Understanding the Dynamics of Innovation in Urban Transit

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UNDERSTANDING THE DYNAMICS OF INNOVATION IN URBAN TRANSIT

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FINAL REPORT

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URBAN MASS TRANSPORTATION ADMINISTRATION
Office of Technical Assistance
University Research and Training Program
Washington, D.C. 20590
**Abstract**

Urban transit is the major United States example of a private industry that failed and was taken over by the public sector. The recent re-emergence of the private sector in urban transit, and private sector-like behavior in the public sector, raises a number of interesting theoretical and historical issues and policy questions. This report develops a conceptual model to explain this recent history and outlines likely paths of transit service and institutional innovation. The model has three components: 1) the political and economic roles of urban transport facilities in the land development process; 2) the nature of the political process through which transit became a public sector activity; and 3) the politics of an industry whose prospects are the joint product of national, state, and local actions.

The basic feature of the United States metropolitan development process is competition to maintain and attract capital investment. Competitive pressures operate between and within metropolitan areas. Place-bound coalitions of industry, political and technical activists form to defend and advance their territorial interests. These coalitions are particularly concerned with transport supply for two reasons: 1) transport facilities inevitably create location advantages for some places and relatively disadvantage others; and 2) transport facilities appear to offer greater leverage over the location decisions of investors than other politically feasible interventions.

Competition between places causes coalitions to think about all aspects of transport supply, including technology, facility location, design, financing and control, in strategic terms. Coalitions, therefore, seek to deploy specific kinds of transport investments in order to gain location advantage. The core element in location advantage is increasing reception capacity. Since place advantage is the key objective, facility location and related choices - not conflicts between modes of transport - are the most fundamental dimensions of metropolitan transport politics.
Urban transit is the major United States example of a once private industry that failed and was taken over by the public sector. Therefore, the recent re-emergence of the private sector in urban transit, as well as private sector-like behavior in the public sector, raises a number of interesting theoretical and historical issues and poses a related set of important policy questions. The specific questions addressed in this report are: Why are these activities emerging when and where they are, and why are they taking the forms they are? What are the institutional structures that facilitate and hinder this re-emergence? What institutional changes are likely to take place?

This report develops a conceptual model that helps to explain the recent history of transit policy and outlines likely paths of transit service and institutional innovation. The model has three components: (1) the political and economic roles of urban transport facilities in the land development process; (2) the nature of the political process through which transit became a public sector activity; and (3) the politics of an industry whose prospects are the joint product of national, state and local government actions.

The basic feature of the metropolitan development process in the United States is competition to maintain and attract capital investment. Competitive pressures operate both between and within metropolitan areas. Place-based coalitions of industry, political and technical activists form to defend and advance their territorial interests. These coalitions are particularly concerned with transport supply for two reasons: (1) transport facilities inevitably create location advantages for some places and relatively disadvantage others; and (2) transport facilities appear to offer greater leverage over the location decisions of investors than other politically feasible interventions.

Competition between places - spatial competition - causes coalitions to think about all aspects of transport supply, including technology, facility location, design, financing and control, in strategic terms. Coalitions, therefore, seek to deploy specific kinds of transport investments in order to gain location advantage. The core element in location advantage is increasing reception capacity. Since place advantage is the key objective, facility location and related choices - rather than conflicts between modes of transport - are the most fundamental dimensions of metropolitan transport politics.

One alliance, composed of two sets of coalition partners, has historically been central in the development of urban transit: central business district (CBD) groups and those
involved in suburban residential development. The post-World War Two suburban boom plunged CBD coalitions into crisis. Those feeling the stiffest competition responded with extensive transport investment programs in order to maintain downtown's historic position. These investment programs were variations on one basic theme: the need for transport facilities that would enable people and vehicles to speedily traverse long distances, while increasing downtown reception capacity.

The size and modal composition of transport investment programs varied according to the nature of the relationship between a CBD and its outlying competitors, as indicated in Table 1:

<table>
<thead>
<tr>
<th>Period I: FROM PRIVATE TO PUBLIC</th>
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<tbody>
<tr>
<td><strong>Metropolitan Structure</strong></td>
</tr>
<tr>
<td>CBD DOMINANT</td>
</tr>
<tr>
<td>CBD-led</td>
</tr>
<tr>
<td>CBD-led; suburban opposition</td>
</tr>
<tr>
<td>Limited to central city: Suburban-led</td>
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<tr>
<td><strong>Governmentalization Process</strong></td>
</tr>
<tr>
<td>CBD-led</td>
</tr>
<tr>
<td>Self-Contained</td>
</tr>
<tr>
<td>Non-Centrality</td>
</tr>
<tr>
<td><strong>Ideology</strong></td>
</tr>
<tr>
<td>Hierarchical</td>
</tr>
<tr>
<td>Strong Core</td>
</tr>
<tr>
<td>Multi-Centered</td>
</tr>
<tr>
<td>Non-Hierarchical</td>
</tr>
<tr>
<td>Specialized</td>
</tr>
<tr>
<td>Interdependent</td>
</tr>
<tr>
<td><strong>Investment Program</strong></td>
</tr>
<tr>
<td>Downtown/radial</td>
</tr>
<tr>
<td>Downtown/radial vs. outlying</td>
</tr>
<tr>
<td>Outlying center orientation</td>
</tr>
<tr>
<td><strong>Institutional Outcome</strong></td>
</tr>
<tr>
<td>Powerful; relatively autonomous</td>
</tr>
<tr>
<td>Financially and spatially</td>
</tr>
<tr>
<td>Marginal</td>
</tr>
<tr>
<td>constrained</td>
</tr>
<tr>
<td><strong>Innovations</strong></td>
</tr>
<tr>
<td>Extensive rail transit/express</td>
</tr>
<tr>
<td>Some express buses; limited</td>
</tr>
<tr>
<td>Social welfare service; locally-</td>
</tr>
<tr>
<td>bus service in addition to</td>
</tr>
<tr>
<td>rail transit in addition to</td>
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<tr>
<td>oriented sub-urban service</td>
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<tr>
<td>existing service</td>
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<td>existing service</td>
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Table 1
The Relationship of Metropolitan Structure to Transit Innovation
CBD dominants had larger scale, more varied, and more expensive proposals, while the other two categories had correspondingly more restricted and restrained agendas. From the downtown coalition point of view, however, the spatial configuration of transport investment was the same in all cases: a continuation and extension of existing downtown/radial networks. At different points in time they all faced the same constraint: the privately owned transit companies then in existence were financially unable to play their necessary role in the investment program.

The private companies were particularly unable to provide precisely that kind of transit service CBD coalitions most wanted to see: peak period rapid transit or express service from those rapidly growing outlying areas to downtown. This kind of service was the one seen as crucial to the ability of downtown to meet the competition of suburban business centers. This was also an extremely costly service to provide. The inability of transit companies to play their historically progressive role in the CBD-oriented metropolitan development process galvanized movements to create region-wide public institutions to replace them.

The particular way in which transit became a public sector industry generated fiscal crisis. The nature of the fiscal crisis was this: downtown alliances in metropolitan areas of CBD dominance and in areas of intense business center competition sought and secured the kinds of transit service - long distance, peak period, downtown/radial - that were extremely costly to provide, and priced these at well below marginal cost. At the same time, transit labor was able to secure wage gains enabling them to keep pace with workers in other local government sectors during a very inflationary period, as well as limit management's ability to make work rule changes that would soften the consequences of the continuing concentration of patronage in the peaks. Since the new services often carried relatively light loads, the consequences were a dramatic decline in productivity and escalating financial difficulties. The crisis was political as well as financial. Outlying business center coalitions increasingly saw needs for locally-responsive transport going unmet while the downtown alliance program absorbed evermore subsidy.

