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AUTOMOBILE USE MANAGEMENT

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HEARING

BEFORE THE

COMMITTEE ON TRANSPORTATION

OF THE

COMMITTEE ON

ENVIRONMENT AND PUBLIC WORKS

UNITED STATES SENATE

NINETY-SIXTH CONGRESS

SECOND SESSION

JULY 22, 1980

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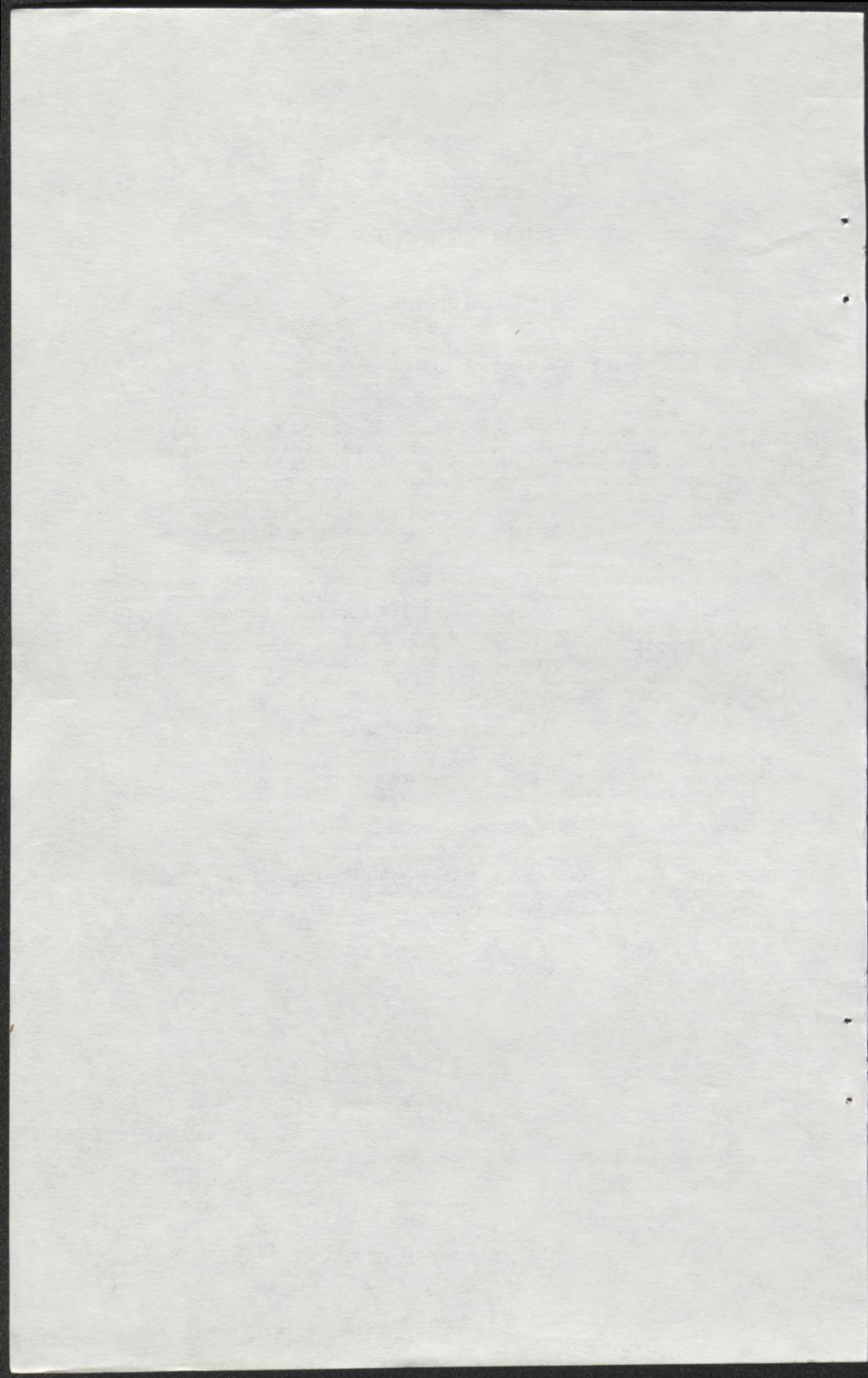
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AUTOMOBILE USE MANAGEMENT

TUESDAY, JULY 22, 1980

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

The subcommittee met at 10:03 a.m., in room 4200, Dirksen Senate Office Building, Hon. Lloyd Bentsen (chairman of the subcommittee) presiding.

Present: Senators Bentsen and Stafford.

OPENING STATEMENT OF HON. LLOYD BENTSEN, U.S. SENATOR FROM THE STATE OF TEXAS

Senator BENTSEN. This hearing will get underway. Today's hearing is held by the Subcommittee on Transportation. We are talking about proposed legislation by the administration on auto use management. The testimony we are going to hear today will be from the Federal Government and State government and other organizations and associations that have some knowledge or some experience about auto use management, about ridesharing, other energy-efficient alternative transportation systems and programs. A number of organizations are not here today that wanted to submit testimony. We will take their testimony for the record.

A complete record of this hearing will be useful to this subcommittee in its determination of what would be appropriate in trying to assist in this regard. Obviously, energy conservation is a very important national goal of our country.

Americans are realizing the necessity of cooperating with each other to cut down the demand for imported energy. Frankly, they are not realizing it enough, and we have got to come up with some ideas that will work and that will try to encourage that.

In many parts of our country, there is not a serious alternative to highway travel. Because of this, it is wise to look at ways to improve the efficiency of highway travel. We have a lot of efforts underway; new ones are beginning across the country every day.

At today's hearings, we hope to hear how and where these more efficient highway use programs have been and will be implemented, what is working and what isn't working. We also would like to look at the best way to encourage such programs. Should they be federally financed? Should they be locally financed? How much of them should be user-paid? If Federal funds are going to be used, what is going to be the source of those funds. There are so many demands for financing and we have such limited resources, particularly at this time. It is difficult to make a choice between new programs and programs that are now in progress. That is what we

face. A new program that costs money can only begin at the expense of another program already begun. It is awful easy to come up with new ideas to figure out how we are going to spend the money. I also want you to tell me which one isn't working and which one we ought to cut back at the same time. These are the questions that this committee is going to be wrestling with and we are looking for information to help us with the answers.

We must make the most energy-efficient use of Federal funds. The value of each of these programs has to be weighed against the other. That won't be easy and I know my friends from the Department of Transportation and Energy have similar concerns, and I am looking forward to hearing from them.

I would like now to turn to my colleague, Senator Stafford.
 Senator STAFFORD. Thank you Mr. Chairman.

**OPENING STATEMENT OF HON. ROBERT T. STAFFORD, U.S.
 SENATOR FROM THE STATE OF VERMONT**

Mr. STAFFORD. Mr. Chairman, I am pleased to be here this morning to listen to testimony on the subject of auto use management.

No one can argue with the fact with this country needs to reduce its dependence on foreign oil imports. It is more difficult, however, to reach a consensus position on how these energy conservation goals are going to be met and what kinds of incentives are most effective in making energy efficient transportation a desirable goal and a high priority for States and localities.

Economic constraints have definitely impacted the highway program this year. Actual funds available to the States were significantly reduced in order to control Government spending. In addition, the high inflation rate experienced in the construction industry has reduced the purchasing power of Federal-aid highway funds. This indicates to the Senator from Vermont that it is even more important to have as efficient a transportation system as feasible. Because the cost of energy contributes a substantial part of the cost of this system, energy efficient transportation becomes expedient.

The Senator has stated on a number of occasions, that at least in the near future there will not be sufficient funds to meet all the transportation needs of the States. On issue this committee is currently struggling with, is the nature of the Federal involvement in the highway program now that the interstate virtually complete. In other words, how do we make choices and set priorities given a limited amount of resources.

There will most likely be various opinions expressed here today with regard to how much priority a program such as the auto use management proposal should be given.

Several issues come to this Senator's mind regarding this specific program:

One. What is an effective funding level for the auto use management program?

Two. It appears there will not be an energy security trust fund. What source of funding should be used for this program—general revenues or the highway trust fund. If we are serious about energy efficiency, shouldn't this be a high enough priority to merit an assured source of funding such as highway trust funds?

Three. Should a separate category of funds be established to carry out the program or should funding be tied to existing programs with some discretion left to the Secretary in funding additional projects?

Four. Transportation needs vary in each State. How can energy efficiency in transportation be achieved while still allowing enough flexibility for each State to address its unique transportation needs.

The Senator from Vermont looks forward to hearing from the witnesses with us today.

Senator BENTSEN. We are in receipt of a letter from Senator Hatfield which will be made a part of the record at this point.

[The letter referred to follows:]

MARK O. HATFIELD
OREGON

United States Senate

WASHINGTON, D.C.

August 4, 1980

Senator Lloyd Bentsen
Subcommittee on Surface Transportation
Committee on Environment and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I would appreciate your inclusion of the following statement in the record when the Auto-Use Management Program is discussed in your Subcommittee.

WE CANNOT DODGE THE REALITY THAT IF WE TRULY WANT TO SHED OUR DEPENDENCE ON FOREIGN OIL, WE MUST DETERMINE TO USE LESS OF IT. SOMEHOW OUR ENTHUSIASM FOR ENERGY INDEPENDENCE FADES AT SUGGESTIONS THAT WE SUBTRACT FROM OUR QUANTITY OF HOME HEATING FUEL OR ADD TO THE NUMBER OF PASSENGERS IN OUR CARS, THOUGH THESE ARE AMONG THE LEAST EXPENSIVE AND MOST EXPEDIENT MEANS TO OUR GOAL.

CONGRESS HAS ALREADY ESTABLISHED TAX CREDITS FOR WEATHERIZATION, AND SOLAR BANKS TO ENCOURAGE SAVING ENERGY IN HOMES AND IN OTHER BUILDINGS. AUTO-USE MANAGEMENT IS A COMPANION MEASURE WHICH WILL ENCOURAGE CONSERVATION THROUGH RIDESHARING, BICYCLING, MASS TRANSIT USE, BETTER DRIVING HABITS, AUTO MAINTENANCE AND THE LIKE.

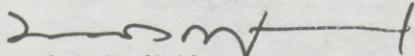
THE STATE OF OREGON AND PARTICULARLY THE CITY OF PORTLAND HAVE BEEN NATIONAL LEADERS IN ENERGY CONSERVATION. PORTLAND RECENTLY

RECEIVED ONE OF THE FIRST TWENTY-FIVE PRESIDENTIAL ENERGY EFFICIENCY AWARDS FOR ITS SUCCESS IN FUEL-SAVING TRANSPORTATION MEASURES SIMILAR TO THOSE FUNDED BY THIS LEGISLATION. OREGONIANS UNDERSTAND THAT IT TAKES CONCERTED ACTION BY INDIVIDUALS AND THE FEDERAL GOVERNMENT FOR SUCH GAINS TO BE MADE NATIONWIDE.

COUPLED WITH EFFORTS TO IMPROVE FUEL EFFICIENCY IN NEW CARS, THE AUTO-USE MANAGEMENT PROGRAM CAN YIELD BOTH IMMEDIATE AND ENDURING ENERGY SAVINGS. THE PROGRAM IS ALSO A MEANS OF STRETCHING HIGHWAY DOLLARS AT A TIME WHEN HIGHWAY TRUST FUND MONEY IS PAINFULLY SCARCE. PERHAPS MOST IMPORTANTLY, IT CAN PROVIDE IMMEDIATE SAVINGS TO PEOPLE IN WAYS THEY CAN UNDERSTAND AND PARTICIPATE IN; THROUGH BICYCLE FACILITIES AND FULL CARS, IMPROVED ROAD SIGNALIZATION AND HIGH OCCUPANCY LANES, TRIP PLANNING, BETTER ENGINE MILEAGE AND SO ON.

I HAVE NO RESERVATIONS IN ENDORSING THE STRAIGHTFORWARD AND SIMPLE WISDOM WHICH UNDERGIRDS THE AUTO-USE MANAGEMENT PROGRAM.

Sincerely,



Mark O. Hatfield
United States Senator

MOH:jmq

Senator BENTSEN. Our first witness this morning will be Dr. Henry L. Stadler, Director, Office of Transportation programs and Solar Energy, Department of Energy. Will you come forward, please?

STATEMENT OF HENRY L. STADLER, DIRECTOR, OFFICE OF TRANSPORTATION PROGRAMS, AND SOLAR ENERGY, DEPARTMENT OF ENERGY

Mr. STADLER. Mr. Chairman, I have submitted a written version of my testimony and I would like to abstract from that for the oral testimony and then answer questions, if that is satisfactory.

Senator BENTSEN. That will be fine. If you would proceed, sir.

Mr. STADLER. My name is Henry L. Stadler. I am Director of the Office of Transportation Programs within the Department of Energy's Office of Conservation and Solar Energy. I serve as the person responsible for the development and implementation of programs to conserve energy in the transportation sector. These include research and development of new technology and the provision of information and assistance on energy conservation in transportation to consumers, industry, and State and local governments.

I appreciate this opportunity to appear before you today. My testimony will briefly cover the subjects of energy conservation in transportation; Department of Energy activities which might interest the subcommittee, with emphasis on those which would fall under the category of auto use management and ridesharing; and comments regarding the administration's auto use management proposal.

I would now like to highlight briefly some of the major projects carried out in DOE's Office of Transportation Programs which indicate our interest in fostering progress in the types of transportation activity which might be classified as auto use management.

They include such diverse activities as the annual publication and distribution of 17 million copies of the Gas Mileage Guide; a driver awareness program; cosponsorship, with the Department of Transportation, of a voluntary truck and bus fuel economy program; promotion of ridesharing; and the provision of technical assistance to State and local governments. All of these activities are directed at reducing transportation-sector petroleum consumption, while maintaining or increasing individual mobility.

Two of our program activities which seem to me most closely related to the auto use management concept are in the areas of driver awareness and ridesharing.

The Department of Energy driver awareness program is an educational and informational program that emphasizes what managers of large fleets, as well as individual operators, can do to stretch their gasoline dollars through more fuel-efficient practices while maintaining transportation services.

The aim is to use existing educational delivery systems to make the Nation's driving population more aware of ways to save gasoline, and money.

The DOE program offers an intensive instructor training course, regional seminars and workshops, moderator packages, and public education materials. Four approaches to fuel economy are highlighted:

The first is the purchase decision, what to consider in choosing a car; the second is behind-the-wheel techniques, how to drive safely and save gas; the third is trip planning and alternatives, how to reduce unnecessary driving; and, the fourth is car care and maintenance, how to protect your investment by maximum mileage.

These considerations are the foundation on which the DOE driver awareness program is built.

The purpose of the DOE driver awareness program is to widely disseminate these efficiency methods through appropriate self-contained educational units.

Instructor training is an intensive course developed for individuals who are organizationally responsible for government or commercial fleets or will become instructors in such operations. Driver energy conservation awareness training—we call it DECAT—for instructors is given at the DOE National Driver Training Center in Nevada, and is an outgrowth of a program initiated there in 1977 to train the 3,500 drivers at the Nevada test site.

The objective is for the trained instructors to disseminate the principles of the driver awareness program nationwide. No charge is assessed for government participants, and selection of participants is based in large measure on factors relating to secondary distribution. Participants attend a 2½-day seminar, during which they are provided with all of the necessary technical material in a discussion/classroom environment.

In addition, they are given intensive behind-the-wheel instruction in an instrumented vehicle and are taught the administrative, management, and training skills necessary to conduct a driver awareness program. Upon graduation, participants are given the key printed materials for planning, implementing, and conducting DECAT courses at their locations. Audio/visual materials are made available at cost.

Drivers trained in the DECAT program can achieve gas savings of 5 to 15 percent. Fuel savings generally pay for course costs within a few months. Further, implementation of a DECAT program projects a positive public image for the sponsoring organization. To date, over 3,000 drivers and several hundred instructors have been trained in DECAT through this program.

There are many programs now in place at the State and local level that are the result of attending the DECAT instructors course. For example, in May 1979, the Maryland State Police sent three instructors to the DOE DECAT instructor course in Nevada. They studied with our DECAT instructors for 3 days and returned to Maryland to set up their own course. They in turn trained 50 instructors within their State police force, at least one in each organizational unit. These instructors then trained all the officers in the force, for a total of 1,200 trained drivers. Additionally, the instructors have trained instructors from 22 States and many counties who have returned to their locales and conducted DECAT.

Col. Thomas Smith, commander of the Maryland State Police, has estimated that the Maryland State Police will save 14 percent of their fuel due to implementation of this program. In effect, the program will have paid for itself within the first few months of operation, and the savings will accrue continuously without any further investment.

Historically, the MSP consumes about 3 million gallons of fuel annually, and as a result of their DECAT program, have projected a 1980 savings of over 250,000 gallons of gasoline. This 1980 figure is less than 14 percent because many personnel were not trained until well into the calendar year.

This reduction in gasoline cost of \$300,000 in 1980 was achieved at a program cost of \$10,000 for expense and outfitting training vehicles and \$15,000 for materials development, printing and distribution, much of which is used in outreach activities to non-Maryland State Police audiences. This results in a return in the first year alone of more than \$10 for every dollar spent. This benefit/cost ratio will increase substantially as the start-up costs are amortized over the program's life.

Private sector results are even more impressive. The Douglas Aircraft Co. program, which was in part the forebear of DECAT, estimates a 16-percent annual savings and a return of \$90 for every dollar spent. As local communities such as the city of Los Angeles and Clark County, Nev., progress further in their implementation of the DECAT program, similar savings are expected.

The driver awareness program is a major part of the President's Transportation Conservation—

Senator BENTSEN. Let me interrupt you there. You are talking about those savings. Are those prospective or actual? That is all very fine if fellows can go to this and they will follow the advice, the counsel in the way of driving. I must say I am a skeptic as to what they actually do when they get back behind the wheel without an inspector; whether they do not fall back into their old habits. Is there any way it is monitored, an intensive award-punishment, or is it just what you think they do if they did what they were supposed to do?

Mr. STADLER. I am sorry, Senator, I don't understand your question. Are you saying what is the evidence that a particular percentage saving was achieved?

Senator BENTSEN. That is right. You understand it very well.

Mr. STADLER. All right. In that case, I believe that the measurement by the Douglas Aircraft Corp. of their gasoline usage before and after they put in the program is one indication not perfect—

Senator BENTSEN. That is what I am asking, prospective or is it an actual—

Mr. STADLER. That is a measurement, but a measurement clouded by various possible objections, after all they may have done less traveling or they may have accomplished less with their fleet afterward than they did before.

Senator BENTSEN. I am afraid it is a lot like a lot of people who go to a fat farm and make great progress while they are there.

Mr. STADLER. I am aware of your concern. In this area of work, it is very important that we improve our assessment techniques and make them very solid and hardnosed and we are trying to do that across this whole area. I am very happy that you emphasize the importance of that, because sometimes that has been lost sight of. It is very difficult if you do not make such measurements carefully to be sure you are emphasizing the right programs. So I certainly value your advice there.

Senator STAFFORD. Mr. Chairman, before the witness goes on, for clarity I might inquire, in the Douglas Aircraft matter, are you talking about a fleet of automobiles they have operated or are they aircraft?

Mr. STADLER. No, sir, these are the automobiles that they operated.

Senator STAFFORD. Thank you.

Mr. STADLER. In our office, we do have some aircraft programs, but this is an automobile program.

The driver awareness program is a major part of the President's Transportation Conservation Initiatives announced at the White House Conference on April 29, 1980. In response to the White House Conference and followup secretarial visits, over 500 organizations have requested implementation information and over 900 organizational representatives have attended the five teach-ins already held.

In ridesharing, we believe that is an area that has great near- and long-term promise for conserving energy. DOE and the Department of Transportation are working cooperatively in the promotion and advancement of commuter carpools, vanpools, and mass transit. DOE's activities in this program area have included the resolution of such institutional barriers as insurance, the provision of technical assistance to Federal, State and local authorities; the development of marketing methods; the encouragement of private-sector financing of vanpools; and providing fuel allocation priorities to transit and vanpools during energy supply disruptions.

Within its own operations, DOE has successfully promoted ridesharing and now has over 210 vanpools in operation at its facilities. Most of these vanpools are driver owned, with 100 percent financing from either credit unions or banks. Among Federal agencies, I think DOE is second only to the Tennessee Valley Authority, which has more than 500 vanpools in operation.

Executive Order 12191, signed by the President on February 1, 1980, requires Federal agencies to implement ridesharing programs and makes the designation of employee transportation coordinators a mandatory element of these programs. DOE is conducting a series of workshops aimed at helping those Federal employees designated as employee transportation coordinators implement successful ridesharing programs. We have 25 workshops already programmed and look to continue this program as Federal agencies respond to the Executive order and the desire of Federal employees to reduce their gasoline use.

This workshop program is an example of one type of activity included in our outreach programs: The provision of technical assistance to Federal agencies.

Senator BENTSEN. Dr. Stadler, I am going to have to ask you to summarize and close your statement because of our time limitations. Also, we have the Secretary of Transportation waiting.

Mr. STADLER. I think I could finish off in about 3 minutes, if that is all right with you.

Senator BENTSEN. All right, sir.

Mr. STADLER. I think, in that case, I will go to the legislation recommendation.

Senator BENTSEN. All right.

Mr. STADLER. Obviously, DOE strongly favors the types of activities which the administration's auto use management proposal would support. We, therefore, support legislation which would foster the use of Federal-aid highway moneys to carry them out. Increasing the Federal match to 90 percent of the programs' cost seems to us appropriate for two reasons:

One, many of the benefits of reduced energy consumption are national in scope. Unlike the important transportation and environmental benefits of transportation projects which accrue primarily at the local level, the foreign policy, national security and economic benefits of reducing imports accrue nationwide, and, therefore, should be supported nationwide.

Second, the States are faced with declining gas tax revenues resulting from unforeseen decreases in gasoline consumption. These have been stimulated partially by the Federal Government, and during these times of severely constrained State highway budgets, Federal action to encourage innovative State and local actions which would assist citizens in dealing with higher energy prices seems appropriate.

I would like to offer a few specific remarks.

It is important that the potential recipients of this financial assistance be defined as broadly as possible. In the examples I discussed earlier, a State energy office and a State highway law enforcement agency are carrying out highly effective transportation conservation projects.

There are many examples of similar successful programs being carried out by State transportation agencies, local agencies, metropolitan planning organizations, special purpose organizations, transit agencies, private companies and civic organizations.

I believe the legislation and implementing regulations should encourage the distribution of these funds to any organization that has the energy, skill and initiative to make them work. Particularly in the area of driver awareness, State energy offices and enforcement personnel have greater experience than do the State agencies which normally receive Federal-aid highway funds.

In this vein, we would argue against allocating them on a formula grant basis that does not place great emphasis on projected energy savings. To achieve maximum success, we think the Department of Transportation should have the flexibility to channel funds into projects which appear to be the most promising.

In summary, Mr. Chairman, the Department of Energy supports the administration's auto use management proposal because additional activity in these areas is important and because increased Federal incentives are necessary to generate this type of activity.

I will be glad to answer any questions.

Senator BENTSEN. Thank you very much. We passed in the Finance Committee some tax incentives for van use and van ownership by private individuals. I think at least in part it is working. I have a great deal of sympathy and support for that particular type of approach. Why do you think it is better now to move this program to the Federal level than to encourage the States to go along the lines of the New Jersey experience that you have in your statement?

Mr. STADLER. I think we want to encourage the other States to come up to the marvelous record, or at least the superior record of Texas, California, and New Jersey. Due to the problems that States are having with highway income, we feel that perhaps they need more financial support to encourage them to do it. I do not think we want to take away at all from those good examples. We want to get the other States to emulate those as much as we can.

I did not get a chance to say that right around New Jersey, there are other States that are doing very much worse than New Jersey and somehow we have got to encourage New York and Pennsylvania to come up to the New Jersey level.

Senator BENTSEN. I would like to turn to my distinguished colleague, Senator STAFFORD.

Senator STAFFORD. Dr. Stadler, the figures I have seen indicate that in 1979 over 1978, the Nation used about 5 percent less gasoline and that in 1980 over 1979, thus far, we have used about 7.6 percent less gasoline than we did in 1979. Are any of those reductions attributable to the use of vanpools, and so on, or are they basically the result of higher prices and people's voluntary conservation of gasoline in their driving as well as smaller cars?

Mr. STADLER. I would hazard a guess, and it is only a guess because measuring these things is very difficult, that the fraction of the savings attributable to vanpools and carpools is small out of that group. On the other hand, part of the reason that people are going to vanpools and carpools is the higher price of gasoline. We, as I said before, would like to measure those things and we do have difficulty measuring it in such a fashion that I feel confident giving you an answer.

We are looking for better ways to do the measurements. It is nice to be analyzing success rather than analyzing failure.

Senator STAFFORD. That is true. I think it is a good thing that we have made those reductions in use, but I would suspect we don't really know what the particular reason is for any particular part of it.

Mr. STADLER. I certainly agree.

Senator STAFFORD. We are just glad it is there.

In your testimony you stated, "DOE now has over 200 vanpools in operation." How does this number compare to the number of vanpools at other Federal agencies?

Mr. STADLER. Well, I believe it is somewhat larger. For the exact comparison, I would like to consult one of my associates who is here, if you will permit me.

Senator STAFFORD. Certainly.

Mr. STADLER. We will be glad to provide a comparison for the record. We don't have it off the top of the head. Would you like that passed along?

Senator STAFFORD. Yes, I would ask that the information be returned to us in writing for the record.

Mr. STADLER. We will be glad to do that.

[The information requested follows:]

SURVEY OF 10 FEDERAL AGENCIES

Agency:	Vanpools*
Tennessee Valley Authority (TVA).....	861
Department of Energy.....	215

Agency:	<i>Vanpools*</i>
Department of Treasury.....	210
Department of Justice.....	53
NASA.....	20
OPM.....	6
Commerce.....	Not reported
EPA.....	Do.
Labor.....	Do.
Transportation.....	Estimate 30

*Except for 657 vanpools at TVA most of the remaining vanpools are driver owned and operated.

