway by completion of the east access vehicle ramp at the end of the old concourse, and 4) shorten and rationalize the pedestrian traffic flows in and out of and through the rail facility. We do, accordingly, support the enactment of S. 2995.

I would, however, make the following points for the legislative record. First, Amtrak must directly participate in the negotiation and approval of any agreements that affect

this project and its future development. Second, any increases in Amtrak's costs under any institutional arrangement should be clearly noted and specifically funded. Our support is necessarily contingent on the satisfactory resolution of these two concerns. Additional funding of any increased operating costs must be agreed to by the Administration and approved by Congress or under present budget policies we would have no option but to reduce train service.

Having expressed these reservations, we want to say that we applaud the very substantial progress that has been achieved by the two Departments in devising a satisfactory resolution of the present unacceptable situation. We at Amtrak are hoping that this project can again be moved off dead center and that the necessary new construction and repairs to the old structure can begin.

In our view, leaving matters as they now stand-- unfinished--would be an unmitigated mistake. Staying on the course as it was set when the money ran out would be an even worse mistake, resulting in an inadequate and poorly functioning facility that fails to take future rail needs into account.

We are hopeful that the legislative process will result in a beneficial outcome for all concerned, recognizing that additional funding is now a realistic necessity, but also

recognizing that the commitment of new funds must be intelligently structured to avoid still further expenditures in the future.

Mr. Chairman, this concludes our written statement. We are prepared to supply or develop whatever additional information the committee may desire.

STATEMENT OF C. W. SHAW, JR.
MANAGER, THE WASHINGTON TERMINAL COMPANY

BEFORE THE
SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

May 25, 1978

I am C. W. Shaw, Jr. Since 1965 I have been the Manager of The Washington Terminal Company, the corporation which operates the rail passenger terminal in Washington, D. C.

The Terminal Company's stock is owned in equal parts by The Baltimore and Ohio Railroad Company (B&O) and the National Railroad Passenger Corporation (Amtrak). I should say at the outset that in the few days I have had to prepare this statement, there has not been time for full coordination with the owner companies. In particular, this statement should not necessarily be taken as an expression of the position of Amtrak, which is providing its own testimony at this hearing.

For almost 70 years, the passenger station operated by the Terminal Company was located in the Union Station Building (hereafter referred to as the Burnham building). Pursuant to the National Visitor Center Facilities Act of 1968, the station was recently moved to a location north of the Burnham building, where it is now incorporated in the parking garage structure. Approximately \$3.7 million

has been spent by the Terminal Company on the new station. At present, the station is incomplete. Although the Terminal Company has at all times been ready to finish its work, the eastern portion of the station cannot be finished until the southeast ramp is constructed and, as this Committee knows, work on the ramp was terminated in 1976 by direction of the Secretary of the Interior.

To my knowledge, two legislative proposals concerning the Visitor Center/Union Station complex are now pending: the bill endorsed by the Administration (S. 2995 and H.R. 11207) and the bill reported by the House Committee on Public Works and Transportation last week (H.R. 12796). From the Terminal Company's point of view, the main difference is that the House Public Works Committee bill would complete the project as planned, with the passenger station at its present location; the Administration bill would move the passenger station back into the Burnham building, now the National Visitor Center.

The Terminal Company has no position on which approach is better. Amtrak (one of the two owners of the Terminal Company and the predominant user of the station) believes that passenger ridership in future years will require a larger facility than the present station and that this can best be accomplished in the Burnham building.

On the other hand, B&O (the other owner of the Terminal Company and a user of the terminal for commuter service) believes that the current station is adequate for present and reasonably foreseeable future needs and that it would be unfortunate to tear down parts of a facility which has been constructed within the last three years at considerable expense.

Whichever approach Congress adopts, the Terminal Company feels strongly that something must be done to move ahead with the project. As it is now, the parking facility remains largely unusable; the station is unfinished; and without the southeast ramp, passengers have to walk too far to reach the station. Costs for completing all components are subject to continuing escalation. Moreover, the new station has suffered water damage due to the unfinished state of the parking garage. This situation could become extremely serious unless something is done soon to complete the garage.

Turning to the specific provisions of the pending legislation, the Terminal Company has three concerns with respect to S. 2995.

First, the bill contemplates that the Department of Transportation, not the Terminal Company, would operate the "rail passenger station" (sections 2(2)(c) and 3(2)). As you may know, the Terminal Company does much more than

operate the facilities physically located within the station building. At present it operates approximately 130 acres of property, including facilities for the inspection, servicing and repair of passenger cars and locomotives. A range of services and facilities are provided to four user lines -- Amtrak, B&O, ConRail and the Southern Railway System. Although the bill is ambiguous, presumably the intent is that DOT (or Amtrak as its lessee) would operate the ticket offices, waiting room and other facilities inside the Burnham building, whereas the Terminal Company would continue to be responsible for operations at station track level and in outlying portions of the terminal facilities. Obviously, great care will have to be taken in working out the interrelationship between DOT and the Terminal Company, to ensure that the division of functions does not interfere with efficient operation of the overall terminal facility.

Second, the Terminal Company is authorized to assign to the Secretary its "rights and obligations . . . in, to, or concerning a rail passenger station" (section 3(2)). As I mentioned, the Terminal Company has invested approximately \$3.7 million in the new facility. The improvements are owned by it and are included in the capital account upon which the railroad users of the facility pay rent. If the Terminal Company's interest in the new station is

to be turned over to DOT, the Terminal Company must be reimbursed for its investment. Possibly this is what is intended in section 2(2)(e), where it states that the Secretary of Transportation may "acquire by lease, purchase, condemnation, or otherwise any property interest . . . related to Union Station but not held by the United States" In our view, the intent to reimburse the Terminal Company should be made explicit and, in considering what action is appropriate, Congress must take into account that such reimbursement is one of the costs of moving the railroad station back into the old building.

Third, under the contractual arrangement by which terminal expenses are currently allocated among the railroad users, the users must approve any substitution of facilities which go into the rent base. In approving the move to the new station, one of the factors which weighed heavily was that the operating costs for the smaller, new station would be substantially less than the old. If Congress determines that station operations should be returned to the old Burnham building, it is only fair that the arrangement adopted protect the railroad users against any increase in operating costs.

With these clarifications or changes, The Washington Terminal Company would not oppose the Administration's bill.

As long as our rights are protected, we will do our part to implement whatever plan is approved by Congress. As I indicated earlier, we think the most important thing is that Congress take some action soon to finish the project.

That concludes my prepared statement. I would be pleased to answer any questions.

STATEMENT OF
ARTHUR D. LEWIS
PRESIDENT
AMERICAN BUS ASSOCIATION

BEFORE THE

SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

ON

NATIONAL VISITORS CENTER

MAY 25, 1978

American Bus Association
1025 Connecticut Avenue, N.W.
Suite 308
Washington, D.C. 20036
(202) 293-5890

Mr. Chairman and Members of the Committee:

My name is Arthur D. Lewis, President of the American Bus Association. The American Bus Association is the national trade association of the intercity bus industry. The intercity bus industry is comprised of approximately 1,000 individual private bus companies. They serve approximately 15,000 communities in the country over 276,000 miles of route. It is interesting to note that the intercity bus industry provides the only form of transportation to over 14,000 of these communities.

With me is James T. Corcoran, Vice President of Greyhound Corporation and Mr. Ted Knappen, Vice President of Trailways, Inc. We appreciate this opportunity to testify today on the future development of the Union Station in Washington, D.C.

The intercity bus industry for many years has advocated policies leading to the integration of the transportation services in this country. It has believed that total travel by common carrier transportation will increase with an improvement in the ability of passengers to move easily between transportation modes. Anything which facilitates the ease of connections between modes will assist in diverting travelers from the private automobile to common carrier transportation. We believe this should be a major objective in national transportation policies since all forms of common carrier ground transportation are more fuel-efficient and environmentally compatible than the private automobile.

We believe that an integration of the services of the intercity bus industry with other modes provides the only opportunity to do this since its service is so much more pervasive and ubiquitous than other modes.

Mr. Chairman, we are advocating the development of intermodal terminals nationwide. An endorsement of this concept by this Congress would be a very important first step in implementing that program.

We believe that intermodal development should be advocated by the policymakers of this country and the symbol of this advocacy should be in this Nation's capitol. It provides the best opportunity to show the values which can be gained by an improvement in the interface between transportation modes. We would like to see the policies set forth in the Amtrak Improvement Act of 1974 continued in effect and that we not turn back to historic times when various modes of transportation were developed separately from each other with no regard for the needs of the passenger.

Since 1969 the intercity bus industry has suggested that Union Station include all surface modes of transportation -- rail, intercity bus, local transit and sightseeing, tour and charter services as well as airport bus services. Since the

first meeting in 1969 the intercity bus industry has collaborated with the railroads, the various Federal and District agencies and their consultants in a serious effort to implement an intermodal center in Union Station.

So serious was the intercity bus industry about this matter that Greyhound had architectural design studies developed at considerable expense to demonstrate the feasibility of intercity bus facilities as part of the planned National Visitor Center and Rail Terminal complex which was targeted for completion by the opening of our Bicentennial Year in 1976.

The development of this intermodal terminal-National Visitor Center plan was hampered by many factors, not the least of which was the bankruptcy of the Penn-Central Railroad, the emergence of Amtrak, the litigation of Amtrak and the Union Station Company, and perhaps the most burdensome and most difficult of all, the lack of unified leadership in development and completion of the project.

It should be noted that the intercity bus industry has spent considerable time and effort during the ensuing years and testified before many agencies and Congressional committees in 1973, 1974, and 1975 in support of enabling legislation that would permit and facilitate the planning and construction of the Intermodal Transportation Center at Union Station.

We were gratified when in late 1975 the United States Congress mandated an Intermodal Transportation Center at Union Station when enacting the Amtrak Improvement Act of 1974, Public Law 93-496. This Act authorized \$5 million for planning transportation intermodal terminals. This \$5 million planning authorization included \$1.5 million for planning of a multi-modal facility in Washington Union Station to interface with Amtrak, the intercity buses, local transit and Metro Subway, and the air carriers at National Airport via the Metro Subway from Union Station.

It is important that you note our attached Exhibits A and B which demonstrate the multitude of communities surrounding Washington, D.C., served by intercity bus as compared to those served by rail. This graphically demonstrates how a common intermodal terminal can enhance the ability of the various transportation modes to serve the public well. Exhibit C is a summary of the passengers carried by all modes in and out of Washington, D.C.

Such an intermodal terminal facility interfacing all modes will not only benefit the traveling public but will also aid in conserving energy and improving the environment by encouraging the public to use public transportation at the expense of the private automobile. The principle benefit will come in the ease with which people can transfer between modes. This will eliminate the need for travelers wanting to use more than

one mode to transfer between separated terminal facilities in the city, thereby making the use of public transportation more attractive as it will be easier to use.

Members of this Committee should not be hesitant in progressing this intermodal terminal on the basis that it "might not work" but rather with the firm conviction that it will work to the advantage of the general public, as well as the carrier modes. The intercity bus industry has operated in such single intermodal facilities connecting with rail, intercity bus, and local transit, as well as subway, in such cities as Philadelphia, Newark, New Orleans, Harrisburg, Kalamazoo and Buffalo.

In spite of the 1976 Department of Transportation Task 14 Study Report, which recommended the inclusion of intercity bus facilities, we heard nothing throughout the entire year 1977, nor did we see any activity by the Department in implementation of Task 14 recommendations.

We were very disturbed when Secretary of Transportation Brock Adams, in testifying before the Subcommittee on Public Buildings and Grounds, urged that Washington's Union Station be modified solely for the benefit of the rail modes and to the total exclusion of intercity buses. At this point in time, it is unconscionable in our view for the Department of Transportation to recommend or advance any plan that does not now provide for and incorporate intercity bus facilities at Washington's Union Station. It is

further our very strong view that this Congress must insist that the Department of Transportation address itself to the challenge of bringing together intercity bus, intercity rail, commuter rail, local transit, local sightseeing bus charter and tour services, and all other such accommodations for the benefit of the general public, the District of Columbia, and surrounding cities and communities, as well as for those international visitors, and others who come to Washington every day of the year whether for business or pleasure.

This Congress should not accept any compromise that would permit rail expansion in the present Union Station and ignore or defer inclusion of the intercity bus facilities in this intermodal complex. Any compromise at this time must be interpreted as a retreat from the intermodal concept and abandonment of what is necessary for a perfected national transportation policy and system.

Secretary of Transportation Adams rejected the drawings which were recommended by the architects, Skidmore, Owings and Merrill, which would have put an intercity bus terminal out over the long haul tracks because it would require a platform to be constructed for loading and unloading and would cost \$50 million which he felt was too expensive. Therefore, the bus industry has developed some preliminary sketches for a bus facility which could be constructed on block 720 and would accommodate both Trailways and Greyhound as well as tour and charter operations.

For your information, our estimates are that an adequate bus terminal could be built at a cost of approximately \$8 million, not including the land, but including demolition of the existing buildings. The land has been estimated to cost \$2.5 million for its acquisition. We can provide these sketches for the Committee, if it desires.

We are at the critical hour in the development of Washington's Union Station. It is a critical hour as well for the Nation's transportation planners to respond to the challenge of the public need for unifying all the major surface transportation modes at one location --- Washington's Union Station.

I urge this Committee to direct the Department of Transportation to respond in a positive manner to this need. It is time we discarded the fragmented approach to public transportation. While bus passengers are largely poor, elderly, or from minority groups, they should not be treated as second class citizens. This could be the first step.

Thank you. I will be pleased to respond to any questions which you may have.

EXHIBIT A

INTERCITY BUS ROUTES FROM WASHINGTON, D. C.