Public sector transit crisis has generated movements to restructure, rationalize and privatize both industrial and institutional arrangements. These efforts are the innovations of the current period. Table 2 provides a summary.
Table 2

Period II: RESPONSES TO PUBLIC SECTOR FISCAL CRISIS

<table>
<thead>
<tr>
<th>Metropolitan Structure</th>
<th>CBD DOMINANT</th>
<th>COMPETITIVE</th>
<th>CBD WEAK</th>
</tr>
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<tbody>
<tr>
<td>Rationalization</td>
<td>Substitute capital for labor; wage discipline and work rule changes; some load shedding</td>
<td>Same as CBD-dominant with more load shedding; suburban transit centers and grid systems</td>
<td>Efficiency-oriented fare policies; small vehicle, demand-responsive systems</td>
</tr>
<tr>
<td>Privatization</td>
<td>Privately operated downtown/radial express buses; some contracting out; some employer-based ridesharing</td>
<td>Much contracting out by local governments; extensive subscription bus service and private express buses; much employer-based ridesharing</td>
<td>Contracted-out small vehicle systems</td>
</tr>
<tr>
<td>Institutional Changes</td>
<td>Regional tax base sharing; activist employer-based transportation management associations; broker/facilitator at metropolitan level; numerous public agencies within metropolitan area</td>
<td>Broker/facilitator at metropolitan level; suburban-dominated public agency</td>
<td></td>
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Privatization and institutional pressures toward fragmentation are concentrated in those metropolitan areas characterized by intense competition between a leading downtown alliance and growing outlying business centers. In terms of institutional change, the leading innovation is a form of regional tax base sharing, in which a portion of tax monies formerly allocated to a regional transit agency is divided among metropolitan area local governments. The locals may spend their transit dollars as they see fit. The innovations characteristic of CBD dominant areas give way to: transit services deployed by
numerous outlying business centers each designed to promote locally-oriented development; and institutional structures designed to reflect local growth concerns. Privatization occurs primarily in outlying business centers, in the absence of public sector transit service.

As population and employment continue to decentralize, creating an increasingly pluralistic, competitive metropolitan landscape, privatization and fragmentation become attractive strategies for legislative bodies attempting to resolve fiscal and political crises. Privatization, facilitated by appropriate institutional structures, appears to be a relatively cheap, efficient way of containing competing claims. Whether a once-dominant CBD now confronts numerous competing places, or a weak CBD stages a comeback, future dynamics will reflect the full political and economic maturation of outlying office-commercial centers.

Disaggregated institutional structures will dramatically increase the already extreme pressures bearing on organized transit labor. The newly empowered outlying center coalitions will strongly resist the commitments and protections, as well as the work rules secured by transit labor when the industry became public. Disaggregation will also greatly complicate the process of alliance formation so crucial for the construction and maintenance of regional scale facilities and services.

Case studies illuminating the dynamics of service and institutional innovation within each of the various metropolitan contexts are presented and analyzed.
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INTRODUCTION

Urban transit is the major United States example of a once private industry that failed and was taken over by the public sector. Therefore, the recent re-emergence of the private sector in urban transit, as well as private sector-like behavior in the public sector, raises a number of interesting theoretical and historical issues and poses a related set of important policy questions. The kinds of activities emerging include: (1) the growth of privately-owned and operated bus service, primarily commuter express service; (2) contracting out provision of transit-related services to private firms, both by public transit agencies and by local governments; and (3) intense managerial concern with efficiency-enhancing actions. The specific theoretical and historical questions addressed are: Why are these activities emerging when and where they are, and why are they taking the forms they are? What are the institutional structures that facilitate and hinder the re-emergence? What institutional changes are likely to take place? These questions are embedded in a set of more general concerns: (1) the nature of policymaking in a public sector industry; and (2) the relationship of investment in urban transport to the process of metropolitan development.

This report develops a conceptual model that helps to explain the recent history of transit policy and outlines likely paths of transit service and institutional innovation. The model has three components: (1) the political and economic roles of urban transport facilities in the land development process; (2) the nature of the political process through which transit became a public sector activity; and (3) the politics of an industry whose prospects are the joint product of national, state and local government actions. Each of these model elements will be explained; their individual and collective implications for understanding recent policy history and likely future service and institutional changes will then be discussed.

TRANSPORT FACILITIES AND DEVELOPMENT STRATEGIES

The basic feature of the metropolitan development process in the United States is competition to maintain and attract capital investment. Competitive pressures operate both between and within metropolitan areas. Place-based coalitions of industry, political and technical activists form to defend and advance their territorial interests. These coalitions are particularly concerned with transport supply for two reasons: (1) transport facilities inevitably create location advantages for some places and relatively disadvantage others; and (2) transport facilities appear to offer greater leverage over the location decisions of investors than other politically feasible interventions.

Competition between places - spatial competition - causes coalitions to think about all aspects of transport supply,
including technology, facility location, design, financing and control, in strategic terms. Coalitions, therefore, seek to deploy specific kinds of transport investments in order to gain location advantages. The core element in locational advantage is increasing 'reception capacity,' which is a volume notion - the total number of workers/consumers and their vehicles that can reach and occupy a place - rather than a flow notion, speeding people and vehicles past a point. Focusing on reception capacity provides a different way of understanding efforts to deal with congestion, as well as a different slant on the fundamental issues of transport politics.

Since place advantage is the key objective, facility location and related choices - rather than conflicts between modes of transport - are the most fundamental dimensions of metropolitan transport politics. Location decisions are contested when only one transport mode is involved, as well as when a number of modes are possible. Place-based coalitions are embroiled in location controversies regardless of the shifting politics of external effects, such as residential displacement, air pollution and energy consumption.

Indeed, spatial competition and the resulting strategic nature of transport investment unites the political history of nineteenth century canal and railroad building with the contemporary history of multi-billion dollar rail rapid transit systems. The efforts of Baltimore, Philadelphia and Boston in response to the location advantage gained by New York with the construction of the Erie Canal were echoed by Chicago, St. Louis and Cincinnati as they competed for position in relation to westward expansion.1 The protracted stalemate in Congress regarding the location of the first transcontinental railroad,2 and the protracted stalemate during the early history of the BART project and through decades of rail transit politics in Los Angeles are understandable in precisely the same terms.3

One alliance, composed of two sets of coalition partners, has historically been central in the development of urban transit; central business district (CBD) groups and those involved in suburban residential development. In the early days of transit building, through the mid-1920s, facility supply and land development were often integrated in the same private firm, or set of firms.4 When extraordinary capital investment was required in order to open up new territories for development, including tunneling underground or through mountains, then various methods of government intervention and finance were employed.5 The integrated transit/real estate firms were primarily interested in the land development portion of the business, which generated the profits. The downtown coalitions sought the simultaneous areal expansion of their hinterlands and the increase in CBD reception capacity created by transit investment.

This alliance led the transit building movement throughout the early period, when spatial competition was manifest primarily
in inter-, rather than intra-metropolitan form. The movement's main legacy was a rail transit route network that was largely downtown-radial in structure. The metropolitan landscape began to dramatically alter in the post World War One era, however, as motor vehicle-based suburbanization produced outcroppings of intra-metropolitan spatial competition as well. The Depression and World War Two slowed the decentralizing forces. However, in the later 1940s the large CBDs of the northeast, midwest and west increasingly experienced the full forces of suburban population growth and competitive office-commercial development.