Mr. STADLER. There is one little problem to which I might allude. In the vanpooling area, there are two kinds of vanpools, those that are sort of organized through the organization and those that are done on a completely individual basis. We will give you the best information we have.

Senator STAFFORD. I would like to see a sub rosa vanpool sometime. Mr. Chairman, I have several other questions here, but in the interest of time of the committee and the witnesses, I would ask unanimous consent that I might submit them in writing to Dr. Stadler for response in writing to be made a part of the record of this hearing.

Senator BENTSEN. I have a number of them myself so I will submit them in writing. I see we have the Secretary waiting. Thank you very much, Dr. Stadler.

[The questions and responses follow:]

- Q.1. Are there currently any statutory impediments that prevent Federal agencies, in particular, from implementing ridesharing programs. For example, am I correct that government agencies cannot purchase vans for use by government employees even if the agency is reimbursed for the cost of the vehicle by the users? If this is correct, has it created any difficulties?
- A. One impediment does exist. Federal Law (31 USC Section 638 (a) (2)) specifically forbids the use of government vehicles for the transportation of government employees between their domiciles and places of work. This would prohibit the Federal government from implementing programs based on the model of the 3M Company and other private employers. However, since Congress disapproved the National Energy Act provision which would have permitted Federal agencies to acquire 6,000 vans for vanpooling among Federal employees, those interested in vanpooling have had little trouble obtaining private sector financing. The Tennessee Valley Authority (TVA), utilizing credit union financing and a low-cost subsidy (now part of a union contract), now has over 600 vanpools in operation. Facilities of the Department of Energy have over 200 vanpools in operation, second only to TVA. Most of these vanpools are driver owned and operated, with 100 percent bank or credit union financing. Unlike the TVA approach, which utilizes a subsidy most employers would not be willing to take on, this approach has broad transferability. For example, on the Shirley Highway (I-395) corridor in Northern Virginia, the number one vanpool corridor in the Nation, virtually all of the 250 vanpools are driver owned and operated. This approach is spreading rapidly to other corridors in the urban area. Most of this growth has occurred with little employer or public assistance.

The Congressional rejection of funding for 6,000 vanpools has not been an obstacle to Federal employee vanpool growth in Washington, D.C., one of the top three vanpool cities in the Nation. (The number one vanpool city is Houston, which relies heavily on employer-owned vans.) This growth in Washington, D.C., consisting of virtually all driver owned and operated vanpools along with growth in other cities (e.g., San Francisco, Knoxville, New Orleans, and Norfolk) has convinced DOE that this vanpool approach is an alternative to employer-owned vans and that it has great potential and deserves encouragement.

Thus, it is our current view that the prohibition on Federally-owned vanpools has not created over-riding difficulties. Given the administrative burdens that might accompany the use of Federally-owned vans, it is not clear that removal of the prohibition would have significant value. However, the challenge remains as to how we can motivate Federal agencies to conduct viable ridesharing programs. In an effort to stimulate Federal agencies' progress in developing viable ridesharing programs, the Office of Management and Budget issued Circular A-118 on August 13, 1979, and Executive Order 12191 was issued February 1, 1980 in order to assist Federal agencies, DOE has conducted over 25 workshops throughout the country to train the Federal Agency Employee Transportation Coordinators during the current fiscal year. In the future, this activity will be conducted by GSA.

Q.2. What do you believe to be the strongest incentive to employees to make use of carpools and vanpools? the strongest disincentive?

- A. The strongest incentive to employees to make use of carpools and vanpools is the reduction of total commuting costs that generally result from ridesharing. CS market research indicates that 63 percent of all commuters were interested in carrying other commuters if they could receive \$100 per month towards their commuting costs. This is up from 14 percent when fares were not envisioned. A commuter who formerly drove alone could transport four riders at monthly rates \$25 to \$40 per month depending on distance, etc., and pocket \$100 to \$160. Likewise most riders would consider commuting costs of \$25 to \$40 per month very reasonable.

The proposed Commuter Transportation Energy Efficiency Act of 1980 (S.3030) includes a provision, Section 202, which would provide that any payment from a rider to a driver already making the same trip in a ridesharing vehicle (vanpool or carpool) shall be excluded from the gross income of the driver. This offers an incentive to millions of carpools where there is or could be a single driver and exchange of money. It is the opinion of DOE that this would simplify the tax code and clear up ambiguities in IRS Revenue Ruling 55-555. If a carpool or vanpool operator should make a profit, it would likely be so small, after taking normal business deductions, that it would not justify detailed record keeping or IRS investigatory time. Enforcement of a tax regulation requiring that ridesharing payments be reported as income involving millions of carpools would be an administrative problem. This proposal would eliminate the need for the ridesharers to keep detailed records to prove that they did not make a profit. There would be no tax revenue loss since, to our knowledge, this activity does not generate any noticeable tax revenue today.

The strongest disincentive is the time and flexibility many drive-alone commuters feel they would lose if they switched to ridesharing. We believe that parking location priorities and greater use of high-occupancy-vehicle (HOV) lanes could go a long way to overcoming the time loss concern. Only by making ridesharing an easy, fast, comfortable and, most importantly, money-saving mode will we convince commuters to give up the flexibility that the drive-alone commuter enjoys.

Q.3 What level of funding do you believe is necessary to implement an effective Auto Use Management Program?

- A. The Department of Energy supports the level of funding provided for in the Department of Transportation proposal.

Q.4. What source of funding should be used for the Auto Use Management Program? What do you see as the advantages and/or disadvantages of funding it from general revenues? from Highway Trust Funds?

- A. The Department of Energy has no strong views regarding the source of funding. Because the Department feels that the potential recipients of the Auto Use Management Program financial assistance should be defined as broadly as possible, the use of general revenues has some attractiveness. On the other hand, many auto use management projects (e.g., construction of HOV lanes) would be of a nature traditionally funded from the Trust Fund. That, combined with the past uncertainty of funding which has plagued programs which could be characterized as auto use management, constitute advantages for the use of Trust Fund revenues set aside for this purpose.

Senator BENTSEN. Secretary Goldschmidt, we are very pleased to have you this morning. We had you scheduled first this morning but this committee starts reasonably on time and we are delighted to have you now.

STATEMENT OF NEIL GOLDSCHMIDT, SECRETARY, DEPARTMENT OF TRANSPORTATION, ACCOMPANIED BY JOHN HASSELL, FEDERAL HIGHWAY ADMINISTRATOR, AND ANGUS DUNCAN, DIRECTOR OF ENERGY POLICY

Secretary GOLDSCHMIDT. Mr. Chairman, the only apology that I would make is that I was overgenerous with your time with your friend and ours, Majority Leader Wright, on a matter that I think you are familiar with on railroads.

Senator BENTSEN. Mr. Secretary, that is just fine, you take all the time you want as long as you come up with the right decision.

Senator STAFFORD. Mr. Chairman, if necessary, do I get equal time?

Secretary GOLDSCHMIDT. It is a pleasure to be here today to discuss the administration's proposed auto use management legislation. And I would like to reintroduce to the committee John Hassell, who appears here as the Administrator of the Federal Highway Administration; and on my right, Angus Duncan, who is the Department's Director of Energy Policy.

The objects of this legislation are to make possible more efficient, more sensible use of the private automobile; to assure that Americans get the maximum mobility from the minimum amount of oil consumed, consistent with the President's goal of having our imports of foreign oil by 1990; to stretch the productivity of highway and transit dollars and of Federal, State, and local governments; and to protect our huge national investment in our existing transportation system. The object is to further accomplish this without either massive amounts of new Federal funds or a dependence on untested new technologies.

The focus of this proposal is on sharing a ride with fellow workers and getting a parking space if you do; complying with the 55-mile-per-hour national speed limit; properly inflating your tires and tuning your engine; bicycling to work or to the store; riding a bus; or walking, and additional creative efforts.

This legislation is the companion to our national efforts to improve the fuel efficiency of new cars. The two programs can give us immediate and enduring energy savings, and the breathing space we need until new fuels and technologies become available. In terms of national and economic security, and in terms of the average citizen's economic security, that breathing space is critical.

This legislation is simple and straightforward. Most of the money appropriated would be used to increase the Federal share for eligible auto-use projects from the present 75 percent to 90 percent. States could use their local dollars and apportioned Federal-aid highway funds to leverage more Federal funds into their auto-use management programs than is now possible. From the Federal perspective, the national goal of reducing oil consumption is served by providing a positive incentive for transportation efficiency improvements.

Other important national goals such as urban revitalization and air quality improvements also would be served by this program.

We would propose to administer up to 80 percent of the auto-use funding as leverage for apportioned Federal-aid highway funds in this first category. The remainder of the funds would be reserved as discretionary money for innovative projects, by States, localities or private entities, which could not otherwise be funded by leveraged Federal-aid highway funds. The discretionary grants for the projects in this second category would cover a full 90 percent Federal share.

All discretionary awards would be made on the basis of a project's contribution toward a number of goals, the first of which is the greatest possible energy savings. Selection of discretionary auto-use management projects will also consider goals such as environmental quality, urban enhancement, fiscal restraint, safety, and economic development. Maximum flexibility would be assured to State and local governments in the design of programs that fit their local needs and circumstances consistent with national transportation policies.

I have filed this statement in writing with the committee and I will not seek to read all of it, but I do want to focus on what I think is perhaps missed in all of this because we bring these programs up to you sort of sequentially and you never see all of them in one place at one time, but I think properly you should try to hold us accountable for looking at all of them in one place at one time.

And we would like to emphasize to you today that this is a part of a larger Department strategy, as well as a larger Government strategy, and it is supported by other efforts in and out of our own agency. We believe it is consistent with the President's oil import and energy conservation goals. It is also a companion to accomplished or pending congressional goals.

The Conservation and Solar Banks, and the Community Energy Management Act now under consideration, provide tools to local communities for energy conservation planning, and for saving energy in homes and businesses. Auto-use offers comparable tools for local transportation conservation strategies. It is critical that communities have both, as I can well recall from the time in my work in developing a city energy policy for Portland, Oreg.

The Department proposal would also assist States and localities in complying with new Government-wide rules being developed pursuant to the Power Plant and Industrial Fuel Use Act of 1978. Under this act, all Federal agencies must require recipients of Federal financial assistance to take energy conservation actions as a condition of receiving that assistance. We have been consulting at length with local officials. One of the messages we hear from them is: Give us the tools. Auto-use management is one of these, along with stepped-up programs of transportation system management training and driver efficiency programs, some of which were discussed by the previous witness.

The Department of Energy's contingency planning relies heavily on transportation energy savings, mostly achievable through transportation system management actions. The Environmental Protection Agency's clean air requirements for nonattainable areas fre-

quently depend on the same transportation system management actions. These strategies are important ingredients or urban revitalization and economic development efforts, and we think that it is very important to recognize how the average citizen is going to be deeply affected by the fate of this legislation.

There are a wide range of programs that might be eligible, all of which we will be happy to visit with you about today, but we want to suggest to you that this is a framework, rather inexpensive as a national effort, I think, within which every citizen and every community can find a partnership with their neighbor and neighboring community, indeed with the whole country, to share in the responsibility we all have to conserve energy. We think the legislation you are considering today fulfills part of our obligation to provide a system that is fair, a part of that system that speaks directly and understandably to daily needs of our citizens.

This legislation can help us maintain personal mobility and at the same time meet our Nation's goal of conserving energy.

We are pleased to be here, as I said, and we will be happy to respond to your questions.

Senator BENTSEN. Thank you, Mr. Secretary. As I stated earlier, you probably heard, we passed some tax incentives through the Finance Committee to try to put some incentives in there for van operations and we think it is helping, we think it is working. I am sympathetic to what you are trying to do. Where are you going to get the money?

Secretary GOLDSCHMIDT. Well, we are obviously open to any suggestions that anybody has about where to get the funds. I spent a small amount of time yesterday with your colleague, Senator Bayh, discussing the manner in which the appropriations legislation would be structured in order to make it possible for somebody to consider this subject. I think the question as to where the funds are taken from depends on two things:

First, how much money is it? If it is a relatively small front-end effort, I suspect we would not be resistant to using the existing trust fund. As a general proposition, however, we look at this as part of a larger program coming out of the decision by Congress to impose the windfall profits tax and to put together a package of proposals that the President set up.

We had originally hoped there would be a single energy trust fund. That has not occurred, and so the decision about the source of the funds, mechanically or substantively, hasn't been made. We have a companion bill on the House side that is much larger than we want, I think over \$3 billion in authorization. Frankly, I can think of no source from which those funds can come at this point.

Senator BENTSEN. How much money are we talking about here?

Secretary GOLDSCHMIDT. \$250 million per year.

Senator STAFFORD. That is the first year?

Secretary GOLDSCHMIDT. That is right.

Senator STAFFORD. \$750 million the second and a billion dollars the third?

Senator BENTSEN. Are those total or individual years?

Secretary GOLDSCHMIDT. No, I think we are suggesting \$250 million a year.

Senator STAFFORD. Then your proposal is different than S. 2015 introduced by Senator Randolph.

Secretary GOLDSCHMIDT. Senator, you are correct in stating the amount of \$750 million by the third year and a billion dollars by the fourth year, however, these amounts are cumulative. Senator Randolph's bill still refers to \$250 million per year.

Senator BENTSEN. But have you no suggestion as to any other highway programs that you feel this could come from?

Secretary GOLDSCHMIDT. No, I think not, Senator. And, in fact, as you perhaps, more than anyone, know, the receipts in the trust fund this year may, in fact, be exceeded by expenditures for the first time. In another setting we hope to be spending time with you talking about the future of the trust fund itself and the programs in it. We have a serious concern that we not put any new programs in there that would sacrifice, for example, the ability of the States to maintain that existing infrastructure. That would be the most expensive, ill-conceived, energy conservation proposal we could make. If those highways deteriorate, there is no way they could be efficiently used.

Senator BENTSEN. Senator Stafford.

Senator STAFFORD. Mr. Secretary, as originally proposed in the Transportation Energy Efficiency Act of 1979, the funding source for the auto use management program would have been the energy security trust fund. And this is somewhat repetitive, but since it appears such a fund will not be established, I now gather that you are not sure where funding for the program the Department is recommending would come from.

Secretary GOLDSCHMIDT. Maybe I should be more explicit. If the program starts out at a relatively modest level, it would depend on when it comes in the fiscal year. I would personally have no difficulty having the program in the highway trust fund for a relatively short period of time. But for reasons I explained to Senator Bentsen, I think without a substantial change in the resource side of that fund, the fund isn't capable of sustaining a significant new program.

Second, it depends on the manner in which Congress ultimately disposes of the windfall profits, that is the manner in which it manages those moneys, when we are dealing with everything as a general fund appropriation.

So we aren't being clever, it is just that the program must compete with all other priorities for funds.

Senator STAFFORD. The State I have the honor of representing here is a rural State and many of the auto-use management projects have historically been viewed as most effective in high-density urban areas. Rural areas often have few, if any, alternatives to the private automobile. Could you give us any specific examples of how a primarily rural State like Vermont could benefit from the auto use management program?

Secretary GOLDSCHMIDT. Let me say, I would like to have Mr. Duncan talk about some specific examples, but I do some traveling as each of you do. And that is a question I am asked regularly, what are we going to do when the next energy crunch comes, we don't have transit systems? My point to them is they really need auto-use management planning. In many cases, they will have a

factory and in the State I come from they have logging mills. These sites are miles away from any place that could be served by a bus. We are working very hard to try to get the management of the company and the labor unions, if there are any, or any employee association, or credit unions, to go to work with State governments or county and city governments, whoever we can find to be a constructive helper, to set up carpooling and vanpooling programs and to find the machinery to do that. Not just small towns, but suburban communities view this from the same perspective. If you go outside New York City in Westchester County, they will ask exactly the same question. They say we cannot conceive we will have a bus system here in place that will be big enough to take care of another embargo or a substantial change in pricing that would make a shortage. I would urge very strongly that auto-use management is really in many cases the best weapon for communities that will never have transit systems.

Angus may want to comment on where we have seen it work. It is a useful point and one we have been trying to make beyond your own borders.

Mr. DUNCAN. Senator, briefly, the State of Vermont is an example of how an effective ridesharing program can function in a rural State. It doesn't necessarily function out in a completely rural area of a rural State, where there is no concentration of people going to work or coming from work.

It can function in small urban areas or in areas where there is no urban concentration but there are concentrations of employment. We are funding now a ridesharing demonstration program in a rural part of the State of Georgia, which has a large military base and two or three other employment concentrations. People, basically rural folks, living out in country a long way from these employment centers, are being hurt because they are not able to get to and from work. The people putting this together in the State of Georgia say they have enormous support both from the employers and those folks who right now are driving 20, 30, 40, and in some cases 50 miles to work.

The State of Idaho is starting to put together this kind of a program particularly for large employers like Potlatch & Simplot, where they basically draw on a rural population to come to work; this rural population is being very badly pinched. That is just ridesharing. Some of the programs that can be funded under this ought to auto-use management. Legislation, particularly the driver efficiency programs, can be even more pertinent to the needs of rural folks. Anybody who drives a car, and particularly anyone who drives long distances, spends a lot of money on personal transportation, this person is going to benefit that much more from this kind of assistance.

Secretary GOLDSCHMIDT. Let me say, Senator, as I travel around the smaller communities, it is very normal for me to be stopped by the mayor, city manager, or some businessman who says I don't know if you looked carefully at our transition, but we still have the State highway running through Main Street. We can't find \$50 or \$100 million to build a bypass, but is there anything else we can do? You go out there and have the State highways, cars idling,

sitting in the middle of town. What they are really looking for is help in the signal program. Mr. Hassell can talk about that.

We think for low capital investments we can buy some significant improvements in the long run.

Senator STAFFORD. I was going to add a footnote to that. In many of the kinds of towns you mention with the main highway going through the middle, the inhabitants can't agree on which side of the town they want the beltway to go anyway.

Secretary GOLDSCHMIDT. That is right.

Mr. HASSELL. Vermont has shown a very active program in working in their rural areas to provide the infrastructure for carpooling and vanpooling. One program in Vermont has provided for the construction of commuter lots out in the rural areas where there is an intersection of two major highways. In this case the people can in fact get together and carpool or vanpool. This is the kind of project that we would hope more States would pursue under this program. This program gives the States a real incentive to take their Federal highway fund and go do some of those kinds of things that allow more of this type of activity in our rural areas.

Senator STAFFORD. Well, I will say the most successful carpool in Vermont that I know of is run entirely by private industry. One industry purchased a fleet of vans and they provide transportation to any of their employees who want it from the two or three communities in Massachusetts and southern Vermont that work at their plant. Thank you, Mr. Chairman.

Senator BENTSEN. Mr. Secretary, we are very pleased to have you and your associates and if I could visit with you for a minute, I would appreciate that. Our next witness will be Mr. William Bulley, secretary, Washington State Department of Transportation.

Secretary GOLDSCHMIDT. Thank you, Mr. Chairman.

Senator STAFFORD [presiding]. Mr. Bulley, will you come to the witness table please?

We will be very happy now to have your statement, Mr. Bulley.

STATEMENT OF WILLIAM BULLEY, SECRETARY, WASHINGTON STATE DEPARTMENT OF TRANSPORTATION, OLYMPIA, WASH., AND PRESIDENT OF THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS, ACCOMPANIED BY RICHARD WARD, DIRECTOR, OKLAHOMA DEPARTMENT OF TRANSPORTATION, AND VICE PRESIDENT OF AASHTO

Mr. BULLEY. Thank you, Mr. Chairman, and members of the subcommittee. My name is William Bulley. I am secretary of the Washington Department of Transportation, that is the State of Washington, and I am also president of AASHTO. Also with me today with me is Dick Ward, director and chief engineer of the Oklahoma Department of Transportation and vice president of AASHTO. Also attending is the acting executive director of AASHTO, Mr. Joe Rhodes. We are here today on behalf of the American Association of State Highway and Transportation Officials.

Senator STAFFORD. I might say, Mr. Bulley, you must have known John Gray when he was director of transportation in Vermont.

Mr. BULLEY. Yes, sir, you bet. I knew John very well.

Senator STAFFORD. I wish he were still around.

Mr. BULLEY. Very fine person.

We appreciate this opportunity to share with you some of our concerns regarding the U.S. Department of Transportation's proposal for an auto-use management program.

As we understand this proposal, Mr. Chairman, it would create a new categorical grant program for energy conservation programs which could lead to a reduction in the consumption of petroleum by reducing traffic congestion and facilitate traffic flow on our Nation's Federal-aid highways and by encouraging the more efficient use of the automobile. It also gives the Secretary the discretion to approve the increase in the Federal share up to 90 percent on those projects which he feels are conserving energy.

I wish to state, Mr. Chairman, that AASHTO endorses the concept of increase efficient use of all modes of transportation that would bring about the conservation of our energy resources. However, our concern with the proposal lies with the promulgating of a new separate program, when the concepts could be incorporated within existing programs.

It is also our understanding that as proposed the Secretary would have the authority to "make grants to States, counties, municipalities, metropolitan planning organizations, and other units of local and regional governments, and private entities, for energy conservation projects, et cetera."

It even goes so far as to state that those projects could possibly include funding for: Improving driver practices, vehicle operation, and vehicle maintenance. All of this at the discretion of the Secretary.

We are also aware that the Nation's highways provide the backbone of our national transportation system, and we have described in our paper, and I will not repeat them now, some percentages of travel throughout the highways.

I would point out, however, that there are areas in this country where there are no feasible alternatives to the private passenger car. It is necessary to recognize highway facilities will provide the operation medium for public transportation systems in 95 percent of our urban areas.

Mr. Chairman, the marketplace will probably do more to encourage use of vanpools and carpools than any direct Federal action, but governmental efforts should be geared toward public information campaigns and elimination of unnecessary institutional road blocks to the formation of carpools and vanpools.

Such roadblocks as regulations of the Interstate Commerce Commission, the insurance industries' reluctance to classify vanpools other than "common carriers," and even on the State level where vehicle and driver licensing procedures are confused and sometimes very complex.

However, regarding the latter, I am pleased to say that several States have recently enacted legislation to exempt ridesharing from State motor carrier and workers compensation laws and various taxes or fees. Attached to my statement is a list of 12 States and what their legislatures have done recently.

I would also suggest, Mr. Chairman, parenthetically, that we have developed just in the last few weeks in the State of Washing-

ton a public transportation report on the potential role of Washington State in the development of the State vanpool program. I would like to leave a copy of that with the committee if I might. It is new; we did not have it when we put our paper together.

Senator STAFFORD. The committee, without objection, will make that a part of the hearing record. [See p. 79.]

Mr. BULLEY. Thank you very much. I also would indicate there is a statement in that document that says, "It is estimated there are more than 5,000 separate vanpool programs operating throughout the United States."

We could only find, in 1973, one formal vanpool program that was in effect. So there has been a substantial increase in the number of vanpool programs based upon programs that are available to us now.

Mr. Chairman, many of our States, as I indicated, are already at work in energy conservation under programs available to them now. Let me cite some examples.

The Maine Department of Transportation has purchased 12 vans for use by their employees to encourage vanpooling.

In North Dakota, the State highway department has been in the forefront in promoting ridesharing activities. Over the last couple of years, the Department estimates that commuter vanpools have saved 400,000 gallons of gasoline annually.

The State of New York has provided commuter parking lots in the northern New York metropolitan area which they estimate represents an average savings of over 1 million gallons of fuel a year as the motorists park their cars and use public transportation.

I would also add, in our own State of Washington, just in the Puget Sound area, we have about 5,000 stalls available for park and ride. We plan to have 8,000 by the end of this fiscal year, and I can point out our stall that we recently opened with a capacity for 800 vehicles was full within less than a week after we opened it—800 vehicles. Those facilities were funded from the interstate and urban mass transit association fund with matching funds provided by the State.

Just recently, the Minnesota Department of Transportation announced that four new park-and-ride facilities were being built in the Twin Cities area to support the shared-ride transportation in Minnesota.

We have described in our paper activities in Connecticut, in Arizona, all relating to the development of procedures and techniques that would provide more efficiency for the movement of people.

As indicated at the outset of our statement, we do have some concerns with the U.S. DOT's proposal. Let me try and explain them to you.

First, it has been AASHTO's policy over the years to see a reduction in the number of categorical funding programs. This proposal would create a new category of funding and place it on a level of national importance equivalent to the interstate program. Although the needs for improving efficiency of highway-oriented transportation facilities are great, we do not feel establishing a new program at a 90-10 match would be in the best interest if that program were to be funded from the trust fund.

All of the items under this proposal are currently eligible items under existing categories. U.S. DOT suggestions seem to be running counter to what they have been doing in the past. For example, the administration has not asked for funding of the safer off-system program for the past 2 years, even though Congress authorized \$200 million. It is proposed that these programs can be funded out of the existing highway programs. But now it seems just the opposite position is being taken.

Mr. Chairman, the States are committed to energy conservation and will pursue those projects which will have a high energy savings without the need for separately funded programs.

Second, the approval of the projects are at the discretion of the Secretary. It is our feeling that Federal funds distributed to the States should be done wherever possible on a formula basis and only in exceptional circumstances should they be discretionary. Programs which are designed to increase the capacity of existing systems without adding additional lanes are no exception.

If Congress should decide to create a new category for auto use management, any formula for distribution of auto use management funds should be structured to encourage lower automobile usage. One factor might be the inverse of the number of registered vehicles per 1,000 population. Thus as fewer vehicles are registered, the amount of funds received would increase. This would also recognize that the further you go into the program the more costly additional measures will become.

Third, our concern is that in their original proposal, the Department was suggesting that the funding come from the energy security trust fund. No such trust fund was created, but the windfall profit tax bill did create a separate account in the Treasury for such purposes. This we would support. However, we are very much concerned that funding may end up coming out of the highway trust fund. This we would find most difficult. Any additional programs funded out of the trust fund should not be implemented at a time when funds are greatly needed for major repair work on our bridges and highways, including work to improve the efficiency of the highway system.

And lastly, the proposal would change the funding source for interstate transfer, section 103(e)4, to come out of the highway trust fund. As mentioned above, we feel that any additional drain from the trust fund cannot help the funding situation that we currently find ourselves in. We would suggest that, due to the escalation clause in the statute now, that highway trust funds could be tied up for long periods of time and not really knowing what the total cost may be.