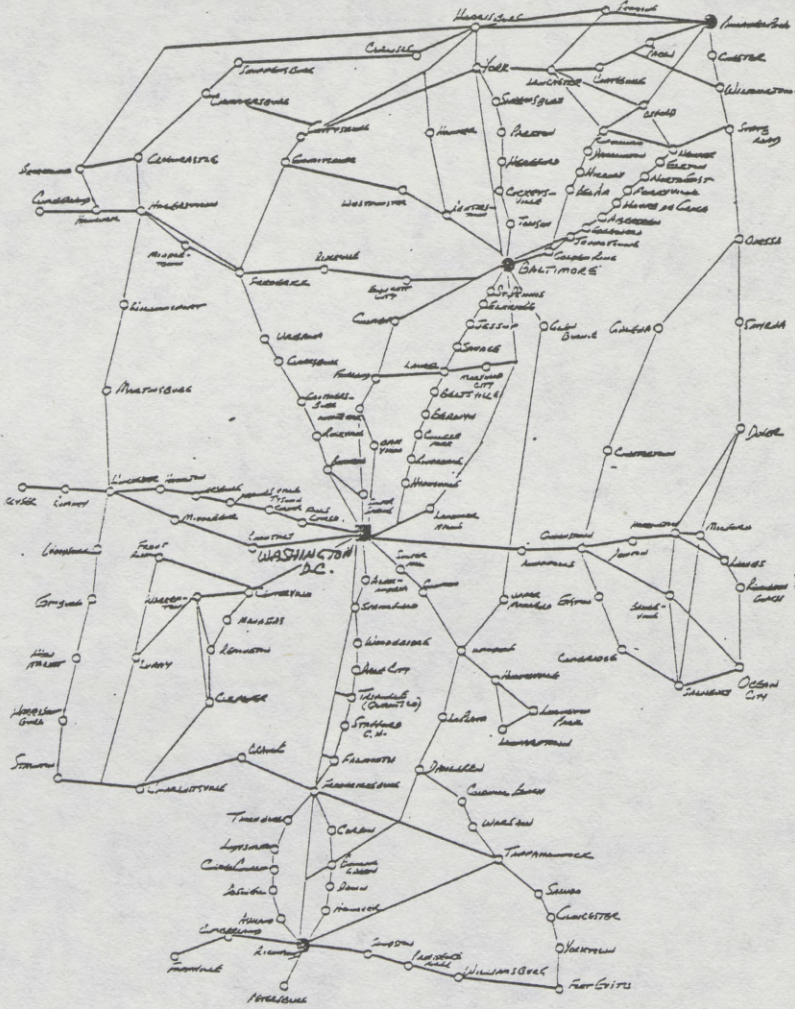


EXHIBIT B
RAIL ROUTES FROM WASHINGTON, D.C.

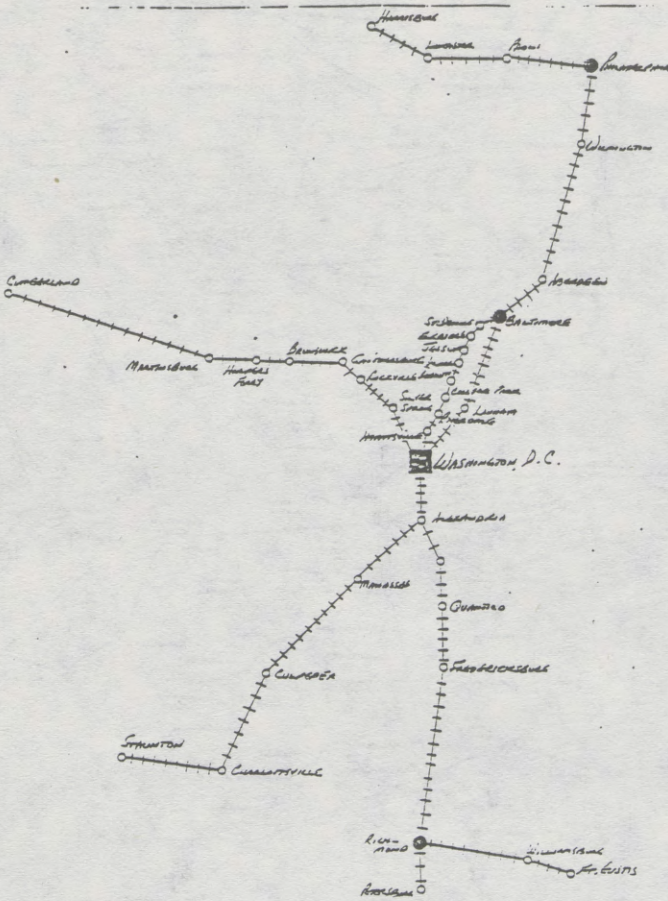


EXHIBIT C

SUMMARY FOR ALL MODES

- Bus - 6.6 million (5.8 million arrivals and departures
for scheduled service and 800,000 charter passengers)
- Amtrak - 2.2 million arrivals and departures
- Airlines - 14.4 million arrivals and departures (17.3 million
including the Baltimore-Washington International
Airport).

STATEMENT OF
TED KNAPPEN
SENIOR VICE PRESIDENT

TRAILWAYS, INC.

BEFORE THE

SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

ON

WASHINGTON UNION STATION
MAY 25, 1978

Mr. Chairman and Members of the Subcommittee:

My name is Ted Knappen, the Senior Vice President of the Eastern Division of Trailways, Inc. My office is located at 1200 Eye St. N.W. in Washington, D.C. I wish to thank you for the opportunity to appear before you in behalf of Trailways, Inc. and in support of implementing the concept of intermodal transportation facilities at Union Station in Washington, D.C. There are a number of reasons that such a plan is desirable.

The benefits of intermodal facilities that centralize rail, intercity bus, commuter and metro services are numerous and widely recognized. Modern intermodal terminals can help revitalize downtown areas of blighted cities; reduce air and water pollution by offering a reasonable convenient alternative to automobile travel; contribute substantially to energy conservation; provide bus passengers with facilities of an equal quality to those enjoyed by air and Amtrak travelers; and coordinate ground transportation services of all types thereby permitting the American taxpayers to receive a better return on their investment in mass transit facilities and equipment.

On April 1, 1974, the Undersecretary of Transportation, John W. Barnum, pronounced the Department of Transportation's position on intermodal terminals in his testimony before the Surface Transportation Subcommittee of the Senate Commerce Committee. He stated:

A major cause of inefficiency in both passenger and freight transportation is the lack of close coordination among the various modes. This problem is compounded by the historical development of separate systems of terminals by each of the modes. A priority program is needed to lift unneeded restraints to intermodal cooperation and to encourage joint use of terminals and other facilities by all modes.

President Carter's Urban Policy Statement, which calls for \$200 million dollars for intermodal transfer facilities and joint development projects, re-emphasizes the important role that public transportation plays in the structure and economy of urban areas. Pollution and energy problems necessitate a greater focus on coordinating transportation systems -- making them more inviting for the average rider. No one wants to use public modes if transfers involve cross-town runs. It is no wonder that the overwhelming majority of travelers still use the private automobile. Intermodal terminals offer a solution.

It is time that intercity bus service be included in the modern, convenient and secure terminals afforded passengers of other modes. The Bureau of Economics of the Interstate Commerce Commission concluded their recent study on the intercity bus industry by saying:

An industry and government analysis of the current and future role of bus transportation might well result in the industry being viewed differently than it has in the past. Clearly, the bus industry offers certain unique services not available from other carriers. It should be given the opportunity to operate in the framework of a balanced transportation policy so that as a healthy industry it may serve effectively.

This Subcommittee is well aware of the fact that intercity bus companies transport over 340 million passengers each year, that they serve over 15,000 communities, that they carry more passengers over 65 and under 18 than any other mode. No other form of public common carrier transportation approaches this broad coverage. Not only does the industry serve a major segment of the traveling public which has little or no option for alternative transportation, but, according to the recent ICC study, it has "developed into what many consider the most fuel efficient mode available." Bus service is now 2 to 7 times as fuel efficient as auto, train and air travel.

The special services and advantages of the intercity bus industry, with its low fares and high energy efficiency, can complement the service of other modes in intermodal facilities. If the concept of Transportation Centers -- or intermodal terminals, as you prefer -- is to succeed, words must be turned into deeds and a commitment made at this time in our history rather than waiting another decade.

The long history of planning and negotiations related to Union Station in Washington has included a great deal of discussion and a great many promises about expanding the station into a truly intermodal facility. However, in spite of all the discussion and planning, the model terminal never became a reality. Instead it is now disappointing -- inadequate as both a Visitors Center and as a rail station.

Now is the time to make Union Station into a "model intermodal facility." This is the perfect site for such a terminal. Washington can set an example and precedent for these intermodal facilities as no other city can.

Trailways' routes in the Northeast Corridor have suffered a decline in the last six years. Between 1971 and 1977 passenger miles in the Northeast declined by 37.4% although passenger miles for the whole country increased by 2.2%. Scheduled miles in the Northeast have declined by 31.5% and the number of our employees in the area have decreased by 27%. In 1971 we had 283 schedules in the Northeast. In 1977 that number was down to 202 schedules.

These declines are due, in large part, to the competition of Amtrak. Subsidies for the Northeast Corridor Improvement Project were not intended to destroy the bus industry. Experience has demonstrated that new, secure

and convenient bus terminals increase our ridership. Providing the industry with equal facilities in the Northeast Corridor will be a small step towards rectifying the damage the intercity bus service has already incurred. The foot of the Northeast Corridor is the ideal place to take that first step.

Combining train and bus service at Union Station, along with the Metro stop, will provide all passengers with equal facilities. The intercity bus, which serves less affluent riders and provides service to many rural routes, will be able to complement the city-to-city service already provided. The passengers of intercity bus service, Amtrak, and the Metro system will all benefit from cooperation at Union Station.

In addition, the National Visitors Center will be enhanced by housing bus service in Union Station. How can we talk about a National Visitors Center without considering the convenience of the city's transportation systems? What could be more important to a visitor than transportation? Not only would an intermodal facility at Union set a fine example, it would also make being a tourist in Washington infinitely less complicated -- a pleasure instead of an ordeal.

The taxpayers of the nation have made an enormous investment in Union Station and so far the return has not been commensurate with the cost. There is no question that the National Visitors Center is underutilized and that all the planning and expense have failed to allow Union Station to achieve its full transportation potential. It is time to make good on the investment of the American public.

We respectfully urge that Union Station in Washington, D.C. should definitely become a model intermodal terminal to act as a beacon light for the national development of Transportation Centers and to prove that bus riders are not the forgotten travelers in our country.

We urge this subcommittee to take the action needed to provide the nation's Capitol with a model intermodal terminal as quickly as possible.

My sincere thanks for the opportunity to appear before you.

Statement of Fred Schwengel

Mr. Chairman:

Members of the Public Works Committee I'm glad to be back this time not as a Member of Congress but as a former member of the Public Works Committee, as a citizen and as President of the U. S. Capitol Historical Society.

Members of this Committee may know that I was one of the originators of the Visitors Center concept. After extended hearings some years ago we of the Congress authorized and appropriated funds for the development of the Union Station as a Visitors Center. We have it. It is a reality but with it came unfortunate experiences and of course it is still incomplete. Blame for this has been placed on misunderstanding, miscalculation and some had judgements to remedy this. It is proposed by some that the completion and or change of concept be put in the hands of D.O.T. I oppose this plan and favor the Walsh plan passed by the House Committee for the following reasons.

- The DOT plan costs over \$52 million.
- The Walsh plan costs \$36 million.
- The DOT plan tears down over \$4 million in new construction and brings rail service into the concourse section of Union Station.
- The Walsh plan leaves Union Station as it is and completes the roadway between Union Station and the rail station. DOT said it would cost \$1.6 million to complete the roadway; however, another estimate by the Chief Engineer of Chessie said it would cost only \$200,000.
- The government has already spent \$48 million in taxpayers money for a National Visitor Center.
- DOT now wants to give it to Amtrak. So, after another \$52 million is spent under the DOT plan, Amtrak will receive a building costing over \$100,000,000.
- The government entered into a lease-purchase agreement with the Washington Terminal Company to pay \$3 1/2 million a year in rent for 25 years. At the end of 25 years the building may be purchased for \$1.00.
- Do the Members of this Body want to give the taxpayers a rail station or a national visitor center?
- The DOT plan buys out the concessions, and gives the revenues to Amtrak.
- The Walsh plan puts the revenues back into the U.S. Treasury.

- The Department of Transportation says the reason Amtrak needs the Concourse Space in Union Station is because of increased ridership projected in 1990.
- A Director of the Northeast Corridor Improvement Project said that the DOT projection was based on the implementation of high speed rail. He also said that this equipment had not be acquired and that there were no indications of when it would be available.
- The projections of DOT and Amtrak have not been accurate in other circumstances. They have been over-estimated tremendously.
- The operators of Union Station have been unable to fully utilize the station due to the uncertainty of its future and potential owners have been leary of opening **resturants**, etc. at Union Station.
- Although rail will be using the garage and southeast ramp, the Secretary of Transportation states that if any other plan but his plan is adopted, that he would reconsider his wisdom in authorizing any northeast corridor funds. The total funding/was ^{for the NECIP} 1.9 billion dollars. The Secretary is holding a gun to the Senate and Congress -- and even if the DOT plan is adopted, he will only put \$22 million into Union Station from that fund.

Thursday, May 25, 1978

Honorable Daniel Patrick Moynihan
 Committee on Environment and Public Works
 Room 1107, Dirksen Senate Office Building
 Washington, D. C. 20510

In Re: S. 2995, a Bill to facilitate the implementation of section 703 of the Railroad Revitalization and Regulatory Act of 1976, to provide for the conversion of a part of the National Visitor Center to railroad passenger service, and for other purposes.