The postwar suburban boom plunged CBD coalitions into crisis. They responded with extensive transport investment programs in order to maintain downtown's historic position. These investment programs were variations on one basic theme: the need for transport facilities that would enable people and vehicles to speedily traverse long distances, while increasing downtown reception capacity.

During the earlier wave of suburbanization in the 1920's, city and county governments had undertaken extensive road building programs that were local property-serving in design. These were widely perceived as functionally obsolete in relation to the new need for long distance, through travel. With the exception of the few cities that had subways and/or elevated lines, the street-running railway systems that were the dominant urban transit mode experienced lengthening travel times, especially for longer distance trips. Transit travel was increasingly slowed by street traffic congestion in and around downtown as well as by intersecting traffic in outlying areas. Apocalyptic cries of "strangulation" were raised throughout the land.

Postwar transport investment programs varied according to the nature of the relationship between a CBD and its outlying competitors. There were three basic types: (1) CBD dominant; (2) CBD first among a number of relatively autonomous, developed business centers; and (3) CBD seriously declining relative to its outlying competitors. A dominant CBD maintained a near monopoly in some spheres of activity, typically office-based financial, administrative and related concerns, but faced increasing competition from smaller business centers in the commercial sphere. A subset of this category is the World City phenomenon, where CBD activities are closely integrated with global economic trends, largely based in multinational corporate headquarters, finance, and related business service functions. The competition between business centers is more advanced in the second category than in the first, although the CBD continues to attract a stable share of investment in its historic lines of activity. In the final category the CBD is losing market share in its historic spheres; or, it was initially small at the outset of the suburban boom period.

The size and modal composition of transport investment programs varied according to metropolitan context, CBD dominants
had larger scale, more varied, and more expensive proposals, while the other two categories had correspondingly more restricted and more restrained agendas. From the downtown coalition point of view, however, the spatial configuration of transport investment was the same in all cases: a continuation and extension of existing downtown/radial networks. At different points in time they all faced the same constraint: the privately owned transit companies then in existence were financially unable to play their necessary role in the investment program.

From the mid-1920's until the second World War, transit companies experienced protracted financial difficulties, with many properties being thrown into receivership. As was typical of railroad enterprises, transit firms responded to fiscal distress by deferring maintenance on rolling stock and rail rights-of-way, and by deferring investment in new equipment. Federal legislation requiring public utilities to divest electric street railway companies during the mid-1930's also deprived many firms of access to traditional sources of investment capital. On the eve of the war, street railway systems were in very poor physical shape. Patronage soared during the war, and the industry was able to accumulate some cash. However, wartime priorities regarding materials and skilled labor prevented expenditures aimed at improving operating conditions. The patronage surge, therefore, exacerbated the process of physical deterioration. At war's end transit systems across the country were physically devastated, and faced enormous outlays for rehabilitation. Moreover, the industry's financial outlook was pessimistic in the extreme. Transit firms forecast a return to pre-war patronage levels as the economy reconverted to peacetime production.

The private companies were particularly unable to provide precisely that kind of transit service CBD coalitions most wanted to see: peak period rapid transit or express service from those rapidly growing outlying areas to downtown. This kind of service was the one seen as crucial to the ability of downtown to meet the competition of suburban business centers. This was also an extremely costly service to provide. The inability of transit companies to play their historically progressive role in the CBD-oriented metropolitan development process galvanized movements to create region-wide public institutions to replace them.

Those suburban jurisdictions in which residential development concerns predominated joined the downtown-led movements. In these cases an updated version of the historic transit-building alliance was reconstituted. However, competing outlying office-commercial centers had a fundamentally different perspective on the nature of the necessary transport investment package. Seeking to advance their own development aspirations, outlying business centers sought transport facilities that would connect them with areas they saw as rightfully their own residential hinterlands. Downtown/radials were anathema, concretely symbolizing the imperial bonds from which suburban business centers sought liberation.
Governmentalization is an awkward term. However, it expresses the complex reality of the public sector transit industry in a way that municipalization or nationalization do not. Local governments of various kinds own and operate transit agencies. Many state governments provide significant amounts of operating funds, as well as some funds for capital investment. The national government is the primary source of money for capital investment, and also subsidizes operations. All levels of government are involved in service, institutional and labor relations questions. Complexity reflects both the history and politics of individual metropolitan areas and the nature of the U.S. system of federalism.

There were three basic types of governmentalization processes, corresponding to the three kinds of metropolitan structures outlined above. Each type has two dimensions: (a) the strength of the CBD alliance in relation to its competitors; and (b) the number and kind of ideologies of desirable metropolitan form. These dimensions combine to produce particular sorts of governmental transit agencies. (1) An activist, dominant CBD-led alliance advocates an ambitious downtown/radial transit development program. The alliance asserts the naturalness and superiority of a functionally specialized, interdependent metropolitan area focused on a high density central core. The result is a relatively autonomous and powerful transit agency. Intra-metropolitan competition is sufficiently strong, though, to limit the regional extent of the new governmental power. (2) A leading CBD, with an investment program similar to that in (1), confronts a number of established competitors. Intense political conflict ensues. There are competing ideologies of desirable metropolitan form. The notions of hierarchy and interdependence are countered with the virtues of a multi-centered, more self-contained pattern of growth. Governmental transit agencies result that are far more constrained than those in (1) in their ability to implement the downtown alliance's program. 18 (3) A weak CBD alliance, in an area where the dominant ideology is non-centrality, produces a weak governmental agency limited to a minimal, central city-based program of what is basically a social welfare service. Alternatively, a suburban-led movement produces a strong, efficiency-oriented agency that incorporates the central city, yet is focused on outlying area concerns.

In addition to the relationship of governmentalization processes to metropolitan structures, there are three other important aspects to the creation of new public sector agencies: (1) the role of organized labor; (2) the relationship between the new public agencies and private capital market institutions; and (3) relations between locally-generated agencies and state and national governmental authorities.
There were two main ways in which governmental transit agencies were legally created: a vote of the citizenry in the local area or through an act of the state legislature directly establishing the agency. Even in the first case, state legislative action was necessary in the form of an enabling act. The very fact of legislative and/or electoral action enhanced the political power of organized transit labor, in the same way that the growth of state and local governments throughout the postwar period enhanced the position of public sector unions generally. While a private business, transit was regulated by state and/or local public utility bodies, which provided a forum in which labor interests could be expressed. However, because these regulatory bodies were generally insulated from electoral politics, and primarily concerned with maintaining the financial viability of the regulated firms, organized labor influence was muted. Once the governmentalization process was underway, however, downtown coalitions and their state legislative representatives had to come to terms with a labor movement that was often quite active and influential at the local electoral level. Various protections for transit labor were, therefore, written into law.11

A related issue concerning electoral democracy involved the choice of governmental form and associated transit investment finance mechanisms. Transit movement activists preferred an institution that would be able to issue revenue bonds to finance construction and acquisition without having to have electoral approval. This was typically an authority. Moreover, this form was thought to facilitate a "business" approach to transit supply, rather than a "political" one, in which government would be overly responsive to labor and consumer demands, as well as to demands made by competing place-coalitions. Financial realities, however, usually dictated the choice of another type, typically a district, because revenue bond financing would not be sufficient to implement an ambitious investment program. The private capital market would generally no longer accept transit construction bonds backed solely by farebox receipts because operating revenues would not likely cover capital as well as operating costs. Tax subsidies would, therefore, be required. This meant that a form of government that could sell tax-supported general obligation bonds was required. This type, though, had to seek electoral approval to issue bonds, which further sensitized governmentalizing coalitions to electoral considerations.12