Mr. Chairman, that concludes our statement. We will be most happy to respond to your questions. Thank you for the opportunity of appearing here.

Senator BENTSEN [presiding]. You indicate that the States would go ahead and pursue those projects with high energy savings without the need for separately funded programs. What about the Department's proposal to change the Federal share from 75 to 90 percent match for the eligible auto use management programs? What do you think that would do to affect priorities established by

the States already under the highway program? Is it going to help or is it going to hinder highway planning by the States?

Mr. BULLEY. Well, sir, in terms of the States moving ahead with the program, I think many States, like the State of Washington, are now using some 90-10 interstate fund for such things as park-and-ride lots, those types of improvements that assist the efficient movement of people, of automobiles and the transportation facilities.

In terms of moving ahead with the program, I believe that the States, for the most part, including the State of Washington, recognize the high priority of improving the efficiency of our existing system. So we are putting high-priority emphasis on that right now. I don't think it would affect our particular role there. Whether it would the other States, I don't know.

If, though, these funds were to come from the trust fund and be 98 percent matched, then obviously it would have, in our opinion, anyhow, a significant effect on our ability to proceed with the rest of the program, which is equally as important. Maybe Mr. Ward would care to comment on that.

Mr. WARD. Mr. Chairman, if I may, in our State the situation would be a deterrent to our development and completion of our interstate to use these funds for that purpose, even though we have an ongoing program. The ridesharing is pursued as is.

Senator BENTSEN. You say, in effect, you are against the discretionary funds, you think it ought to be on a formula basis. You don't think there is merit to what the Secretary says that they should show—that it should go to those that are the most innovative and creative in the saving of energy.

Mr. BULLEY. We feel that can be done under the formula concept. Thus far, we find that those programs that have been funded by formula grants appear to generate more interest on behalf of all the States and certainly the needs are great in all the States.

Senator BENTSEN. Then why is there any incentive for you to come up with something that is particularly saving or innovative if you are going to get it under the formula? Play the devil's advocate here a minute. If you know you are going to get your share no matter how efficiently, how inefficiently, how progressive you are in trying to find ways to save in energy utilization, why should you try to make the effort, if you are going to get the funds anyway under formula?

Mr. BULLEY. Maybe there is a point that some of the funds could be set up on a discretionary basis. I think that the overall program is going to be more effective for all States if at least some of the funds are apportioned out on a formula basis. As an incentive, perhaps that could be done. We certainly encourage incentive-type programs and so that might be done with part of it, with of the money to develop those incentives, but basically the formula grants, in our opinion, are much more effective way. Mr. Rhodes?

Mr. RHODES. Senator, if I could add to that, I think Senator Stafford touched on a point earlier in one of his questions when he said the common perception is these would be most beneficial in urban areas, so what is in it for a rural State? I think you will find the larger urban areas would come up with more ideas, more things they could pursue and, therefore, you might target all of

your money there and discourage places like Vermont or Maine or Wyoming from trying to do anything.

I think from a national perspective it is important that everybody make an effort in this.

Senator BENTSEN. That is a good point. You say there would be competition within a State trying to come up with something that would do the most to save energy.

Mr. RHODES. Right.

Senator BENTSEN. Gentlemen, thank you very much. We appreciate your testimony.

Mr. RHODES. Thank you very much for the opportunity.

Mr. BULLEY. Thank you.

[Subsequent to the hearing, Mr. Bulley supplied the following:]

AMERICAN ASSOCIATION OF STATE HIGHWAY
AND TRANSPORTATION OFFICIALS

W. A. BULLEY, President
Secretary
Washington Department of Transportation



FRANCIS B. FRANCOIS
Executive Director

August 19, 1980

The Honorable Lloyd Bentsen, Chairman
Subcommittee on Transportation
Senate Environment and Public Works Committee
Room 4200 Dirksen Senate Office Building
Washington, D. C. 20510

Dear Senator Bentsen:

This is written in response to your letter of August 6, requesting AASHTO's answer to several questions, for the record, as a result of your recent hearing on "Auto Use Management".

We are happy to submit our responses and they are as follows:

1. AASHTO feels that any highway funds should go through the State transportation/highway departments on a formula basis. We do not support the fragmenting or responsibilities given to the states under Title 23 US Code.
2. In our statement we indicated our opposition of creating a new categorical program. We also feel that just increasing the ratio of Federal Funding would not be that much of an encouragement.
3. The Administration, at the hearing, indicated that the Funds would come out of the Highway Trust Fund. In our statement we said that we were very much concerned about the funding coming out of the Trust Fund and would find it difficult to support such a proposal. As to the level of funding and how much a state could obligate would depend greatly on the make-up of that state.
4. In our statement we indicate that, if the Congress deems this a worthwhile program, any funds be appropriated to the states on a formula basis. We too have some concern with the formula in HR 6417 as presently constructed.

Letter to Senator Bentsen
Page Two

5. It is not clear to us exactly what programs would be eligible under the "Auto Use Management" proposal or the Administration. We would, however, find it difficult to support any large additional operating costs under our current funding arrangements.

6. Funding should come from the special account from receipts received from the windfall profit tax and/or out of the general funds of the Treasury.

7. The desire to conserve energy, mainly the consumption of gasoline and to reduce the cost of personal transportation.

8. Yes.

We hope these responses will be of assistance to you. If there is any way in which I or AASHTO can be of further help on this legislation, please let me know.

Very truly yours,

William A. Bulley

William A. Bulley
President

by FBI

WAB:BKH:ev:sh

AMERICAN ASSOCIATION OF STATE HIGHWAY
AND TRANSPORTATION OFFICIALS

W. A. BULLEY, President
Secretary
Washington Department of Transportation



FRANCIS B. FRANCOIS
Executive Director

September 4, 1980

Honorable Lloyd Bentsen, Chairman
Subcommittee on Transportation
Senate Environment and Public Works Committee
4204 Dirksen Senate Office Bldg.
Washington, D.C. 20510

Dear Senator Bentsen:

In response to your invitation to AASHTO to testify on the "Auto Use Management Program", we made reference, in our prepared statement, to efforts that some of our states have taken in this area. Since our appearance our attention has been called to the Nation's First Vanpool program for state employees by the Director of the Michigan Department of Transportation, John Woodford.

We feel that Mr. Woodford's letter is a strong example of individual state initiative in this area and therefore would hope that his letter might be incorporated into the hearing record.

Thank you.

Sincerely,

Wa Bulley
W.A. Bulley *BS ABB*
President

WAB:js

STATE OF MICHIGAN


 WILLIAM G. MILLIKEN, GOVERNOR
 DEPARTMENT OF TRANSPORTATION

 TRANSPORTATION BUILDING, 425 WEST OTTAWA PHONE 517-373-2090
 POST OFFICE BOX 30050, LANSING, MICHIGAN 48909

JOHN P. WOODFORD, DIRECTOR

August 1, 1980

Mr. William A. Bulley, President
 American Association of State Highway
 and Transportation Officials
 444 North Capitol Street, N.W., Suite 225
 Washington, D.C., 20001

Dear Mr. Bulley:

Your statement before the Transportation Subcommittee of the Senate Environment and Public Works Committee on the "Auto Use Management Program" was interesting. Several examples of states which have instituted energy conservation programs were cited, including the Maine Department of Transportation which had purchased 12 vans for employee vanpooling. Not mentioned, but perhaps of interest to you, are the Michigan Department of Transportation ridesharing efforts.

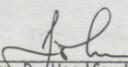
In April, 1977, the nation's first vanpool program for state employees, the Michigan State Employee Vanpool Program, was initiated with 3 vans and 31 participants. Since then the Program has grown to 118 vanpools serving approximately 1,350 state employees--by far the nation's largest vanpool program for state employees. The Michigan Department of Transportation was among the first recipients of the President's Award for Energy Efficiency as a result of this Program.

The Michigan Department of Transportation has recently broadened its ridesharing efforts by establishing twenty ridesharing offices in communities throughout Michigan. These offices, funded by a \$500,000 state appropriation, will organize and coordinate ridesharing efforts in their areas for both public and private employers. Included in this effort is technical assistance, marketing and promotion, surveys and computer matching, and driver training. The Michigan Department of Transportation has also developed and embarked on a MichiVan program which will provide vanpool vehicles to any eligible group in Michigan. Details on this program may be found in the attached brochure.

*An Equal Opportunity Employer*

Michigan is proud of its lead role in ridesharing in the U.S. and is eager to share its experiences with others. If you would like additional information, do not hesitate to contact me.

Sincerely,



 John P. Woodford, Director
 Michigan Department of Transportation

Senator BENTSEN. Our next two witnesses will be Mr. Richard Somerville, transportation program coordinator, Texas Medical Center, on behalf of the President's Task Force on Ridesharing, and Arthur Powers, commissioner of the Connecticut Department of Transportation.

STATEMENTS OF RICHARD SOMERVILLE, TRANSPORTATION COORDINATOR, TEXAS MEDICAL CENTER, HOUSTON, ON BEHALF OF THE PRESIDENT'S NATIONAL TASK FORCE ON RIDESHARING, AND ARTHUR POWERS, COMMISSIONER, CONNECTICUT DEPARTMENT OF TRANSPORTATION

Senator BENTSEN. Mr. Somerville, would you proceed, please.

Mr. SOMERVILLE. Yes, sir, Mr. Chairman. Good morning, Mr. Chairman, I am proud to say I am here this morning to talk on the major issue of ridesharing in this country and proud also to say as a fellow Texan, I am from the vanpool capital of this country with about 1,400 vans on the road and Texas leads the Nation also in the number of vanpools in operation today.

Senator BENTSEN. Mr. Somerville, I watch those vans going down that special lane on the freeway and some of them with all the exotic paintings and dark windows, I am never sure how many people are in one of those things or what the purpose of it is.

Mr. SOMERVILLE. Well, if I might take a moment, sir, I drive one of those vans every morning on that Houston Contraflow and every evening. Today I am not obviously. We carry in my van 12 passengers every day. We are currently, the latest statistics, removing 3,000 to 4,000 people per day in vanpools only and about another 3,000 in buses.

I would like to briefly, if I may, give a little bit of background on ridesharing in this country and where the National Task Force on Ridesharing would like to see it go.

Ridesharing, as we have all known its familiar form of carpooling, is a familiar method of private transportation. Ridesharing represents 19 percent of all commuters who use a vehicle to get to work. However, another 52 million commuters still drive alone in this country. The oil embargo of 1973-74 spurred Government efforts to encourage commuter ridesharing and since first authorized under the Emergency Highway Energy Conservation Act of 1974, the Department of Transportation has actively promoted and supported the development of ridesharing programs throughout the country.

The purpose of these programs is to conserve fuel, obviously, improve air quality and enhance the use of the existing highway system by encouraging greater use of carpools, vanpools and public transit systems.

Through its Washington and field offices, the Federal Highway Administration provided technical assistance to about 106 carpool demonstration projects in 34 States and 96 urbanized areas from 1974 to 1978. An NHWA evaluation of the effectiveness and comprehensive Federal-aid carpool demonstration projects found the following beneficial impacts on the average projects conducted in 1978: Annual travel reduction of 12,673,000 miles or 1.2 percent of area-wide total work VMT; average annual energy conservation of 986,000 gallons of gasoline; annual vehicle operating reduction of \$1,087,000 compared to the average annual project cost of about \$131,000.

I am also proud to say that I used to manage a very successful program, the Houston carship program that I still think is continuing to show great success in that area. However, two observations can be drawn from the recent history of ridesharing as we have known it since about 1975 through the current 1980. That is, first, after the first initial oil embargo of 1973 and 1974, there was a general lessening in the perceived need to use Federal-aid funds to implement ridesharing programs. This was reflected in the belief of the general public as well as many officials that the energy crisis had passed.

Also, I think that the second observation is far more encouraging in that the dramatic increase in Federal-aid obligations also recently reflect an increasing awareness by the public that the need to conserve gasoline, particularly in this recent period of 1979, a year ago, where we had another shortage situation which I think finally this time has convinced people that the energy situation in this country and perhaps the world is a real one and to redirect a greater portion of funds to increase the awareness and the use of ridesharing throughout the country. So I think these two observations that there is a greater awareness and need to increase levels of activity throughout the country would go toward perhaps supporting what we are talking about here today.

The National Task Force on Ridesharing, as you know, formed by President Carter in October of last year, with about 18 members who have been brought together representing primarily the private sector as well as some of the public sector entities, represents individuals who have been working for about 5 or 6 years in the area of ridesharing. And this group has been brought together with several major objectives, certainly No. 1 is to increase ridesharing in its total perspective and in all innovative forms that we can possibly encourage throughout the country.

The national task force has been considering several major legislative matters as part of its goal of increasing ridesharing nationwide.

However, at this time the task force has not taken a firm position on any one legislative item as it is at this time, also in the process of preparing its final report, which will be submitted to the Secretary of Transportation relatively soon.

The auto use management program, the subject of today's discussion, is consistent with the goals and objectives of the National Task Force on Ridesharing in that it seeks to provide funding assistance and greater direction in greatly advancing the rideshar-

ing concept and other energy-efficient modes of transportation and use of vehicles throughout this country.

So I would state in that respect, the National Task Force on Ridesharing as well as the ridesharing community throughout the country, would feel very much in harmony with the type of program we are talking about today.

Thank you.

Senator BENTSEN. I wish we had a prepared statement from you. I like to look at numbers like those you cited. I would appreciate—

Mr. SOMERVILLE. I will be very happy to provide that to you.

Senator BENTSEN. You let me have that so I don't have to wait on the record. I want to see it. Mr. Somerville, we appreciate your testimony. Now we have Commissioner Powers, Connecticut Department of Transportation.

STATEMENT OF ARTHUR POWERS

Mr. POWERS. Thank you, Senator Bentsen, ladies and gentlemen, my name is Arthur Powers. I am commissioner of the Department of Transportation of the State of Connecticut. I am also here today representing Governor Ella Grasso, who is a member of the National Ridesharing Task Force. She wanted to be remembered to you, Senator. I know you are old friends.

Senator BENTSEN. That is right.

Mr. POWERS. The purpose of my brief comments is to strongly endorse the proposals put forward today by Transportation Secretary Neil Goldschmidt to establish a new program within the Department of Transportation which focuses on automobile use management with the intent of saving valuable petroleum resources. I believe that this program is in concert with our own initiatives in the State of Connecticut, which, incidentally, has many similarities to Vermont, particularly in the rural areas, if enacted it will not only benefit us but all of the other States as well.

I am pleased to inform you that in 1979, the motor fuel consumption in Connecticut was 61.8 million gallons, or 4.1 percent less than in 1978. It obviously represents a substantial savings.

The average per motor vehicle gasoline consumption in Connecticut in 1979 was 651 gallons, the fourth lowest figure among the States. Only Rhode Island, Hawaii, and Colorado recorded lower figures.

This reduction in gasoline consumption is due to voluntary conservation by motorists plus the State's ridesharing and public transportation programs. I am due at the White House this afternoon to receive on behalf of the Connecticut Department of Transportation, the President's award for energy efficiency in recognition of the significant contributions we have made in reducing waste in the transportation sector.

Senator BENTSEN. Congratulations.

Mr. POWERS. Thank you. At the present time, 97 percent of all passenger travel in our State is by automobile. We find that to be a significant number and it is not much different than the national average, from what we understand. We, therefore, feel it is absolutely essential to increase the productivity of the automobile. And

to this end, we have developed our programs around ridesharing themes and strategies.

These programs included:

One, expanding and supporting carpooling and vanpooling among State employees. There are now 58 vanpools in operation for State employees and the State has made available 26 vans for private-sector vanpools. I might add that we are now encouraging local industries and businesses to have their own vanpools without the State contributing to it. It is done quite simply because the employees themselves who utilize the vans pay for the capital costs and operating costs over a period averaging out over a period of 4 years. So it does pay itself off over that 4-year period without any significant impact on the companies themselves.

Two, increasing the planning and programing of funds for park-and-ride lots. Our State has built 126 commuter parking lots with 10,245 spaces and our goal is to add another 2,500 spaces by the end of the year. Since 1973, the Department has provided its free carpool matching and consultation services to 102 private employers representing 169,500 employees. It is estimated that this program has resulted in a 20-percent increase in carpooling among the participants.

Three, planning and construction of high-occupancy vehicle lanes as we improve portions of our Interstate Highway System. And the cost of these HOV lanes is estimated in Connecticut, over \$3 million. This certainly represents a sizable investment.

Four, providing up to \$1 million in funds to establish nonprofit ridesharing corporations in several areas of our State in order to devote technical assistance to major employers, and we have had a substantial contribution from the Connecticut General Life Insurance Co. in this area. We feel we will find great success in this type of corporation.

Five, providing technical assistance and information about flexible programs as well as supporting increased bicycle and pedestrian use of roads and streets.

It seems obvious that the provision of additional funds particularly through the kind of incentive program described by Secretary Goldschmidt is essential.

In such a program, the matching ratio, as has been discussed before, would be increased from the 75 to 90 percent for defined efficiency projects and would be more attractive to the communities or States willing to commit funds either to increasing vehicle occupancy or expanding alternatives to automobile use.

I believe that the approach being proposed by the administration today, along with the efforts of the automobile industry to increase the fuel economy of automobiles, could have the impact of helping us to realize our national goals of energy independence by 1990. And as a State goal, it will allow us to sustain the kind of mobility and economic well-being to which we have become accustomed.

Senator BENTSEN. Commissioner, I read your comments about the efforts of the automobile industry to increase fuel economy of automobiles; once in a while Congress does something right. We passed legislation mandating them to increase the fuel efficiency of automobiles and they fought it tooth and nail. They said they couldn't do it. If we hadn't done it by law, we would have a lot

more Chryslers than we have. And now I have read they are not only going to meet what we mandated for 1984, but they are going to exceed it substantially.

Mr. POWERS. There is a dramatic irony there because, of course, they are averaging out the fleet average with the heavy cars versus the light cars. They suddenly found out the heavy cars were not selling. The light cars pushed that average up, plus the fact that the foreign cars, I guess represent about 27 percent of the sales and that boosted the average up throughout the country as well. It is encouraging because I think we will have saved by the end of this year between 15 and 20 percent on gasoline since 1978, gasoline consumption.

That certainly is encouraging.

Senator BENTSEN. Which of the programs that we are now doing do you think is the most effective? Which do you think is the least effective?

Mr. POWERS. I think that the carpooling is the most effective. It is the least expensive and it can affect more people, have a positive impact on more people. I think you have got the vehicle in place and if you can just properly manage the use of that automobile. We average in Connecticut about 1.3 persons to a car. If we could increase it to 1.5 persons per automobile, we would save 15 percent of our gasoline consumption, we would have 15 percent less road maintenance and you would have all the ripple effects that come from that. So if we can just properly use the vehicles we have sitting right in our own garages, I think that is where we can effect the most efficient savings.

Senator BENTSEN. It is also obvious we are going to have to do something about the source of income, too. As we are successful on the one side, we cut down on the tax collected to keep up those repairs that keep the highways in operation.

Mr. POWERS. Exactly.

Senator BENTSEN. Mr. Somerville, what do you think is the most effective? What do you think is the least effective? Mr. Commissioner, you didn't answer me on the least effective. Please think about that.

Mr. SOMERVILLE. I would agree with the Commissioner that carpooling overall nationwide is probably the most effective. I will give you another example of our home situation in Houston. There are about 350,000 persons, believe it or not, in Houston that do carpool together. This is a statistic from the State Department of Highways and Transportation compared to about 12,000 or 15,000 persons in vans. Vanpooling is a very appealing, sizable mode of transportation. I agree the tremendous resources in automobile seats that do go to waste on a daily basis throughout this country, if that could be increased, if we can increase it as he stated it by 1.5 persons to vehicle or to two, which is a tremendous goal in itself, then we can realize very dramatic savings. I think that then answers your question, which are the most effective.

Senator BENTSEN. We don't have a program to promote this more efficient use of automobiles now.

Mr. SOMERVILLE. No.

Senator BENTSEN. What program where we are spending money do you think we have the least effect?

Mr. SOMERVILLE. I am sorry, that would be difficult to answer.
Senator BENTSEN. Why don't you think about that and answer it for the record?

Mr. POWERS. I don't know how to answer that. The massive amount of money we are spending in the mass transit area, buses and trains and at the same time we find we have great difficulty in financing the operations. It seems my philosophy is somewhat changing, as much as I support improving commuter systems in rail and buses, particularly in Connecticut in the areas going to and from New York City. We find other areas in the State where there is a great demand for rail commuter service and the statistics show us it won't be effective because we don't have the ridership. I can see us spending massive amounts of money in the capital area and we are not spending the money properly because we are going to incur huge operational deficits. Perhaps that is one of the areas where we are being ineffective while at the same time we are trying to encourage greater use of the mass transit modes. I think we have to pick and choose very carefully where these mass transit modes should be used and at the same time encourage the ride-sharing and the vanpooling where it is much more appropriate.

Senator BENTSEN. While not nearly as dramatic, it pays off with a bigger return for the dollar.

[Mr. Powers supplied the following:]



STATE OF CONNECTICUT
DEPARTMENT OF TRANSPORTATION

24 WOLCOTT HILL ROAD, P.O. DRAWER A
WETHERSFIELD, CONNECTICUT 06109



Office of the
Commissioner

An Equal Opportunity Employer

September 4, 1980

Mr. Paul Chimes
United States Senate Committee
on Environment and Public Works
Room 4200
Dirksen Senate Office Building
Washington, D. C. 20510

Dear Mr. Chimes:

Senator Lloyd Bentsen has requested that the Department respond directly to you concerning questions relative to the Auto Use Management hearing held on July 22, 1980, in Washington, D. C. Following are comments relative to this questionnaire:

1. Perhaps the most significant incentive for ridesharing that has been observed in Connecticut was a result of the gasoline shortage of July, 1979. During that period substantial increases were noted in the use of our park-and-ride service (from 47,832 patrons weekly to 55,577 patrons weekly). Also, usage of our commuter carpool parking areas increased by approximately 25% during that period. However, when more energy became available, we were able to retain approximately 50% of this increase in our ridesharing programs. Ridesharing, therefore, has stuck with many who were forced to sample it. The role of this Department in the continuing energy conservation effort is to provide continued incentives for ridesharing through as much publicity about our programs (express bus, vanpool, carpool parking, carpool matching service, toll free ridesharing information line, etc.) as budgets will allow, and to begin to probe more into the business and corporate structure in Connecticut to encourage more private sector participation. The cost-benefits, tax incentives, etc., to the employers are being stressed in these probes. All of the Department's promotional activities are based on an incentive approach. No efforts are being developed to achieve our goals through disincentives.
2. Yes, there is a need to encourage more private sector involvement in ridesharing activities. The Department has historically worked in concert with the Federal Highway Administration in the management of federal programs. The State has acted as a clearing-house for all federal monies, even on programs where local communities, nonprofit corporations, etc., are providing the nonfederal share of funding, and there are no state monies involved. It is our belief that this type of arrangement provides the best opportunity for program flexibility and control, and should therefore be maintained in the funding structure.



Mr. Paul Chimes

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September 4, 1980

3. The Department would support any additional funding package for ridesharing activities in order to help attain our national energy self-sufficiency goals. Connecticut, because of its urban character, would support an apportionment package based on a formula that would provide a higher matching ratio of federal monies giving consideration to population density.

The basis for both the House and the Administration proposals is to encourage energy conservation projects which will lead to a reduction in the consumption of petroleum. It seems that the House's proposal would be more equitable because of the apportionment feature. The Administration package in effect would create new separate programs with some basic concepts which could be accommodated within programs which already exist in Connecticut and in most other states.

4. Because of the priority of the ridesharing effort, a new source of funding would be most appropriate. Mention has been made of utilizing either the Energy Security Trust Fund, if one is created, or possible use of the Highway Trust Fund on an interim basis. The Department's primary concern is that a tie-in to any existing funding source would create competition with established programs which are already very over committed. If the Auto Use Management Program is going to be effective, it must have a very liquid funding basis on which to operate if it is to provide the impact necessary to help us to achieve our national goals of energy independence by 1990.

5. Connecticut has been fortunate to have had strong legislative support during the initial stages of development of its ridesharing programs. Provisions and modifications in several laws have been made as follows: to allow vanpool vehicle access onto the Merritt and Wilbur Cross Parkways; to exempt vanpools from paying State sales tax on motor fuel; to exempt vanpools from paying local property taxes; special licensing for vans to exclude them from established livery regulations. At present, the Department is considering a recommendation for exempting vanpool vehicles from State sales tax at the time of purchase and to amend any laws that prohibit State agencies to operate State vehicles as employee carpools.

6. The House proposal makes provisions for funding aid for the more traditional existing programs and for this reason would provide the most return for the investment. The Administration proposal is more progressively oriented toward new programs; however, since most areas are relatively unexplored presently, considerable funding would have to be committed prior to any assessment being made relative to energy efficiency. Both proposals seem to have sufficient flexibility in their own particular areas; therefore, Connecticut would benefit with the adoption of either



Mr. Paul Chimes

- 3 -

September 4, 1980

proposal. There would seem to be some merit in (H.R. 6417) providing new funding for programs which have already begun which would insure a more measurable total energy reduction basis.

The Department appreciates having the opportunity to respond to the questionnaire and, hopefully, the information presented will be of some assistance in the deliberations regarding this legislation.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Arthur B. Powers', is written over a horizontal line.

Arthur B. Powers
Commissioner

cc: Mr. D. J. Altobelli
Mr. E. D. Cram
Federal Highway Administration

Senator BENTSEN. Gentlemen, thank you very much.
[Whereupon, at 11:25 a.m., the subcommittee was recessed, to reconvene subject to the call of the Chair.]
[Statements and other material supplied for the record follow:]

STATEMENT OF REPRESENTATIVE ROBERT W. EDGAR
ON AUTO USE MANAGEMENTFOR INCLUSION IN THE HEARING RECORD
OF JULY 22, 1980
BEFORE THE
SENATE SUBCOMMITTEE ON TRANSPORTATION
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

I am pleased to submit this statement, Mr. Chairman, in support of an increased federal commitment for auto use management programs, particularly with respect to ridesharing. Ridesharing, in its forms of carpooling and vanpooling, has proven to be one of the most cost-effective strategies to conserve gasoline, reduce auto emissions, and improve mobility by decreasing traffic congestion.