Dear Senator Moynihan:

Thank you for your letter of May 18, 1978, in answer to my letter of May 11, 1978, in which I requested permission to appear as a witness at the hearing scheduled for May 25, 1978, in regards to S. 2995. I can fully understand why your Committee cannot accommodate everyone that want to appear as a witness, since only one day can be allocated to the discussion of S. 2995.

The National Park Service decided years ago to get into the transportation, sightseeing and parking business in Washington, D. C. This master plan led to the eventual creation of the National Visitors' Center at Union Station. What we now have, is a tax supported government agency, the National Park Service, competing unfairly with the private companies and individuals that have always provided these services. All of this has caused these private companies and individuals to suffer great financial losses because of this unfair competition. Some, have been forced to go out-of-business. This, in turn, has caused Washington, D. C.'s city treasury to lose a great amount of additional tax revenue that these private companies and individuals would have paid as a part of doing their everyday business.

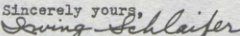
The National Visitors' Center has been in business for almost two years and has proven itself to be a complete flop. The millions of dollars already wasted on the National Visitors' Center can never be recovered. The U. S. taxpayers should not be forced to spend more millions of their tax dollars just to keep it open. It makes no sense to throw more good money after bad. The National Visitors' Center should be shut down immediately.

The National Park Service has established a record of being incompetent and wasteful of the taxpayers money. The National Park Service will tell you that its intentions are GOOD, but, the roadway to HELL is paved with GOOD intentions.

The following items that I have selected from my files, will make it easier for you and the other Members of Congress, the congressional staff members and other interested parties, get a clearer picture of why we have the problems with the National Visitors' Center and the National Park Service.

1. My statements of Thursday, March 2, 1978 and Wednesday, March 8, 1978 before the Honorable Norman Y. Mineta, Chairman, Subcommittee on Public Works and Transportation U. S. House of Representatives.
2. My letters dated, Wednesday, August 2, 1977...Friday, August 12, 1977...Friday, December 2, 1977 and Monday, January 9, 1978 to D. C. Delegate to the House of Representatives, Walter E. Fauntroy.
3. My letter dated, Wednesday, February 22, 1978, to Ms. Margaret "Midge" Costanza, Assistant to the President.
4. My undated letter addressed, Dear Member of Congress, with attached items.
5. My letters dated, Tuesday, January 10, 1967 and Wednesday, January 18, 1967 to Dr. Stanley A. Cain, Assistant Secretary of the Interior.
6. News items and news editorials related to the National Park Service, etc.

The National Park Service with its National Visitors' Center and its Tourmobile shuttle bus operation, has seen to it that those visiting our Nation's Capitol are poorly served. We in the private sector of providing the services needed by these millions of visitors are doing a far superior job of it. The sooner that the National Park Service gets out of the transportation, sightseeing and parking business in Washington, D. C. the better off everyone will be.

Sincerely yours,

 Irving Schlaifer, Chairman
 Emergency Taxicab Committee
 1344 Kennedy St., N. W.
 Washington, D. C. 20011
 Phone: 202...882-8377

Please Note: I want this letter and the enclosed items to be made a part of the printed record of this hearing.

Thursday, March 2, 1978

Statement of

Irving Schlaifer, Chairman
Emergency Taxicab Committee
1344 Kennedy St., N. W.
Washington, D. C. 20011
Phone: 202...882-8377

Before

Honorable Norman Y. Mineta
Chairman, Subcommittee on Public Buildings and Grounds
of the Committee on Public Works and Transportation
United States House of Representatives
Room 2167, Rayburn House Office Building
Washington, D. C. 20515

Mr. Chairman and Members of this Committee, my name is Irving Schlaifer. I am Chairman of the Emergency Taxicab Committee. The Emergency Taxicab Committee has been in existence for over 15 years. It makes its views known to those in authority, whenever a need exists to have problems solved in such a way that everyone will be satisfied. I live at 1344 Kennedy St., N. W., Washington, D. C. 20011. I am originally from Omaha, Nebraska. I have lived and worked in Washington, D. C. since 1937, except for one year, in 1946, when I lived in Los Angeles, California.

An editorial appearing in The Washington Star, Friday, April 8, 1977, on Page A-8, had this heading, "Enough of the Visitor Center". It had eight paragraphs. The last paragraph contained the following two sentences:

"This has gone on long enough. The National Visitor Center
has become a national joke".

We agree 100% with this statement. We trust that this Committee agrees with it 100%. We want to add that it has become not only a national joke, but, a national disgrace!

What the National Park Service has done to Washington, D. C.'s Union Station is absolutely obscene. The National Park Service has ravaged and raped this once beautiful Union Station.

As of now, the Department of Transportation occupies only a small part of the Union Station. The National Park Service's, National Visitors' Center occupies the largest part of the Union Station. Somewhere, it has been proposed that the Department of Transportation use two-thirds of the space at Union Station, and, the remaining one-third of the space be used by the National Visitors' Center.

A far better and a far more sensible solution to this problem would be for the Department of Transportation to occupy 100% of the space at Union Station. The National Park Service should and must be required to move the National Visitors' Center to some other location.

The real truth of the matter is, that there is absolutely no real demonstrated need for a National Visitors' Center. Its existence now for over 18 months has proven it to be a real flop. In show business they would call it a 'turkey'...it laid an 'egg'...its a 'loser'...so scrap it! We in the business of providing services and accommodations for the millions of visitors to the Nation's Capital, can and do provide virtually all of the needed information that our visitors will require. Why must anyone staying at our many fine hotels and motels be brainwashed into believing that the only reliable information

that they can get is to travel miles to the National Visitors' Center and from it learn what they need to know. The usual information that these visitors need to know can be best provided instantly by the staff at these hotels and motels. Why must the National Visitors' Center exist only to duplicate what has always been provided for by other reliable sources? Must it exist just for the sole purpose of glorifying the National Park Service?

We have always had the visitors educated to leave their cars parked at their hotels and motels and use the services of taxicabs, limousines, vans, sightseeing buses, charter buses, mass transit buses and now the Metro subway system to get to and from points of interest in this city. Those of us providing these services should not have to put up with the nonsense of the National Park Service brainwashing the visitors into wasting energy and valuable time just to make use of their National Visitors' Center and their concessionaire's Tourmobile shuttle buses. What we in the business of providing services and accommodations for the millions of visitors do not need is a government agency, the National Park Service, using our tax dollars to put us out of business.

We are a city where all of the services needed by the visitors have been successfully provided for by the free enterprise system. Why must the National Park Service steal our business? It is tax supported and should never be allowed to compete with us for business.

The National Park Service wants its sins to be forgiven by this Committee. They want this Committee to bless them with millions more of the taxpayers dollars to be wasted on keeping the National Visitors' Center alive. As far as the National Park Service is concerned, it is only the taxpayers' money, so waste it.

We are already a nation of tax poor citizens. Must we become a nation of bankrupt taxpayers? Must there be a taxpayers' revolt? Must we continually watch the bureaucrats waste our tax dollars and our elected Members of Congress do nothing to stop it?

We should let the National Visitors' Center die a natural death. It has already outlived its usefulness. Everyone knows how dead a cemetery is. If you want to see something deader than a cemetery, all that you need to do is take a short walk and see how dead the National Visitors' Center is.

The "gold plated" parking lot being built at the Union Station for the almost exclusive use of the National Visitors' Center will never pay for itself. There are thousands of available parking spaces in the private parking lots at reasonable rates. There are hundreds of parking spaces in the Union Station Plaza, set aside for the Senate employees, that are not being used on the weekends. They can and should be made available to the public on the weekends at a small nominal charge, let us say, \$1.00 for all day parking. One of the many parking management companies could very easily make it a paying operation.

The National Park Service made a horrible mistake when they closed two of the main roadways in the Mall area. They made them into pedestrian walkways by covering them over with dirt and gravel. Our visitors wind up having to walk on muddy gravel whenever it rains.

These two roadways should be restored and widened to provide convenient parking for the visitors.

There are now two movie theatres in the National Visitors' Center, plus having a huge hole or snake pit put in the center floor of the main waiting hall of Union Station, in order to put in a 100 foot screen, containing 80 separate panels in which to show color slides. In $9\frac{1}{2}$ minutes, 5,500 color^{slides}/are flashed on the screen electronically in a multitude of various combinations. What an extremely expensive and novel way to show you something about the present day Washington, D. C. Half of the time the electronic system breaks down and no slides are shown that day. If Washington, D. C. were a dull and uninteresting place to visit, two movie theatres and a slide show might be needed and necessary. The electronic slide show in reality belongs on Broadway's Times Square in New York City and not at the National Visitors' Center.

It would be far less expensive and far more efficient to provide each hotel and each motel with an automated movie projector and movie film welcoming the visitors to the Nation's Capital. These movies could be made available in the various foreign languages. These movies could be made to pay for themselves or be provided free of charge by the hotels or motels

The National Park Service has far too many other important projects that are in desperate need of money. This Committee should refuse to give the National Park Service a single penny if it is to be used to complete the National Visitors' Center. The National Visitors' Center was born a loser and will forever remain a loser. This Committee should bet its money only on a winner.

The intermodal station concept should be of the first priority for the Union Station complex. Every taxicab, limousine, van, sightseeing bus, charter bus and mass transit^{bus} must be able to use its facilities on an equal basis. We must not fall into the trap of letting only the Greyhound Bus Company and the Trailways Bus Company have it all to themselves.

I realize that more should be said about how best to accommodate the millions of visitors to the Nation's Capital, therefore, with your permission, Mr. Chairman, I would like to have the following four items to be made a part of the printed record.

1. My letter, dated, Monday, January 9, 1978, to D. C. Delegate to the House of Representatives Walter E. Fautroy.
2. My letter, dated, Wednesday, February 22, 1978, to Ms. Margaret "Midge" Costanza, Assistant to the President.
3. News item appearing in The Washington Post, Page C-8, Saturday, February 25, 1978, with the heading, "Marriott Calls on Taxpayers to Revolt".
4. News item appearing in The Evening Star, Business and Finance Section, Page B-6, Saturday, February 25, 1978, with the heading, "Marriott Urges Business Revolt Against Interference".

This concludes my oral statement. I would appreciate the opportunity to submit some additional comments related to what we are discussing here today.

I will be glad to answer any question that the Members of this Committee may care to ask of me. I want to thank the Chairman and the Members of this Committee for giving me the opportunity of appearing in person to give my statement.

Wednesday, March 8, 1978

Additional statement of

Irving Schlaifer, Chairman
Emergency Taxicab Committee
1344 Kennedy St., N. W.
Washington, D. C. 20011
Phone: 202...882-8377

Before

Honorable Norman Y. Mineta
Chairman, Subcommittee on Public Buildings and Grounds
of the Committee on Public Works and Transportation
United States House of Representatives
Room 2167, Rayburn House Office Building
Washington, D. C. 20515

Mr. Chairman and Members of this Committee, I want to thank you very much for giving me the opportunity to submit an additional statement. My first statement was presented by me, in person, on March 2, 1978, during the Hearings before your Committee.

BIG BROTHER MENTALITY IN REGARDS TO THE NATIONAL VISITORS' CENTER AT UNION STATION IN WASHINGTON, D. C.

Representative James D. Abdnor of South Dakota asked of me, "What do you suggest we do?"

I would like to expand on my answer given before this Committee on March 2, 1978. In reality the City of Washington, D. C. should be the logical government agency to operate a National Visitors' Center. With D. C. operating it, there would be virtually no bias regarding the information being given.

The National Park Service is absolutely biased in any information that it gives.

1. The National Park Service virtually never recommends that the visitors use the service of other sightseeing operators.
2. The National Park Service virtually never recommends the use of taxicabs, limousines, vans or buses because they do not have a contract with them.
3. The National Park Service always and constantly promotes and sells the visitors seeking information a bill-of-goods that they should only use the sightseeing shuttle bus services provided by their concessionaire, Landmark Services, Inc., operators of the Tourmobile buses.
4. The National Park Service does everything it can to promote only those points of interest located on or adjacent to its Federal reservations or jurisdiction, such as, the Washington Monument, Jefferson Memorial, Lincoln Memorial, Smithsonian Museums, etc.

As far as the National Park Service is concerned, the Shrine of the Immaculate Conception located on the grounds of the Catholic University at 4th & Michigan Avenue in N. E. Washington, D. C., does not exist, because, it is not in their park reservation or adjacent to it. The same holds true for the 6th largest Cathedral in the world, the Washington Cathedral at Wisconsin Avenue and Massachusetts Avenue in N. W. Washington, D. C.

It is their job and rightfully so, to advertise and promote what is in their area of control. But, these two famous churches and other points of interest outside of the National Park areas or adjacent to it, can be best promoted by the City of Washington, D. C. These such points of interest are visited by millions of visitors through the years, therefore, a far more neutral source of information services should be used, such as, the City of Washington, D. C. can best offer. Even the Washington Area Convention and Visitor Bureau located at 1129-20th St., N. W. in Washington, D. C., should once more assume the responsibility of actively providing the information services that they once use to do with such excellence. This was before there was such a thing as the National Visitors' Center at Union Station, operated and staffed by the National Park Service.

We must ^{not} overlook the fact that the National Park Service has operated information booths or kiosks for over ten years in conveniently located park areas, such as, the Ellipse just south and adjacent to the White House, the Washington Monument, the Lincoln Memorial, etc. This means that the National Park Service will not ^{without} its visitors' information service when the decision is made to permanently shut down the National Visitors' Center located in Union Station. Since these booths or kiosks are located where they can best serve the visitors needing information, there is no need to have the National Visitors' Center relocated at the north end of the Department of Commerce at 14th & "E" St. in N. W. Washington, D. C. All that the National Park Service needs to do, is to make better and greater use of their

already established information booths or kiosks.

