**Correspondence – Rational Transportation**

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Office of the Governor

Atlanta

from the desk of

Jimmy Carter

9-30-74

To Helen Leavitt

I really enjoyed & appreciated meeting with you last week. It is obvious that a complete reassessment of transportation priorities is needed for our nation. My experience is that even the most powerful lobbies can be matched with effective & honest appeals to the public by the top executive officer.

I need your advice & support & will do my best to deserve it.

Jimmy

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Phil. Handler Acad of Science

✓ Joe Browder - Env Policy Center
✓ Dave Zwick - Ralph Nader
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Frank Wallick - UAW - OSHA
✓ Marion Edey - Ch. Nat Leag Conn Voters
✓ Louise Dunlop - Stop Mining
✓ Mark Lynch - Nader
✓ Helen ~~Rodick Leavitt~~ X Post
Leavitt

(Steve)

Frank C Leavo
c/o The Signature Co.
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This letter will be endorsed by approximately 400 member chapters of the national coalition for the Transportation Crisis whose membership extends from coast to coast even Maine!!

Dear President Ford,

All America welcomes the high priority you have placed on our number one domestic issue, inflation. We commend your efforts to reduce spending at the federal level as a means of reducing the inflationary trend that has gripped our economy.

Now that you are about to convene an economic summit meeting to search for ideas to deal with inflation, we urge that you devote considerable attention to the nation's ground transportation problems and needs in your efforts to adjust national spending priorities.

As you know, federal participation in our ground transportation programs has for many years been limited primarily to the area of highway construction since inception of the Highway Trust Fund in 1956. Over the past 18 years, federal taxes on motor fuel and oil have been specially earmarked for road building through the Highway Trust Fund which now provides matching funds in the ration of 90 percent federal to 10 percent state and lo cal for Interstate Highway construction and 75 percent federal and 25 percent state and local for primary and rural highways.

As a result, American taxpayers have spent $275 billion of federal, state and local taxes on

highway construction since 1956. Currently, we earmark $6 billion federal and $19 billion state and local dollars for a total of $25 billion annually on our highway program.

In this same 18 year period we have spent a total of $37 billion on all other forms of transportation. During the period of this massive infusion of federal "seed" money into highway construction, coupled with virtually total neglect of our public transportation systems, we have lost more than 7 billion transit riders annually while the automobile population has risen from 54 million in 1956 to 100 million vehicles today. Concommitantly, we have experienced a rise in highway deaths from 39,000 in 1956 to 55,000 in annually while approximately four million Americans are maimed on our highways.

A meaningful but small effort has been made over the past three years to restore public transportation with $1 billion in annual appropriati ons from the general fund. However, the $ 3 billion that has been spent so far under the Mass Transit Assistance Act of 1970 has had little impact on restoring public transportation to its former level of popularity. Fully one-third of this amount has been spent to bail out city bus systems either by helping municipalities purchase their bus systems outright or to beef up with new buses, or both. The remainder ofthe funding has been applied to existing subway systems or other fixed rail systems in just six large cities.

Meanwhile, the Environmental Protection Agency

has determined that despite these efforts to aid public transit, the ubiquity and predominance of the automobile-highway transportation complex has so laden our air with poisonous carbon monoxide that at least 37 urban areas must curtail auto use and improve public transit in order to protect public health. The affected cities are:

| | |
|---|---|
| Birmingham | Cincinnati |
| Mobile | Dayton |
| Phoenix-Tucson | Portland, O. |
| Los Angeles | Pittsburgh |
| San Francisco | Philadelphia |
| San Diego | Houston-Galveston |
| Fresno | Dallas-Fort Worth |
| Sacramento | San Antonio |
| Denver | Beaumont |
| Washington, D.C. | Austin-Waco |
| Chicago | El Paso |
| Indianapolis | Corpus-Christi |
| Baton Rouge | Salt Lake City |
| Baltimore | Seattle |
| Boston | Spokane |
| Springfield, Mass. | |
| Minneapolis-St. Paul | |
| Kansas City, Mo. | |
| New York City | |
| Rochester, N.Y. | |
| Syracuse | |

Each of these cities have an extensive highway network. Noem has an adequate public transit system. Continued highway construction, with its attendant

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urban sprawl, shopping centers and thirst for land, undermines any efforts to help the taxpayer find and use public transit service...and this occurs in a country where the average trip is no more than nine miles in length and auto occupancy is less than 1.5 persons per vehicle.