Attention by the Congress to the need for improved auto use efficiency is long overdue. Our national security is threatened by an increasing dependence on OPEC oil. Our economy is threatened by the funnelling of almost \$90 billion this year for foreign oil, much of it used to transport a solitary commuter to work. Just this year, the Congress has endorsed a massive but necessary investment to increase the capacity of our crumbling public transit systems. Yet we have hardly exploited the fallow capacity of our private automobile fleet. Approximately 400,000 barrels of oil could be saved just by increasing the occupancy of commuter vehicles from 1.4 to 2.0. This Congress has been willing to approve billions of dollars for financing massive synthetic fuels programs, but less speculative cost-effective programs, such as the DOT ridesharing grant program, continue to be starved for funds.

I know that many of my colleagues are reluctant to increase funding for these worthy programs for a number of reasons. For example, there are philosophical objections to the proliferation of new transportation categories. Some members feel that ridesharing is attractive enough to participants without the need for federal dollars. Some members simply feel that we can not afford to make this investment. To that, I can only respond that we cannot afford not to make this investment.

I sympathize with the view that we have too many individual categorical grant programs. In 1975, I and three of my colleagues introduced a bill which proposed the consolidation of nearly three dozen highway categories into five. The purpose of this bill was to allow state and local governments more flexibility in deciding what their transportation needs were, thus discouraging them from applying for funding solely because the funding was available. Currently, apportioned federal highway construction funds can be diverted by a state for other highway-related programs, such as ridesharing and bike path construction. However, the fact remains that most states wish to use all of their highway construction funds for highway construction, and these competing modes have suffered. While a dozen states do use significant amounts of their highway construction apportionments for ridesharing, most states do not. As a result, local areas that wish to establish area-wide ridesharing programs have found funding minimal or completely unavailable.

The Congress recognized that this is a problem which needs to be creatively addressed. In 1978, the Congress enacted categorical

grant programs for both ridesharing and bicycle paths to allow state and local governments to have another source to turn to when highway construction funds were otherwise committed.

Just this month, the Department of Transportation awarded the first \$2.1 million made available exclusively for ridesharing. The largest project received a modest \$178,000.

I find it astonishing to review the cost-effectiveness of these types of programs, and I believe this deserves the attention of the committee.

In a May 1980 study of the Department of Transportation entitled, "A Study of the Administrative Effectiveness of Department of Transportation Ridesharing Programs," DOT reviewed the costs and benefits of 106 ridesharing demonstration projects which were funded between 1974 and 1978. According to the study, the average benefit per project was--

- . annual travel reduction of 12,673,000 vehicle miles or 1.2% of areawide total work trip vehicle miles travelled (VMT)
- . annual energy conservation of 986,000 gallons
- . annual vehicle operating cost reduction of \$1,087,000 compared to annual project costs of \$131,000 (which, by the way, is approximately the cost of a single new transit bus).
- . reduction in demand for commuter parking of 1,009 spaces

The study listed the following average costs:

- . annual project cost of \$28 annually per new carpooler
- . project cost of \$.06 per new carpooler trip
- . project cost of \$.016 per VMT reduced

The Department of Transportation claims a massive commitment in recent years for ridesharing programs. While it is true that as much as \$41 million has been set aside from highway construction funds for ridesharing, the Department rarely explains that most of this is used to build ridesharing-related parking lots. While these lots are worthy of support, it is clear that \$41 million used for area-wide ridesharing programs in urban areas would be of greater benefit.

I urge this committee to increase the support for the types of programs which are being funded by this new categorical grant program. To express my view that this program should be expanded, I introduced H.R. 6964 with 22 cosponsors on March 28, 1980. My bill would increase the authorization for this categorical grant program from the \$9 million which was authorized for FY 1980 to \$20 million for each of the next two fiscal years. The bill would also continue the authorization of funds for the Secretary of Transportation to promote ridesharing and to provide technical assistance to those who wish to start a ride-sharing program. The Administration has testified that it supports using 80% of funds authorized for its auto use management program to increase the federal share for the purpose of leveraging the use of funds from other programs, such as the highway construction program. While increasing the federal share has merit, I believe a greater share of these funds should be used to fund the entire federal share for these projects. This approach is taken in the bill introduced by Congressman James Howard, and was approved by the full House Public Works and Transportation Committee. This committee also extended the categorical ridesharing program with a modest increase.

Such a policy will allow an incentive for states to reserve highway construction funds for auto-use management, but will not freeze out local governments within states which, for whatever reason, use their highway apportionments for highway construction.

In conclusion, Mr. Chairman, auto use management, particular ridesharing, is a cost-effective energy conservation strategy which deserves an increase in federal commitment.

STATEMENT OF
HENRY L. STADLER
DIRECTOR
OFFICE OF TRANSPORTATION PROGRAMS
CONSERVATION AND SOLAR ENERGY
U.S. DEPARTMENT OF ENERGY

Mr. Chairman and Members of the Subcommittee:

My name is Henry L. Stadler, and I am the Director of the Office of Transportation Programs within the Department of Energy's Office of Conservation and Solar Energy. I serve as the person responsible for the development and implementation of programs to conserve energy in the transportation sector. These include research and development of new technology and the provision of information and assistance on energy conservation in transportation to consumers, industry, and State and local governments.

I appreciate this opportunity to appear before you today. My testimony will briefly cover the subjects of energy conservation in transportation; Department of Energy (DOE) activities which might interest the Subcommittee, with emphasis on those which would fall under the category of auto use management and ride-sharing; and comments regarding the Administration's Auto Use Management Proposal.

I. INTRODUCTION

Transportation is responsible for 25 percent of the total national energy consumption, is nearly 100 percent dependent on petroleum-based fuels, and consumes more than 50 percent of all petroleum used in the United States. Its consumption of imported oil creates a major impact on the Nation's balance of payments and contributes heavily to our already demonstrated vulnerability to petroleum supply disruptions.

Exhibit I indicates current levels of petroleum consumption by the various transportation modes and a projection of what might be consumed in the year 2000. Automobiles and trucks currently account for approximately 75 percent of total transportation energy consumption. Airplanes, marine vessels, pipelines, railways, buses, and other modes represent 25 percent. The passenger car is the largest single petroleum user, consuming more than half of the petroleum used by the entire transportation sector.

Estimates of future petroleum consumption depend largely on projections of economic growth, supplies, and cost of energy. The projections shown in Exhibit 1 are based on economic growth and fuel price projections developed by Dale Jorgenson Associates and Brookhaven National Laboratory for the 1980 Conservation Strategy Paper Exercise conducted by the Office of Policy Planning and Evaluation of DOE's Office of Conservation and Solar Energy.

Exhibit 2 indicates the energy intensity of various passenger transportation modes. Energy intensity is defined as energy use per unit of productive output (in this case, passenger-miles of travel) and has been the subject of several special studies undertaken by Oak Ridge National Laboratory for DOE. The information in Exhibit 2 represents a summary of findings of these extensive studies and, consequently, a substantial number of caveats and explanations have been left out.

The value of 5,210 Btu/passenger-mile for automobiles in Exhibit 2 is an average value that varies tremendously depending upon the fuel economy of the vehicle used and the number of passengers carried. Exhibit 3 shows that a large station wagon with a single occupant will use about 9,376 Btu/passenger-mile; when it carries eight occupants the energy intensity is only 1,288 Btu/passenger-mile -- more efficient than the average rail passenger service and comparable to the energy intensity of the average bus.

A 15-passenger vanpool has an energy intensity value of about 833 Btu/passenger-mile. A bus carrying 60 passengers, including standees, has an energy intensity of about 600 Btu/passenger-mile.

The targets for potential transportation energy savings can be defined several ways. One way is to examine where energy is currently used, as shown in the first two columns of Exhibit 1. Since automobiles use over half of the energy, it is understandable that most savings efforts have been aimed at the automobile.

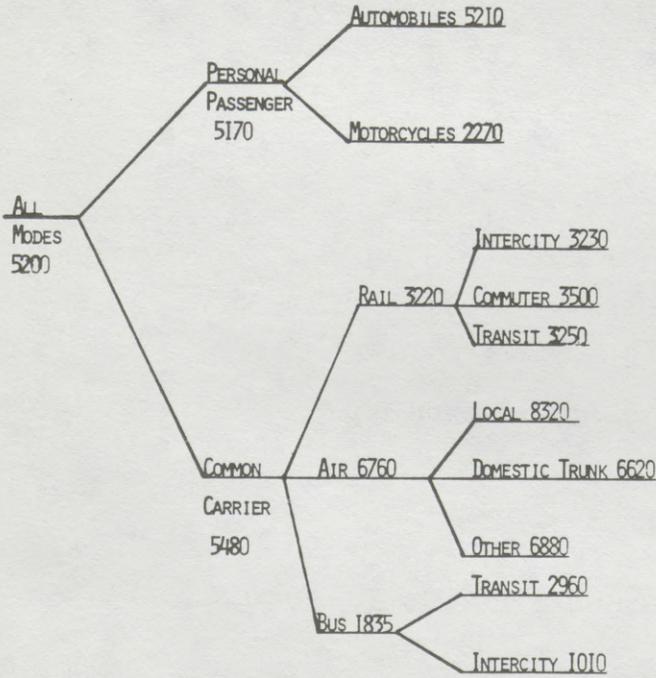
EXHIBIT 1
CURRENT AND PROJECTED TRANSPORTATION ENERGY USE

	1980		2000		GROWTH MMB
	MMBD	%	MMBD	%	
• AUTOMOBILE	4.3	46	4.3	33	0
• LIGHT TRUCK	1.3	14	2.1	16	.8
• MEDIUM-HEAVY TRUCK	1.6	17	3.0	23	1.4
• AIR	.9	10	1.5	12	.6
• PIPELINE	.5	5	.8	6	.3
• MARINE (U.S.)	.3	3	.6	5	.3
• RAIL	.3	3	.5	4	.2
• OTHER	.1	1	.1	1	0
<u>TOTAL</u>	9.3	100	12.9	100	3.6

* MBPD = MILLIONS OF BARRELS OF PETROLEUM PER DAY.

Source: ORNL, Conservation Strategy Paper, for PPE/CS/DOE, June 1980, draft.

EXHIBIT 2

1976 ESTIMATES OF PASSENGER TRANSPORTATION ENERGY INTENSITY,
(BTU/ROUTE-PASSENGER-MILE)

Source: Transportation Energy Conservation Data Book, Edition 3,
D. B. Shonka, editor, Oak Ridge National Laboratory, ORNL-5493
February 1979 and phone conversation with Axel Rose, (ORNL) on
February 15, 1980.

EXHIBIT 3

U.S. Automobile^a Energy Intensity, Model Year 1977
(Btu/passenger-mile)^b

Number of passengers ^c	Passenger automobiles ^d				Station wagons ^d			All cars
	2-seat	Small	Medium	Large	Small	Medium	Large	
1	7,837	7,408	9,061	9,325	6,628	9,293	9,376	8,268
2	3,989	3,770	4,592	4,726	3,384	4,709	4,749	4,199
3		2,560	3,104	3,194	2,304	3,206	3,207	2,508
4		1,956	2,360	2,429	1,766	2,421	2,437	2,170
5			1,915	1,971	1,445	1,963	1,977	1,921
6				1,666		1,659	1,670	1,665
7							1,451	1,451
8							1,288	1,288

^aIncluding domestics and imports.

^bAll values are calculated on a route-mile basis. To convert these to a great-circle mile basis they should be multiplied by the intercity automobile circuitry ratio of 1.212. No circuitry data for urban uses are available.

^cIncluding driver.

^dSize classes were defined based on interior volume: small <110 ft³; medium 110-120 ft³; large >120 ft³; small station wagon <130 ft³; medium station wagon 130-160 ft³; large station wagon >160 ft³.

Source: J. D. Murrell, *Light Duty Automotive Fuel Economy...Trends Through 1978*, SAE Paper 780036, March 1978; B. D. McNutt et al., *A Comparison of Fuel Economy Results From EPA Tests and Actual In-Use Experience, 1974-1977 Model Year Cars*, Washington, D.C., February 1978; C. W. La-Pointe, *Potential for Automotive Fuel Economy Improvement*, presented at the Fourth National Conference On the Effects of Energy Constraints on Transportation Systems, CONF-770878, August 1977; Wards Communications Inc., *Ward's 1978 Automotive Yearbook*, Detroit, Mich., 1978.

A second way of identifying targets is to look at projected growth in energy use. Projected growth is shown in column 5 of Exhibit 1. Because the automobile sector has been given so much conservation attention, it is the lowest ranking transportation mode in terms of anticipated energy growth. The higher growth targets are medium-to-heavy trucks, air transportation, and light trucks.

It is readily apparent that any Federal program aimed at reducing petroleum usage must address the major area of consumption -- transportation. Opportunities for conservation in this sector can generally be placed into three categories:

- o Technological changes which improve the capability of the system or vehicle to perform its function on less fuel or on nonpetroleum fuels;
- o Operational improvements in which the transportation equipment and systems are maintained and utilized in a more energy efficient manner;
- o System changes in which transportation demand is reduced or shifted to those transportation systems and modes which can serve them in the most efficient manner.

Auto Use Management is a term which covers actions to exploit opportunities in the second two categories. Thus, my testimony will not focus on DOE's rather extensive research and development programs or on other Government programs to foster the development of efficient new technology.

Such measures as improving load factors, improving maintenance and operational practices, shifting demand to more efficient modes and reducing travel through trip consolidation and land use changes offer significant conservation potential. These auto use management measures clearly offer a quicker pay-off than those which depend on the development of new technology or energy supplies.

As an example of energy savings achievable through improved vehicle operation, more efficient operating procedures for automobiles obtained by applying simple energy conserving driving and maintenance techniques have been shown to reduce energy usage by 10 percent. If such procedures were fully adopted in auto and light truck driving, savings of approximately 500,000 barrels of oil per day could be achieved by 1985.

For passenger travel, effective system options include better use of the excess capacity of vehicles and facilities currently in operation. When excess capacity exists, diverting passengers from the more energy intensive auto and air modes to surface mass transportation modes, such as buses and railroads, affords further opportunities for conservation.

Ridesharing, a means of utilizing existing excess capacity, holds significant potential for energy conservation in commuter transportation. Analyses have shown that if the average auto occupancy for commuter trips could be increased from 1.4 to 2.0, approximately 400,000 barrels of petroleum could be saved per day.

These, of course, are only a few of the many opportunities that we believe are available in our efforts to meet the Nation's energy conservation goals.

II. SUMMARY OF DOE PROGRAMS

I would now like to highlight briefly some of the major projects carried out in DOE's transportation programs which indicate our interest in fostering progress in the types of transportation activity which might be classified as auto use management.

They include such diverse activities as the annual publication and distribution of 17 million copies of the Gas Mileage Guide; a driver awareness program; cosponsorship, with the Department of Transportation, of a Voluntary Truck and Bus Fuel Economy Program; promotion of ridesharing; and the provision of technical assistance to State and local governments. All of these activities are directed at reducing transportation-sector petroleum consumption, while maintaining or increasing individual mobility.

Two of our program activities which seem to me most closely related to the Auto Use Management concept are in the areas of driver awareness and ridesharing.

DOE Driver Awareness Program

The Department of Energy Driver Awareness Program is an educational and informational program that emphasizes what managers of large fleets, as well as individual operators, can do to stretch their gasoline dollars through more fuel-efficient practices while maintaining transportation services. The program is designed to reach a wide spectrum of the public, including:

- o Federal, state, and local energy policy administrators;
- o National, Federal, state, local, and corporate fleet managers, operators, and drivers;
- o Individual drivers (students and the motoring public).

The aim is to use existing educational delivery systems to make the Nation's driving population more aware of ways to save gasoline... and money.

The DOE program offers an intensive instructor training course, regional seminars/workshops, moderator packages, and public education materials. Four routes to fuel economy are highlighted:

1. The purchase decision -- what to consider in choosing a car;
2. Behind-the-wheel techniques -- how to drive safely and save gas;
3. Trip planning and alternatives -- how to reduce unnecessary driving; and
4. Car care and maintenance -- how to protect your investment by maximizing mileage.

These considerations are the foundation on which the DOE Driver Awareness Program is built.

The purpose of the DOE Driver Awareness Program is to widely disseminate these efficiency methods through appropriate self-contained educational units.

The DOE Driver Awareness Program uses multi-level educational and informational approaches to reach the various interests within the driving community.

Instructor training is an intensive course developed for individuals who are organizationally responsible for government or commercial fleets or will become instructors in such operations. Driver Energy Conservation Awareness Training (DECAT) for instructors is given at the DOE National Driver Training Center in Nevada, and is an outgrowth of a program initiated there in 1977 to train the 3500 drivers at the Nevada Test Site.

The objective is for the trained instructors to disseminate the principles of the Driver Awareness Program nationwide. No charge is assessed for government participants and selection of participants is based in large measure on factors relating to secondary distribution. Participants attend a 2 1/2 day seminar, during which they are provided with all of the necessary technical material in a discussion/classroom environment. In addition, they are given intensive behind-the-wheel instruction in an instrumented vehicle and are taught the administrative, management, and training skills necessary to conduct a Driver Awareness Program. Upon graduation, participants are given the key printed materials for planning, implementing, and conducting DECAT courses at their locations. Audio/visual materials are made available at cost.

Drivers trained in the DECAT program can achieve gas savings of 5 to 15 percent. Fuel savings generally pay for course costs within a few months. Further, implementation of a DECAT program projects a positive public image for the sponsoring organization. To date, over three thousand drivers and several hundred instructors have been trained in DECAT through this program.

There are many programs now in place at the State and local level that are the result of attending the DECAT instructors course. For example, in May of 1979, the Maryland State Police (MSP) sent three instructors to the DOE DECAT instructor course in Nevada. They studied with our DECAT instructors for three days and returned to Maryland to set up their own course. They in turn trained 50 instructors within their state police force, at least one in each organizational unit. These instructors then trained all the officers in the force for a total of 1200 trained drivers. Additionally the instructors have trained instructors from twenty-two states and many counties who have returned to their locales and conducted DECAT.

Colonel Thomas Smith, Commander of the Maryland State Police has estimated that the MSP will save 14 percent of their fuel due to implementation of this program. In effect, the program will have paid for itself within the first few months of operation and the savings will accrue continuously. Historically, the MSP consume about 3 million gallons of fuel annually, and as a result of their DECAT program, have projected a 1980 savings of over 250 thousand gallons of gasoline. (This 1980 figure is less than 14 percent because many personnel were not trained until well into the calendar

year.) This reduction in gasoline cost of \$300,000 1980 was achieved at a program cost of \$10,000 for expense and outfitting training vehicles and \$15,000 for materials development, printing and distribution, much of which is used in outreach activities to non-MSP audiences. This results in a return in the first year alone of more than \$10 for every dollar spent. This benefit/cost ratio will increase substantially as the start-up costs are amortized over the program's life.

Private sector results are even more impressive. The Douglas Aircraft Company program, which was in part the forebear of DECAT, estimates a 16 percent annual savings and a return of \$90 for every dollar spent. As local communities such as the city of Los Angeles and Clark County, Nevada, progress further in their implementation of the DECAT program, similar savings are expected.

Another element of the DOE Driver Awareness Program is a series of Teach-Ins being held in ten cities throughout the Nation between May and October of this year. At these, State and local government staff and representatives of invited companies, associations and civic groups will be given a daylong introduction to the Department of Energy's driver awareness program. The Teach-Ins consist of film and slide presentations, workshops led by personnel from the Training Center and discussion of spin-off programs by local driver awareness implementors.

The techniques discussed and demonstrated at these Teach-Ins were developed in the program and can help a driver achieve significant fuel economy improvement. The intent of the Teach-Ins is to provide information that the participants will implement in their own

vehicle fleets. It is also expected that the participants will set up driver energy efficiency training programs for their employees.

In a cooperative effort, the ARCO Corporation has provided an instrumented car, mounted on a portable dynamometer, for use in conjunction with the Teach-Ins.

Seminar/workshops are half-day presentations aimed at public and private energy managers, corporate decisionmakers, and other interested individuals who are in policy-making or educational positions. The information is similar to that provided at the instructor level, with more emphasis on the potential benefits and organizational aspects of transportation fuel economy. Three of the seminars have been held and additional ones are in the planning stages.

The moderator course is a training course curriculum and resource document that enables an instructor or moderator to conduct a workshop for drivers that covers the informational side of the Driver Awareness Program in 1 to 5 hours, depending upon audience time availability. The materials are structured so that a non-technical person can deliver the appropriate information effectively. Several separate presentations have been prepared in accordance with audience interests and time availability. The materials include an award-winning movie and coordinated handbooks and pamphlets that are suitable for generating interest and providing usable energy conservation information to large and diverse groups.

The greatest value of voluntary auto use management efforts like the DOE Driver Awareness Program is that it places the ultimate responsibility for conservation on those who are best able to judge their own wants and needs.

The Driver Awareness Program is a major part of the President's Transportation Conservation Initiatives announced at the White House Conference on April 29, 1980. In response to the White House Conference and follow-up Secretarial visits, over 500 organizations have requested implementation information and over 900 organizational representatives have attended the five Teach-Ins already held.

Ridesharing Activities

We believe that ridesharing is an area that has great near - and long-term promise for conserving energy. DOE and the Department of Transportation (DOT) are working cooperatively in the promotion and advancement of commuter carpools, vanpools, and mass transit. DOE's activities in this program area have included the resolution of such institutional barriers as insurance, the provision of technical assistance to Federal, State and local authorities; the development of marketing methods; the encouragement of private sector financing of vanpools; and providing fuel allocation priorities to transit and vanpools during energy supply disruptions.

Within its own operations, DOE has successfully promoted ridesharing and now has over 210 vanpools in operation at its facilities. Most of these vanpools are driver-owned, with 100 percent financing from either credit unions or banks. Among

Federal agencies, I think DOE is second only to the Tennessee Valley Authority, which has more than 500 vanpools in operation.

Executive Order 12191, signed by the President on February 1, 1, 1980 requires Federal agencies to implement ridesharing programs and makes the designation of employee transportation coordinators a mandatory element of these programs. DOE is conducting a series of workshops aimed at helping those Federal employees designated as employee transportation coordinators implement successful ridesharing programs. We have 25 workshops already programmed and look to continue this program as Federal agencies respond to the Executive Order and the desire of Federal employees to reduce their gasoline budgets.

This workshop program is an example of one type of activity included in our outreach programs: the provision of technical assistance to Federal agencies. DOE's Guidelines for Energy Management in General Operations of the Federal Government (published in the July 1, 1980, Federal Register) encourage agencies to expand the use of vanpooling and carpooling for commuter transportation-- building on existing GSA regulations governing parking, the full cost parking policy announced last fall and the Executive Order. Agency programs may include, for example, the use of flexible work time to accommodate mass transit schedules. Vanpools and carpools would receive priority parking privileges. In addition, all agencies will be required to promote vanpooling and carpooling arrangements through their employee awareness programs. When properly implemented, expanded carpooling and vanpooling is highly complementary to mass transit, serving those employees who are not adequately handled by mass transit.

The New Jersey Department of Energy (NJDOE) ridesharing program is an excellent example of how a State or a local agency can carry out creative programs that are cost-effective from a transportation, as well as an energy, standpoint. NJDOE conducted New Jersey's first vanpool workshop in early 1976. At that time, only one company vanpool program existed (Hoffman LaRoche) with another in the planning stage (Prudential). After 66 NJDOE-sponsored seminars, attended by 1800 companies since 1976, New Jersey now has over 1200 vanpools operated by 81 companies. It ranks third in the number of vanpools within a State, behind Texas and California. New Jersey is the first State to provide vanpools with a priority fuel allocation, a major incentive for vanpooling.

This program, which incidentally far exceeds the performance of nearby States in vanpool growth, required less than one full time person per year over the four year period. With the average vanpool saving 5,000 gallons of gasoline per year, the current annual energy savings is 6,000,000 gallons of gasoline. At \$1.25 per gallon, the cost savings in gasoline alone (and there are other operating and capital cost savings associated with vanpooling) is \$7,500,000--roughly 150 times the annual NJDOE cost of \$50,000.

In addition to ridesharing conservation programs, which have as their objectives the attainment of significant energy savings in both the near and long-term with minimal impact on life-styles, I want to briefly discuss contingency plans which are intended to help people cope with disruptions in energy supplies which are sharp and severe, such as those caused by the recent upheaval in

Iran. In such circumstances, major changes in the travel or work patterns of millions of commuters in a short timeframe may be required to deal with shortages and the resulting sharp price increases which may accompany them.

Since March 1, 1980, the Department of Energy has included vanpools as priority one vehicles along with transit buses and emergency vehicles. The next step in making this a viable vanpool incentive is up to the States. States are allowed to exempt all priority one vehicles from the even-odd day restrictions, exempt all priority one vehicles from maximum purchase limitations, and permit qualified vanpools to get gasoline at any time. This is an example of a contingency measure that has benefits before an emergency arises. By assuring potential vanpoolers priority treatment if an emergency should occur, they are more willing to organize vanpools that can help the country during normal supply periods.

The Emergency Energy Conservation Act of 1979 (EECA), signed by the President last November, provides a mechanism by which both the Federal Government and the States would have a role in developing plans for effectively coping with an emergency energy supply disruption.

Title II of EECA provides the framework for a coordinated national response to energy supply interruptions. If the President finds that such an interruption exists or is imminent, or that actions to restrain domestic energy demand are necessary under the international energy program, he may establish monthly emergency energy conservation targets for each affected energy source (for example, gasoline, home heating oil, electricity) for the Nation

and for each state. Within 45 days after these targets are established, States must submit to the Secretary of Energy emergency energy conservation plans containing measures they will use to reduce demand for each targeted energy source.