There is absolutely no need for the BIG BROTHER mentality of the National Park Service. The National Park Service would have everyone believe that it is the only one that has the ability to give out information correctly. This BIG BROTHER mentality has manifested and permeated itself into the National Visitors' Center. The National Visitors' Center was opened and established as the only official source of information service for the millions of visitors to use when visiting Washington, D. C., the Nation's Capital. The National Visitors' Center BIG BROTHER would now provide the answers. No help was to be needed or wanted from any other source. Anyone else that would now dare to give out information to the out-of-town visitors, was now to be suspect...it would be an act of treason! If a visitor were to ask anyone on Capitol Hill for directions to the White House, or, ask whether the Air and Space Museum would be worth taking the time to visit, must they now be told that such questions can only be accurately answered by the personnel at the National Visitors' Center? Are we to be considered no longer capable of providing suitable answers. Must BIG BROTHER take over?

The National Park Service had their so-called experts, sitting in their ivory tower "think tanks", dream up this very expensive, sophisticated, so-called "push-button" BIG BROTHER National Visitors' Center. Money was no object, it would be poured into it. After all, there was no end to the source that supplied the money. You just simply picked the pockets of the millions of U. S. taxpayers. That solved the money problem. Now, all that they had to do, was to offer this wonderful dream-world information service...free-of-charge...to any and everyone that wanted to use it. Step right up folks...you the poor U. S. taxpayers and see what you get for nothing. Never mind how much or how often we tax you...it's all for "free".

PARK RANGERS POOR QUALITY OF INFORMATION SERVICE.

The very nature of the seasonal peak demands of the BIG BROTHER National Visitors' Center makes it impossible to have 100% full time employees. Virtually all of the jobs at the BIG BROTHER National Visitors' Center and at all of the information booths or kiosks are temporary. This automatically creates a great turnover in help. Most of those hired as temporary Park Rangers are college students looking for a summer job. They come from all parts of the country. A great many are from the mountain areas, farms, small towns, etc. Very few are from the cities, such as, New York, Boston, Philadelphia, Baltimore, Detroit, Chicago, San Francisco, Los Angeles, Honolulu, Houston or Miami. They just are not acquainted with the big city ways of doing things, just as the big city people are not very well acquainted with their way of doing things. There is a natural built in conflict-of-interest. All of this results in a very poor quality of information service rendered to the visitors seeing the Nation's Capital.

Another very important factor in this equation as to who is best qualified for this job, is the age of these Park Rangers, no matter where there are from. Most of them are in their early 20's. The National Park Service would be far better off to hire those in their late 30's or early 40's because they would have the maturity and thereby use their superior judgement when giving information. Those in their early 20's consider themselves to be know-it-alls, or, experts...after all being college students makes it so. In reality they are experts on nothing.

For example, I had the opportunity of listening to the kind of valuable information service being given by a Park Ranger at the information booth or kiosk in the Ellipse to 4 South American visitors from Brazil that were here for just two days. I knew this because I had just finished speaking to them, when they decided to get additional information from the Park Ranger. The main purpose of the information being given by the Park Ranger to these 4 visitors from Brazil, was to convince them that the best and cheapest way to see anything in Washington, D. C., was to use their concessionaire's shuttle bus, the Tourmobile. The Park Ranger asked them where they were staying. They replied, "The Madison Hotel at 15th and "M" St., N. W." The Park Ranger then proceeded to proudly explain to them that when they left the hotel the next morning, they should walk one block east and catch a Metro bus going south and get off at 14th & "E" St., N. W. and walk one and a half blocks west to the Ellipse in order to ride on the Tourmobile shuttle bus.

When these 4 visitors from Brazil left, I asked the Park Ranger if he had ever been to the Madison Hotel, if he had ever seen it when driving past it or if he knew what they charged one night for a room? The Park Ranger said that he did ^{not} know a thing about the Madison Hotel and reacted as if none of these facts would have ^{made} a bit of difference to him, or, that it would have made any difference in the kind of information he would have given to these 4 visitors from Brazil.

I explained to him that it was one of the most expensive hotels in the city. That their cheapest room for one night was probably \$75.00. These people wore expensive clothes and expensive jewelry. As far as the Park Ranger was concerned, they were poor people visiting our city. I pointed out that people who can afford the best are not about to appreciate

being advised to ride on a mass transit bus in a strange city and get lost, especially those from a foreign country. I explained that since time was money and that in order to use their precious and valuable time in the most efficient way possible, they should have been advised to use taxicabs at all times and get door-to-door service. I explained that taxi rates in this city were extremely reasonable and in many ways the cheapest way to go. I explained to him that even the poor visitors to our Nation's Capital would be best advised to use taxicabs. Most of these Park Rangers come from places where there have no taxicab service. They grew up without ever having used a taxicab themselves. They just do not understand how valuable the service is, that the taxicabs provide in our many large cities. The Park Rangers have been trained to think that cheap is better. Getting something done the cheapest way, almost always winds up being the most expensive way of doing things. You only get what you pay for. These Park Rangers have been poorly trained in doing their job.

These Park Rangers do not know one thing about this city when they arrive. They are expected to learn all about it on the job. How much can they learn on the job in just three months? There is such a big turnover in these information jobs, that no one is retained long enough to ever do a first class job of giving information as it should be given. Worst of all, the National Park Service does nothing whatsoever to see it that their Park Rangers are required and given the necessary time off to ride on the Tourmobile buses during the peak season and find out for themselves whether or not this shuttle bus service is what it is all cracked up to be. These Park Rangers should also be required to ride on the Gray Line, Blue Line, American Tour, etc., sightseeing buses. Doing this, will make them better qualified to give information in a far more intelligent way. What could be worse than giving advice and information on doing something that you have never done yourself?

The BIG BROTHER NATIONAL VISITORS' CENTER EXISTS ONLY IN THE EYES OF THE NATIONAL PARK SERVICE.

As far as the commercial sightseeing operators, taxicab operators and most of the travel agents around the country and around the world, the BIG BROTHER National Visitors' Center does not exist. They never mention it in the millions of sightseeing brochures that they print and distribute each year. They know that visiting the BIG BROTHER National Visitors' Center would be a pure waste of their passengers valuable time. They know only too well how precious little time that their passengers have, when visiting the Nation's Capital, they, therefore, must see to it that only the really worthwhile places of interest are visited.

JUST WHAT IS THE REAL UNDERLYING REASON FOR THE IMPORTANCE OF THE BIG BROTHER NATIONAL VISITORS' CENTER TO THE NATIONAL PARK SERVICE? THE EXTREMELY DANGEROUS MASSIVE PROPAGANDA APPARATUS OF THE NATIONAL PARK SERVICE!

The BIG BROTHER National Visitors' Center exists only in the eyes of the National Park Service and no one else...with the possible exception of Landmark Services, Inc., operators of the Tourmobile shuttle buses. Its only real importance is to serve as a passenger terminal center for the National Park Service's concessionaire operator of the Tourmobile shuttle buses. The original plans called for the construction of a building over the railroad tracks, in which over 4,000 cars could be parked. Due to the lack of the necessary money with which to carry out this project, the size of this building had to be cut back to where it would only accommodate a little over 1,000 cars. A "sweetheart" contract was given to the construction firm doing the job. It wasn't long, before the money was all used up, and, this building still stands today, unfinished and never used for the purpose it was intended for. All of this proves one thing, the DAMN thing was never needed in the first place. There are plenty of private parking lots that provide all of the parking needed by our millions of visitors, at far more convenient locations and at very reasonable rates.

This unfinished "gold plated" parking lot at the BIG BROTHER National Visitors' Center should never be completed. The big, but unsaid reason as to why the National Park Service wants this "gold plated" parking lot completed, is, that that is the only way that they can corner the Sightseeing market in this city. They will virtually have one of the largest parking lot in a single building, anywhere in the world. The National Park Service has one of the most massive propaganda apparatus networks in the country, if not in the world. With this massive propaganda apparatus network ability to turn on, or, turn off the information, its public relations department is able to distribute to the news media for republication, radio spots and television spots, nationally and internationally, it can very easily corner almost the entire sightseeing market in this city. ~~This~~ This can be very easily accomplished by getting virtually everyone to park their cars in this "gold plated" parking lot for nothing if need be, or, at such a cut-rate, cut-throat price that it wipes out the competition of the privately owned parking lot operators. By getting virtually everyone to park their cars in this "gold plated" parking lot, they will have created a "captivity market" for their concessionaire, the Tourmobile shuttle bus operator. What better way is there to wipe out the competition of the private, free enterprise transportation and sightseeing industry in Washington, D. C.? Why must our tax dollars be used by a tax supported government agency, such as, the National Park Service, use this money for the express purpose of putting us out of business. We ask very emphatically that your Committee demand that the National Park Service get out of the transportation and sightseeing business in Washington, D. C. and anywhere else in this country where all of these services are already being provided at reasonable rates by the private free enterprise operators.

LANDMARK SERVICES, INC., OPERATORS OF THE TOURMOBILE SHUTTLE BUSES HAS A "SWEETHEART" CONTRACT LOADED WITH PLENTY OF OPEN AND HIDDEN SUBSIDIES.

This method of doing business is nothing new to the National Park Service. We, in the free enterprise transportation and sightseeing business are the unfortunate victims of such a cut-rate, cut-throat price war inflicted upon us by the National Park Service setting of the rates to be used by their concessionaire that run the Tourmobile shuttle bus service. The National Park Service was able to do this by giving this operator a "sweetheart" contract, with open and hidden subsidies. For example, a garage leased by the National Park Service for as much as \$5,000 a month, was made available to be used by the Tourmobile shuttle bus operator as a garage for their buses for about \$100 a month. How can any of us in the transportation and sightseeing business compete...when we have to pay the going commercial rate for such a garage, and, with no "sugar daddy" to pick up the bill, or, a "sugar daddy" to subsidize us?

The National Park Service virtually sells the Tourmobile ticket, whenever their Park Rangers give out only the Tourmobile brochures, and, only recommend that the visitors ride on their concessionaire's shuttle buses. The Tourmobile shuttle bus operator pays nothing for this service. The tape recordings used in the Washington Monument elevator and the tape recordings used in the Bureau of Engraving always says something good about the Tourmobile. Again, the Tourmobile shuttle bus operator pays nothing for this commercial.

The National Park Service, two years ago, began putting in free advertising directly beneficial to the Tourmobile shuttle bus operator. This free advertising is placed in their millions of brochures describing the Lincoln Memorial, Jefferson Memorial, Washington Monument and the free "Welcome to Washington" map of the Mall area and the nearby downtown area of Washington, D. C. All of this free advertising is just another way of using our tax dollars to put ^{us} out of business. The Tourmobile shuttle bus operator pays nothing to maintain the bus stops that is set aside for their exclusive use...again this is provided absolutely free-of-charge by the National Park Service. All of this we can see, but, what about the hidden subsidies that we cannot see?

THE DEPARTMENT OF ENERGY SAYS THAT WE MUST DO EVERYTHING CONCEIVABLE TO SAVE ENERGY...THE NATIONAL PARK SERVICE SAYS THAT WE MUST DO EVERYTHING CONCEIVABLE TO WASTE ENERGY!

President Carter and the Department of Energy, plus others, demand that we save energy. But, the National Park Service thinks it is a big joke and demands that we waste energy by convincing the millions of visitors that come to see Washington, D. C., the Nation's Capital, to leave their hotels and motels and drive their cars into the Mall area, in order to get them as customers for their Tourmobile shuttle bus operator. GOD help us if the National Park Service ever gets to complete the building of their "gold plated" parking lot at the BIG BROTHER National Visitors' Center. If that day ever comes, the National Park Service will virtually spend millions of dollars to get the millions of visitors to use it.

These millions of visitors will then become "captive customers" for their Tourmobile shuttle bus operator. It makes no difference to the National Park Service if these millions of visitors are "suckered" into this deal and get "ripped off", or, "shortchanged". The National Park Service wants to round them up like they were a bunch of cattle, or, merchandise-on-the-hoof and herd them into the Tourmobile shuttle buses just as though they were cattle cars.

We cannot help but wonder just why the National Park Service is so intent upon loading up the Tourmobile shuttle buses. What is really back of all of this? Who is making all of the money? Why is this being covered up? Why hasn't the General Accounting Office, the watchdog for the Members of Congress, done nothing about it?

LET LANDMARK SERVICES, INC., PARENT COMPANY, THE MUSIC CORPORATION OF AMERICA PUT UP THE NEEDED MILLIONS OF DOLLARS TO COMPLETE THE BIG BROTHER NATIONAL VISITORS' CENTER.

Landmark Services, Inc., is a part of a multi-million, if not a multi-billion dollar corporation conglomerate, the Music Corporation of America. This Committee should make it crystal clear that since the BIG BROTHER National Visitors' Center is so important as a Tourmobile shuttle bus passenger terminal, then the parent company, the Music Corporation of America, should come up with the millions of dollars needed to complete the BIG BROTHER National Visitors' Center. If the Music Corporation of America refuses to come up with the money, then this Committee should refuse to come up with any money necessary to keep the BIG BROTHER National Visitors' Center open for even a single day. The BIG BROTHER National Visitors' Center should be shut down immediately, and, it should be restored to its original purpose, serving the railroad passengers.

IT'S ONLY THE TAXPAYERS MONEY, SO WASTE IT.

This committee must put an immediate stop to the way that the bureaucrats at the National Park Service take the attitude that it is only the taxpayers money, so waste it. The

National Park Services abuse of the public's trust is absolutely criminal. Why aren't the laws on the books being used to fire these bureaucrats, and, put them in jail where they belong? Can any Member of this Committee tell me what is being done to see to it that these laws are being enforced? What is the use of having these laws if they are not being used? If there are no laws to make it a crime for these bureaucrats to be guilty of "white collar" crimes, sloppy and costly mismanagement...then we need legislation to put these laws on the books immediately. Why must these bureaucrats be allowed to get off "Scot free"?