Heavy emphasis on highway construction has also encouraged more use of trucks for shipping freight at the very time many of our railroads are faltering. Interstae rail passenger service was barely rescued from oblivion recently with the establishment of AMRTAK. The success of this venture attests to the stamina of the American rail passenger, for the service has proven very popular where made available despite the fact that much of its 26,000 miles of track are unsuitable for use and it operates on a limited budget that includes no more than $200 million in federal aid annually. (This is less than the cost of completing 9.6 miles of I-66 between the Capital Beltway and the Potomac River.)

Railroad experts agree it will take at least $1 billion investment in capital improvements for AMTRAK to attain first class rail passenger service. We need only look back to World War II to assess the role railroads can play in our economy...almost 90 percent of all interstate freight and passenger service was carried by America's railroads...because we had an "energy crisis" then, too.

Our present energy crisis -- OPEC countries are determined to keep oil prices high -- calls for

no less an effort to economize our natural resources. According to the National Science Foundation, transportation accounted for an increase of 166 percent in energy consumption in the 20 years between 1950 and 1970, mostly the result of the massive shift to the automobile and truck. A breakdown of energy consumption by mode of transportation reveals why.

| Mode | Passenger Miles Per Gallon | Mode | Ton Miles Per Gallon |
|---|---|---|---|
| Bus | 125 | Pipeline | 300 |
| Railroad | 80 | Waterway | 250 |
| Auto | 32 | Railroad | 200 |
| Airplane | 14 | Truck | 58 |
| | | Airplane | 3.7 |

As you know, the federal government is subsidizing airport development through a trust fund established in 1970 similar to the Highway Trust Fund. It has collected a total of $3.8 billion for air travel since its inception. Thus, the federal government provides generous, automatic subsidies for the two least efficient modes of transportation...highways and airways.

While at the federal level we are spending $1 billion annually on mass ground transportation, we continue at the same time to earmark $6 billion each year for additional highwayconstruction. City and state politicians insist they need both. As long as they are offered each, there is little hope for establishing a rational transportation system or a priority-oriented budget.

Last month, the House of Representatives passed a Mass Transit Aid Bill providing $11 billion of federal aid over the next six years. The lion's

share of this money would aid nine large cities as they upgrade their fixed rail systems for the daily commuter. The remainder would help smaller cities improve bus service. Some money would be available to stabilize fares. This bill originally carried a price tag of $21 billion but was cut in half when you warned that you would veto a bill providing such a large amount on grounds it would be inflationary.

At $21 billion over six years, it would have meant approximately $3.5 billion in federal aid for public transit each year compared with $6 billion each year for highways. Now the bill has been reduced to $ 11 billion, or $1.8 billion per year. This amount, coupled with the $1.5 billion available from the Urban Mass Transit Administration for 1975 only , provides, at most, $3.3 billion for public transportation over the next year. Funding for future UMTA programs is unclear...but may revert to the single $1.8 billion per year as provided in the House bill. We recommend that you reduce the highway construction program for the clear reason that it is six times as inflationary as the current mass transit program, since funding is now approximately at the ration of 6 to 1 at the federal level alone.

The Federal Highway Administration last month announced that highway construction costs have risen 201.4 percent over 1967 costs. During the second quarter of 1974 alone, highway construction costs jumpred 7.4 percent.

While there is validity to the claim that cutting

federal spending can create unemployment, studies to date indicate that the job-creating effects of highway construction are exaggerated. Three-fourths of highway construction outlays are for profit, overhead, heavy equipemtn, real estate and materials. Only one-foruth of those costs are for actual payroll. Indeed, as much as half of the money costs of many urban highways may go for land acquisition. Most of the remainder of the money helps to inflate the costs of basic materials such as steel, pipe, cement and petroleum.