On February 7, 1980, in accordance with the provisions of EECA, DOE published in the Federal Register regulations regarding "Standby Federal Emergency Energy Conservation Plan." As stipulated in the Act, the Federal Plan provides for an emergency reduction in public and private use of energy sources affected or likely to be targeted. It contains measures which may be effective in achieving an emergency reduction in the use of each energy sources for which a target is (or may be) in effect. The President may impose all or a portion of the measures in the Standby Federal Plan in any State which he finds is not, after a reasonable period, substantially meeting its conservation target for a persistent shortage which is equal to or greater than 8 percent of projected normal demand for that energy source in that State. He may impose the Federal Plan more quickly in a State which has no State plan in effect and is not meeting its targets. The Federal Plan is also intended to serve as an example to and provide guidance for States in preparing their own emergency conservation plans. One of the provisions of the Standby Federal Plan depends on employer-based measures to increase ridesharing. Another calls for increased public information regarding low-cost conservation measures available to motorists. During an emergency, auto use management measures would be crucial to the Nation's ability to minimize social and economic impact. The infrastructure to implement such measures must be established before a supply disruption occurs.

The approach to contingency planning embodied in EECA and being carried out by DOE looks to the States to play the lead role in coordinating and packaging initiatives to deal with gasoline shortfalls, but anticipates the likely areas of concentration in the State plans, particularly in auto use management strategies.

III. AUTO USE MANAGEMENT LEGISLATION

Obviously, DOE strongly favors the types of activities which the Administration's Auto Use Management proposal would support. We, therefore, support legislation which would foster the use of Federal-aid highway monies to carry them out. Increasing the Federal match to 90 percent of the projects' cost seems to us appropriate for two reasons:

1. Many of the benefits of reduced energy consumption are National in scope. Unlike the important transportation and environmental benefits of transportation projects which accrue primarily at the local level, the foreign policy, National security and economic benefits of reducing imports accrue nationwide, supporting the concept of a larger Federal role in such projects.
2. The States are faced with declining gas tax revenues resulting from unforeseen decreases in gasoline consumption. Some of these decreases and projected future decreases, are the result of Federal actions: the Federal Corporate Average Fuel Economy Standards and phased decontrol of crude oil prices are two such examples. During these times of severely constrained State highway budgets, Federal action to encourage innovative State and local actions which would assist citizens in dealing with higher energy prices seems appropriate.

I would like to offer a few specific remarks. It is important that the potential recipients of this financial assistance be defined as broadly as possible. In the examples I discussed earlier, a State energy office and a State highway law enforcement agency are carrying out highly effective transportation conservation projects. There are many examples, of similar successful programs being carried out by State transportation agencies, local agencies, metropolitan planning organizations, special purpose organizations, transit agencies, private companies and civic organizations. I believe the legislation and implementing regulations should encourage the distribution of these funds to any organization that has the energy, skill, experience and implementation mechanisms to make them effective. Particularly in the area of driver awareness, State energy offices and enforcement personnel have greater experience than do the State agencies which normally receive Federal-aid highway funds.

In this vein, we would argue against allocating them on a formula grant basis that does not place great emphasis on projected energy savings. To achieve maximum success, we think DOT should have the flexibility to channel funds into projects which appear to be the most promising.

In summary, Mr. Chairman, the Department of Energy supports the Administration's Auto Use Management proposal because additional activity in these areas is important and because increased Federal incentives are necessary to generate this type of activity.

I will be glad to answer any questions.

TESTIMONY OF
NEIL GOLDSCHMIDT
SECRETARY OF TRANSPORTATION
BEFORE THE
SENATE SUBCOMMITTEE ON TRANSPORTATION
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
JULY 22, 1980

Good morning Mr. Chairman, it is a pleasure to be here today to discuss the Administration's proposed Auto-Use Management legislation. Accompanying me this morning are John Hassell, Administrator of the Federal Highway Administration and Angus Duncan, Director of Energy Policy.

The objects of this legislation are: to make possible more efficient, more sensible use of the private automobile; to assure that Americans get the maximum mobility from the minimum amount of oil consumed, consistent with the President's goal of halving our imports of foreign oil by 1990; to stretch the productivity of highway and transit dollars and of Federal, State, and local governments; and to protect our huge national investment in our existing transportation system. The object is further to accomplish this without either massive amounts of new Federal funds or a dependence on untested new technologies. The focus of the proposal is on sharing a ride with fellow-workers and getting a parking space if you do; complying with the 55 mph national speed limit; properly inflating your tires and tuning your engine; bicycling to work or to the store; riding the bus; or walking.

It is the companion to our national efforts to improve the fuel efficiency of new cars. The two programs can give us immediate and enduring energy savings, and the breathing space we need until new fuels and technologies become available. In terms of national and economic security--and in terms of the average citizen's economic security--that breathing space is critical.

The auto-use legislation proposed by the Administration is simple and straightforward. Most of the money appropriated would be used to increase the Federal share for eligible auto-use projects from the present 75 percent to 90 percent. States could use their local dollars and apportioned Federal-aid highway funds to leverage more Federal funds into their auto-use management programs than is now possible. From the Federal perspective, the national goal of reducing oil consumption is served by providing a positive incentive for transportation efficiency improvements.

Other important national goals such as urban revitalization and air quality improvements are also served by this program.

DOT would propose to administer up to 80 percent of the auto-use funding as leverage for apportioned Federal-aid highway funds in this first category, with the remainder reserved as discretionary money for innovative projects, by States, localities or private entities, which could not otherwise be funded by leveraged Federal-aid highway funds. The discretionary grants for the projects in this second category would cover a full 90 percent Federal share.

All discretionary awards would be made on the basis of a project's contribution toward a number of goals, the first of which is the greatest possible energy savings. Selection of discretionary auto-use management projects will also consider goals such as environmental quality, urban enhancement, fiscal restraint, safety, and economic development. Maximum flexibility would be assured to State and local governments in the design of programs that fit their local needs and circumstances, consistent with national transportation policies.

I believe the approach of the Administration's legislative proposal has considerable merit. It builds on the experience of the Federal Highway Administration and the established base of the Federal-aid highway program. It provides an important incentive for States and localities to shift their emphasis away from increasing the physical capacity and toward increasing the efficiency of use of the Federal-aid highway system. At the same time it should assure that innovative project opportunities can be explored by the Department.

In this last respect it would be helpful for the Committee to consider one legislative change; to authorize the Department to contract directly with local governments and the private sector for projects funded from the second category discretionary program only. The purpose of this change is to assure Federal, State and local officials the maximum flexibility to get projects funded without unnecessary delays. It is an authority appropriate to a demonstration-type program. Administration of funds through the State would still usually be the quickest, and therefore the preferred mechanism.

The range of activities we hope to encourage with this program include most of those collected under the umbrella of Transportation System Management. Ridesharing and related projects such as designating high-occupancy lanes and parking preference would be a major use, extending the accomplishments of the present ridesharing program. Enforcement of the 55 mph speed limit saves energy and at the same time saves lives. Other parking strategies, traffic control system improvements, bicycle and pedestrian facilities, fringe parking facilities to support transit and ridesharing, driver education and training--especially of new drivers--and other applications could be part of the locally-developed strategy.

The Department would encourage State and local plans which are not capital intensive improvements and increase the efficient use of existing facilities. The plans should be consistent with accepted State and local energy conservation planning, and encourage local and private sector participation.

As you know, the House Committee on Public Works and Transportation has reported a bill, H.R. 6417, which includes a Transportation Systems Management provision modeled in part on the concepts we have been discussing today. However, that provision as it now stands would not meet the criteria we have established for program success. First, in the House bill, the purposes of Transportation System Management grants are fairly limited and emphasize those projects which would maximize traffic flow. Second, all funds would be apportioned for 90 to 95 per cent grants, thus eliminating the incentive for leveraging the use of regular program funds. Third, there is no discretionary fund for innovative projects. Finally, the amounts proposed for authorization, totalling \$3.75 billion over the next five years are far in excess of the Administration proposal and far beyond the amounts we could reasonably expect to be available in appropriations over this period.

Thus, we would have to see substantial change in the House provision for it to be an acceptable representation of the ideas and concepts we have put forth in this testimony. We think these ideas have substantial merit and hope that you will work with us to assure that suitable changes will be made.

Before I close, I would like to emphasize for the Committee that this proposal is part of a larger Department strategy, supported by other efforts in and out of the Department. It is consistent with the President's oil import and energy conservation goals. It is also a companion to accomplished or pending Congressional goals. The Conservation and Solar Banks, and the Community Energy Management Act now under consideration, provide tools to local communities for energy conservation planning, and for saving energy in homes and businesses. Auto-use offers comparable tools for local transportation conservation strategies. It is critical that communities have both, as I recall from our work in developing a City Energy Policy for Portland.

The Department proposal would also assist States and localities in complying with new government-wide rules being developed pursuant to the Power Plant and Industrial Fuel Use Act of 1978. Under this Act, all federal agencies must require recipients of Federal financial assistance to take energy conservation actions as a condition of receiving that assistance. We have been consulting at length with local officials. One of the messages we hear is: give us the tools. Auto-use management is one of these, along with stepped-up programs of Transportation System Management training and driver efficiency programs.

The Department of Energy's contingency planning relies heavily on transportation energy savings, mostly achievable through Transportation System Management actions. The Environmental Protection Agency's Clean Air requirements for non-attainable areas frequently depend on the same Transportation System Management actions. These strategies are important ingredients of urban revitalization and economic development efforts.

It is important to emphasize that the average citizen will be deeply affected by the fate of this legislation. We all depend upon the transportation system to get to work or to go shopping, to run errands and to get to doctors' appointments and go on vacations. Some of us can afford newer, smaller cars, many of us cannot. Some of us are fearful of being stranded and isolated by fuel shortages, and all of us realize that our wages are being eroded by the costs of necessary travel. We are all entitled to an efficient, dependable, affordable transportation system for travel. The Federal Government shares the obligation to provide that system. The legislation you are considering today fulfills a part of that obligation, a part that speaks directly and understandably to daily needs. This legislation can help us maintain personal mobility and at the same time meet our nation's goal of conserving energy.

STATEMENT BEFORE THE TRANSPORTATION SUBCOMMITTEE OF THE
SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE ON

"AUTO USE MANAGEMENT PROGRAM"

Presented by William A. Bulley, President
American Association of State Highway and Transportation Officials
July 22, 1980

Mr. Chairman and members of the Subcommittee, my name is William A. Bulley, Secretary of the Washington Department of Transportation and President of AASHTO. Also with me today is Richard Ward, Director and Chief Engineer of the Oklahoma Department of Transportation and Vice President of AASHTO. We are appearing here today on behalf of the American Association of State Highway and Transportation Officials. We appreciate this opportunity to share with you some of our concerns regarding the U.S. Department of Transportation's proposal for an "Auto Use Management Program."

As we understand this proposal, it would create a new categorical grant program for energy conservation projects which could lead to a reduction in the consumption of petroleum by reducing traffic congestion and facilitate traffic flow on our nation's Federal-aid highways and by encouraging the more efficient use of the automobile. It also gives the Secretary the discretion to approve the increase in the Federal Share up to 90% on those projects which he feels are conserving energy.

I wish to state Mr. Chairman, that AASHTO endorses the concept of increased efficient use of all modes of Transportation that would bring about the conservation of our energy resources. However, our concern with the proposal lies with the promulgating of a new separate program, when the concepts could be incorporated within existing programs.

It is also our understanding that as proposed the Secretary would have the authority "to make grants to states, counties, municipalities, metropolitan planning organizations, and other units of local and regional governments, and private entities, for energy conservation projects, etc." It even goes so far as to state that those projects could possibly include funding for: improving driver practices, vehicle operation, and vehicle maintenance. All of this at the discretion of the Secretary.

Mr. Chairman, AASHTO supports efforts that would facilitate the flow of traffic and help reduce our dependence on foreign oil imports.

We are also aware that the nation's highways provide the backbone of our national transportation system. The highway system carries 85 percent of all passenger miles of travel, 21 percent of intercity ton-miles of freight, and nearly 100 percent of urban goods movement. In performing this function, the highway system accounts for almost 44 percent of all petroleum consumed in this country. Thirty percent of this petroleum consumption is by automobiles, and the remaining 14 percent is by trucks and buses. The highway system's continued operation is closely linked to the availability of fuel. It must be borne in mind that there are areas in this country where there are no feasible alternatives to the private passenger car. It is also necessary to recognize highway facilities will provide the operation medium for public transportation systems in 95 percent of our urban areas.

Mr. Chairman, the market place will probably do more to encourage use of vanpools and car pools than any direct Federal action, but governmental efforts should be geared toward public information campaigns and elimination of unnecessary institutional road blocks to the formation of car pools and vanpools.

Such roadblocks as regulations of the Interstate Commerce Commission, the insurance industries reluctance to classify vanpools other than "common carriers", and even on the state level where vehicle and driver licensing procedures are confused and sometimes very complex. However, regarding the latter, I am pleased to say that several states have recently enacted legislation to exempt ridesharing from state motor carrier and workers compensation laws and various taxes or fees. Attached to my statement is a list of twelve states and what their legislatures have done recently.

Mr. Chairman, many of our States are already at work in energy conservation under programs available to them now. Let me cite some examples. The Maine Department of Transportation has purchased 12 vans for use by their employees to encourage vanpooling. In North Dakota the State Highway Department has been in the forefront in promoting ridesharing activities. Over the last couple years, the Department estimates that commuter vanpools have saved 400,000 gallons of gasoline annually. The State of New York has provided commuter parking lots in the northern New York metropolitan area which they estimate represents an average savings of over 1 million gallons of fuel a year as the motorists park their cars and use public transportation.

Just recently the Minnesota Department of Transportation announced that four new park-and-ride facilities were being built in the Twin Cities area to support the Shared-Ride transportation in Minnesota. The Minnesota DOT has also designed a demonstration model, for possible statewide use, of a bicycle parking facility. At the time of the announcement, Secretary Braun also stated that the Department has allocated \$4 million for development of bicycle routes and parking facilities.

In Connecticut, Secretary Powers announced that the Department has established two toll-free telephone numbers that residents may use to get

information about ridesharing programs. He stated that the Department has established a State Ridesharing Information Center base somewhat on like the National Ridesharing Center in Washington, D.C.

The Arizona DOT is participating actively in energy conservation by providing financial support to the cities of Tuscon and Phoenix in their carpooling programs. They currently are using gasohol in their 200 motor-pool vehicles.

We could go on, Mr. Chairman, detailing other examples of how the States are moving ahead on energy conservation projects.

As we indicated at the outset of our statement, we do have some concerns with the U.S. DOT's proposal. Let me try and explain them to you.

First, it has been AASHTO's policy over the years to see a reduction in the number of categories. This proposal would create a new category of funding and place it on a level of national importance equivalent to the Interstate program. All of the items under this proposal are currently eligible items under existing categories. U.S. DOT suggestions seem to be running counter to what they have been doing in the past. For example, the Administration has not asked for funding of the Safer Off-System program for the past two years, even though Congress authorized \$200 million. It is proposed that these programs can be funded out of the existing highway programs. Now it seems just the opposite position is being taken.

Mr. Chairman, the States are committed to energy conservation and will pursue those projects which will have a high energy savings without the need for separately funded programs.

Secondly, the approval of the projects are at the discretion of the Secretary. It is our feeling that Federal funds distributed to the States should

be done wherever possible on a formula basis and only in exceptional circumstances should they be discretionary. Programs which are designed to increase the capacity of existing systems without adding additional lanes are no exception. Normally the capacity of existing systems is strained more in urban areas than in rural ones and normally that excess demand in urban areas occurs during twice daily peak periods.

If Congress should decide to create a new category for auto use management, any formula for distribution of auto use management funds should be structured to encourage lower automobile usage. One factor might be the inverse of the number of registered vehicles per 1000 population. Thus as fewer vehicles are registered, the amount of funds received would increase. This would also recognize that the further you go into the program the more costly additional measures will become.

Thirdly, in their original proposal, the Department was suggesting that the funding come from the Energy Security Trust Fund. No such trust fund was created, but the Windfall Profit Tax bill did create a separate account in the Treasury for such purposes. This we would support. However, we are very much concerned that funding may end up coming out of the Highway Trust Fund. This we would find most difficult. Any additional programs funded out of the Trust Fund should not be implemented at a time when funds are greatly needed for major repair work on our bridges and highways.

And lastly, the proposal would change the funding source for Interstate Transfer, Section 103(e) 4, to come out of the Highway Trust Fund. As mentioned above we feel that any additional drain from the Trust Fund cannot help the funding situation that we currently find ourselves in. We would also suggest that, due to the escalation clause in the statute now, that Highway Trust Funds could be tied up for long periods of time and not really knowing what the total cost may be.

Mr. Chairman, that concludes our statement and we would be most happy to respond to your questions. Thank you.

AASHTO
July 17, 1980

STATE PUBLIC TRANSPORTATION LEGISLATION

CALIFORNIA

Legislation enacted in 1979:

SB 780 exempts a passenger jitney service, as defined, 98% or more of whose operations are exclusively within San Diego County from Public Utilities Commission control and deregulation. The County could regulate such operations.

AB 58 modifies previous law providing exclusion from being "employees" of specified volunteer persons for workers' compensation purposes. Enacted in 1979.

AB 120, the Social Service Transportation Improvement Act requires the Director of Finance to identify in the budget, state and federal funds available to support such services and ascertain constraints, requires a study of insurance problems, creates the Social Service Transportation Task Force, and appropriates \$95,000 in FY 80 for administering and monitoring the act if no federal funds are available. Enacted 1979.

COLORADO

SB 1 provides a definition for a ridesharing arrangement. Modified the No Fault Law so that insurance in ridesharing situations "follows the family" rather than "follows the vehicle." Changes the threshold limitation on tort recovery for certain services when such recovery is based on an accident involving a vehicle being used for ridesharing. Provides for vanpooling in State-owned vehicles and permits incentives for State employees who participate in ridesharing arrangements. Provides tax incentives to individuals and employers to encourage use of mass transit and ridesharing. Excludes ridesharing from regulation by the Public Utilities Commission, and states that a ridesharing arrangement is not within the scope of employment for the purpose of workmen's compensation. Recently enacted.

SB 209 provides that vehicle insurance policies covering vehicles which are owned and operated by nonprofit religious, charitable, or educational institutions shall be secondary to any other vehicle insurance policy covering the persons riding in such vehicles with the exception of paid and volunteer drivers and driver aides for the purpose of determining order of payment of personal injury protection coverages under the present No Fault Act. Recently enacted.

State Public Transportation Legislation
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- CONNECTICUT H 7618 establishes a definition and a separate registration category for vanpool vehicles. Passed House on 4/27/79. Passed Senate on 5/3/79.
- DELAWARE HB 158 (with Senate Amendment No. 2) transfer State regulation of taxis from Public Service Commission to Department of Transportation. Signed by the Governor on July 7, 1979.
- IDAHO S 1360 provides that ridesharing agreements will be deemed as nonprofit even though the driver receives compensation in a reasonable amount for operating and maintaining a vehicle used in ridesharing. Exempts ridesharing agreements from motor carrier and workers compensation laws. Enacted April 7, 1980.
- INDIANA H 1098: This bill amends an existing statute pertaining to Commuter Van Services which are regulated under the Public Service Commission of Indiana. Commuter van service means any service used to transport employees, including the driver, exclusively between their homes and their employer's place of business, in a single, daily round trip. House Bill 1098 further defines the service to include only those vans which are owned or leased by an employer providing commuter van service. This legislation allows individual employees who use their privately owned vans to carpool with fellow employees and not be regulated under the PSCI. Passed 1980 General Assembly.
- MAINE S 683 exempts for-profit carpooling and vanpooling from regulations governing common carriers. APPROVED. Enacted February 22, 1980.
- MISSISSIPPI Enacted legislation 4/21/80 excluding vanpooling from rules regulating motor carriers.
- MISSOURI S 108 defines "vanpool" as any van or other motor vehicle used or maintained by any person, group, or firm, for transporting 8-15 persons-per vehicle to and from work for no monetary profit. Approved by Governor July 31.
- OKLAHOMA Enacted legislation 5/13/80 establishing the Oklahoma Ridesharing Act. Providing non-application of common carrier laws, nonliability of the employer and exemption from laws governing chauffeur licensing requirements.
- WASHINGTON H 1508 exempts vans used regularly as ridesharing vehicles from the state use and excise tax on motor vehicles. Enacted April 4, 1980.

State Public Transportation Legislation
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WASHINGTON (cont'd)

SHB 96 removes ridesharing and elderly and handicapped transportation programs from public livery category. This bill also removes ridesharing programs for the elderly and the handicapped from the auto transportation company classification. Passed Legislature March 7th.

WEST VIRGINIA H 935 defines ridesharing. Provides for exemptions from specified taxes, licenses and liabilities. Enacted March 24, 1980.

THE POTENTIAL ROLE OF WASHINGTON
STATE DEPARTMENT OF TRANSPORTATION
IN DEVELOPMENT OF A
STATE VANPOOL PROGRAM

June 13, 1980

EXECUTIVE SUMMARY

Vanpooling is becoming a very important part of the total transportation system throughout the United States. Effective vanpool operations save energy, reduce congestion and the need for parking spaces, provide lower cost transportation to the users, increase safety and add another flexible dimension to public transportation services.

It is estimated that there are more than 5,000 separate vanpool programs operating throughout the United States - in 1973 there was only one. The growth testifies to the important role that vanpools are playing in the national scene. In Washington State, growth of vanpools has been consistent and steady in both the public and private sectors. The most successful has been Seattle-King County Commuter Pool. Its pilot vanpool program of 21 twelve-passenger vans is being expanded by another 100 vans and this organization expects to have 130 vans on the road by 1980, with an additional 150 vans by 1981. Estimates suggest that during the next 20 years, a total of 3,300 vans will be required to meet vanpool requirements in Washington State.

Financing of vanpool programs is a matter that needs attention. FHWA Federal Aid funds can be used for a wide range of activities to encourage and promote carpooling and vanpooling. But these are not "new" funds, and there is strong competition for this financing source. Other possible funding sources included: General Revenue Sharing, HUD and DOE funds at the Federal level, and the possible use of State or private funds. The examples of vanpool programs for other states cited in this paper indicate the variety of systems and the different financing methods that have been used in order to develop vanpool programs.

The projected growth of vanpools in Washington State raises the question as to whether WSDOT can plan an appropriate role in this growth. There are two types of role that WSDOT could play in such growth. The first is an Initiating Role, in which the Department would actively participate in vanpool operations or contract with the private sector for maintenance and operation of the system. The second is the Supportive Role in which WSDOT would provide technical assistance and support to promote ridesharing activities but operations and maintenance would be performed by the various ridesharing organizations, employers and private individuals.

It is recommended that initially WSDOT expand its Supportive Role. This will include the creation of, and participation in, a State Ridesharing Task Force, and close contact with metropolitan planning organizations, local agencies, transit operations, and other involved persons and groups in developing effective, coordinated vanpool systems throughout the State. As experience shows the need for stronger involvement, WSDOT will evaluate alternatives for an Initiating Role which will be coordinated with the various regional ridesharing organizations and the private sector.

1. INTRODUCTION - PURPOSES AND OBJECTIVES

The purpose of this paper is to evaluate the need for a statewide vanpool program in the State of Washington. If it should appear that such a program is needed, then decisions must be made as to how the program will be structured and developed as well as the role that will be played by WSDOT in this process. Currently, the Department is active in a variety of ridesharing efforts which are discussed later in this paper. The proposed statewide vanpool program will be an extension of those efforts and indicates the decision by WSDOT to undertake a major specific activity. Further involvement in other ridesharing activities will be a continuing effort of this Department.

The change in the energy situation in the United State in recent months has emphasized the importance of expanding ridesharing efforts throughout the nation. Conservation of shrinking petroleum fuels is a top priority item for the U.S. and all the people in this country and vanpooling is one obvious way of working towards this priority. In today's climate of high construction cost inflation coupled with decreased gas tax revenue, the Department is looking more favorably at reducing traffic demand to solve today's congestion problems. The Federal Government has taken the initiative, to some degree, by setting up programs to demonstrate the effectiveness of ridesharing - carpooling as well as vanpooling in reducing the nation's consumption of gasoline.

The energy savings potential of ridesharing is enormous. Over 50 million Americans drive alone to and from work each day. If each of these drivers would carry just one additional passenger it would result in a saving of 2.5 million gallons of gasoline per day. Vanpooling is a form of ridesharing which is just beginning to reach its potential. The first employer-sponsored vanpool program was begun by the 3M Company in 1973. Since that time, 3M estimates that it has save \$2.5 million from the reduced need for employee parking spaces and 1.6 million gallons of gasoline. Following this pioneering effort by the 3M Company, over 500 companies across the country now sponsor vanpooling programs. Many state and local governments are also making vanpooling a commuting option for their work forces.

Vanpool operations fall under one of three categories:

1. Employer-Sponsored Vanpools: Typically, the employer purchases the vans, assists in the formation of the vanpools and recovers vanpool capital and operating expenses through typical rider fares of \$35 to \$55 per month, depending upon the length of travel.

Advantages:

1. Relatively easy to form with a large employer - i.e., 500 or more employees.
2. Insurance costs are relatively low, as they are extension of the fleet policy.

3. Where employer commitment is strong, a large segment of the work force can be accommodated.
4. Administration costs are borne by the employer.

Disadvantages:

1. Most employers do not see themselves as being in the transportation business.
 2. Where company commitment is weak, the program is likely to be a token one.
 3. For medium- and small-size employers (under 500 employees) vanpool potential is limited. This accounts for about 70 percent of the workforce in Washington State.
2. Third-Party or Publicly Sponsored Vanpools: Third-party operators, some for profit and some non-profit, emerged in 1976. Developing a third-party program is more difficult to establish than employer-sponsored programs. This is basically due to regulatory constraints on "third-party" entry into the transportation market and the reluctance of insurance companies to insure them. Third-party operations have generally emerged only in states which have recently deregulated carpools. Seattle-King County Commuter Pool falls under this category and HB 96 has successfully answered the insurance question.

Advantages:

1. This type of vanpool program covers a broader-based labor market than any other.
2. Administrative costs (of a program that provides public benefits) can be borne by public funds.
3. This program promotes coordination with other TSM activities.
4. Economies of scale (fleet rates) can be developed with this program.