The Members of this Committee must hold these bureaucrats responsible for every tax dollar that is being wasted. Not only must these bureaucrats be fired, replaced or put in prison... the U. S. taxpayers wasted tax dollars must be replaced and recovered over a ten year period. This can be very easily accomplished by forcing the National Park Service to reduce its budget each year for the next ten years, and, at the rate of \$6,000,000 per year, the full \$60,000,000 already wasted on the BIG BROTHER National Visitors' Center will be fully recovered.

THE NATIONAL PARK SERVICE MUST STOP RECOMMENDING ONLY ONE TRANSPORTATION AND SIGHTSEEING SERVICE.

The National Park Service must take a neutral position when it comes any kind of recommendation, be it for transportation, sightseeing, places to visit, restaurants, hotels, motels, etc. They should invite all of these different services to give them brochures to give to the visitors asking for information. They should let these visitors use their own judgement in determining which of these services would be best for their needs. Their Tourmobile shuttle bus operator does not always have the cheapest rates.

For example, seven ^{adult} visitors wanting to go from the Ellipse Tourmobile bus stop to Arlington National Cemetery, must pay \$4 each, or, a total of \$28 if they choose to ride on the Tourmobile shuttle bus. They usually do not know that they must ride on three different buses just to arrive at Arlington National Cemetery. Once there, they must again ride on several more additional buses just to complete the tour of the cemetery. During the busy summer months it can take as long as three hours just to ride three buses to get to the cemetery, and, then take as long as three more hours just to ride the buses in the cemetery.

Had these same seven adult visitors taken a cab to the cemetery, a distance of approximately three miles from the Tourmobile bus stop in the Ellipse, it would have cost 95¢ for the first mile, 35¢ for each additional half mile and 40¢ for each additional passenger. Therefore, it would be \$2.35 for the first passenger, plus \$2.40 for the six extra passengers, making it a total cab fare of only \$4.75 one way...\$9.50 for the round trip. The Tourmobile ride cost \$28...the two way cab ride cost only \$9.50...by riding a taxicab they saved \$18.50. Not only did they save \$18.50 riding a taxicab...it took only 10 minutes to get to Arlington National Cemetery. The 10 minutes by taxicab and the three hours by Tourmobile, means that these seven visitors would have two hours and fifty minutes more free time. By choosing to walk to the Change of the Guard at the Tomb of the Unknown Soldiers and walking to the gravesites of the Kennedys, only one hour of their time would be used up. The cemetery shuttle bus tour would have taken three hours, compared to the one hour walking time...they thereby gained two more hours of free time.

The total of nearly five hours of free time, means that these seven visitors can now make other stops which would have been impossible had they made the mistake of using the Tourmobile shuttle bus. Not only can they save valuable time using taxicabs, they also can save a lot of money. Saving \$18.50 is a very substantial amount of money. Tour buses that offer a reserve seat service will naturally cost more than the Tourmobile shuttle bus, but, the service rendered by them will be far superior and well worth the added cost.

All of these problems could be best solved by convincing the National Park Service to get out of the sightseeing and transportation business. They should have never gotten into it in the first place, especially in a city like Washington, D. C., where all of these services are being very well provided for by the private free enterprise operators. The average visitor can well afford to pay the going rates. There are extremely low rates, such as, 40¢ on a Metro bus, low taxicab rates, medium price reserve seat sightseeing bus tour, or, extremely high exclusive limousine rates at \$45 minimum for three hours and \$15 for each additional hour. With the independent tour guide, the visitors can negotiate a reasonable rate for the tour they want to take.

THE PRETZEL ROAD SYSTEM IN FRONT OF THE BIG BROTHER NATIONAL VISITORS' CENTER AT UNION STATION.

The rearranging of the road system in front of the BIG BROTHER National Visitors' Center was to give all priority and benefit of this change to the Tourmobile shuttle bus operator. This road system in front of the Union Station has been turned into what can be best described as a "pretzel".

Taxicabs use to have an excellent parking area set aside for their use at the West end on the outside of Union Station. When the train passengers arrived at Union Station, these taxicabs would then go into the inside driveway of the West end of Union Station and load up. For

those taxicabs arriving with passengers catching a train, there was plenty of space to stop and unload. All of it has been changed, much to the disadvantage of the taxicabs and their drivers. The West end of Union Station now has escalators for the Metro subway passengers. Taxicabs must now load and unload in front of Union Station. Union Station, with its BIG BROTHER National Visitors' Center, no longer attracts large number of taxicabs to provide a service there. Every effort should be made to provide more and better space for taxicabs.

The mass transit bus stops were removed from their once convenient location next to Union Station and placed into the outer ring of roadways...a virtual banning of the mass transit bus riders to "Siberia". These mass transit riders once upon a time had the convenience of the warmth and protection of Union Station during adverse weather conditions. This is no longer true. How can we encourage greater use of mass transit services when their passengers are ^{being} treated so shabbily by the National Park Service's BIG BROTHER National Visitors' Center.

EVERYONE LINES UP TO GET THEIR FREE HANDOUT FROM "UNCLE SAM". DO NOT BUILD THE INTERMODAL BUS SYSTEM AT THE BIG BROTHER NATIONAL VISITORS' CENTER IN UNION STATION.

The first to line up, are the government agency bureaucrats. Now, we witness the Greyhound Bus Company and the Trailway Bus Company wanting "Uncle Sam" to build an intermodal bus system at Union Station. Of course, they will pay their fair share for its use.

In New York City, the New York City Port of Authority built a really effective bus terminal near Times Square. They did not build it as a part of a railroad station complex. We should take a hard look at whether or not combining a bus terminal with a railroad terminal is the best direction to go.

Do we really know what percentage of bus riders make connections with trains? It is my educated guess that the percentage is extremely small. In fact, I would say that far more airline passengers make greater use of train connections than do the bus passengers. Yet, the Washington National Airport is approximately six miles from Union Station...Dulles International Airport is at least 32 miles from Union Station and the Baltimore-Washington International Airport is at least 37 miles from Union Station. And yet, the two bus terminals used by Greyhound and Trailway are less than two miles from Union Station.

It has been my observation that the overwhelming users of both bus services are intercity bus travelers, commuters going to and from work, shopping and in no way are they going to use trains. They will use taxicabs, mass transit buses, Metro subway, or, walk to their destinations.

That being the case, it would be far better that a large bus terminal be built similar to the New York City Port of Authority Bus Terminal. It would have shopping facilities, etc., and, in that way become an important part of our expanding downtown shopping complex. Both bus companies, I believe, own very choice locations right in the heart of Washington, D. C.'s downtown complex. The National Convention Center will eventually be built next door to their property. There is no reason in the world why both of these bus companies cannot get together and build such a terminal. If they do not choose to finance such a joint venture, private, well financed sources will do it for them. Perhaps, it can be financed by the city, or, it can be financed by the Metro mass transit system operators.

Doing it this way will eliminate the need for an intermodal bus complex at Union Station. It will lessen traffic congestion there. The bus passengers will be far better off by having a convenient downtown, centrally located bus terminal, just as it is now. I realize that at the Hearing of March 2nd, I supported intermodal bus complex at Union Station. I changed my position for the reasons just stated.

IS BIG REALLY BETTER?

I can easily understand why it would be important for the Members of Congress to know how many people are members of a certain labor, business, industrial, association or committee organization. The greater the membership in any group, the greater the chances are that their recommendations will be acted upon favorably. Since I am a Committee of One, I cannot help but notice that many Members of Congress take the position that "big is better". I take the position that "small is superior". It's quality that counts, not quantity!

This concludes my additional statement.

I wish to have included in this record several news items pertaining to what we have discussed at this Hearing. I want to have included in this record, my letter to the "60" Minute C.B.S. program dated, Tuesday, January 18, 1977, related to their T. V. story about the National Visitors' Center, put on the air Sunday, January 16, 1977.

Wednesday, August 2, 1977

Honorable Walter E. Fauntroy
Room 2441, Rayburn House Office Building
Washington, D. C. 20515

In Re: Landmark Services, Inc., Tourmobile shuttle bus operation.

Dear Congressman Fauntroy:

We appreciate your Town Meeting that was held in the auditorium of the Paul Junior High School, 8th & Oglethorpe St., N. W., at 7:00 p.m. on Wednesday, July 27, 1977. We trust that you will hold more such Town Meetings in the very near future.

We appreciate your answer to us that you would introduce legislation similar to the resolution introduced by D. C. City Councilman Arrington Dixon on Thursday, July 7, 1977, that will require the Tourmobile buses to have D. C. vehicle license plates, that their tour narrators have D. C. guide licenses and that the National Park Service give reciprocity to the D. C. licensed guides and that these guides be permitted to solicit and sell sightseeing tours in the local National Monument areas without having to obtain a concessionaire's contract.

There are other very important items that must be made a part of this legislation.

1. That there be no more free advertising in any information bulletins, brochures or maps that are printed at taxpayers' expense, promoting the exclusive use of the Tourmobile shuttle buses. The National Park Service has ordered millions of these information bulletins, brochures and maps to be printed by the Government Printing Office (GPO) at the taxpayers expense. The National Park Service has distributed these items nationwide. This has caused the independent transportation and sightseeing industry to suffer great financial losses.
2. That the National Park Service employees giving out information shall be prohibited from recommending any sightseeing service or transportation service. These employees, at the various information booths, are constantly selling and recommending that the tourists use only the Tourmobile shuttle buses. These are government employees and since it is our tax dollars that pay them their salaries, these employees must be told to take a neutral position when it comes to recommending any commercial services. They need only to recommend that these tourists use the yellow pages of the local telephone books in order for them to get all the information that they will need to know regarding such services. We do not need the Federal government to put us out of business, thru its National Park Service information employees. These employees have caused the transportation and sightseeing industry to suffer great financial losses. This must stopped by legislation.
3. That all licensed sightseeing operators be given grandfather rights to operate over the same roadways as the Tourmobile buses. We had always gone into Arlington National Cemetery, but, several years ago a deal was made behind closed doors by the National Park Service and the Department of the Army, to give the Tourmobile shuttle buses a virtual monopoly in providing the tourists transportation and sightseeing services within the cemetery. We have been very effectively kept out of Arlington National Cemetery. The excuse used years ago to take this drastic step no longer applies today. It was the private tourist vehicles that had always caused the traffic problems on the road system in Arlington National Cemetery. This problem has been very effectively solved by having them use the parking area near the main entrance of the cemetery. The licensed guides and licensed sightseeing vehicles had never caused any problems in the cemetery because they knew how to use its road system. Please note...the National Park Service can, at any time it so desires, bar any vehicle from using the roads in the Mall area, etc.
4. Legislation is needed to make the Tourmobile operators pay for the maintenance of all of their bus stops and to pay for the use of the specially built roadway for their private use between 17th St. and 22nd St., N. W. on the south side of Constitution Avenue.
5. Legislation is needed to grant all D. C. licensed sightseeing operators the rights to provide their services in and out of the National Visitors' Center, without having to have a concessionaire's contract.

What we really need is legislation to order the National Park Service to get out of the transportation and sightseeing business in Washington, D. C. and its nearby areas. There is no justifiable reason for the Federal government to unfairly compete with those of us already providing these services. We can easily compete with anyone on a fair and equal basis. We cannot compete with the Tourmobile operators when they are given all kinds of subsidies, free advertising, free services, etc. by the National Park Service.

We are enclosing copies of letters that we have written to the various Members of Congress, the National Park Service, etc. We have additional items related to these problems placed in the files of the Subcommittee on the Interior and Related Affairs of the House Appropriations Committee in the Hearings that were held Thursday, April 21, 1977. We are certain that this Committee will gladly make these files available for your study. We asked Representative Yates to have the General Accounting Office make a thorough study of this problem. He has not done so. We ask that you request the General Accounting Office make this study and report. We also need to know the profit and loss statement for each year of the Tourmobile shuttle bus operation. We also need to know what it has really cost the U. S. taxpayers to provide all of the hidden subsidies, open subsidies, free advertising, free services, etc. given to the Tourmobile operators by the National Park Service. Why hasn't anyone been criminally charged for their abuse of this public trust?

We are certain that after you and your staff has studied the contents of this letter and the other items in the files, you will agree with us the importance of introducing this legislation as soon as possible.

We will appreciate your acknowledging the receipt of this letter and would appreciate your comments regarding it.

Sincerely yours,

Irving Schlaifer

Irving Schlaifer, Chairman
Emergency Taxicab Committee
1344 Kennedy St., N. W.
Washington, D. C. 20011
Phone: TUCKERMAN 2-8377

Friday, August 12, 1977

Honorable Walter E. Fauntroy
Room 2441, Rayburn House Office Building
Washington, D. C. 20515

In Re: National Park Service legislation.

Dear Congressman Fauntroy:

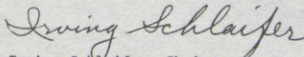
We trust that you and your staff have studied the recommended legislation in our letter of August 2, 1977, that we need you to introduce in Congress.

Copies of this letter to you, dated, August 2, 1977, have been distributed to key members of the taxicab and sightseeing industry. All of them agree that the recommended legislation is long overdue and urgently needed. They want three more items added to this legislation.

1. That the National Park Service must cooperate in everyway possible to provide the most convenient parking spaces for the purpose of loading and unloading of sightseeing passengers.
2. That the National Park Service must provide the most convenient all day parking, non-rush hour parking, parking on a space available basis, etc., so that the independent licensed sightseeing guides can have these parking spaces in which they can park their vehicles and can then sell their tours to those visitors that will find it to their advantage to use our services.
3. That the National Park Service must be made to consult and cooperate with the D. C. Department of Transportation in regards to all vehicular and pedestrian problems, be it the putting up of, or, taking down traffic control signs, barricading of streets, parking controls, pedestrian controls, bus stands, taxi stands, limousine stands, etc.

We would appreciate hearing from you as soon as possible. We would appreciate your acknowledging the receipt of this letter.