Mass transit, on the other hand, is a labor-intensive industry and is capable of creating millions of permanent jobs as the sector of our transportation network grows. Simply weaning ourselves from highway construction and applying the money to higher priority needs at the same time we steadily improve public transit would serve three needs...ease unemployment, end wasteful and counterproductive spending on further highway construction, and encourage the blossoming of public transportation.

A recent study of the effects of shifting highway construction dollars to railroad bed construction revealed that energy required for such construction would be reduced by 62 percent and employment would be increased by 3.2 percent. Dollar savings from the transfer of passengers from car to railroad, if ploughed into railroad construction, would save 2.98 billion gallons of gasoline each year and create 1.2 million jobs.

Thus, we advocate treating all highway and

airport trust funds as general revenue rather than as earmarked or sacrosanct monies. We are aware that there is a widely held position among your former colleagues on Capitol Hill that highway trust funds are spent only for highway construction, since the law establishing the fund states that the money will ne used to fulfill highway needs. Highways engineers define those needs as insatiable. But you are aware that eben before 1970, all money designated for the highway trust fund that was not authroized for highway construction, essentially "surplus trust money", has been treated as general revenue.

This year alone, outlays from the highway trust fund will equal $4.9 billion while receipts are expected to toal $6.3 billion, creating a $1.4 billion "surplus." These surpluses have, over the years, accummulated to a total of $8.685 billion, according to the Bureau of the Budget.[1.]

More interesting, the U.S. Treasury[1] treats these taxes as general revenue, along with surpluses from other programs such as social security and veterans insurance payments. The past two administrations have simply applied them to the national deficit each year. Thus, in 1974, the national deficit, which you are properly attempting to reduce, was actually $17.9 billion.[2.,3.]

When all trust fund surpluses were applied, this deficit magically became $9.4 billion. The U.S. Treasury simply tucked an I.O.U. for the $8.4 billion difference into our collective federal sock.[4.]

Thus it can be seen that for years now, the

9. federal government has treated trust fund surpluses as general revenue to finance the Vietnam War, our space, defense, and other programs. There is nothing sacrosanct about the highway trust fund. It can be spent on any program both you and the Congress deem essential to the well being of the nation.

Therefore, we urge that all highway and airport trust funds, not just the surpluses, be treated as general revenue so we may get on with the job of solving our spiraling inflation problem and reordering our priorities in the critical areas of energy demand and transportation.

Sincerely,

Helen Leavitt

Author, Superhighway-Superhoax
Editor, Rational Transportation.

1. Special Analyses Budget of the United States Government, fiscal year 1975 page 2
   The Budget of the United States Government, fiscal 1975 page 30
2. The Budget of the United States Government, fiscal 1975 pages 29 & 30
3. Ibid page 3
4. Special Analyses Budget of the United States Government, fiscal 1975 page 25

The Budget of the United States Government
Fiscal Year 1975 page 3

The Budget At A Glance (in billions)

| | 1973 | 1974 | 1975 |
|---|---|---|---|
| Receipts | 232.2 | 270 | 295 |
| Outlays | 246.5 | 274.7 | 304.4 |
| Deficit (-) | -14.3 | -4.7 | -9.4 |

The Budget of the United States Government
Fiscal Year 1975 page 30

Budget Surplus or Deficit (-) by Fund Group (in billions)

Federal Funds

| | |
|---|---|
| Transactions with the public | 5.3 |
| Transactions with trust funds | -23.2 |
| total | -17.9 (deficit) |

Trust Funds

| | |
|---|---|
| Transactions With the Public | -14.8 |
| Transactions with federal funds | 23.2 |
| total | 8.4 (surpluses) |

Budget Total

| | |
|---|---|
| Federal Funds | -17.9 (deficit) |
| Trust Funds | 8.4 (surpluses) |
| total | -9.4 (deficit) |