Governmentalization produced agencies with greater or fewer financial possibilities. Securing funds to finance investment projects, even with government guarantees, became increasingly difficult, however. The Bay Area Rapid Transit project, approved by the electorate in 1962, was the first and last major postwar new construction project primarily financed through the sale of bonds on the private capital market. As the transit industry continued to decline through the 1940s, 1950s and 1960s, private capital sources were unwilling to invest. Moreover, during this
same period, most state governments were unwilling to commit state resources to metropolitan area transit projects. State legislatures would enable creation of metropolitan transit agencies if local alliances emerged to support governmentalization. However, these same legislatures, in which representatives of agricultural and suburban areas were politically dominant, were quite reluctant to finance CBD-oriented transit projects. Indeed, their reluctance was reinforced by the presence of locational conflict at the local level. Higher-level legislatures, themselves largely composed of local coalition representatives, were extremely loathe to resolve local level controversies. Higher-level bodies much preferred the locals to resolve their differences or that an alliance emerge triumphant before being approached. The critically important point to note is that state legislative actions respected local autonomy, reflecting and embodying local level conflicts, rather than transforming them in such a way as to reshape the contours of the local political landscape. The national government emerges as the main source of transit investment funds, beginning in the 1960s, because private capital has virtually deserted the industry, and because of the political obstacles downtown alliances confronted in state capitols.

The following set of case studies illuminate various aspects of governmentalization and regionalization in different metropolitan contexts. The first of this set analyzes the creation of three of the earliest metropolitan-scale governmental transit institutions in the post World War Two period: the Alameda-Contra Costa Transit District (ACTD) and the Bay Area Rapid Transit District (BARTD) in the San Francisco Bay Area; and the Los Angeles Metropolitan Transit Authority (LAMTA).

As the California economy boomed during and after the war, and motor vehicle traffic soared, the Oakland, San Francisco and Los Angeles central business districts confronted the full force of automobile-led suburban development. Downtown coalitions in each of these cities seized the initiative to create linkages between the CBD and mushrooming residential zones, as well as to meet the competitive challenge of outlying area office-commercial growth.

The processes and outcomes differed. The Bay Area illustrates the dynamics in a CBD-dominant metropolitan context. In the early postwar years the San Francisco CBD - "Wall Street of the West" - clearly maintained its historic position in the regional political economy and aspired to world city status. The downtown Oakland coalition, aware of its subordinate position in regional terms, nevertheless sought to protect and advance its leading office-commercial position in the East Bay sub-regional sphere. The case study highlights the competition between San Francisco and Oakland CBD coalitions, and the impact of this competition on the governmentalization process. A key point is the capacity of each competitor to protect its interests at the state level. The California legislature was unwilling to intervene in such a way as to determine the outcome.
Therefore, the Bay Area Rapid Transit project, initially promoted by the San Francisco CBD coalition, was stalled until an alliance between the San Francisco and Oakland could be constructed. Facility design plans that allowed the alliance partners to jointly pursue their ambitions were the basis for this alliance.

During the time it took to concretize the San Francisco - Oakland alliance, however, a number of outlying office-commercial centers had taken root and flourished. These outlying centers were promoted by coalitions with autonomous development aspirations. The permissive state legislative context allowed these coalitions to withdraw from CBD-led regional projects, eventually producing governmental transit agencies - ACTD in the East Bay and BARTD - that were not as areally extensive as was sought by the downtown coalitions.

A comparison of these two agencies reflects the relative political strength of their leading supporters. BARTD was created by an act of the state legislature, with a Board of Directors appointed by local officials. By way of contrast, ACTD was created by a vote of the people, with an elected Board of Directors. These differences illustrate the more controversial nature of the BARTD project, and the greater political weight and self-confidence of the downtown Oakland leadership, in its sub-regional sphere. In addition, ACTD possessed greater financial power and flexibility and more autonomy within its jurisdiction than did BARTD. The position of organized transit labor in the governmentalization process was strengthened as a result of the local electoral dimension of governmentalization. ACTD's enabling legislation contained several pioneering labor provisions, securing transit worker support for the governmentalizing coalition.

The Los Angeles area illustrates the dynamics of an intensely competitive metropolitan area, the first such in the United States. An L.A. CBD - initiated rapid transit investment program similar to that developed by its San Francisco counterpart was vehemently opposed by the numerous outlying business centers already existing in the region. Alliance possibilities were limited by the technical design aspects of the downtown coalition plan. Moreover, given that the many competing places were distributed throughout the City as well as in Los Angeles County, the disaggregation that produced powerful, though areally limited governmental transit agencies in the Bay Area wasn't possible. LAMTA was created by the state legislature, with a Board of Directors appointed by the governor. This reflected a more controversial birth than the process that led to an appointed BARTD Board of Directors. Spatial competition in the Los Angeles area produced protracted stalemate on the rail rapid transit question that persisted for a generation.
The Politics of Rail Rapid Transit Planning in the Los Angeles and San Francisco Metropolitan Areas, 1945-1957

In 1954 Ralph Merritt, general manager of the Los Angeles Metropolitan Transit Authority (LAMTA), told a California state legislative committee: "Every metropolitan area in the civilized world has some form of surface-free mass rapid transit except Los Angeles and San Francisco."13 In order to remedy this deficiency well-organized movements calling for extensive, publicly-financed rail rapid transit systems developed in both metropolitan areas, emerging first in Los Angeles in the months following the end of the war. These movements were composed of and led by the same kinds of people, representing similar interests in and theories of the relationship between the supply of transport facilities and the pattern of metropolitan development. The similarities went beyond movement theory and practice, though; the nature of the conflicts they generated, and the opposition they faced were also essentially the same. By 1954, however, while the San Francisco Bay Area was apparently on the express track to world-class status, rolling toward joining New York, London, Paris and Moscow, the Los Angeles rapid transit movement was on a spur line, chugging toward oblivion. It is necessary to say "apparently" because the same conflicts that derailed the Los Angeles effort later produced a severely truncated BART system, when compared with the original proposal. Indeed, the Bay Area movement nearly went the L.A. route.

Rail Rapid Transit in the Los Angeles Area

The Los Angeles story has three major, related dimensions: (1) construction of the metropolitan area freeway network which, during the early period, consisted primarily of downtown L.A. radial routes; (2) the transformation of the Pacific Electric Railway Company (PE), the world-renowned giant of the interurban electric railway industry, from a predominantly rail system to a mostly bus operation; and (3) the rise and decline of the L.A. rail rapid transit movement.

Downtown Los Angeles business and property groups, representing primarily leading banks and associated business services, and large retail firms, organized themselves into the Central Business District Association, the Downtown Business Men's Association and the L.A. Chamber of Commerce. These groups had historically sponsored a number of rail rapid transit studies and proposals, including efforts in the mid-1920's, the early 1930's, and a study/proposal presented in 1939. All of these had in common extensive rail rapid transit systems in a downtown-radial configuration. However, the 1939 proposal added a new twist. This report of the Transit Engineering Board relied heavily on technical work done by the New York-based engineering firm of Madigan-Hyland, which was closely associated with the highway building activities of Robert Moses. Interestingly, the report called for an extensive, mostly downtown-radial freeway
system, with rapid transit lines incorporated within the median strips of several proposed radial freeways (and a Wilshire Boulevard rail rapid transit line which is currently being engineered). The report argued that the purchase of a bit more right-of-way at the time of initial construction would be far less costly than later separate purchase, and would vastly increase the people-carrying capacity of the new metropolitan-scaled facilities.14

The war, of course, forced the proposal off the political agenda, but the wartime boom, with its explosion in traffic volumes and resultant street congestion, enhanced interest in the subject. In late 1945, L.A. city officials sponsored a Traffic clinic where several of the nation's leading transportation consultants, including DeLeuw-Cather, addressed local business and civic leaders. The consultants endorsed the 1939 combined freeway/transit concept. The clinic led to the organization of a citizens group to give further study to the situation and to recommend action. This group, the Los Angeles Chamber of Commerce's Metropolitan Traffic and Transit Committee, formed, in turn, the Rapid Transit Action Group (RTAG).