Disadvantages:

1. This type of program is dependent on public finance, which may be non-continuous in some cases.
 2. It may be difficult to establish a strong institutional basis when setting up this type of program.
3. Individually-Owned and Operated Vanpools: No attempt has been made to determine the number of individually owned vanpools throughout the nation. However, indications are that they are more numerous than all the vanpools in organized vanpool programs. In many respects, they are easier to form than formally organized vanpools. For example, there are 41 known vanpools serving the Boeing Company.

Advantages:

1. This program represents development of private enterprise activities and the opportunity for small operators to develop effectively.

2. Insurance is available at the same rates as automobile insurance.
3. There are no restrictions on personal use of the vans.

Disadvantages:

1. This program may suffer from lack of financing.
2. This program may have difficulty establishing an adequate rider base.

Benefits from Vanpool Programs:

Benefits from vanpool programs include the following:

- . Reduced highway congestion as each van will replace seven automobiles on the highways.
- . Reduced gas consumption as each van results in a saving of 9,000 gallons per year.
- . Increased buying power for each person using the vanpool to the extent of \$1,000 per year.
- . Reduced parking needs.
- . Increased safety on the highways.
- . Reduction in air pollution.
- . Provides a viable transportation option for the long-distance commuter.
- . Provides public transportation to a larger work force than that currently served by transit; in other words, it expands coverage through the provision of complementary service.

Costs of Vanpool Programs

The cost of initiating and sustaining a vanpool program is one of the primary concerns of management. While a vanpool system is not always self-supporting, it is capable of recovering most of its costs.

The costs of setting up and financing the programs are tax deductible. In Washington State, HB 1508 provides for sales tax exemption and motor vehicle excise tax exemption on the purchase of vans for vanpool operations.

2. CURRENT VANPOOL SITUATION

National Level - It has already been pointed out that vanpool use has increased significantly in recent years. This trend has been assisted by the activities of the federal government which has established certain ridesharing goals. Recently, the President of the United States consolidated these goals in a special statement. These goals include:

1. Setting a national goal of saving 400,000 barrels of oil per day by 1990 through ridesharing.
2. Support for new tax incentives and administrative clarifications.
3. Issuance of an Executive Order mandating aggressive efforts by federal agencies and installations to increase carpooling, vanpooling, and use of mass transit by federal employees.
4. Issuance by the Department of Energy of a proposed rule to assure bulk users sufficient gasoline to maintain operation of vanpools during periods of shortage, together with efforts by the Department of Energy to encourage the states to give priority consideration to the fuel requirements of vanpools and other high occupancy vehicles through the state set-aside programs.
5. Targeted use of a portion of the ten-year \$2.5 billion Department of Transportation proposed Auto Use Management Program for ride-sharing programs and projects.
6. Overcoming major institutional impediments by sponsorship of special efforts to develop a model state ridesharing law (to help overcome state regulatory barriers to ridesharing in the 30 or more states which have not deregulated vanpooling) and new insurance classifications for vanpools (to facilitate increased availability and affordability of insurance).
7. Mobilization of special efforts by the USDA Extension Service, the Economic Development Administration (Commerce), and the Community Services Administration to assist isolated, low-income residents in rural areas to organize and operate commuter ridesharing programs.
8. Making ridesharing an area of increased emphasis within the Department of Transportation.
9. Showcasing several special efforts which exhibit new and/or ongoing innovative efforts.

10. Formation of a National Task Force on Ridesharing* to work with Secretary of Transportation Neil Goldschmidt.

Washington State Level - There has been considerable development already in vanpooling interest and vanpooling activity throughout the State. These developments can be considered under appropriate headings.

- a) Legislation - SHB 96, passed by the 1979 Legislature, is an extremely important piece of legislation with respect to vanpooling. This act sets up a classification called Commuter Ridesharing for passenger vehicles carrying up to 15 persons (including driver) from place of residence to place of employment. Commuter ridesharing vehicles do not fall under the classification of Auto Transportation Companies, therefore vanpool fares can be charged without UTC regulation. This legislation also specified that commuter ridesharing vehicles are to be provided an ordinary standard of care rather than extraordinary.

This bill also allows cities, counties, and the State to use its agency vehicles for commuter ridesharing.

HB 1508 was recently signed into law by Governor Ray. This legislation, sponsored by Representative Marion Kyle Sherman, creates a substantial incentive to vanpools by granting exemption from the retail sales tax/use tax and from the yearly motor vehicle excise tax. The vanpool definition includes vans used for daily commuting by seven to fifteen persons or used by a public or private non-profit Social Service agency to transport the elderly and/or handicapped.

- b) Existing Regional Ridesharing Efforts - The Seattle/King County Commuter Pool is currently the only regional ridesharing organization that is currently operating a public third-party vanpool program under METRO authority. This program is financed through FAUS funds which accrue to the region. This borrowed money will be paid back in full and will be available for reuse in 1984. The Commuter Pool's pilot vanpool program, 21 twelve-passenger vans, proved so successful that an additional 100 vans were recently approved by the King County Sub-Regional Council of the PSCOG. Commuter Pool expects to have 132 vans on the road by the end of 1980, and hopefully another 150 in 1981.

* The National Task Force on Ridesharing consists of an eighteen member panel, headed by Mayor Tom Bradley of Los Angeles, and is comprised of ridesharing leaders from the private and public sectors. The Task Force is assisting Transportation Secretary Neil Goldschmidt to resolve critical problems inhibiting ridesharing and to expand ridesharing opportunities fostering a broader understanding of the need to make more efficient use of automobiles. Council member, Jeanette Williams, from the City of Seattle, is a member of this Task Force.

The Departments' Marine Transportation Division issues quarterly vanpool passes for ten dollars. The driver and passengers then pay the regular walk-on rate. Priority loading for Seattle/King County Commuter Pool vans exists on the Vashon and Mukilto route. The Marine Division is in the process of revision the WAC's to all priority loading for all vanpools.

c) Potential Regional Ridesharing Efforts

Kitsap County - The Subregional Council of PSCOG and the PTBA are currently involved in two ride-share studies which involve vanpooling as an element. It is stressed that this is still in the study stage - no funds have been earmarked for any programs.

The first is being carried out by SRC staff and will establish the organizational framework and funding requirements for operation of an area wide ride-share program in Kitsap County. The program would focus on three primary market groups:

- . Ferry commuters riding one of four cross-sound routes
- . Employees of three major naval installations, Puget Sound Naval Shipyard, Keyport, and Bangor
- . Employees located in the central business district of Bremerton

Primary components of the program are:

- . An integrated and coordinated marketing program involving each of the market groups.
- . A uniform ride-share selection and matching technique for both carpools and vanpools.
- . A system of park-and-ride lots integrated with transit; and
- . A system of incentives to promote carpooling and vanpooling.

Agencies that could undertake such a program include the Kitsap Subregional Council, the Kitsap Public Transportation Benefit Area Authority, an expanded King County Commuter Pool, and Kitsap County.

The selected agency would be responsible for the overall financial management, vehicle maintenance, general marketing and promotion of the ride-share program.

Ride-matching in the beginning would be the responsibility of the ferry system and the Naval facilities. A committee consisting of representatives from each of the three market segments would advise the agency and also help promote interest in ride-sharing.

The second study being carried out by a consultant for PSCOG/WSDOT is focused upon establishing a ride-share demonstration program to serve Bainbridge Island ferry commuters. The program to be instituted (if funding can be obtained) upon completion of the study would demonstrate the ride-share approach to be used for the ferry commuter market group of the areawide program. Upon completion of the demonstration or earlier if results so indicate, successful elements of the program would be transferred to other ferry routes.

Pierce County - The need for a ridesharing program in Pierce County was discussed by the SRC's Transportation Task Force in the fall of 1979. The need for such a program was recognized, and the appropriate agency to operate it and fund it was the Pierce PTBA after its successful November election. The Pierce Subregional Council adopted a ridesharing program and gave it high priority for implementation by the PTBA. This has led to a study of the possibility of developing a vanpool program for the county.

The SRC staff has met with the PTBA staff to discuss how this ridesharing program can best be implemented. Because the PTBA does not expect to have the staff needed to work in the program until mid-1980, the SRC staff is presently designing three important parts of the program. These include a ride matching program, a parking program, and a major employers program. These are in the preliminary planning/study stages.

One of the four recommended phases would include the purchase of vans for use in the formation of vanpools.

Funding for the ridesharing program would be secured by the PTBA from all available sources, including Federal Aid, Primary and Urban Systems, donated and in-kind services, trade-outs for bus advertising, and others as they may be available.

Snohomish County - Currently six vans from the King County Commuter Pool have one end of their trips in Snohomish County. With the expansion of the van fleet by 100 vans, it is likely the number serving Snohomish County will greatly increase.

Snohomish County is proposing to purchase three vans for vanpooling, two of which will be for County employees.

The Snohomish Subregional Council of the PSCOG is attempting to develop ridesharing as one alternative method of meeting travel demand and has included ridesharing in the scope of work for the Snohomish Subregional Transportation Study jointly being done by SRC staff and TRANSP0. It is likely any ridesharing program will involve vanpooling as an element.

The level of activity required of a ridesharing activity in Snohomish County needs to be determined. The alternatives range from a complete management program (like Seattle Commuter Pool's

program in King County) to ridematching being offered for each jurisdiction's own employers. Five alternative organizational structures have been identified. The relative merit and acceptability of each must be assessed.

Clark County - In November 1979, the Transportation Policy Alternatives Subcommittee (TPAC) created the Rideshare Advisory Subcommittee to oversee rideshare activities within the region. One of the initial subjects the Rideshare Advisory Subcommittee discussed was the immediate need for a rideshare program focused on the congested I-5 North Interstate Corridor. A working group consisting of representative from Metro, ODOT, WSDOT, Tri-Met, Vancouver Transit, City of Portland, Port of Portland, and the Regional Planning Council was formed which developed a comprehensive work program for the I-5 North Corridor. The objective is to reduce peak hour traffic congestion in the I-5 Corridor by increasing the number of trips made by transit service and the other rideshare alternatives of carpooling, vanpooling, buspools, and shared rides.

The strategy to increase rideshare participation by Clark County residents is four-fold. The first is to increase awareness of all rideshare alternatives by promoting ridesharing at the home-end of the trips, during the trips and at the work-end of the trips. The second is to work with employers in the design and implementation of transportation programs which encourage employees to rideshare. The third is to offer assistance to Clark County residents who need assistance in forming carpools or vanpools by use of the carpool matching system. The fourth is to provide and promote regional incentives such as Park-and-ride or Park-and-pool Lots to encourage residents to rideshare.

3. ESTIMATES OF VANPOOL GROWTH

On a nationwide basis, vanpool growth has been significant in recent years as various factors combined to ensure expansion. Essentially, the number of vanpools has doubled in each of the last five years since the oil embargo; there are now approximately 375 sites nationwide. The list includes companies like Corning Glass Works, General Mills, Hoffman-LaRoche, Chrysler, Montgomery Ward, Southern New England Telephone, and Hewlett-Packard. These programs now have nearly 4,400 vans serving over 45,000 commuters. The energy savings is over 22 million gallons of gasoline per year. The reduction in air pollutants is estimated at 8,000 tons each year. These figures do not include the estimated 3,000-5,000 individually owned-operated vanpools believed to be in existence in the United States.

VANPOOL GROWTH

	<u>Number of Sponsors</u>	<u>Number of Vanpools</u>
April 1973	1	6
April 1974	15	125
April 1975	25	240
April 1976	56	643
April 1977	86	1,100
February 1978	122	1,986
April 1979	308	4,382

In Washington State, it is important to know what growth is likely to occur in the future because this will be the basis for any proposed statewide program.

In the development of any estimate of future vanpool growth over the next ten years, many factors must be evaluated that could both encourage and impede the growth potential. Those factors which have a stimulating influence are as follows:

1. The availability of gasoline.
2. The cost of gasoline.
3. The cost of cars, insurance, maintenance, and taxes.
4. The degree of traffic congestion.
5. The economics of vanpools, vis-a-vis the personal car.
6. Dissemination of knowledge on vanpooling.

The following are factors which could impede vanpool growth:

1. A change in the pricing or availability structure of gas.
2. Lack of precise knowledge about vanpools.
3. Lack of support by company officials.
4. Lack of support by local public agencies.
5. Cost of borrowed money.

Very little information was found that addressed the estimation of future total vanpool potential. Dan Riley of the Transpo Group has estimated the vanpool market potential in the Commuter Pool market area as being about 1,500 vans. This may be conservative. In studies published prior to the fuel shortage, the regional ridesharing organizations RIDES for Bay Area Commuters, Inc., and Commuter Computer (San Diego) estimate the vanpool potential in these areas as approximately one percent of the total employment of the areas. They also estimate that approximately 2.5 percent of the employment of concentrated employment sites, such as industrial parks, would vanpool. It is assumed in these estimates that the current outlook on fuel pricing and availability will exist in the future.

Based on these statements and estimates, including demand as a function of employment, the following estimates have been prepared. It is estimated that the following number of vans will be required for vanpool operations in Washington State during the next ten years:

<u>Urban Area</u>	<u>Number of Vanpools</u>
Seattle-Everett	2,250
Tacoma	400
Spokane	100
Vancouver	50
Richland-Kennewick-Pasco	50
Yakima-Selah-Union Gap	20
Bremerton-Port Orchard	50
Olympia-Lacey-Tumwater	20
Longview-Kelso	15
Bellingham	15
Walla Walla-College Place	10
Wenatchee-East Wenatchee	10
Aberdeen-Cosmopolis-Hoquiam	<u>10</u>
	3,000 vans
Balance of state (10% of above)	<u>300</u>
Estimated Statewide Vanpool Potential	3,300

This figure includes company-sponsored programs, individual vanpools, and third-party vanpools.

4. FUNDING SOURCES FOR VANPOOL DEVELOPMENT

There exists a variety of possible funding sources to finance the capital equipment and operations of a statewide vanpool program depending upon the determination of the Department's role in this area.

Federal Funds - FHWA

As the result of the passage of the Surface Transportation Assistance Act of 1978 (STAA), Federal Aid Primary, Secondary, and Urban System funds can be used for a wide range of activities to encourage and promote carpooling and vanpooling. Federal-aid funds can participate in 75 percent of the project cost. (Because of the large amount of non-taxed Federal lands, the percentage in Washington is approximately 83 percent). Ridesharing activities need not be restricted to any Federal-aid highway system. It should be noted that there is strong competition for these funds. They are not "new" funds.

Federal-aid funds cannot be used for projects which will encourage substantial numbers of transit users to switch to carpools or vanpools.

Specific costs related to the following types of activities related to vanpooling are eligible for funding, including:

- . Systems, manual or computerized, for locating and informing participants of potential carpools, vanpools, or buspools.
 - Computer hardware and software costs
 - Related installation costs (including labor)
 - Specialized procedures to serve the elderly and handicapped
- . Public information and promotion expenditures
 - Personnel and direct administrative costs necessary to market ridesharing program incentives such as variable work hour programs to employers and the general public.
- . Acquisition of vanpool vehicles for a vanpool program*
 - Personnel and other costs incurred which are directly attributable to the establishment of vanpool programs.
- . Vehicle acquisition costs as long as appropriate provision is made for repayment of this cost; the time period determined by the passenger service life of the vehicle.

* A user fee for participants in a vanpool program, based on a reasonable number of riders per vehicle, must be charged for the use of each van. This fee must cover the cost of reasonable vehicle depreciation as well as its operating and maintenance costs.

- . Actual financial losses that may be incurred if the vanpool is "aborted" prior to an agreed upon date for determining whether the vanpool project should be terminated.

For carpool/vanpool projects, the value of donated public service announcements which are properly valued and which could have been purchased as an eligible public information and promotion expense may be used as the local match. It is possible to utilize as match for Federal funds State funds previously expended for HOV lanes, park-and-ride lots, and pool-it lots. For example, it appears Commuter Pool will be able to use as local match District 1 state monies previously expended for pool-it lots development for the recently approved 100 van fleet. There appears to be no reason why WSDOT could not use this approach as long as the previously expended funds can be logically tied into a State Vanpool Program.

Federal Funds - General Revenue Sharing

The State and Local Fiscal Assistance Act of 1972 (P.L. 92-512) as amended in 1976 (General Revenue Sharing) allows a State or local area to use any revenue sharing funds under this Act, and appropriated by the State after December 31, 1976, as its share of a Federal-aid highway project. While Federal funds cannot normally be used to match other Federal funds, these General Revenue Sharing funds are treated as local funds.

Federal Funds - HUD

Housing and Urban Development (HUD) Community Development Block Grants Program funds are available to provide the local match for Federal-aid highway projects. The highway expenditures have to be in support of broader community development programs. Again, these Federal pass-through funds are considered local funds.

Federal Funds - State Energy Office

The State Energy Office has a small budget of approximately \$40,000 of Department of Energy funds that can be used for state employee ridesharing, marketing, and alternative transportation systems. A spokesman for the Energy Office said that \$12,500 of this amount has been committed to the Seattle/King County Commuter Pool. It appears it may be possible to obtain some of these limited funds if they would be used outside of the Seattle area. However, before any significant amounts of DOE funds can be channeled into vanpools, some revision of DOE priorities appears necessary.

State Funds - Motor Vehicle Funds

The Attorney General's office investigated the possibility of using Motor Vehicle funds as the principal funding source or to match Federal funds for a state vanpool operation. Preliminary findings have indicated that these funds cannot be used because of conflicts with the 18th Amendment.

State Funds - State General Fund

There is a possibility that General Fund expenditures could be used to provide the principal or the match for Federal funds. Obtaining

these funds may be a sensitive issue because of the increasing percentage of these funds allocated for public transportation.

Private Sector Funds - Lease Type Arrangement

If WSDOT was to operate a third party vanpool using a lease type arrangement with a leasing company, as CALTRANS has recently undertaken, only costs for the vanpool administration and perhaps some storage charges would involve the necessity for using public funds. The leasing company would provide for all operations of the fleet and provide maintenance.

Private Sector Funds - Driver/Coordinator Provides Match

North Dakota's State Vanpool Program requires that the individual wishing to purchase a van can receive a no-interest loan for the Federal share of the Federal-aid primary funds. The individual provides the required match. At the end of the specified loan pay off period, ownership is transferred to the individual.

Note: Tax-exempt borrowing may be relevant in this context. Borrowing for public investment allows for financing of capital equipment by tax-exempt funds, providing faith and credit of borrowing organization is pledged.

5. EXPERIENCE IN OTHER STATES

A few selected examples of vanpool activities are given below. They are indicative of some of the systems being implemented in various parts of the nation.

Maryland Department of Transportation

VANGO, Inc. a nonprofit firm set up in November 1977 by the Maryland Department of Transportation, is a third-party vanpool organization. It is focused in the Baltimore-Washington region and seeks to commute more than 10 miles each way.

In effect, VANGO operates as a middleman in lease arrangements between leasing companies and van users.

A unique feature of the program is the arrangement under which VANGO cosigns the leases to permit vanpool users to terminate their participation without financial loss in cases where an individual vanpool is unsuccessful.

A contingency fund of \$30,000 is maintained from Federal-aid highway funds to diminish financial losses when individual vanpools must be terminated.

California Department of Transportation

In response to the "Oil Embargo of 1973-74", Congress passed the Emergency Conservation Act of 1973 which permitted Federal Aid Urban (FAU) Highway Funds to be used for demonstration projects to encourage carpooling and vanpooling. In California, the Governor delegated responsibility to CALTRANS for developing and coordinating programs to encourage ridesharing. Demonstration projects using FAU funds to test ridesharing concepts were established in many of California's major metropolitan areas.

In the smaller metropolitan areas such as Sacramento and San Diego, the demonstration projects were organized as cooperative efforts of the city, county, local planning organization and CALTRANS; but because there are so many cities and counties involved in larger metropolitan areas, other organizational arrangements seemed appropriate.

Based on the experience gained with these demonstration projects, CALTRANS initiated legislation for the purpose of increasing participation in carpools and vanpools. The legislation authorized CALTRANS to establish areawide carpool matching projects in all the metropolitan areas of the state. It also called for incentives such as preferential lanes and removed Public Utility Commission control for vanpooling, which had been a deterrent to the establishment of many vanpool operations.

In August 1979, CALTRANS announced a new California Statewide Vanpool Master Contract with Vanpool Services, Inc., a subsidiary of Chrysler Corporation. CALTRANS, through the local areawide commuter ridesharing programs, will promote and organize vanpools and Vanpool Services, Inc. will furnish the vans and provide fleet management. Vanpool Services, Inc. is not requiring a CALTRANS guarantee or contingency fee for the vans in this program. CALTRANS will pay up to \$14,000 per year of \$28,000 for a maximum of two years for floor planning of the vans, i.e., paying the interest, etc., on vans waiting to be assigned to a vanpool, so that each new vanpool does not have to wait 1-3 months for delivery of a van from the factory. Before a van is placed in service, at least 12 passengers must agree to pay a fare and the vanpool driver can terminate his or her commitment with 90 days prior notice.

North Dakota State Highway Department

The North Dakota State Highway Department is using Federal Aid Primary monies to offer interest-free loans to individuals or businesses for vanpooling. There are no state monies involved in this project. The administration costs are paid by DOE funding.

All insurance, gas, and licensing costs are left up to the vanpool sponsor to pay. The only amount paid to the state is the payback on the 75 percent loan, even though fare structure must be approved by the Department. All fare changes must be approved by the Department prior to change. The fares charged cannot be more than one-eighth of the total cost per rider. All charges after the eighth rider may be kept by the sponsor.

During the contract, the Department is the title holder; after the payoff is made, the title is signed over to the sponsor to use the van in any way he desires. In case the vanpool fails during the first 12 months, the sponsor is only responsible for 10 percent of the capital loss; after 12 months, he is responsible for the total loss. The Department has the option, in case of failure, to either repossess the vehicle or permit the sponsor to pay off the loan and obtain title. When repossessing the vehicle, the Department must repay the sponsor his original investment less depreciation costs.

Utah Department of Transportation

The Transportation Commission of the Utah Department of Transportation recently approved the funding for the Tooele Army Depot (TAD) Employees Vanpool. This is the first vanpool project to be approved in Utah.

The Commission approved the expenditure of \$150,000 in primary federal funds for the purchase of 15 vans. The vans will be used to transport employees to and from the TAD. The money will be paid back to the UDOT over a four-year period.

Massachusetts Department of Transportation

Massachusetts first third-party vanpools have recently been placed into operation. The vans are furnished by CARAVAN, a private, non profit corporation which operates the vanpooling portion of MASSPOOL, the State's ridesharing program. In addition to providing the vehicles, CARAVAN promotes carpooling, organizes ridesharing groups, and provides planning and technical and administrative services.

CARAVAN provides vans through private leasing companies and guarantees the leases. This reduces potential liabilities an employer might have as the direct sponsor of a vanpool. CARAVAN's guaranteed lease means that should a vanpool disband, the riders and their employers have no responsibility to the leasing company. Passengers join the vanpool on a monthly "pay-as-you-go" arrangement.

Since the standard vans are fully equipped, deluxe 15-passenger Maxi wagons, riders commute comfortably, as well as inexpensively. A typical rider commuting 75 miles roundtrip pays less than 3 cents a mile, or \$2.22 a day. Executive model vans with reclining airline-type bucket seats, and individual reading lights are also available at a higher monthly rate.

In addition to the state government (DOT) sponsored activities listed above, there is also a large number of private industry vanpools currently operational. A few of these are summarized below:

Chrysler Corporation, Detroit, Michigan

In response to rising fuel costs, increasing traffic congestion, and lack of parking space, Chrysler corporation initiated a pilot vanpool program in mid-1974 at its Syracuse, New York, plant. The company has expanded the program to include 140 vans at its Detroit, Michigan, headquarters and Canada.

The van program is operated on a break-even basis, with fares calculated on the assumption of 9 paying passengers. As opposed to most other vanpool operations, Chrysler includes administrative expenses in its cost estimates. The fares, per passenger, range from \$24 to \$44 per month. The insurance is a self-insured policy for collision, liability is under the general corporate policy, and physical damage coverage is under a policy which costs approximately \$20 per month per van.

Aerospace Corporation, Los Angeles, California

The joint ride-sharing program of the Aerospace Corporation and the Air Force's Space and Missile Systems Organization began in June 1972 with the introduction of a carpool matching service and a charter bus operation. Although the carpool program was quite successful, the organization felt that the greater flexibility and efficiency of vans over bus and carpools warranted the introduction of a vanpool program. Initiated in April 1975, the program now includes a total of 19 vans.

According to the managers of the Aerospace/Samsco Commute-A-Van Program, three significant features have been primarily responsible for its success: the van style, the method of procuring the vehicle, and the fare structure. In determining the type of van to be used, rider comfort was a major consideration. Consequently, those vans which were intended for use over longer routes were furnished with airplane-type reclining seats. According to the company, the additional ridership induced by this feature more than compensates for the additional cost of the seats and the reduced passenger capacity per van.

The vans are procured by the company through leasing, with the full cost assessed to the passengers. Fuel and maintenance service, partially provided by aerospace facilities, is charged to each van on a per-mile basis. Finally, the program utilizes a commercial liability insurance policy costing \$46 per month per van in combination with a van program insurance pool which assesses each van \$10 per month.

Aramco Services, Houston, Texas

Aramco Services initiated a vanpool program in March 1976 and currently has 34 vans in operation. It is anticipated that this service will be extended as the need arises.

The fare structure is similar to that of CONOCO in Houston, Texas. The fare is based on mileage traveled with the administrative costs being absorbed by the company. Furthermore, the parking costs of the van are absorbed by the company. The payment of the fares is handled through a direct payment each month to the driver by the passengers. As an incentive for the driver, he is permitted to use the van during off-hours if he supplies the gasoline.

The van is used primarily for commuting, however, business trips are permitted if the designated driver of the van is the actual driver on such trips. The normal commuting trips range between a minimum of 15 miles one way to a maximum of 47 miles one way. The van is insured under the general company umbrella policy.