Sincerely yours,



Irving Schwaifer, Chairman
Emergency Taxicab Committee
1344 Kennedy St., N. W.
Washington, D. C. 20011
Phone: TUckerman 2-8377

Friday, December 2, 1977

Honorable Walter E. Fauntroy
Room 2441, Rayburn House Office Building
Washington, D. C. 20515

In Re: National Park Service legislation.

Dear Congressman Fauntroy:

We are enclosing a number of xerox items that we feel will prove useful in helping you to get a clearer picture of what the National Park Service has been doing to cause the transportation and sightseeing industry of Washington, D. C. to suffer great financial losses.

We have attached to this letter^a xerox copy of a news item with the heading 'Suit seeks profit data on park concessionaires' that appeared in The Washington Daily News, Monday, May 8, 1972, Page 28. Attached to this letter is another xerox copy of a news item with the heading 'The Cost of Keeping Carter Barron Open' that appeared in The Washington Post, Friday, August 31, 1973, Page B-1. One particular paragraph in this news item states as follows:

Fish also said that he could not discuss the corporate salaries of Super Attractions or report grosses and nets because financial information submitted to government agencies by concessionaires is exempted from the Freedom of Information Act.

The National Park Service has seen fit to provide thousands of dollars of subsidies for the Carter Barron operation and the Tourmobile shuttle bus operation, and yet, these concessionaires are exempted from having to provide financial information by the Freedom of Information Act. The Library of Congress should be requested to provide the pros and cons, likewise, the General Accounting Office dealing with this exemption.

We feel that it is extremely important to have legislation introduced to put an end to such exemptions.

We are also attaching to this letter a xerox copy of a letter dated, April 7, 1972, written by Russell E. Dickenson, Director, National Capital Parks, sent to one of our associates on April 14, 1972, by former Congressman Lawrence J. Hogan of Prince Georges County, Maryland. In paragraph 2 of this letter written by Mr. Dickenson it states in part as follows:

In accordance with Public Law 89-249 of October 9, 1965 (79 Stat. 969), known as the Concessions Policy Act, it is a policy of the National Park Service to invite private enterprise to provide needed facilities and services for park visitors when the government itself cannot or does not wish to provide such services.

We can certainly understand the necessity of the National Park Service to provide transportation and sightseeing services in such places as the Yellowstone National Park because it is needed. In any large city, such as, Washington, D. C. transportation and sightseeing services have always been available and provided by taxicabs, limousines, buses and subways for years and years. But, in spite of this obvious fact the National Park Service deliberately invented the need to have a transportation and sightseeing shuttle bus service here in Washington, D. C.

We cannot help but believe that all that has happened, has been carefully orchestrated. The Library of Congress can certainly provide the information needed to show how the above mentioned law came into being. Hardly two years after this law was passed, the National Park Service brought in the Tourmobile shuttle bus operators.

It is never too late to have these laws changed and make the National Park Service get out of the transportation and sightseeing business in Washington, D. C. We trust that you will make good use of the enclosed items.

Sincerely yours,
Irving Schlaifer
Irving Schlaifer, Chairman
Emergency Taxicab Committee
1344 Kennedy St., N. W.
Washington, D. C. 20011
Phone: TUCKerman 2-8377

Monday, January 9, 1978

Honorable Walter E. Fauntroy
Room 2441, Rayburn House Office Building
Washington, D. C. 20515

In Re: National Park Service and the Landmark Services, Inc.
Tourmobile shuttle bus operation.

Dear Congressman Fauntroy:

Our letter to you dated, Friday, December 2, 1977, led to a meeting on Thursday, December 22nd, at 9:30 a.m. with two members of your staff, Howard Lee and Johnny Barnes.

We discussed issues related to the Tourmobile shuttle bus operation and the National Park Service (NPS). The Tourmobile 10 year contract with the NPS expired December 31, 1977. The NPS has negotiated a new contract for 10 years with Landmark Services, Inc. to continue its Tourmobile shuttle bus operation. It is extremely important that we know just what is in this new 10 year contract. The last contract, according to reports in the local newspaper, was referred to as a 'sweetheart' contract. We have furnished your office with xerox copies of these news items. The question is, will the new 10 year contract be a 'sweetheart' contract? The General Accounting Office has the expertise to determine this and should be requested to provide this answer to you.

Representative John D. Dingell of Michigan was the Chairman of the Subcommittee on Activities of Regulatory Agencies of the Committee on Government Operations and the Permanent Select Committee on Small Business, that held hearings on December 20, 1974, 93rd Congress, 2nd Session. The printed hearing was titled, 'National Park Service Planning and Concessions Operations'.

Representative John D. Dingell was Chairman of the Subcommittee on Energy and Environment of the Committee on Government Operations and the Committee on Small Business, that held hearings on July 25 and 28, 1975, 94th Congress, 1st Session. The printed hearings was titled, 'National Park Service Management of Concession Operations'.

It was in these hearings of 1974 and 1975 that revealed the 'sweetheart' contract we speak of. The NPS hands were not clean then and they are not clean now. Your staff need only to get copies of these two hearings and learn for themselves why we have problems with the Tourmobile shuttle bus operation and the NPS.

The NPS want you to believe that everyone is perfectly happy with the service provided by the Tourmobile shuttle bus operator. It is inconceivable to believe that the millions of passengers that have ridden on the Tourmobile shuttle buses have no complaints to make about this service. Those of us that work where we can easily observe how well or how poorly the Tourmobile operates, know only too well how dissatisfied, how disappointed and how frustrated a great many users of this service are.

We have seen far too many people with or without tickets, after waiting long periods of time, up to 90 minutes, for a bus with enough empty seats for them to be able to get aboard, just give up and walk to the next point of interest or take a taxicab. How can you expect children to patiently wait such long periods of time? What about those with physical handicaps, or, those that have a very limited amount of time to see what they came to visit? Time is precious, but, all too often the buildings that they have come to visit are closed when they arrive. This is because the Tourmobile operators could care less about getting them there on time.

The Tourmobile passengers are provided with no protection or shelter from the hot sun, wind, dust, rain, mud, snow or cold when waiting at the bus stops. When they ride in the open windowless buses during the summer months, they have no protection from the wind, dust, heat or rain.

These people have been led to believe that they are to get excellent service, but, much to their surprise and disgust, they wind up getting very shabby and very poor service. They are being 'ripped off'. They are not getting what they are paying for. The NPS has seen fit to look the other way and are guilty of letting the Tourmobile operators get away with giving poor service. It is a public be damned policy supported by the NPS. The NPS should be ordered to put a stop to this practice at once.

We are now in a time of 'consumer protection'. There is no real 'consumer protection' promised to those using the Tourmobile shuttle buses. The advertising brochures that promote the use of the Tourmobile shuttle buses very conveniently attempts to protect the operator from being guilty of poor service by stating that 'stops are made at regular intervals at all 17 sites'. Just what is meant by this statement? Does it mean that every 1, 2, 3, 4, 5, 10, 15, 20, 30, 45 or more minutes a bus will show up? The fact that buses show up on time or extremely late means absolutely nothing when the tickets to board these buses have been oversold and no seats are available. The visitors' time is extremely valuable and precious, but, it means absolutely nothing to the operators of the Tourmobile. For most of the visitors it is a once in a life-

continued on Page 2.

time trip and very expensive. They should not have to wait over five minutes to board a bus. The Tourmobile operators must be ordered by the NPS to put a printed statement in their advertising brochures and on their tickets that those purchasing and taking their tour shall be guaranteed 100% satisfaction, or, their money will be refunded in full. This refund in full shall be made whenever passengers are made to wait 15 minutes or more to board a bus. This fact must be clearly advertised in their brochures and on their tickets. Company representatives must be immediately available at each bus stop to make an instant cash refund upon demand.

The NPS must demand that a limit be put on the number of people that can ride each day on the Tourmobile shuttle buses. The Tourmobile operators must be told to stop overselling their tickets. Once they have sold their limit of tickets according to the number of vehicles in operation, they must turn away any additional passengers, so that those already riding can expect and receive the service that they have paid for. This nonsense that the 'sky-is-the-limit' as to the number of tickets sold each day must be stopped immediately, when the Tourmobile operators know perfectly well that they do not have the equipment or the personnel to handle and meet the demand. It is a public be damned policy. The NPS must order the Tourmobile operators to put a stop to it immediately. The NPS must also order the Tourmobile operators to make it a standard practice that those that already have their tickets will be permitted to board the buses first in order to occupy the empty seats, and, only after that, will tickets be sold to those not having any.

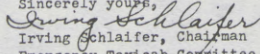
Another area of 'consumer protection' that needs to be corrected, is the amount of time that the purchase of a ticket buys on the Tourmobile shuttle buses. The Tourmobile brochures advertises that from June 15th through Labor Day you can ride from 9:00 a.m. to 6:30 p.m. An adult ticket for their combination tour cost \$4.00 and can be purchased at this price up to 2:30 p.m. You can get 9½ hours of transportation for \$4.00 if you start at 9:30 a.m. If you start a 2:30 p.m. you can only get 4 hours of transportation for your \$4.00. Here, you have a ridiculous situation, wherein, the 9½ hour tour will cost you only 42¢ an hour, but, the 4 hour tour will cost you \$1.00 per hour. The passengers are being told by the operators of the Tourmobile that they have to pay more to get less. It should be the other way around, the more you get, the more you pay... the less you get, the less you pay. The NPS must be told that they must make the Tourmobile operators make the price of their tour ticket proportionate to the amount of time that is actually left to use their buses.

Many sightseers that read the Tourmobile advertising brochures, cannot help but get the impression that the points of interest listed to visit, can be easily done in just one day. It is impossible for the out-of-town visitors, who know absolutely nothing about how much time is needed to go in and visit the points of interest listed by the Tourmobile operators, to be able to do it during the hours that they operate on a one day tour. There are a tremendous number of out-of-town visitors that are here for only a half day, or, a day at the most. The Tourmobile brochures must make it very clear to their customers that they cannot visit, in one day, everything that is listed because of the long lines of visitors waiting their turn at such places as the White House, Capitol, Supreme Court, Bureau of Engraving, F. B. I., etc. The opening and closing hours of these places add even more complications to this problem.

The NPS must take the full blame for allowing all of these objectionable things to happen. The NPS has refused to hold open public hearings related to the Tourmobile's rates and lack of adequate service. There is absolutely no excuse for this. The consumer must be protected. The NPS should be the very first ones to demand that safeguards be put into immediate use, such as we have recommended. Representative Dingell has called for public hearings on rates and service.

We would appreciate your requesting that the Secretary of the Army, Clifford Alexander, issue permanent entry passes to the licensed guides of D. C. to permit them to drive their limousines, taxicabs, vans and buses into Arlington National Cemetery. The traffic problems that were created in Arlington National Cemetery by the out-of-town visitors' vehicles no longer exist since they must now park their cars in the new parking lot and can make use of the cemetery shuttle buses. The licensed guides that drive their vehicles into the cemetery will not interfere with a funeral procession or a funeral service. In fact, there are very few burials taking place in the areas near the Arlington Amphitheatre, Tomb of the Unknown Soldiers and the Kennedy grave sites. These are the points of interest that the licensed guides need to go. We once had the right to drive in, but, it was taken away when the cemetery shuttle buses were brought in. There are no longer the same compelling reasons to keep the licensed guides out.

We trust that you will do everything possible to implement the suggestions made in this letter. We would like to hear from you as soon as possible.

Sincerely yours,

 Irving Schlaifer, Chairman
 Emergency Taxicab Committee
 1344 Kennedy At., N. W.
 Washington, D. C. 20011
 Phone: TUCKERMAN 2-8377

Wednesday, February 22, 1978

Ms. Margaret Costanza
Assistant to the President
White House
Washington, D. C. 20500

Dear Ms. Costanza:

I am certain that all of us attending the 8:15 p.m. Friday evening services, February 17, 1978, at the Temple Israel Synagogue, 420 E. University Blvd., Silver Spring, Maryland, were very pleased that you were our guest speaker.

My wife and I were very interested in everything that you had to say about your job at the White House. We liked what you had to say about your nephew.

We were very interested in what you had to say about how President Carter wanted people to communicate with him. That it was important to know why the people agreed with him, or, why they did not agree with him. And, that he wanted the people to let him know whatever else was on their mind.

When you asked for questions from those of us attending the service that evening, I had planned to suggest that President Carter could help create more jobs by making Washington, D. C. a sightseers paradise. President Carter could move in this direction by ordering all of the museums, art galleries, memorials, U. S. Capitol building, Library of Congress, U. S. Supreme Court, John F. Kennedy Center for the Performing Arts, etc., be opened from 7 a.m. to 12 midnight.

Even the White House should become more of a peoples' event by having it open on a first come, first serve basis from 8 a.m. to 12 noon. The V.I.P. tour of the White House from 8 a.m. to 10 a.m. has now become completely out-of-control because every Tom, Mary, Dick Harry has been encouraged by the news media to write to their Member of Congress to get this V.I.P. tour. This has created a very serious problem for the Members of Congress because every letter received from a constituent requesting the V.I.P. tour of the White House must be answered. The majority of such requests have to be turned down and this hurts the image and effectiveness of the Members of Congress. I am certain that the Members of Congress and their constituents would welcome the change in the rules that I am recommending, that is, do away with the V.I.P. tour of the White House and have it opened to the people on a first come, first serve basis from 8 a.m. to 12 noon.

This suggestion can be very easily accomplished. The overwhelming majority of people will approve of it. More people can then visit the White House between 8 a.m. and 10 a.m. than are now seeing it on the V.I.P. tour of the White House during these same two hours. By making this change, President Carter will please the Members of Congress by having them freed of this problem deliberately created for them by the news medias' publicity related to the V.I.P. tour of the White House. If you look at the history of how the V.I.P. tour of the White House got started years ago, you will agree that it has gotten completely out-of-control. This suggestion is a solution to a very sticky problem.