RTAG was led by two of the most important transportation activists in the state, Neil Petree and James Beebe. Petree, a leading downtown furniture merchant, served variously (often simultaneously) as head of the downtown business groups, head of the L.A. and state Chambers of Commerce, and as an Auto Club director. Beebe was municipal bond expert at O'Neilleny and Myers, southern California's most prestigious corporate law firm.

RTAG worked assiduously through 1947 and early 1948 bringing together, according to Petree, "...the best engineering and financial brains in this area..." The group called a meeting in February, 1948, to which 500 business, civic and political leaders were invited, to unveil Rail Rapid Transit—NOW!

RTAG's $310 million proposal had two principal components: (1) the 1939 concept of rail rapid transit lines in the median strips of several downtown-radial freeways; and (2) upgrading several existing PE lines to rail rapid transit status. The first idea was based on the notion of the enormous increase in capacity that could be had at relatively little additional cost. The second was necessary because PE's interurban lines were subject to crossings at grade at more and more points in outlying areas, and were forced to wallow in the mire of severely congested downtown street traffic. The consequence was that longer distance trips were increasingly time consuming. Tunnel construction in the CBD would provide terminal facilities for both freeway and PE right-of-way trains.

The ideological underpinnings of the RTAG proposal explicitly reflected the basis of the rapid transport movement and the critical way in which rapid transit facilities resonated with the political-economic structure of postwar metropolitan development. RTAG argued: "Our people must have rail rapid
transit to take full advantage of the still limitless area where we make our homes. It is every man's desire to have a plot of ground free from the grind of factory and office. He wants to make his family secure. He wants time to play and he has pride in his own fireside... Our people need not huddle in the shadow of office buildings nor gather close to the factories. Rail rapid transit will make it possible for us to live where we like and work where we please."13

RTAG conceived of rapid transport investment as the minimum sufficient planning intervention that would support the continuing mobility of capital and labor. It would also support the continued construction of detached single-family patriarchal havens in a heartless world. RTAG appealed to both white collar and industrial workers, even though all of the proposed rail rapid transit lines are downtown-radials.

Rail Rapid Transit was issued with a sense of urgency: NOW! If rails were to be placed in the freeway medians then action was urgently required to create a governmental agency - a transit district - that would be able to issue tax exempt bonds. The proceeds from the sale of these bonds would be used to purchase the additional rights-of-way. Construction on a number of freeways was already underway, especially on the Hollywood Freeway, so transit financing could not be long delayed. Interestingly, RTAG's parent group, the Metropolitan Traffic and Transit Committee, had sponsored a bill during the 1947 state legislative session that would have permitted the California Division of Highways to use gasoline tax funds, which would later be replaced, to purchase freeway median transit rights-of-way. However, even though the Committee, led by Petree and Beebe, had played the central role in securing the compromise 1947 gasoline tax increase that launched the massive California freeway building program, it was unable to secure passage of the transit-related bill. Hence, the urgent necessity of a special district.16

Rail Rapid Transit played to mixed reviews. The lines of conflict that were drawn in early 1948 would characterize rapid transit politics thereafter. In favor of the RTAG proposal were: the L.A. CBD business and property-related groups with their political, technical and media allies; and, residential developers in those outlying portions of the city and county that had not yet seen significant office/commercial development. Opposed were business and property-related groups in those places that had already established substantial office/commercial centers. Indeed, the existence of numerous outlying centers, many of which grew up decades earlier around street railway lines, is the most important geopolitical fact in the Los Angeles story. A number of these centers had even created their own publicly owned transit agencies by the 1920's to provide locally-oriented service. The L.A. CBD remained the single largest center in the region. It was, however, first among many, all of which had similar, if more modest aspirations and concerns. The issues at stake were clear to the oppositionists. They were extremely
upset with the L.A. CBD-oriented configuration, seeing the RTAG plan as a barely concealed effort by downtown Los Angeles to use the rail system to divert traffic from their own areas. They were equally concerned that the City of Los Angeles, since it was by far the largest municipality, would dominate the Transit District, enabling it to adopt investment and operating policies contrary to outlying business center interests. In addition, taxpayer protection groups, which often overlapped with place-based opposition interests, opposed government ownership of transit. RTAG's argument that a District would have to have access to the tax base in order to support a bond issue heightened the fears of such groups that never-ending taxpayer subsidy would be involved.

Coalitions of place interests were possible, however, if a system configuration would enable two or more to jointly pursue their ambitions. The most important example of such a coalition was that involving L.A. CBD groups and their counterparts in Hollywood. Proposed alignments of the Hollywood Freeway and a related rail rapid transit line would enable both to penetrate the booming San Fernando Valley.

Since the California legislature, which would have to pass District-enabling legislation, was not in regular session during 1948, Los Angeles would have to petition the governor to include the transit issue in a special session call. Governor Earl Warren indicated he would be receptive to such a petition should it be forthcoming. In March, the L.A. County delegation to the state legislature, representing the conflicting interests of the many competing places, voted 15-14 against petitioning the governor. The L.A. Chamber of Commerce-led movement had been dealt a stunning setback. They quickly went back on the offensive, however, preparing legislation for submission at the 1949 regular session. L.A. would be joined there by the San Francisco Bay Area.

The two major privately-owned transit companies, PE and the Los Angeles Transit Lines (LATL), became increasingly concerned as the district creation movement once again gathered steam. LATL was controlled by National City Lines (NCL), which was then embroiled with the federal government in a massive anti-trust suit that also involved General Motors, Firestone Tire and Rubber, Philips Petroleum, and Standard Oil of California. NCL's strategy at this point in time was to sell its transit properties to public agencies, then continue to operate them for a fee. LATL and NCL worried that competition from a publicly-subsidized carrier would depress the value of LATL's assets. PE was concerned about potential competition, but in relation to another question.

The RTAG proposal called for upgrading several PE lines to rapid transit status. PE carried freight on several of these lines as a wholly-owned subsidiary of Southern Pacific Transportation Company (SP). SP had acquired PE from Henry Huntington primarily for the important connections PE might
afford for its freight business. Since SP’s acquisition of PE before World War One PE’s passenger trains had mostly lost money, with a few exceptions in the early years and during World War Two. Following the war passenger losses increased rapidly, while PE faced very large expenditures for railway-related maintenance and modernization. By way of contrast, PE’s freight business was increasingly lucrative, becoming extremely important to SP during the war and after. Indeed, the California Public Utilities Commission (CPUC), which regulated private transportation companies, regularly criticized PE during 1947 for giving preference to freights on joint passenger-freight tracks, thereby delaying and disrupting passenger service.