6. POSSIBILITIES FOR WASHINGTON STATE

It follows, from what has been presented in the foregoing pages, that vanpools are increasing throughout the U.S. and much is being done at both the Federal and State level. The question that now becomes relevant is how best can WSDOT lend its assistance to promote the use of vanpools as an energy saving and Transportation System Management measure.

Vanpool Alternatives for Washington State

There are basically two types of roles that WSDOT could take in the expansion of its efforts in Statewide Vanpooling.

The first is defined as the Initiating Role. Under this type of role WSDOT could take an active participation in the actual vanpool operation or contract with the private sector for maintenance and operation of the system. The other role the WSDOT could assume would be that of an expanded supportive role whereby WSDOT would provide technical assistance and support to promote ridesharing activities but the operations would be performed by the various regional ridesharing organizations, employers, and private individuals. This would be called the Support Role. Examples of each role are outlined below.

Initiating Role

1. Investigate the feasibility of actively working with regional planning organizations, and local public officials to form a non-profit corporation for the purpose of providing third-party vanpooling through the private sector. Reference is made to an earlier section for a discussion of VANGO which was established in Baltimore in this format.
2. Utilize Federal Aid Primary funds for providing interest-free loans to finance a State vanpool program. The State of North Dakota, for example, is currently utilizing this approach for their statewide program. The required match could either come from State funds or the individual's down payment. A description of the North Dakota program was outlined earlier.
3. Contract directly with a private leasing company to operate and maintain a vanpool program. WSDOT would be involved in promotion, ridematching, necessary to form the vanpools. Recently CALTRANS has entered a contract with Vanpool Services, a subsidiary of the Chrysler Corporation, to operate a statewide vanpool program. A more detailed explanation of this program is outlined in an earlier section.
4. Provide any special support to the above three alternatives which would include such measures as marketing programs and vanpool emphasis activities.

5. Form a coordinated state vanpool council to integrate the operations of both the public and private sectors.
6. Develop and finance mass media advertising activities designed to encourage energy conservation through the use of ridesharing measures.

Supportive Role

1. Provide technical assistance and financial support to the various metropolitan planning organizations and local agencies to develop coordinated regional ridesharing programs throughout the State.
2. Provide a greater degree of outreach to the states larger employers to assist in providing information about vanpooling. This could include the development of vanpool manuals, visual aids, etc. It is likely that activities of this sort eventually would be delegated to the District Administrators.
3. Encourage formation and assume an active role in the activities of a State Task Force on ridesharing patterned after the National Task Force on ridesharing but which deals with issues related to Washington State.
4. Support the use of Interstate funding for use of ridesharing activities, including vanpooling. This would allow Interstate funds to be borrowed interest free for the purpose of financing vanpools as a form of mass transit.
5. Provide, wherever possible, the use of the value of previously State funded highway public transportation projects (i.e., pool-it lots), as a match for regional ridesharing organizations to finance their vanpool activities.
6. Investigate the potential, and possible legal and legislative barriers for making use of social service vehicles for vanpooling by the non-elderly and/or handicapped during peak commuter hours.
7. Investigate the feasibility of requiring some minimum level of ridesharing activity, including vanpooling, as a condition for FAUS funding in urban areas. Perhaps WSDOT could provide some type of incentive for the local agency.
8. Investigate the feasibility of contacting individual van owners, perhaps through the Department of Licensing, to increase awareness and encourage them to become active vanpool operators.
9. Develop, and finance, mass media advertising activities designed to encourage energy conservation through the use of ridesharing measures.

7. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

There appears to be no question that vanpooling is desirable both from an energy conservation point of view and also because of its efficiency as a transportation mode. Vanpooling is considered one of the most energy efficient forms of public transportation. Vanpooling is perhaps the only form of public transportation that has the potential of paying its own way without public subsidy.

As can be seen from comments earlier in this paper, there is a strong latent demand for vanpooling brought about largely by recent increases in the operational costs of automobile ownership as well as a questionable supply of gasoline.

Recently, the Federal government has placed increased emphasis on the promotion of vanpooling through the establishment of the National Ridesharing Task Force. The FHWA is also placing a great emphasis upon developing TSM measures such as vanpooling as outlined in their FHWA Notice N5520.3 dated July 20, 1979, a copy of which is included as an appendix.

To be successful, continuous stable funding sources are essential for the establishment and operation of any statewide vanpool program. This may require a re-evaluation of funding priorities by WSDOT.

WSDOT can play a leading role in the expanded use of vanpooling as a form of public transportation. For maximum success, however, the support of the various regional ridesharing organizations, metropolitan planning organizations, local officials, public transportation agencies and the private sector is considered essential.

Recommendations

Of the various ridesharing measures that can be taken, vanpooling has the best potential for the reduction of motor vehicle miles and reduced energy demands. WSDOT should initially concentrate its efforts in this area. Later WSDOT should investigate the probability of becoming involved in other ridesharing and TSM activities such as buspools, flexible work hours, computer ridematching, and parking management.

It is recommended that WSDOT expand its supportive type role by providing technical assistance and coordination to private and public organizations throughout the State in order to develop the vanpool potential. This will include the creation of, and participation in, a State Ridesharing Task Force, and close contact with metropolitan planning organizations, local agencies, transit operators and other involved persons and groups in developing effective, coordinated vanpool systems throughout the state. It will require expanded liaison and involvement similar to that currently carried out by the Public Transportation Section of WSDOT.

This recommendation for an expanded supportive role is based upon the need to develop greater involvement in the area of ridesharing (with eventual decentralization of ridesharing activities to the WSDOT District level) and the development of a stable funding source, before WSDOT can assume a major initiating role.

As experience shows the need for a stronger involvement, WSDOT will evaluate alternatives for an Initiating Role which will be coordinated with the various regional ridesharing organizations and the private sector. This development will require organizational changes and a re-evaluation of funding priorities for transportation within the State.

TESTIMONY OF
RICHARD SOMERVILLE
OF THE
NATIONAL TASK FORCE ON RIDESHARING
BEFORE THE
SENATE SUBCOMMITTEE ON TRANSPORTATION
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

JULY 22, 1980

Good morning Mr. Chairman, I am proud as a fellow Texan to be here today to discuss the importance of ridesharing in America today and the relation of the Administration's proposed Auto-Use Management legislation to ridesharing. Being from Texas, I am also proud to state that Texas leads the nation with the largest number of vanpools in operation, currently over 1,700. Also that Houston is the "Vanpool Capitol" of the nation with around 1,400 vans on the road.

I would like to provide you with some background on the growth of ridesharing as we know it today in the United States.

Ridesharing, especially in its carpool form, is a familiar method of private transportation with some 15 million American commuters currently carpooling or vanpooling. These ridesharers represent 19 percent of all commuters who use a vehicle to get to work. Another 52 million commuters drive alone.

The oil embargo of 1973-1974 spurred government efforts to encourage commuter ridesharing and, since first authorized under the Emergency Highway Energy Conservation Act of 1974, the DOT has actively promoted and supported the development of ride-sharing programs. The purpose of these programs is to conserve fuel, improve air quality, and enhance the use of the existing highway system by encouraging greater use of carpools, vanpools, and buses.

Through its Washington and field offices, the FHWA provided technical assistance to the 106 carpool demonstration projects in 34 States and 96 urbanized areas from 1974 to 1978. An FHWA evaluation of the effectiveness of comprehensive Federal-aid carpool demonstration projects found the following beneficial impacts of the average project conducted in 1978:

• Annual travel reduction of 12,673,000 vehicle miles or 1.2 percent of areawide total work trip VMT.

- . Annual energy conservation of 986,000 gallons.
- . Annual vehicle operating cost reduction of \$1,087,000 compared to the average annual project costs of \$131,000.
- . Reduction in demand for commuter parking of 1,009 spaces.

Two observations can be made from the recent history of ridesharing. First, after the initial oil embargo, there was a general lessening in the perceived need to use Federal-aid funds to implement ridesharing programs. This was reflected in the belief of the general public as well as many officials that the energy crisis had passed. The FHWA evaluation of the carpool demonstration projects confirmed this attitude: in the absence of very strong motivators such as long gas lines or limited fuel availability, changing the commuter's habit of driving alone was an uphill battle. The second observation is far more encouraging in that the dramatic increase in Federal-aid obligations could reflect an increasing awareness by the public that the need to conserve gasoline is real and an increasing willingness of transportation officials to redirect a greater portion of Federal-aid funds toward that effort.

In October 1979, President Carter established a National Task Force on Ridesharing composed of 18 distinguished representatives of the private business community and State and local officials. The President charged the Task Force to work with Secretary Goldschmidt to vastly expand ridesharing programs in both the private and public sectors and to open a continuing dialogue on ridesharing between government at all levels and private employers. The Task Force, in cooperation with DOT, is undertaking two major initiatives to encourage ridesharing. The first is establishing a formalized national network of ridesharing programs. The DOT has established within FHWA the National Ridesharing Information Center, including a toll-free "hotline", to assist in this effort and to support the Task Force's second initiative, the Executive Loan Program.

The National Task Force on Ridesharing has been considering several legislative matters as part of its goal of increasing the level of ridesharing nationwide. The Task Force has not taken a firm position on any one legislative item at this time, as it is still in the process of preparing its final report and recommendations which is expected to be completed soon.

The Administration's Auto-Use Management proposed legislation is consistent with the goals and objectives of the Task Force

in that it seeks to provide funding assistance and direction to greatly advance ridesharing and other energy efficient modes of transportation across the nation.

In this regard the Task Force states that the proposed legislation is in harmony with its goals and objectives. We are pleased to see significant legislation and action at the Federal level that provides greater support to ridesharing.

STATEMENT OF THE
TEXAS MEDICAL CENTER, INC.
TO THE
SENATE SUBCOMMITTEE ON TRANSPORTATION
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
REGARDING
AUTO USE MANAGEMENT AND RIDESHARING

Mr. Chairman, the Texas Medical Center is pleased to respond to your invitation for a statement on the proposed Auto-Use Management legislation. Although we have not had the opportunity to study the legislation in detail, we will comment on the role of ridesharing and more efficient uses of the private automobile in our society.

The Texas Medical Center is one of the largest medical complexes in the nation with over 43,000 persons working, attending school or seeking health care services each day. We have experienced rapid growth in the midst of the nation's fastest growing metropolitan area. This growth has helped the Texas Medical Center become one of the great centers for medical care in the world. This growth has also caused many problems which are primarily related to the automobile. These problems are real and are felt every day; they include steadily increasing traffic congestion and parking crises.

Several years ago, the Texas Medical Center saw the need to plan ahead in order to better accommodate its growth and to deal with the automobile. A comprehensive transportation program was developed which focused on greater use of public transit, ridesharing and other forms of commuting. This approach to working with the automobile has helped the Medical Center to stabilize its traffic and parking problems at a manageable level. This program has also offered our employees, students and visitors transportation alternatives which are fuel-efficient, convenient and cost-saving. Our community has also realized many related benefits, including improved air quality and increased mobility.

The Texas Medical Center feels that alternate energy-efficient forms of transportation are very important to our national effort to conserve energy and reduce our over-dependence on imported oil and to reduce the rising costs of commuting for the American public.

To the attainment of these goals, the Texas Medical Center expresses its support and endorses efforts to encourage, promote, provide incentives for and actively assist persons to "share the ride" and use public transit.

It is our understanding that the proposed Auto-Use Management legislation will make possible more efficient, more sensible use of the private automobile; assure that Americans obtain maximum mobility from the minimum amount of oil consumed; help meet the President's goal of halving our imports of foreign oil by 1990; stretch the productivity of highway and transit dollars; and protect our huge national investment in our existing transportation system. Our hope is that this can be accomplished without either massive amounts of new Federal funding or a dependence on untested technologies. Instead we support efforts to encourage greater use of ridesharing and public transit. We also support greater fuel efficient automobiles as a means to realize significant fuel savings.

We feel that ridesharing, public transit and fuel efficient vehicles can give us the immediate and enduring energy savings and the breathing space we need until new fuels and technologies become available.

The oil embargo of 1973-1974 and the gas shortage of 1979 taught all of us a lesson. The American public is now beginning to reduce its consumption of gasoline for the first time in decades. This is a good trend. We think it is equally good for people to take positive action by turning to carpooling, vanpooling, bicycling and public transit.

The old tunnel vision thinking that more highways, more parking spaces and more cars were the only solutions to our mobility problems is no longer acceptable.

The day of "more" is no longer with us. Everyone now feels the pinch of "not enough". Not enough money, not enough gas, not enough highways, not enough parking, not enough buses, carpools or vanpools. Nonetheless, 50 million Americans drive alone to and from work each day and this number will grow. This means increased competition for gas, parking, and all other things an auto demands. Now is the time for new approaches to the use of the auto--more efficient uses. We encourage that approach and hope that the proposed Auto-Use Management program will accomplish this objective.



LOS ANGELES COUNTY TRANSPORTATION COMMISSION • 311 SOUTH SPRING STREET—SUITE 1206, LOS ANGELES, CALIFORNIA 90013 • (213) 626-0370

COMMISSIONERS:

September 3, 1980

PETER F. SCHABARUM
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Los Angeles County
Supervisor

RUSSELL RUBLEY
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Los Angeles County
Board of Supervisors

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WENDELL COX
Citizen Representative
City of Los Angeles

HEINZ HECKEROTH
Ex-Officio Member
State of California

JEROME C. PREMIO
EXECUTIVE DIRECTOR

Honorable Lloyd Bentsen, Chairman
Subcommittee on Transportation
Senate Environment and Public
Works Committee
4204 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Bentsen:

The Los Angeles County Transportation Commission is pleased to submit testimony relating to proposed Federal Auto-Use Management legislation.

The Commission strongly supports the objective of energy conservation in the transportation sector through low cost and readily implementable programs which focus on making more effective and efficient use of existing resources. The Commission has adopted a specific goal of a 10% reduction in gasoline consumption in Los Angeles County in the next 3 to 5 years. We believe that a major key to achieving that goal is a continuing and expanded ridesharing effort aimed at increasing vehicle occupancies.

Our comments focus primarily on the need for increased funding of ridesharing information, outreach and matching activities. We believe, for reasons spelled out in the attached materials, that a multi-year federal commitment to the funding of such activities is critical. A recent UMTA policy memorandum states that:

"Until ridesharing has its own reserved funding program with increased DOT staffing and formalized policy support, ridesharing will continue to be the step-sister of other DOT programs, receiving inadequate hand-me-down funding left over from existing programs, or token special occasion assistance (a la the current rideshare demonstration program)."

Honorable Bentsen

-2-

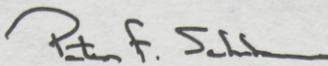
September 3, 1980

Congressional interest in ridesharing programs and tax-related incentives is increasing. This is evidenced by legislative initiatives taken in the current session by Senators Hayakawa, Durenberger and Leahy, and by Representatives Edgar and Gephardt, among others. We are hopeful that the next session of Congress will see the passage of comprehensive ridesharing legislation which will enable timely and effective implementation of this important energy conservation and air quality strategy.

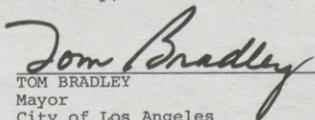
Additional details and answers to other questions can be found in the attached testimony and in the appendix thereto. We strongly urge that you review it carefully as you consider potential auto-use management legislation.

Thank you for consideration of our views.

Sincerely,



PETER F. SCHABARUM
Chairman
Los Angeles County
Transportation Commission



TOM BRADLEY
Mayor
City of Los Angeles

Attachment

Copies to: California Delegation

COMMENTS RELATING TO PROPOSED FEDERAL

AUTO USE MANAGEMENT LEGISLATION

SUBMITTED TO

THE TRANSPORTATION SUBCOMMITTEE

OF THE

SENATE ENVIRONMENTAL AND PUBLIC WORKS COMMITTEE

BY

THE LOS ANGELES COUNTY TRANSPORTATION COMMISSION

AUGUST 1980

INTRODUCTION

In 1978, a group of state, regional and local transportation agencies in Southern California joined with the private sector to establish the "Come Together" Regional Rideshare Program designed to promote the use of alternatives to the single occupant automobile: public transit, car-, van-, and buspools, etc. The program has met with success, but the consensus among participants is that if the potential benefits of ridesharing in all its many forms are to be fully realized nationwide, then leadership and financial support at the Federal level will be necessary.

Subsequently, an effort was made to develop a set of "Principles and Objectives" to serve as the basis of Federal legislation which, if enacted, would:

- o Establish and provide funding for a National Ridesharing Program to assist States, counties, municipalities, metropolitan planning organizations, other units of local and regional government, providers of ridesharing services, publicly owned operators of mass transportation services, and private entities in developing and implementing ridesharing programs.
- o Provide funding for the development and operation of local/regional ridesharing programs, outreach efforts, information assistance, computer matching, and coordination of such efforts with existing transportation agencies and programs.

A complete packet of materials which sets forth the "Principles and Objectives" and answers a variety of related questions is appended; we request that it be made a part of the formal record of your hearings.

A recent DOT report reached the following conclusion regarding the creation of a National Office of Ridesharing in the Office of the Secretary:

"The Department does not believe that such a management change would result in any improvements but could, in fact, lead to duplication of effort between this new office and the office in FHWA and, to a lesser extent, UMTA, that exercises direct program management responsibilities as provided by statute."

Our view is that the overriding issue is the need to ensure that FHWA's and UMTA's (not to mention DOE's) ridesharing efforts are coordinated and complementary. Whether the Office of Ridesharing is in OST, FHWA, or UMTA is of secondary importance as long as that objective is met.

NEED FOR FUNDING

We believe that it is critical that any auto-use management legislation have a component - if not a separate category - which focuses on funding ridesharing information, marketing and management organizations.

We question the premise that increasing the match ratio for FAUS, FAP, and FAS to 90:10 will result in significant increases in these funds for ridesharing and other auto-use management programs. In California, the FAUS match ratio is currently 86:14; shifting to 90:10 is unlikely to have much of an impact.

One needs to look at the current and future use and availability of these funds to understand why new funding is needed. For example, it is often pointed out that FHWA Federal Aid to

Urban Systems (FAUS) funds can be used for ridesharing. But analyses reveal that these funds are becoming increasingly precious as cities and counties try to maintain and operate their streets and roads in the face of rampant inflation and a flattening out or even decline of gas tax revenues.

A 1978 study by the California Department of Transportation revealed that in the 1972-77 period, state gas tax revenues covered 41% of maintenance and operations needs. The same report concludes that this figure will decline to 26% for the 1977-82 period. Our projections show an additional decline in the 1982-87 period such that state gas tax revenues in California will provide only about 17% of the funds needed by cities and counties for maintenance, safety, and rehabilitation of their streets and roads.

The point is this: the pressure on other sources of funds to maintain and operate city and county systems is mounting. This is not a matter of expansion or new construction, but one of protecting and preserving the huge investment that has gone into our urban transportation infrastructure. As the pressure mounts, it will be increasingly difficult to divert Federal highway funds such as FAUS for ridesharing purposes.

In the 1972-77 period, Federal funds accounted for only 8.3% of the funds expended by cities and counties in California for maintenance, safety, and rehabilitation of local streets and roads. Thus, the relatively small amount of Federal funds (and their attractive matching ratios) available for streets and roads purposes is becoming severely strained, and may become

more so as gasoline consumption declines (fourth quarter 1979 consumption was 7.2% lower than a year earlier; December, 1979 consumption was down 11%).

A recent DOT report ("A Study of the Effectiveness of DOT Ridesharing Programs") depicted a 15-fold increase in annual federal aid obligations for ridesharing. However, the vast majority of such obligations has been for facility-related investments. Ridesharing information and marketing - vital to implementation of air quality and energy conservation tactics - continues to be severely underfunded, especially when one considers the vast sums spent by the auto industry extolling the virtues of the "private" automobile.

Recently, it has been suggested that additional funding for ridesharing information and marketing programs could be provided by the use of UMTA Section 5 funds. We question the wisdom of this approach in major urban areas. Public transportation systems all over the United States are under-going tremendous increases in the demand for their services. Very few are financially able to provide enough service to meet that demand. In fact, many face unfunded deficit situations in the next few years even after hefty fare increases. Taking money from a financially strapped but very energy efficient mode of transportation to support ridesharing programs does not seem a very wise course of action.

JUSTIFICATION FOR INCREASED PUBLIC SECTOR INVOLVEMENT

We believe there is strong justification for increased

public sector involvement in the ridesharing arena. While many firms have set up successful ridesharing programs of their own, these have generally been large firms with considerable in-house resources. The majority of Americans work in relatively small firms that do not have the resources, expertise, or (in some cases) the employee base to set up rideshare programs. There needs to be a catalyst or facilitator at the local or state level to reach these firms and their employees. In addition, while employer based approaches have proven to be the most cost-effective so far, this may be because the part of the market that has been penetrated so far has been the easiest (i.e., big firms). In the future, additional emphasis will have to be placed on the individual consumer who is difficult to reach via his or her employer (88% of the firms in the U.S. have fewer than 20 employees; 75% of U.S. employment is in firms of 250 or less) and on smaller employers.

Contrary to some current thinking, economic incentives alone will not be enough for people to rideshare in significant numbers. Behavioral research in this area has consistently shown that the social and psychological barriers to getting people to try ridesharing far outweigh simple economic incentives. That's one reason why employer based approaches work so well - it helps people overcome their fears. Once the barriers are overcome, economic incentives tend to keep people ridesharing.

Furthermore, economic incentives don't tell people the "how" of it; and, as seen above, most firms and people don't

have the expertise or resources to do it on their own. Public sector involvement is needed to provide people with information on all the options available so they can decide which is best for them (public transit, carpool, vanpool, or whatever). In addition, employers and consumers often need help with legal, insurance, financial, and, in some cases, administrative problems.

Finally, it is important to be sure that carpool and vanpool programs are coordinated with and complementary to public transit programs both for maximum effectiveness and to avoid wasteful duplication.

FLEXIBLE ADMINISTRATION

In recognition of the fact that state, regional, and local institutional arrangements are at different stages of evolution in the various urbanized areas, the National Ridesharing Program should be funded and administered in a flexible manner to ensure participation of state departments of transportation, MPO's, counties, municipalities, providers of ridesharing services, publicly owned operators of mass transportation services, other local transportation planning and implementation agencies, and the private sector. This flexibility will help ensure that programs are developed which recognize the unique characteristics of each urbanized area in terms of land use, private sector involvement, commute patterns, and decision-making infrastructure.

We believe that participation by State DOT's is an important and desirable element in the success of any program. However, we feel that such participation should be on a peer rather than gatekeeper basis. This gatekeeper approach is inappropriate for ridesharing programs which involve marketing to employers, community outreach, public information, and commuter matching, when the success of such programs is dependent on a local data base and on the intimate involvement of local elected officials and the private sector.

We understand that in certain areas local decision-makers may wish to have the State Department of Transportation be the lead agent in establishing and operating a rideshare program. We feel that the principles as articulated in the attachment allow for this. At the same time, they also allow for the equal participation of state departments of transportation in areas which have successful programs and where it is the consensus that that is the desirable way to go.

The planning regulations which were promulgated by the Department of Transportation pursuant to Section 134 of Title 23 U.S.C. explicitly include ridesharing programs as part of the TSM element in the urban transportation planning process.

To reiterate, the development of ridesharing programs should be based upon the continuing, cooperative, and comprehensive planning process (a.k.a. the 3-C process) as required under Section 134, Title 23, U.S.C., and Section 1607, Title 49, U.S.C. The Secretary of Transportation should not approve any project in an urbanized area unless he finds that such

project is based on the 3-C process.

FUNDS ALLOCATION PROCESS

We believe that the objectives and planning requirements of ridesharing are closer to public transportation programs (i.e., increased vehicle occupancy, whether in buses, carpools, or vanpools) than to highway programs, and that therefore a Section 3/Section 5 funding model and process is more appropriate than an FAU model.

In short, we are suggesting that allocations be made consistent with processes described in Section 1604 and Section 1607 of the UMTA Act, which allows for (but does not require) direct formula allocation of funds to urban areas. This is clearly a departure from past practice in that other Title 23 programs use the States as the administrators of Federal funds.

Nonetheless, we believe that a more "UMTA-like" funding approach is appropriate. A recent FHWA report on ridesharing concludes that:

"A ridesharing approach is necessary for carpool programs; they should concentrate on appeals appropriate for different segments of the population. The motivations for carpooling and the problems connected with it vary according to experience, occupation, age, income, sex, auto availability, length of commute, and other factors.

"It is very important, therefore, that transportation planners survey their commuters to determine the characteristics and needs of local commuters. Successful programs must be based on thorough knowledge of the local scene. What works in one city may not work in another."

Moreover, the objectives of ridesharing programs are closer to the traditional goals of UMTA than to FHWA's; that is not a criticism, merely a statement of fact. We are not implying that State DOT's should be excluded from participation in ridesharing programs. In fact, our view is that State DOT's should have the lead in non-urbanized areas, smaller urbanized areas, and in larger urbanized areas where there is local agreement that such an arrangement would be most effective.

As a rule, though, we feel that forming a partnership between state, regional and local agencies with the private sector is the most effective approach to the development and implementation of ridesharing information, marketing and matching programs. The best way to accomplish this is by permitting a direct flow of funds to agencies which participate in the development of Federally-required Regional Transportation Improvement Programs (RTIP's).

We hope that any national program resulting from your legislative initiative will have built-in flexibility so that local programs can be tailored to meet the unique needs of each community. It is our view that the success of the rideshare concept in Los Angeles has been and will continue to be largely dependent on the involvement of the private sector. We are concerned that a federal program which "reinvents the wheels" and is not designed to meet local needs will result in a marked decrease in private sector participation.

CAPITAL VS. NON-CAPITAL INVESTMENTS

One concern which we have is that most proposals which we

have examined tend to lump such low-cost, non-capital intensive activities together with traditional facility oriented projects such as HOV lanes and park-and-ride lots.

Highway and transit facilities already have funding bases in FHWA and UMTA. Ridesharing marketing and outreach services, so critical to the success of ridesharing programs, will inevitably place a distant second when competing for highway or transit dollars. From a philosophical standpoint, it might be argued that it is not desirable to have yet another "pot" of categorical funds. We believe that, in this case, at least, reality outweighs philosophy.