I am a cab-owner-driver and a licensed sightseeing guide. I have been doing this in the Nation's Capital city for over 30 years. The people that I pick up in my cab or take on my tour, complain that the places they came to visit have banker's hours...they open too late and close too early. They want these buildings to be open from 7 a.m. to 12 midnight. They need these extra hours in which to visit and enjoy seeing these many public buildings. For most of them, it is a once-in-a-life-time trip. They will never be back again. They have made many personal sacrifices in order to be able to afford to make this trip to the Nation's Capital city. President Carter is right in saying, "Why not the best"? I, too, say, "Why not the best for the people visiting the Nation's Capital city?" The people now coming to visit the Nation's Capital city, number in the millions every year. It is absolutely urgent that these steps be taken immediately in order to better accommodate these millions of people coming to visit our Nation's Capital city.

While what I have just stated was not a question but a comment for you to consider, I decided that because you stressed the importance of communicating with President Carter, my question ought to be about the full page, open letter to President Carter, which appeared on Page D-8, Thursday, February 16, 1978, of The Evening Star, published in Washington, D. C. I could not help but be curious as to how much it cost to put this ad in the newspaper. I called The Evening Star advertising department and found out that it cost \$7119.36 to have it published for only one day and that it would have a circulation of 357,000 plus, copies.

Benjamin Suarez, President, The Publishing Corporation of America, 4626 Cleveland Avenue N., Canton, Ohio 44767, (216) 494-5065, had this open letter to President Carter published, I presume, at his own expense. This full page letter had the heading.....AN OPEN LETTER TO PRESIDENT CARTER.....SUBJECT: UNJUST AND UNWARRANTED BUREAUCRATIC HARASSMENT THAT WILL RESULT IN THE LOSS OF A LARGE NUMBER OF JOBS IN OHIO.

I read every word of this open letter to President Carter and agreed with it 100 percent. As you well know by the response of the many hundreds that attended the service that evening, they too, agreed 100 percent with this open letter.

I was glad that your response to my question about this open letter to President Carter, was very positive. You requested that I mail you a copy of this open letter to President Carter. You even went one step further and made a commitment to me and to all of those attending the service that evening, that you would put this copy of the open letter I send you, on President Carter's desk. You convinced all of us that evening, that the policy of open communication with President Carter is alive and well.

I realize that you know very little about me. I have been very active in the taxicab and sightseeing industry problems over the last 30 years. My activities in this area have been reported in the news media during these years. The enclosed December 1967, Newsletter, December 1977, Newsletter, my letter to D. C. Delegate to the U. S. House of Representative, Walter E. Fauntroy, dated, Monday, January 9, 1978, and, H.R. 11794 introduced December 5, 1973, in the 93rd Congress, 1st Session, by Representative William M. Ketchum of California, in my behalf, will help you to know me a little better. I might add, Representative Ketchum is still serving in the U. S. Congress.

I will appreciate everything that you can do to make use of what I have brought to your attention in this letter. Your answer will be greatly appreciated.

Sincerely yours,

Irving Schlaifer

Irving Schlaifer, Chairman
Emergency Taxicab Committee
1344 Kennedy St., N. W.
Washington, D. C. 20011
Phone: 882-8377

Copies to the following:

Temple Israel Synagogue
Benjamin Suarez, President, P.C.A.
Members of Congress
News Media
S. Dillon Ripley, Secretary of the Smithsonian Institution
Walter E. Washington, Mayor of Washington, D. C.
Members of the D. C. City Council
Members of the Sightseeing and Taxicab Industry
Members of the General Public

Please Note:

I have one rotten habit that I can never get rid of.....I like to leave things a little better than I find them!



AEROSPACE INDUSTRIES ASSOCIATION OF AMERICA, INC.

1725 DE SALES STREET, N.W., WASHINGTON, D. C. 20036 TEL. (202) 347-2315

STATEMENT OF
AEROSPACE INDUSTRIES ASSOCIATION OF AMERICA, INC.
CONCERNING
INCLUSION OF HELIPORT IN UNION STATION TERMINAL
SUBMITTED FOR RECORD OF HEARINGS ON S. 2995
BEFORE THE
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE

May 1978

The Aerospace Industries Association of America, Inc., representing the nation's major manufacturers of aircraft, spacecraft, missiles and related components, including three of the largest U. S. producers of helicopters, appreciates this opportunity to comment for the record on S. 2995, the Union Station Improvement Act of 1978, in support of the inclusion of a public-use heliport in the Union Station-National Visitor Center facility. Since the early 1950's, AIA has supported the construction of a downtown heliport in Washington, D. C. In our view, the Union Station terminal offers an ideal opportunity for construction of such a facility. In fact, as you may know, a heliport was included in the original authorization for the Center.

Access to downtown Washington by helicopter is an idea whose time has come. Surface transportation in Washington, like that in other cities, is becoming more congested every day. A system of public-use heliports would provide an expeditious means of access to the Nation's Capital and would serve as a vital link between the city and nearby suburban areas, Dulles and National Airports, and other city centers within short-haul range (for example, Washington-New York, Washington-Philadelphia).

The helicopter is uniquely suited to fill these specialized transportation gaps. It can overfly ground congestion and utilize the airspace below the heavily traveled jet corridors. Moreover, the helicopter can take off and land safely from comparatively small and simple ground-level and rooftop heliports and requires no expensive right-of-way.

There are currently more than 700 civil helicopters within a 250-mile radius of the District of Columbia, according to statistics from the 1977 AIA

Directory of Helicopter Operators in the United States, Canada and Puerto Rico. Moreover, it is predicted that that number will double in the next decade. The AIA Directory lists 5,812 civil helicopters currently in use in the United States, a figure which represents a 15.6 percent increase over 1976. (Copies of the AIA Directory of Helicopter Operators and the Directory of Heliports, listing the more than 3,000 heliports in the U. S., are attached.)

At present there are three Government heliports in the Washington, D. C., area -- at the Pentagon, on the South Lawn of the White House, and on the roof of the Department of Transportation building. Their use is limited to Government officials. In addition, nine hospitals in the area have designated heliport sites for medical use and the Metropolitan Washington Police Department maintains three precinct rooftop heliports for use in emergencies.

However, there is still no adequate public-use heliport in downtown Washington. In the congested Northeast Corridor, of which this city is the southern terminus, Washington is the only major city that does not have a public heliport either already in operation or about to be constructed. New York, for example, has four conveniently located public heliports. The many commercial, civil and corporate helicopters coming into the Capital must land at National Airport, thereby nullifying the unique capability of the helicopter to provide city-center to city-center transportation.

Obviously the need and the market for a downtown heliport are present. In recognition of this need, Congress in its original authorization for the National Visitor Center (P. L. 90-264) called for construction of a permanent, public-use heliport to be located on the upper deck of the Center's parking

garage. In supporting this plan, we agree with Secretary of Transportation Brock Adams that in order for this city to become part of a coordinated transportation system for the Northeast Corridor and for the nation as a whole, the Union Station terminal should become a multimodal transportation center allowing the public access to all types of transportation: train, bus, Metro, taxi, private car -- and, we might add, helicopter.

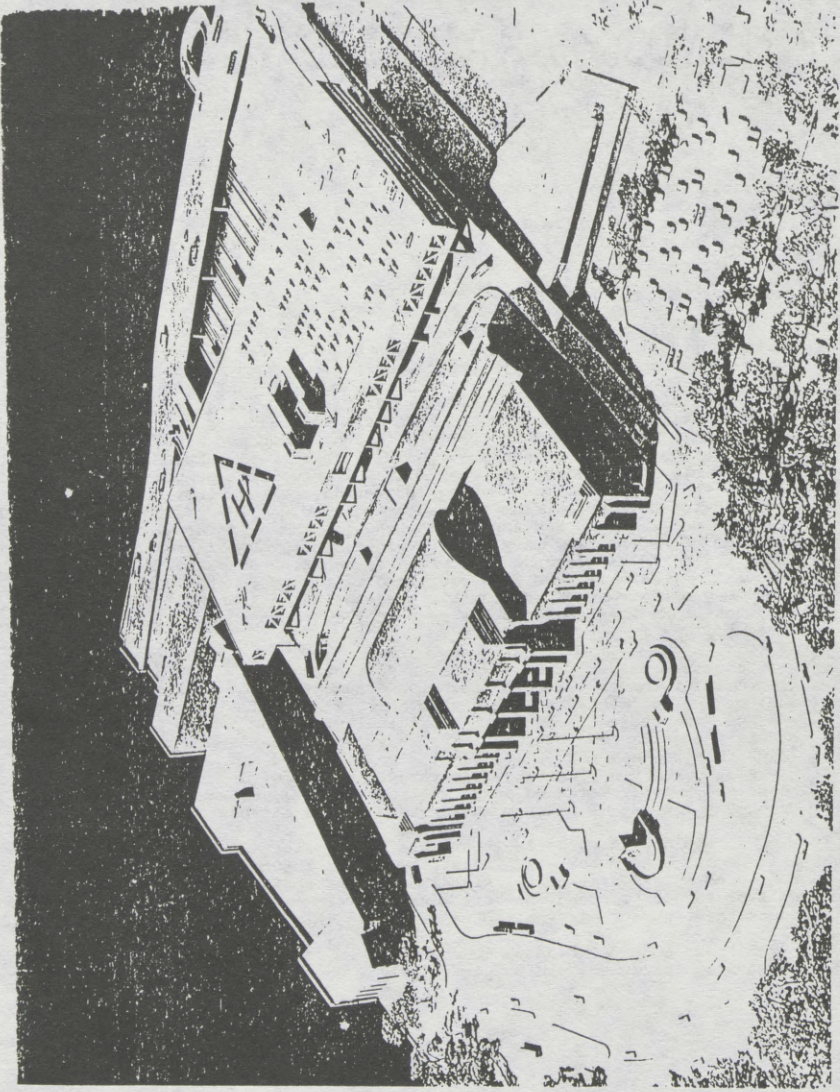
For many reasons, we feel that the Union Station terminal offers the ideal location for the first Washington public heliport. Situated within walking distance of the Capitol, it would expedite transportation for legislators, Government officials, visiting foreign dignitaries and business leaders, and provide convenient connections with train, Metro, and Dulles and National Airports. By diverting traffic from National Airport, in particular, it would help relieve the tremendous congestion which causes frequent delays for both ground and air traffic. In testimony before the House last March, a spokesman for Mayor Walter E. Washington called the terminal "an ideal location for a public-use heliport."

A heliport at the Union Station terminal would also be a boon to the city, providing new revenue and job opportunities as well as offering a form of transportation uniquely suited to emergency or evacuation situations. Two of New York City's four public heliports, for example, the 60th Street and 34th Street riverfront heliports in Manhattan, which are owned by the city and operated by private corporations, are running in the black with over 50,000 operations in 1977.

As a result of technological innovations achieved by our industry, helicopter transportation has become an increasingly cost-effective and environmentally sound mode of travel. The manufacturing industry has incorporated new materials

and design features into rotorcraft which are quieter, have higher levels of safety, exhibit increased speed and range, require less maintenance and are capable of daytime, nighttime and all-weather flight. Today's modern, single and twin turbine-powered helicopters, with new designs utilizing fiberglass and titanium components, are proving environmentally acceptable in terms of lower noise levels and increased fuel efficiency. For the first time, a new generation of helicopters has been designed specifically to meet the needs of civilian transportation, as opposed to modifications of military aircraft for civilian use. This effort in design and development has been largely funded by the manufacturing companies. It is an on-going effort, and we expect it will continue to produce improvements which will make helicopter travel increasingly attractive and efficient.

The Aerospace Industries Association feels that completion of the Union Station facility, including the much-needed public heliport, should be a top priority if Washington is to become a vital link in a complete national transportation system. We appreciate your consideration of our views on this important issue.



ARTIST'S CONCEPTION OF PUBLIC-USE HELIPORT ON PARKING GARAGE AT NATIONAL VISITOR/TRANSPORTATION CENTER.

FRIENDS of the RAILROAD

P. O Box 344, Route 1

Harpers Ferry, W. Va. 25425

Phone 304 535-2455

May 25, 1978

Honorable Jennings Randolph
Chairman, Committee on
Environment and Public Works
United States Senate
Washington, D. C.

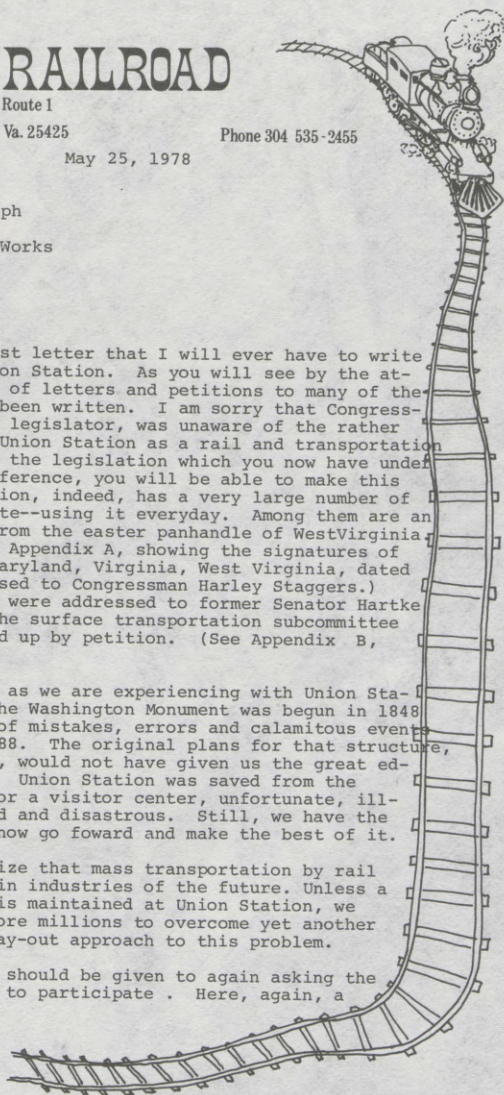
Dear Mr. Chairman:

I hope this is the last letter that I will ever have to write on the sorry story of Union Station. As you will see by the attached appendices, dozens of letters and petitions to many of the members of Congress have been written. I am sorry that Congressman Mineta, who is a fine legislator, was unaware of the rather large constituency which Union Station as a rail and transportation center has. Perhaps when the legislation which you now have under consideration reaches conference, you will be able to make this known to him. Union Station, indeed, has a very large number of people--and people who vote--using it everyday. Among them are an ever-growing delegation from the eastern panhandle of West Virginia. (As only one example, see Appendix A, showing the signatures of hundreds of voters from Maryland, Virginia, West Virginia, dated December 15, 1975, addressed to Congressman Harley Staggers.) In addition, many letters were addressed to former Senator Hartke when he was chairman of the surface transportation subcommittee and these too, were backed up by petition. (See Appendix B, June 19, 1974.)