One of the standard measures advocated to reduce passenger rail-related operating costs was considered beyond the pale by PE: massive substitution of one-man for two-man operated street railway cars. CPUC had been badgering PE to substitute for years. PE, with the exception of one route, refused. Because of the combined passenger/freight nature of PE’s system, PE workers were organized into railroad unions, which had a more militant tradition than the transit worker unions that had organized other properties. PE was concerned that an effort to substitute one-man for two-man cars would both engender labor opposition that would disrupt freight traffic and revenues, and, would fail to stem passenger rail losses.

Since the freight business was PE’s and SP’s top priority, management saw a bus substitution strategy as the more viable long run approach. SP declared its unwillingness to continue to subsidize PE passenger rail losses. SP’s strategy was to substitute buses for trains in order to avoid prospective rail rehabilitation/modernization expenses, and to get the money-losing passenger trains out of the way of the profitable freights.19 RTAG’s proposal to upgrade several freight-carrying lines and dramatically improve the level and quality of passenger train service constituted, therefore, a direct challenge to SP’s strategy. The private transit companies, then, were active members of the opposition.

RTAG made one major tactical change, however. Petree, Beebe and others insisted that the system outlined in Rail Rapid Transit was not a necessary part of creating a district. The RTAG plan was put forward as one possibility; other routes were certainly possible. Regardless of what RTAG had proposed, the first order of business for a new public agency would be a comprehensive study, by independent engineers, without any preconceived notions.20

Many oppositionists were not convinced. The directors of the Los Angeles County Division of the League of California Cities adopted a resolution to unqualifiedly oppose the RTAG-sponsored 1949 legislation. The smaller cities feared domination by the County giant. The Long Beach City Council unanimously opposed the legislation. Long Beach Councilman Ramsey, the leading opponent, said, "...local shoppers would travel to Los
Angeles 'to buy a spool of thread if this high speed rail line should be operated.' The mayor of Claremont, speaking for the Pomona Valley (in the eastern portion of L.A. County) said citizens there, "...have no faith in Los Angeles..." The Manhattan Beach mayor (in the southwestern corner) said there is a "...growing resentment..." by people of surrounding cities against Los Angeles. The Santa Monica Evening Outlook editorialized, "It is designed to save the downtown shopping district of Los Angeles at the expense of other districts and at terrific cost to all taxpayers. No real economic need for it exists beyond the need of downtown Los Angeles merchants to reverse a 25 year old trend."21

Within L.A. City there was intense controversy. The Los Angeles Realty Board, based in the Wilshire District (one of the city's leading non-central office/commercial centers), vehemently opposed the District bill. None of RTAG's proposed rail rapid transit routes served this part of the city. The Board attacked the very applicability of rail rapid transit in an area (L.A.) that was far less dense than other areas that had rail systems. Since New York, Chicago and Philadelphia rail properties were losing large sums of money, the Board forecast a grim future of never-ending property tax subsidization for a Los Angeles network. Indeed, the Realty Board attacked the RTAG plan as "socialistic," a label that both shocked and offended Petree, Beebe and their L.A. Chamber brethren. The Chamber president responded with a blast at the Realty Board, describing L.A. as a city, "...which cannot extend upward, as New York does...It must expand outward. People must work in the city and live beyond it."

The San Fernando Valley Times, a staunch supporter of rapid transport that would facilitate the residential boom in their part of the city, editorialized, "Of all people the L.A. Realty Board, a group who have profited most by the city's phenomenal growth, should oppose rail rapid transit which would continue their prosperity." The Valley Times bitterly criticized the Realty Board's opportunistic use of "socialized," noting that bankers and businessmen wrote the legislation.22

The Realty Board, along with the Wilshire and Miracle Mile Chambers of Commerce, were welcomed into opposition by the Southwest Wave, an important paper representing the interests of a business center several miles south and west of the CBD. The Wave had written following the 1948 defeat of RTAG's initiative, "Again proving there simply is no substitute for district representation in public government, the city council very properly has refused to bow to the terrific pressure of pro-freeway and rapid transit proponents. Selfish, well-organized, and richly-financed downtown supporters of the multi-billion dollar freeway and transit program found our local councilmen doughty servants of their constituents, rather than subservient pawns of entrenched interests." The Wave kept up its vocal opposition throughout 1948 and 1949.23
In April, the Los Angeles City Council took up the question of whether or not to support the district-enabling legislation pending at the state capitol. Neil Petree addressed the Council, stressing the importance of rail rapid transit, the openness, flexibility and fairness of the proposed legislation, and the fact that should the City Council vote no on the question, the bill would certainly die. The state would obviously not support a measure that the city opposed. The City Council, reflecting place competition within the City, voted 8-6 against creating a rapid transit district. The Los Angeles Chamber of Commerce suffered an astonishing defeat.

In a post-mortem on the vote, the Los Angeles Times pointed out, "Opposition seems to be centered in the close-in Los Angeles districts and in neighboring municipalities who feel they would not be benefited by a rail system in proportion to their tax liability." The Times, which had supported the legislation, noted that, "...the Chamber of Commerce group seems so discouraged about the chances of its project...If, after two years of voluntary civic service drafting the enabling act, the Chamber's metropolitan traffic and transit committee members are disadvantaged and discouraged by the Council's close decision, no one can blame them."24

Reeling from the crushing blow, the L.A. Chamber chose to concentrate its entire attention on the freeway building program. Regarding rail rapid transit, the Chamber adopted the strategy of advocating a comprehensive, metropolitan-wide study before any action, such as creating a district, be taken.

Following the City Council action, CPUC took up PE's first postwar application for transformation of a major portion of its electric railway network to buses. PE had actually submitted its application months earlier, during the RTAC legislation controversy. A number of state and local officials asked CPUC to delay consideration of PE's request until after the outcome of the transit district issue was known. Although PE was not yet proposing to abandon rail passenger service on any of the lines RTAC had contemplated upgrading, largely because parallel freeway facilities were not yet in place, it was clear to all concerned that this 1949 application was just the first step. A year later, in May, 1950, CPUC granted most of the transformation PE had sought. The Los Angeles Times, noting with bitter irony that numerous local groups opposed PE's effort to abandon street railway service, recalled the L.A. Chamber's effort to fashion an alternative to individually protesting PE's actions. "Our local politicians, who are now outraged at the Public Utilities Commission's decision, were not sufficiently interested at that time to memorialize the Legislature in support of rapid transit district enabling legislation. Neighborhood merchants and property owners, who scream to high heaven when the PE threatens to cut off their communities, cast a cold eye at the Chamber's proposal. They regarded it as a dire plot to get everybody into the downtown district, forgetting that trains run both ways."25 Oppositionists, however, were interested in
local, street-running trains, whereas they weren't interested in the metropolitan scale trains that would run to and from downtown.

As the L.A. Chamber withdrew, the leadership mantle of the decimated rail rapid transit movement was taken up by San Fernando Valley (SFV) residential developers and equipment financing/supply allies: the Southern California Monorail and Transit Corporation, and Monorail Engineering and Construction Corporation. Ralph Merritt entered the transit movement as executive vice-president of the former firm. The SFV leadership backed a plan to build a monorail line that would run along the Los Angeles River channel through the Valley, the L.A. CBD and down to Long Beach. The River channel was attractive because right-of-way acquisition costs would be reduced. The proponents argued that the route would serve the large number of industrial production zones that were located near the River. Since the Korean War-induced production boom was in progress, the movement leadership promoted the River route in order to interest the national government - perhaps the Reconstruction Finance Corporation - in buying monorail bonds as part of the defense effort. Finally, monorail construction was touted as a technologically innovative, tourist-sensitive way to rehabilitate a moribund transit industry. An extensive system of connecting surface feeder lines would, of course, be necessary.26

The SFV-led movement sought state legislation during the 1951 session based on their monorail proposal. Their efforts engendered a broader range of conflict than had been the case in 1948-1949. The L.A. Chamber stood by its position of comprehensive study first, then legislative action. The Chamber went into opposition, drawing along counterparts from around the County.