Some have suggested that perhaps "minor" capital facilities, such as park-and-ride lots, should be eligible. However, what is minor with regard to the costs of capital projects ("what's a few million here or there?") is very major compared to the amounts of money available for ridesharing outreach to the private sector and to the public.

Another problem with making facilities eligible for funding is: where do you draw the line? Bus information signs? Bus shelters? Bus platforms and stations like those on the El Monte Busway and planned for the Century Freeway? Multi-modal transportation centers? Commuter rail stations? Ramp meter bypass lanes? High occupancy vehicle lanes like those proposed for the Harbor and Santa Ana Freeways? Buses and maintenance facilities? Rail rapid transit?

Most proposals emphasize traditional approaches to ridesharing such as provision of facilities; but nationwide exper-

ience suggests that these have been only partially successful. What is needed now are programs which "personalize" ridesharing and focus on incentives and benefits to employers and individuals.

Since major rideshare facilities (such as HOV lanes) already have a funding base, they should not be funded out of a new National Ridesharing Program. To do so might provide a rationale for arguing that such facilities should not be funded from the highway program. The level of funding needed for the National Rideshare Program would not be nearly sufficient to support such major capital investments, nor should it.

RIDESHARING AND PUBLIC TRANSIT

It is our view that carpool and vanpool programs should not be, and need not be, in competition with public transit. In many instances, carpools or vanpools are the first but most important step that people make out of their single-occupant autos. Later, many of them graduate to transit. In addition, Portland, Seattle, and Washington, D.C., are three examples of cities where carpool programs actually were responsible for the addition of new bus routes.

Carpools and vanpools help to reduce the peak to base ratio for transit operators and help to relieve the overcrowding that many transit operators face now or in the near future as the price of gasoline continues to spiral. Thus, carpooling and vanpooling are complementary to transit under the overall umbrella of ridesharing strategies.



RIDESHARING IN
AMERICA :
A
BASIS FOR FEDERAL
LEGISLATION

Come Together

MEMO TO : INTERESTED PARTIES

SUBJECT : NATIONAL RIDESHARE LEGISLATION

Introduction

This packet contains a variety of materials relating to a set of "Principles and Objectives" that have been proposed as the basis of federal legislation which, if enacted, would:

- o Establish and provide funding for a National Ridesharing Program to assist States, counties, municipalities, metropolitan planning organizations, other units of local and regional government, providers of ridesharing services, publicly owned operators of mass transportation services, and private entities in developing and implementing ridesharing programs.

- o Provide funding for the development and operation of local/regional ridesharing programs, outreach efforts, information assistance, computer matching, and coordination of such efforts with existing transportation agencies and programs.

Background

In 1978 a group of state, regional, and local transportation agencies in Southern California joined with the private sector to establish the "Come Together" Regional Rideshare Program designed to promote the use of alternatives to the single occupant automobile: public transit, car-, van-, and buspools, etc. The program has met with some success, but the consensus among participants is that if the potential benefits of ridesharing in all its many forms are to be fully realized nationwide, then leadership and financial support at the Federal level will be necessary.

The National Task Force on Ridesharing

Last October, President Carter took the initiative in providing that leadership by establishing a National Task Force on Ridesharing chaired by Mayor Tom Bradley of Los Angeles. In making the announcement, the President cited the payoffs to be realized from successful ridesharing programs :

"I want to talk this afternoon just for a few minutes about ridesharing. It's not anything complicated : it's carpools, vanpools, subscription buses, public transit, and so forth. This saves fuel and preserves our environment. It maintains personal mobility, and it helps the income and standard of living of families simply because they stop wasting the money they earn."

Federal Legislation

Since that time, numerous participants in the "Come Together" Program have joined in developing the attached "Principles and Objectives of the National Ridesharing Act" with the goal of securing passage of legislation during either this or the next session of Congress. The "Principles and Objectives" have been endorsed by numerous public and private organizations in Southern California, and interest from other parts of the country is on the rise.

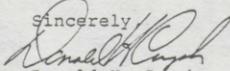
Your Support Needed

This packet includes a set of "Questions and Answers" concerning ridesharing in general and various aspects of the proposed legislation in particular. Though somewhat lengthy, they are the result of many months of interaction with both elected officials and representatives from the private sector. You are urged to review these materials with the policy board or committee of your organization and make your support known to the Administration and to your legislative representatives. If you have additional questions or need further information, please contact any of the resource people listed on the last page of the packet at your convenience.

Two final comments are in order. First, it should be noted that the authorization levels shown in Point 9 of the "Principles and Objectives" are basically for discussion purposes; they are an extrapolation of the results of a study conducted for the Los Angeles region which determined the level of funding which would be needed if ridesharing is to reach its full potential as a tactic for achieving mobility, energy, and air quality goals.

Second, some people have found it helpful to read the "Questions and Answers" beginning on page 10 of the packet before tackling the more detailed "Principles and Objectives" themselves. Again, we look forward to hearing your comments and suggestions (whether favorable or not!); thank you for your time and attention.

Sincerely,



Donald H. Camph
Director of Policy Development
Los Angeles County Transportation
Commission (213-626-0370)
311 So. Spring St.
Los Angeles, CA 90013

PRINCIPLES AND OBJECTIVES OF
THE NATIONAL RIDESHARING ACT
(9/3/80)

PRINCIPLES AND OBJECTIVES OF
THE NATIONAL RIDESHARING ACT

1. BASIC OBJECTIVE

The basic objective of the National Ridesharing Act is to promote and facilitate availability and use of alternatives to the single occupant automobile for both work and non-work related trips.

2. ADDITIONAL OBJECTIVES

Two additional objectives of the Act are the establishment of viable ridesharing programs in urbanized and non-urbanized areas where none currently exist, and the support and enhancement of existing programs.

3. EXPECTED BENEFITS

Benefits which will stem from the accomplishment of these objectives include:

- Reductions in transportation related energy consumption, air pollution, and highway congestion; and
- Reduced dependency on foreign sources of oil; and
- Improve U.S. balance of trade and strengthening of the dollar abroad; and
- Increases in disposable income available to U.S. citizens for non-transportation related purposes; and
- Increases in consumer transportation choice and mobility, especially in times of gasoline shortages; and
- Stimulation of local and regional economies due to shifts in consumer spending from extractive to non-extractive goods and services.

4. ESTABLISHMENT OF NATIONAL OFFICE OF RIDESHARING

In order to realize these benefits, the Secretary of Transportation shall establish a National Office of Ridesharing with a Director reporting directly to the Secretary. This legislation envisions the development of a small but capable core staff able to provide the Director and the Secretary with the objective analysis and recommendations necessary to achieve the objectives of this act.

5. DEVELOPMENT OF NATIONAL RIDESHARING PROGRAM

The National Office of Ridesharing shall develop a National Ridesharing Program to assist states, counties, municipalities, metropolitan planning organizations, other units of local and

regional government, providers of ridesharing services, publicly owned operators of mass transportation services, and private entities in developing and implementing ridesharing programs.

6. DOT TO HAVE LEAD RESPONSIBILITY FOR RIDESHARING

The National Office of Ridesharing shall have lead Federal responsibility for the development and coordination of any and all ridesharing activities supported in total or in part by federal funds. The National Office of Ridesharing shall administer funds and programs authorized under this legislation and shall coordinate those programs with other ridesharing activities within DOT, the Department of Energy, and other branches of the Federal government.

The Secretary of Transportation and the Secretary of Energy shall establish a process for coordinating their Departments' activities related to the planning and implementation of ridesharing programs. All transportation-related Department of Energy monies shall be coordinated with the requirements of Section 134 of Title 23 U.S.C.

The Director of the National Office of Ridesharing shall coordinate the development of ridesharing programs pursuant to this Act with the Administrator of General Services to ensure that such programs are consistent with and complementary to efforts made by other federal agencies to promote ridesharing in accordance with Executive Order 12191 "Federal Facility Ridesharing Programs" (2/1/80).

7. "RIDESHARING" DEFINED

The concept of ridesharing, as used in this legislation, means group travel by any mode, including but not limited to, carpooling, vanpooling, public/private buspooling, shared-ride taxi, and public transit, either in mixed-flow traffic or on exclusive high occupancy vehicle (HOV) facilities.

8. RIDESHARING ACTIVITIES ELIGIBLE FOR FUNDING UNDER THIS ACT

Funding for ridesharing services as used here include but are not limited to establishment and operation of local/regional ridesharing programs, outreach efforts, dial-in ridesharing assistance, computer matching, and coordination with planning organizations, providers of ridesharing services, publicly owned operators of mass transportation services, state and local governments, and the private sector.

Outreach efforts, as used here, include planning, survey analysis, implementation or evaluation of ridesharing programs, and marketing of ridesharing services. Private entities, as used here, means both private non-profit and private for-profit entities.

Construction of HOV facilities and the purchase and/or operation of public transit vehicles are not eligible for funding under this Act. However, the development of ridesharing projects shall be closely coordinated at all levels of government with the planning of HOV facilities and public transit programs.

9. LEVEL OF FUNDING

This Act would authorize to be appropriated funds not to exceed \$20,000,000 for the fiscal year ending September 30, 1982, \$50,000,000 for the fiscal year ending September 30, 1983, \$100,000,000 for the fiscal year ending September 30, 1984, and \$100,000,000 for the fiscal year ending September 30, 1985 for the purposes of carrying out the objectives of the National Ridesharing Program.

10. SOURCES OF FUNDS

The intent of the legislation is to provide funding for the development and implementation of the National Ridesharing Program. Further, it is intended that such funding shall be in addition to, not a substitute for or transfer of, existing ridesharing fund sources in DOT, DOE, or other departments of the federal government.

It is intended that funds authorized by this Act shall be in addition to funds currently being proposed to increase the federal match for ridesharing programs from existing sources such as the FAUS program.

Toward these ends, funds for the development of the National Ridesharing Program shall be made available from revenues deriving from the Windfall Profits Tax, other new sources, and/or general fund increases.

11. REAUTHORIZATION AND REPORT TO CONGRESS AND TO THE PRESIDENT

The Committees of the House and of the Senate having primary oversight responsibility with respect to the National Office of Ridesharing shall, not later than three months prior to September 30, 1984, conduct an inquiry into the performance and effectiveness of the Office and make public a report of their findings, conclusions, and recommendations, including proposed legislation for changes in authorization levels or reorganization of the Office as they deem appropriate.

In order to assist the Congress in fulfilling these tasks, the Secretary of Transportation shall, commencing not later than nine months prior to September 30, 1984, conduct an investigation of the overall performance of the Office including, but not limited to, the effectiveness of the Office's programs, operations, and activities in accomplishing the Office's general goals and purposes, promoting the general

welfare, reducing the Nation's gasoline consumption, and reducing air pollution caused by motor vehicles.

Not later than six months prior to September 30, 1984, the Secretary shall make public and submit to the Congress and to the President a report on the findings of the investigation which shall include a recommendation as to whether the authority of this Act should be extended or allowed to lapse, and whether and in what way the Office should be reorganized.

12. DISCRETIONARY AND FORMULA FUNDING

Funds appropriated for apportionment prior to September 30, 1983 shall be allocated at the discretion of the Secretary to support existing viable ridesharing programs, as certified by the Secretary, to support significant expansions of those programs where warranted, and to establish new programs in areas where none currently exist.

Subsequent to September 30, 1983 funds for the establishment of new programs or for significant expansions of existing programs shall be allocated at the discretion of the Secretary. In order to facilitate orderly planning and management of existing viable ridesharing programs, funds to support such programs, as certified by the Secretary, shall be allocated on a formula basis.

13. FORMULA ALLOCATIONS

Subsequent to September 30, 1983 the proportion of funds authorized by this Act to be allocated on a formula basis shall be determined by the Secretary on the basis of the financial requirements of existing viable ridesharing programs (as certified by the Secretary). However, such proportion shall not be less than 50% of the total funds authorized under this Act for the fiscal year ending September 30, 1984 plus any funds unapportioned from the prior fiscal year.

Not more than 10% of the funds authorized under this Act shall be allocated by the Secretary to areas other than urbanized areas as defined in Section 1608(c)(11), Title 49, U.S.C. Any funds to be allocated by formula in areas other than urbanized areas shall be made available for expenditure for eligible ridesharing activities on the basis of a formula under which the Governor of each State will be entitled to receive an amount equal to the total amount so apportioned, multiplied by the ratio which the population of areas other than urbanized areas in each State, as designated by the Bureau of the Census, bears to the total population of areas other than urbanized areas in all the States as shown by the latest available Federal census (cf. Section 1614, Title 49, U.S.C.).

Any funds to be apportioned by formula in urbanized areas shall be made available for eligible ridesharing services on the basis of a formula under which urbanized areas or parts thereof will be entitled to receive an amount equal to the sum of -

- (i) one-half of the total amount so apportioned multiplied by the ratio which the population of such urbanized area or part thereof, as designated by the Bureau of the Census, bears to the total population of all the urbanized areas in all the States as shown by the latest available Federal census; and,
- (ii) one-half of the total amount so apportioned multiplied by a ratio for that urbanized area determined on the basis of population weighted by a factor of density, as determined by the Secretary.

As used here, the term "density" means the number of inhabitants per square mile. (cf. Sec. 1604, Title 49, U.S.C.)

14. ELIGIBLE RECIPIENTS

The Governor, responsible local officials, providers of ridesharing services, publicly owned operators of mass transportation services, and appropriate representatives of the private sector, in accordance with the planning process required under Section 1607, Title 49, U.S.C., with the concurrence of the Secretary, shall designate a recipient or recipients to receive and dispense the funds apportioned under this Act that are attributable to urbanized areas of two hundred thousand or more population. (cf. Sec. 1604, Title 49, U.S.C.)

Sums apportioned under this Act which are not made available for expenditure by designated recipients in accordance with the terms of the preceding paragraph shall be made available to the Governor for expenditure in urbanized areas or parts thereof in accordance with the planning process required under Section 1607, Title 49, U.S.C. and shall be fairly and equitably distributed. The Governor shall submit annually a report to the Secretary concerning the allocation of funds made available under this paragraph. (cf. Sec. 1604, Title 49, U.S.C.)

15. TIMELY USE OF FUNDS

Sums apportioned under this Act shall be made available by the Governor or designated recipient for a period of two years following the close of the fiscal year for which such sums are apportioned. Any amounts

so apportioned remaining unobligated at the end of such period shall be added to the amount available for apportionment under this Act for the succeeding fiscal year. (cf. Sec. 1604, Title 49, U.S.C.)

16. ACCOUNTABILITY

The Governor, responsible local officials, providers of ridesharing services, publicly owned operators of mass transportation services, and appropriate representatives of the private sector, in accordance with the planning process required under Section 1607, Title 49, U.S.C., with the concurrence of the Secretary, shall designate an appropriate public agency to account for and ensure that federal funds apportioned for ridesharing services are expended consistent with the policy and programming decisions made pursuant to the planning process as described below.

All provisions of this Act shall apply to grants made to both public and private sector entities.

17. PLANNING PROCESS

The development of ridesharing programs shall be based upon the continuing, cooperative, and comprehensive planning process (a.k.a. the 3-C process) as required under Section 134, Title 23, U.S.C. and Section 1607, Title 49, U.S.C. The Secretary of Transportation shall not approve any project in an urbanized area unless he finds that such project is based on the 3-C process.

Consistent with this process, and in recognition of the fact that state, regional, and local institutional arrangements are at different stages of evolution in the various urbanized areas, the National Ridesharing Program shall be administered in a flexible manner to ensure participation of state departments of transportation, MPO's, counties, municipalities, providers of ridesharing services, publicly owned operators of mass transportation services, other local transportation planning and implementation agencies, and the private sector.

18. PUBLIC TRANSIT'S ROLE

The National Ridesharing Program shall be developed to ensure that the various modes of ridesharing are implemented in a complementary rather than competitive manner. Carpooling, vanpooling, buspooling and other high occupancy vehicle programs shall be developed with full coordination with and participation by operators of publicly owned mass transportation systems. The Secretary shall not approve any programs which have not been developed pursuant to these requirements.

19. SPECIAL CONSIDERATION FOR LOCAL EFFORT

The Secretary, in making discretionary apportionments to eligible recipients shall give special consideration to those applicants who have shown particular commitment to ridesharing by virtue of their use of non-federal funds or eligible federal highway funds in their ridesharing programs.

RIDESHARING
QUESTIONS AND ANSWERS

- Q: Does "ridesharing" just mean carpooling and vanpooling?
- A: No. The concept of ridesharing means group (i.e. 2 or more people) travel by any mode including, but not limited to, carpooling, vanpooling, public/private bus-pooling, shared-ride taxis and jitneys, and public transit, either in mixed flow traffic or on exclusive high occupancy vehicle (HOV) facilities.
- Q: What benefits can result from successful ridesharing programs?
- A: A variety of studies by DOT and DOE have concluded that ridesharing is one of the most cost effective measures which can be implemented in the near term to reduce gasoline consumption, air pollution, and traffic congestion.
- o A May, 1979 DOT report shows that "pooling already saves 3½ billion gallons of gasoline per year."
 - o A recent report by DOE notes that "pooling programs can result in reductions in emissions (air pollution) far exceeding the absolute reduction in vehicle miles of travel."
 - o An UMTA policy memorandum states that "ridesharing has probably the highest energy conservation potential of any UMTA/FHWA activity."
- Q: What would the proposed legislation do?
- A: Basically, two things:
- o It would establish and provide funding for a National Rideshare Program (NRP) in the Office of the Secretary of Transportation to "assist states, counties, municipalities, metropolitan planning organizations, other units of local and regional government, providers of ridesharing services, publicly owned operators of mass transportation systems, and the private sector in developing and implementing ridesharing programs."; and,
 - o Provide funding for the development and operation of local or regional ridesharing programs, outreach efforts, information assistance, computer matching, and coordination of such efforts with existing transportation agencies and programs.

Q: Lots of firms have set up successful ridesharing programs of their own; why the need for increased public sector involvement?

A: The majority of Americans work in relatively small firms that do not have the resources, expertise, or (in some cases) the employee base to set up rideshare programs. There needs to be a catalyst or facilitator at the local or state level to reach these firms and their employees. In addition, while employer based approaches have proven to be the most cost-effective so far, this may be because the part of the market that has been penetrated so far has been the easiest (i.e. big firms). In the future, additional emphasis will have to be placed on the individual consumer who is difficult to reach via his or her employer (88% of the firms in the U.S. have fewer than 20 employees; 75% of U.S. employment is in firms of 250 or less) and on smaller employers.

Q: But won't economic incentive alone be enough for people to rideshare?

A: Behavioral research in this area has consistently shown that the social and psychological barriers to getting people to try ridesharing far outweigh simple economic incentives. That's one reason why employer based approaches work so well - it helps people overcome their fears. Once the barriers are overcome, economic incentives tend to keep people ridesharing.

Economic incentives don't tell people the "how" of it; and, as seen above, most firms and people don't have the expertise or resources to do it on their own. Public sector involvement is needed to provide people with information on all the options available so they can decide which is best for them (public transit, carpool, vanpool, or whatever). In addition, employers and consumers often need help with legal, insurance, financial, and, in some cases, administrative problems.

Finally, it is important to be sure that carpool and vanpool programs are coordinated with and complementary to public transit programs both for maximum effectiveness and to avoid wasteful duplication.

Q: Isn't it true that there are already a variety of Federal funds that can be used for these ridesharing programs?

A: Theoretically, yes. However, this is only part of the answer. One needs to look at the current and future use and availability of these funds to understand why new funding is needed.

For example, it is often pointed out that FHWA Federal Aid to Urban Systems (FAUS) funds can be used for ride-sharing. But analyses reveal that these funds are becoming increasingly precious as cities and counties try to maintain and operate their streets and roads in the face of rampant inflation and a flattening out or even decline of gas tax revenues.

A 1978 study by the California Department of Transportation revealed that in the 1972-77 period, state gas tax revenues covered 41% of maintenance and operations needs. The same report concludes that this figure will decline to 26% for the 1977-82 period. Our projections show an additional decline in the 1982-87 period such that state gas tax revenues in California will provide only about 17% of the funds needed by cities and counties for maintenance, safety, and rehabilitation of their streets and roads.

The point is this: the pressure on other sources of funds to maintain and operate city and county systems is mounting. This is not a matter of expansion or new construction, but one of protecting and preserving the huge investment that has gone into our urban transportation infrastructure. As the pressure mounts, it will be increasingly difficult to divert Federal highway funds such as FAUS for ridesharing purposes.

In the 1972-77 period, Federal funds accounted for only 8.3% of the funds expended by cities and counties in California for maintenance, safety, and rehabilitation of local streets and roads. Thus, the relatively small amount of Federal funds (and their attractive matching ratios) available for streets and roads purposes is becoming severely strained, and may become more so as gasoline consumption declines (fourth quarter 1979 consumption was 7.2% lower than a year earlier; December, 1979 consumption was down 11%).

- Q: Well, then, what about using some money that currently goes into public transportation?
- A: Public transportation systems all over the United States are under-going tremendous increases in the demand for their services. Very few are financially able to provide enough service to meet that demand. In fact, many face unfunded deficit situations in the next few years even after hefty fare increases. Taking money from a financially strapped but very energy efficient mode of transportation to support ridesharing programs does not seem a very wise course of action.

Q: Will this proposal, if enacted, take money away from existing highway and public transit programs?

A: No. The program would be funded out of windfall profits tax or other new revenues. No increase in authorizations for ridesharing from existing programs is being sought in this legislation.

Q: Are carpools and vanpools in competition with public transit?

A: Not really. In many instances, carpools or vanpools are the first but most important step that people make out of their single-occupant autos. Later, many of them graduate to transit. In addition, Portland, Seattle, and Washington, D.C. are three examples of cities where car-pool programs actually were responsible for the addition of new bus routes.

Carpools and vanpools help to reduce the peak to base ratio for transit operators and help to relieve the overcrowding that many transit operators face now or in the near future as the price of gasoline continues to spiral. Thus, carpooling and vanpooling are complementary to transit under the overall umbrella of ridesharing strategies.

Q: Would funds authorized by this legislation be used to buy van and buses or to subsidize the operation of carpools, vanpools, and buspools?

A: No. The intent of the legislation is to provide funding for services such as employer and consumer outreach, matching, marketing, public information services, etc., not to subsidize the purchase or operation of vehicles.

Q: Who would receive funds under this legislation?

A: The proposal recognizes that institutional relationships are at different stages of evolution in various states and localities; therefore, it is structured to be as flexible as possible. However, the general intent in urbanized areas is that a partnership between state, regional, and local agencies be formed with the private sector to develop and implement ridesharing programs.

Q: Why is a program specifically aimed at ridesharing needed at the Federal level?

A: Several reasons; among them:

- o The UMTA memorandum cited above states that ride-

sharing is "one of the most unrecognized and under-implemented transportation initiatives available to state and local governments;" and, further,

- o "Until ridesharing has its own reserved funding program with increased DOT staffing and formalized policy support, ridesharing will continue to be the step-sister of other DOT programs, receiving inadequate hand-me-down funding left over from existing programs, or token special occasion assistance (a la the current rideshare demonstration program)."
 - o Recent events have conclusively shown that energy conservation is closely linked with national security, balance of trade, value of the dollar abroad, and the health and stability of the national economy. As a high potential but underimplemented conservation (as well as air quality) measure, federal leadership and support of ridesharing is needed if its potential benefits are to be realized.
 - o Ridesharing is integral to strategies for satisfying the requirements of the Clean Air Act and the Emergency Energy Conservation Act. The federal government needs to ensure coordinated funding, planning, and implementation of this measure.
 - o Technology transfer and technical assistance to states and communities who need to start up ridesharing programs is needed; this can best be provided at the federal level.
- Q: High levels of government spending have been cited as one of the main factors fueling inflation in the United States. How can yet another Federal program be justified in light of double-digit inflation?
- A: Ridesharing is not only an energy conservation measure, it actually works to reduce inflation and stimulate the economy.

Consider the findings of a recent report on transportation energy conservation in Los Angeles County:

- o For every dollar spent on gasoline, the local economy loses between 33¢ and 50¢, and a lot of that goes to OPEC (states and regions without significant oil production or refinery activity lose even more);
- o The adverse impact to the local economy is compounded because the "multiplier" effect of a

dollar spent on gasoline is substantially lower than that for overall goods and services since oil and gasoline are "extracted" products.

The study concluded that if gasoline consumption could be reduced just 10% (at \$1.00 per gallon price levels!), between \$500 million and \$700 million per year would be pumped back into the local Los Angeles economy.

On a national scale, the impact would be tremendous. People would have more disposable income to spend on needed goods and services, thus creating jobs and stimulating the economy. At the same time, the U.S. balance of payments and the value of the dollar abroad would improve. All of these effects would tend to reduce inflation.

Innumerable studies by Federal, state, and local agencies (FHWA, UMTA, and DOE among them) have identified ridesharing as one of the most cost-effective ways to conserve energy. The funds being sought under this legislation would serve the "prime the pump" from which all of the above mentioned benefits would flow. It is very likely that one additional impact of this program would be a net reduction of the Federal budget deficit due to these positive economic impacts.

Q: Won't this legislation just create another Federal bureaucracy telling us how to do things that we can do better on our own?

A: No. The Principles and Objectives specifically state that the National Office of Ridesharing shall have a small staff. It is intended that the vast majority of the funds go directly to states and urban areas. In addition, the Principles contain a "sunset" provision for Congressional review after three years, at which time the program will have to demonstrate that it's a worthwhile investment of public funds.

Q: The Principles and Objectives stress the importance of involvement by local elected officials and members from the private sector as well as state departments of transportation. Why the partnership approach?

A: A recent FHWA report on ridesharing concludes that:

"A ridesharing approach is necessary for carpool programs; they should concentrate on appeals appropriate for different segments of the population. The motivations for carpooling and the problems connected with it vary according to experience, occupation, age,

income, sex, auto availability, length of commute, and other factors."

"It is important, therefore, that transportation planners survey their commuters to determine the characteristics and needs of local commuters. Successful programs must be based on thorough knowledge of the local scene. What works in one city may not work in another."

LIST OF RESOURCE

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