Sometimes delays such as we are experiencing with Union Station are for the best. The Washington Monument was begun in 1848 and, because of a series of mistakes, errors and calamitous events was not finished until 1888. The original plans for that structure, had they been carried out, would not have given us the great edifice that we have today. Union Station was saved from the wrecking ball by a plan for a visitor center, unfortunate, ill-conceived, poorly designed and disastrous. Still, we have the Union Station and we can now go forward and make the best of it.

We should by now realize that mass transportation by rail will become one of the main industries of the future. Unless a respectable rail station is maintained at Union Station, we will be forced to spend more millions to overcome yet another short term, cheap, easy-way-out approach to this problem.

Serious consideration should be given to again asking the bus transportation people to participate. Here, again, a



FRIENDS of the RAILROAD

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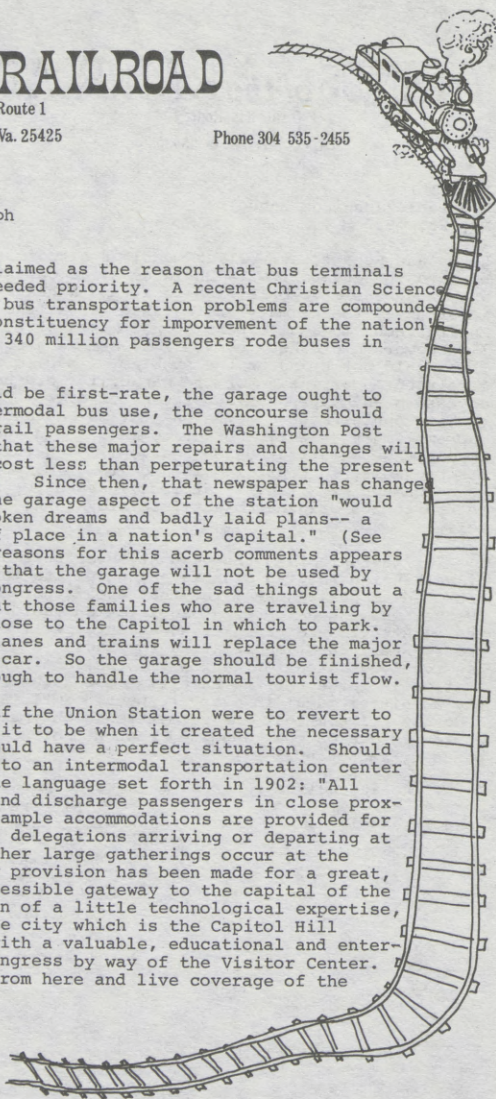
Phone 304 535-2455

Page Two
Honorable Jennings Randolph
May 25, 1978

lack of constituency is claimed as the reason that bus terminals are not being given the needed priority. A recent Christian Science Monitor story states that bus transportation problems are compounded "by the lack of a vocal constituency for improvement of the nation's bus system, although some 340 million passengers rode buses in 1976." (See Appendix C.)

The rail station should be first-rate, the garage ought to be made available for intermodal bus use, the concourse should be put back into use for rail passengers. The Washington Post said in November of 1976 that these major repairs and changes will cost money, "but it will cost less than perpetuating the present agony." (See Appendix D.) Since then, that newspaper has changed its mind and feels that the garage aspect of the station "would serve as a monument to broken dreams and badly laid plans-- a monument not wholly out of place in a nation's capital." (See Appendix E.) One of the reasons for this acerbic comments appears to be that the Post feels that the garage will not be used by visitors, but rather by Congress. One of the sad things about a visit to Washington is that those families who are traveling by car cannot find a place close to the Capitol in which to park. The day is far off when planes and trains will replace the major family way of travel--the car. So the garage should be finished, and it should be large enough to handle the normal tourist flow.

As a matter of fact, if the Union Station were to revert to what Congress had intended it to be when it created the necessary legislation in 1902, we would have a perfect situation. Should Union Station be returned to an intermodal transportation center it would follow closely the language set forth in 1902: "All street car lines receive and discharge passengers in close proximity to the station, and ample accommodations are provided for bodies of troops and great delegations arriving or departing at Inaugural times or when other large gatherings occur at the Capitol. In a word, every provision has been made for a great, dignified, convenient, accessible gateway to the capital of the nation." With the addition of a little technological expertise, visitors to the part of the city which is the Capitol Hill could easily be provided with a valuable, educational and entertaining introduction to Congress by way of the Visitor Center. Tours could be organized from here and live coverage of the



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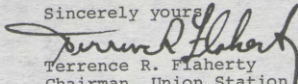
Page Three
Honorable Jennings Randolph
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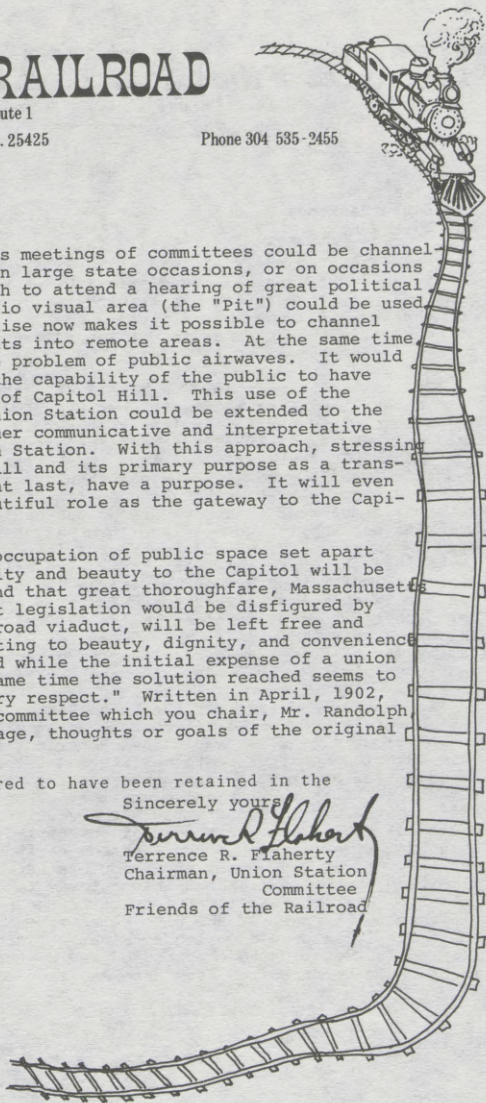
House and Senate, as well as meetings of committees could be channeled into the auditoriums. On large state occasions, or on occasions when hundreds of people wish to attend a hearing of great political importance, the primary audio visual area (the "Pit") could be used. Modern technological expertise now makes it possible to channel live coverage of these events into remote areas. At the same time this would not bring up the problem of public airwaves. It would merely be an extension of the capability of the public to have access to and appreciation of Capitol Hill. This use of the visitor center aspect of Union Station could be extended to the Supreme Court as well. Other communicative and interpretative possibilities exist for Union Station. With this approach, stressing its proximity to Capitol Hill and its primary purpose as a transportation center, it will, at last, have a purpose. It will even return to its original beautiful role as the gateway to the Capitol.

"At the same time the occupation of public space set apart by Washington to give dignity and beauty to the Capitol will be restored to public uses; and that great thoroughfare, Massachusetts Avenue, which under present legislation would be disfigured by the construction of a railroad viaduct, will be left free and open. Every question relating to beauty, dignity, and convenience has received attention; and while the initial expense of a union station is large, at the same time the solution reached seems to the committee ideal in every respect." Written in April, 1902, I do not believe that the committee which you chair, Mr. Randolph, could improve on the language, thoughts or goals of the original plans. (See Appendix F.)

NOTE: The appendices referred to have been retained in the committee files.

Sincerely yours,


Terrence R. Flaherty
Chairman, Union Station
Committee
Friends of the Railroad



STATEMENT OF
ROSS CAPON
EXECUTIVE DIRECTOR
NATIONAL ASSOCIATION OF RAILROAD PASSENGERS
TO THE SUBCOMMITTEE ON REGIONAL & COMMUNITY DEVELOPMENT
SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
MAY 26, 1978

VISITOR CENTER

Mr. Chairman, my name is Ross Capon. I am executive director of the National Association of Railroad Passengers which is a non-profit, consumer-oriented organization, supported entirely by membership dues and contributions. We receive no financial support from the government, the railroad companies, Amtrak, or the railroad labor unions.

Our Association played a major role in the 1969-70 campaign which led to the establishment of Amtrak. Since then, the Association has worked both to improve the quality of Amtrak's management and to see that Amtrak gets adequate funding.

The National Association of Railroad Passengers strongly supports S.2995, the Administration's proposal to restore much of Washington's Union Station¹ to its original function, a rail passenger facility.

But, in light of the House action, I would like to emphasize two essential aspects of the Administration proposal on which we hope the Senate will not compromise:

First, the temporary rail station must be removed, the tracks brought back to the Burnham building, and an adequate amount of space in that building made available for rail passenger facilities;

Second, there must not be a roadway constructed at grade behind (to the north) of the Burnham building.

The following benefits would result from removal of the temporary rail station:

1. The growing number of "walk-on" rail passengers, both intercity and commuter, (and there are many both from Capitol Hill and nearby office buildings) would be able to reach their trains much more easily. The Administration plan would reduce their walk by over 120': 120' from the relaying of the tracks, plus an additional reduction from eliminating the zigzag course that is now traversed through the north concourse and the walkway to the temporary station.

For such passengers who are using lower-level trains, elimination of the need to walk first to the temporary station and then partially backtrack to the lower-level is especially important. It should be noted that the lower-level tracks are not used only by long-distance trains, but also by almost all southbound corridor trains from Boston/New York/Philadelphia.²

For commuter traffic, this reduction in walking distance is crucial because

¹ Referred to elsewhere in this statement as the Burnham building, after the architect.

² This is because, on the lower level, engines can be removed from incoming trains immediately upon arrival and returned to the yard for servicing and availability for northbound service, which permits more efficient utilization.

experience with commuter rail elsewhere indicates that most people do not want to spend more than ten minutes getting between their train and their downtown destination, whether this involves all walking, or urban transit as well. Reducing the amount of walking within the Union Station complex would bring many more potential riders below that ten-minute threshold. It should also prevent new or one-time users of the station from missing their trains because they miscalculated the distance from the Burnham building's main entrance to the trains.

Current commuter ridership on Maryland-subsidized (non-Amtrak) trains is about 6,000 trips per weekday. (Amtrak says that 2,376,713 passengers arrived or left on their trains in 1977 at Union Station; Southern Railway's figure is 123,528.)

2. Consolidation of rail passenger service and the Visitor Center within the Burnham building would result in a net annual saving of \$1.5 million in operating costs, according to Secretary Adams. There would also be energy savings from elimination of heating, lighting, and air-conditioning costs in the temporary station.

3. Facilities would become adequate to handle existing peak traffic periods (which come on weekends and holidays as well as the normal weekday morning and evening rush hours), and could grow smoothly as ridership growth continues. If Amtrak were forced to remain in the temporary station now, traffic pressures might eventually require giving Amtrak some space in the Burnham building. But it is important to note that a given amount of space for use by the general public can be more efficiently used if it is all within one building than if it is divided between two buildings.

Our opposition to the roadway behind the Burnham building is based on the following considerations:

1. If the roadway were at grade level, walk-on passengers would either have to fight through the traffic to reach the trains, or would have to walk up to and down from an overpass, which would be time-consuming for everyone and especially difficult for those with luggage, young children and babies, the handicapped, and the elderly. If the roadway were elevated, it would be very expensive to build -- perhaps \$15 to \$20 million -- because it would involve construction over live tracks, yet it would provide no meaningful benefits.
2. Roadway construction at grade level would immediately increase the number of people passing through the already inadequate temporary station. This is because Amtrak regularly allows incoming passengers from lower level trains to exit directly into the Burnham building, which means less walking for the passengers and less pressure on the limited space in the temporary station. Such a procedure would no longer be safe or practical if an at-grade roadway were constructed.
3. A roadway behind the Burnham building -- at whatever level -- would lead to more congestion, since the isolated lanes of traffic would be more vulnerable to tie-ups than a system which kept private autos (other than those using the parking garage) within the Plaza area where vehicles could more easily be detoured around jams.

DOT's ridership growth projections have been challenged by some critics, and particularly the Northeast Corridor population projections on which the projections were based. Since NY--Washington ridership has doubled in the past ten years, we find it inconceivable that some substantial growth will not continue, in light of the significant improvements in service quality that are planned. The temporary station is already inadequate for existing traffic levels.

Since it is important to remove the present barriers and mazes which daily inconvenience rail passengers and discourage some from using the station at all, and since Secy. Adams indicates his plan would not jeopardize eventual creation of an intermodal station here (with intercity buses), we do not believe that this prospect -- which would cause much delay -- should be pursued now. Thank you.