The private transit companies, led by LATL, were especially active among the opposition forces during this session. Once again, the private firms feared "unfair" subsidized competition that would further reduce the value of their assets. The surface feeder lines the new public agency would be entitled to operate were especially troubling to the private properties.

The California legislature wanted to be responsive to SFV constituents, was acutely aware of mounting traffic problems in the area and was also mindful of the local conflicts enveloping the region on this issue. Therefore, it passed legislation in 1951 creating the Los Angeles Metropolitan Transit Authority, the most "bizarre" instance of governmentalization anywhere. LAMTA clearly reflected the transit stalemate present in the metropolitan political economy. The new authority was so deeply constrained in so many financial and institutional ways that it was clear to all concerned that in its original form it was condemned to life as a marginal organization, unloved and unwanted even by the L.A. Chamber, five members of which the governor appointed to LAMTA's Board of Directors.
Beach Chamber of Commerce representatives rounded out the seven-member Board.) Indeed, the Los Angeles Department of Water and Power, one of the largest and most prestigious local government agencies in the United States, was so disturbed by the LAMTA legislation that it sought an amendment—which was adopted—declaring that the LAMTA Act was in no way to be taken as setting precedents for the structure and operation of public authorities generally. 27

LAMTA began meeting in 1952, with Ralph Merritt hired as general manager. LAMTA resolved to seek amendments to its founding statutes during the 1953 session in order to remove the institutional and financial obstacles to its functioning as a bold, comprehensive rapid transit agency. Moreover, LAMTA moved to take up the L.A. Chamber's call for a comprehensive study that would provide the basis for action. LAMTA sought legislation that would enable joint state/local financing of such a study. The 1953 session, however, recapitulated that of 1951. The entire LAMTA legislative program, including study money, was defeated.

During 1953 and in ensuing years, however, actions of the private transit carriers generated changes in the political climate. In 1953 SP/PE moved to complete the PE transformation from rail to bus and to shed itself of all its remaining, badly deteriorated passenger services. PE sold all its passenger operations (including the few remaining rail lines) to a company organized by Jesse Haugh, longtime associate of NCL. SP/PE stipulated in the contract of sale that Haugh should proceed forthwith to substitute buses for all remaining trains, which Haugh was pleased to do. Equally disturbing to the L.A. CBD coalition was the continuing service and financial deterioration of LATL. These developments produced a limited consensus on a program to governmentalize the two companies, which was expressed in amendments to the 1951 LAMTA Act during the 1957 legislative session. The rail rapid transit stalemate held sway, however, and was reflected in the emergence of LAMTA as an agency that could buy out—using revenue bonds—the private carriers and provide service, but do nothing else. 28 Indeed, the competition-generated stalemate would persist, structuring Los Angeles area transit politics for a generation to come.

Rail Rapid Transit in the San Francisco Bay Area

In order to understand the BART system one must begin with the San Francisco-Oakland Bay Bridge in the 1940's. The Bridge had six lanes of automotive traffic on the top deck, three lanes in each direction without any shoulders or divider. Commercial traffic—trucks and buses—was confined to the bottom deck, which also carried the Bridge Railway. The Bridge Railway, which opened in 1939, replaced a ferry service that carried street railway passengers from the Key System dock on the East Bay side across the water to the San Francisco Ferry
Terminal on the west. The crucial point to note is that Bridge Railway trains were oriented to downtown San Francisco rather than to downtown Oakland, reflecting the spatial pattern of activity when the lines were built.29

The war and postwar Bay Area boom produced increasingly severe traffic congestion on the Bridge, and, because of its design, a growing number of traffic accidents. Accidents often paralyzed the facility. Given the importance of the Bay Area as a defense production zone, a Joint Army-Navy Board (JANB) undertook a study of the situation. At the same time, the California Department of Public Works (CDPW) carried out its own inquiry. Both reported in 1947, reaching radically different conclusions and touching off intense controversy. The trajectory of the BART project was inextricably linked to the resolution of the Bridge-related conflict.

In early 1947 JANB recommended immediate construction of a southern crossing connecting Alameda County south of Oakland with a point in the southern portion of the City of San Francisco. For the longer term, however, JANB recommended the Bay Area start planning for a transbay underwater tube that would replace the Bridge Railway, connecting to subways in the East and West Bays. A tube would allow reconstruction of the Bay Bridge for motor vehicle traffic. This was the first mention of the BART concept. However, JANB noted that Bridge Railway traffic had been falling since the end of the war; indeed, the facility had never carried more than a fraction of its enormous design capacity (50,000 people/hour). Transbay transit capacity, therefore, ought to be sufficient for some time. CDPW reported a few days later, recommending immediate construction of a parallel crossing, 300 feet north of the existing Bridge. The Bay Area plunged into turmoil.

The Bridge crossing conflict dragged on for more than a decade. The basic lineup was as follows: Downtown Oakland leaders and central Contra Costa County residential developers supported the parallel crossing. This alliance sought to concentrate traffic capacity in the existing corridor, fearing the diversion that might result from a crossing several miles south. San Francisco elected officials, joined by the peninsula counties of San Mateo and Santa Clara and by southern Alameda County, stood behind the southern crossing. Southern Alameda, San Mateo and Santa Clara were concerned to get more transport capacity to facilitate the industrial development that burgeoned in their areas. Official San Francisco looked to a southern crossing to divert through traffic away from the badly congested downtown area and to support industries located to the south along the Bayshore. Interestingly, downtown San Francisco business leaders waffled on the issue. At first they staunchly supported a southern crossing because they hoped transcontinental railroad passenger trains could be routed across a southern crossing to a downtown terminal. These trains currently went to Oakland. When the railroads expressed a profound lack of interest in the San Francisco plan, the business community
transferred its allegiance to the parallel bridge, being mainly
concerned, then, with expanding traffic capacity in the existing
corridor. City officials were deeply wounded. (Business groups
later sheepishly rejoined the official leadership when the
parallel crossing was doomed.)

While the bridge crossing controversy raged, in 1948 San
Francisco political leaders took the initiative in forming a
movement for a Bay region-wide rail rapid transit system, the
other part of JAND’s proposal. As in Los Angeles, San Francisco
leaders were deeply troubled by worsening congestion and by the
service and financial decline of the existing transit companies.
In the Bay Area, Greyhound supplied bus service from Marin and
central Contra Costa Counties to the San Francisco CBD. Southern
Pacific ran commuter trains between a poorly located San
Francisco terminal and peninsula points. Key System operated in
the East Bay. The decline of Key System – controlled, as was Los
Angesles Transit Lines, by National City Lines – was especially
precipitous.

San Francisco’s initiative was given a decidedly hostile
reception by downtown Oakland political and business leaders.
Not only did the bridge crossing issue divide them, Oakland had
a very different view of the transit question than did San
Francisco. In Oakland’s view rail rapid transit was not a
regional question at all, but an issue with three separable
components: (1) an East Bay dimension; (2) a West Bay
dimension; and (3) the transbay connection question. In fact,
downtown Oakland leaders had been talking rapid transit for some
years by 1948. They were very troubled by Key System actions,
especially its lack of interest in expanding service, and had
always been disturbed by the San Francisco focus of the Bridge
Railway trains. The Oakland leadership was interested in a rapid
transit system that would integrate rapidly growing areas in
Alameda and Contra Costa Counties into a metropolitan system with
its office/commercial center in the Oakland CBD. Oakland
acknowledged its lack of a world-class financial district; its
ambitions, therefore, were correspondingly moderate and
restricted to the East Bay. Regarding the West Bay, San
Francisco was to deal with its problems on the peninsula. What
happened there was of little concern to Oakland, since events in
the East Bay were perceived to be of little interest to San
Francisco. Oakland didn’t really see the transbay connection as a
problem because the parallel crossing and the existing Bridge
Railway had sufficient capacity in its view to handle traffic
volumes for the foreseeable future. In conclusion, Oakland,
together with several of the smaller East Bay cities, saw the San
Francisco regional transit initiative as another effort to defend
the historic pattern of regional domination, and geared
themselves for resistance.

In the 1949 state legislative session, San Francisco
sponsored a transit district enabling bill, as did the Los
Angeles Chamber of Commerce. L.A.’s bill was in the state
Assembly, while San Francisco’s was in the Senate. The Los
Angeles stalemate prevented passage of any legislation in 1949, while a Bay Area transit district bill did, in fact, pass. The difference, however, was more apparent than real. As a result of Oakland-led opposition, the successful district bill reflected the conflict rather than providing the basis for a functioning public agency. All involved in Bay Area transportation questions acknowledged that the district creation process embodied in the 1949 law precluded a district from ever being formed. Official San Francisco responded with a committee of leading citizens—bankers and downtown merchants everyone—that would seek legislative changes in the 1951 session. Alan Browne, Bank of America vice-president and municipal bond expert, and Arthur Dolan, investment banker with San Francisco's leading firm, were among the group, and would be leading activists for years to come.

Following their 1949 defeats the Los Angeles and San Francisco rapid transit movements began to diverge, although their objective situations remained similar for some time. The L.A. CBD contingent abdicated direct leadership, while its San Francisco counterpart regrouped and readied itself for another engagement with its Oakland rivals.

The San Francisco wing came back to the 1951 legislative session seeking amendments that would make the 1949 legislation viable. The Oakland-led opposition held firm, resisting the San Francisco initiative. Ironically, the San Francisco leadership then made a tactical shift, adopting the L.A. Chamber position of calling for a study commission that would assess transit needs as a prerequisite for action. This tactic produced a small success. The state legislature created a Bay Area Rapid Transit Commission (BARTC) composed of members from the nine Bay Area counties. The legislature even allocated money for a study: $50,000.

The San Francisco group was pleased that the movement now had an institutional expression. The amount of money allocated, however, was seen by all involved as obviously inadequate for a serious study. Once again, state legislative action reflected the intense conflict at the local level, being both partially responsive yet mindful of the local concern with autonomy.

Through 1951 the Los Angeles and San Francisco Bay Area movements had advanced equally in institutional terms. Both had organizational forms that were so legally and financially constrained they were incapable of either study or action. BARTC used its $50,000 to hire a consultant, DeLeuw-Cather, who told BARTC that Bay Area transportation problems urgently required attention, and that a comprehensive plan costing $750,000 should be prepared.

LAMTA and BARTC both asked the 1953 state legislative session to help them raise $750,000 for study and planning, with state funds contingent on local contributions. LAMTA was defeated; BARTC, however, secured the desired legislation. At this point the two movements radically diverged.
The key was that Oakland had become vitally interested in the transbay traffic question. As a result of various state and national legislative developments, the parallel crossing had been decisively rejected and the southern crossing, anathema to downtown Oakland, emerged as top priority on the regional infrastructural agenda. Moreover, the Oakland leadership was also increasingly worried about its dominant position in the East Bay, as downtown merchants and their political and technical allies nervously watched the rapidly escalating deterioration of Key System.

BARTC hired Parsons, Brinckerhoff, Hall and MacDonald (PBHM) to prepare a comprehensive regional rapid transit plan. PBHM was hired because they were considered by the financial community to be one of the two top transportation consulting firms in the country, with special expertise in tunneling and revenue and patronage forecasting. Since any project would be financed through the sale of municipal bonds, the opinion of leading bond financiers obviously was decisive. Coverdale and Colpitts was considered the other leading firm. LAMTA hired Coverdale and Colpitts to do a monorail feasibility study with some money given LAMTA by the L.A. County Board of Supervisors.

In early 1956, PBHM presented BARTC with Regional Rapid Transit (RRT), the basic document in the BART planning process. The following elements of RRT are critical for understanding the next phase of the Bay Area movement: (1) RRT supplied the technical basis for an alliance between the downtown coalitions of San Francisco and Oakland, which was a necessary condition of movement progress. The plan met the condition specified by Oakland as non-negotiable: East Bay lines centered in downtown Oakland, converging there before crossing the Bay to San Francisco. The system recommended in RRT would, therefore, eliminate the historic San Francisco focus of the Bridge Railway trains, giving downtown Oakland enormous reception capacity and allowing the Oakland CBD to penetrate deeply into rapidly growing areas throughout the East Bay; (2) PBHM said that by linking the two downtowns with a transbay tube, rather than via a modernized Bridge Railway, the Bay Bridge could be reconstructed for more efficient motor vehicle use, thereby eliminating the need for a southern crossing for at least a good many years. The transbay tube concretized the downtown alliance, enabling both CBDs to pursue their ambitions in the East Bay. Moreover, the alliance was strengthened by PBHM's attack on the southern crossing. All additional transbay traffic capacity would be located in the existing corridor linking the downtowns. RRT's recommended action - the Optimum Plan - carried a high price, though. The peninsula counties of San Mateo and Santa Clara were eagerly looking forward to the southern crossing as a major structural element in their own development scenarios. Ominous rumblings of discontent bubbled up from the south.

Peninsula displeasure increased as a result of a third critical aspect of the RRT plan: the alignment of the trains.
running south of San Francisco. PBHM advocated routing the trains through the corridor occupied by the Southern Pacific, right alongside or above the tracks SP used for both its commuter trains, which had been losing money for some years, and for its freights, about which, as in L.A., SP cared a great deal. PBHM had concluded that, in fact, the SP corridor was the best available in terms of low right-of-way acquisition cost and travel time criteria. Once again, however, SP was disturbed by a rail rapid transit proposal that threatened to disrupt its freight business.

The dollar cost of PBHM's Optimum Plan - $716 million - frightened everyone who heard it. BARTC, however, boldly went to the 1957 legislative session with a district creation bill to build it. Before San Francisco and Oakland were able to approach the legislature with a united front, though, they first had to deal with one more profound threat to their alliance: Oakland's creation of the Alameda-Contra Costa Transit District as the vehicle for immediately governmentalizing Key System.

Political and business leaders had been talking about a public transit operation in the East Bay for years, of course, while Key System deteriorated. However, for ideological and competitive reasons these discussions had never gone past the stage of threatening Key. Key System got tired of waiting for the East Bay to overcome its internal conflicts, moving to prod the leadership along the governmentalization path.

During the summer of 1953 Key System workers struck the company; the strike lasted 2 and 1/2 months. Sherwood Swan, a leading Oakland CBD merchant and long-time transportation activist, and a BARTC member told BARTC that downtown business had suffered badly during the strike, especially the smaller merchants. What upset the East Bay leadership most was its inability to do anything about the situation. The workers offered to submit to arbitration. Key System, however, refused. The events were distressingly similar to a 1947 strike, when management had also refused a union offer to arbitrate. Key's intransigence was widely interpreted as an effort to force a buy-out.

Clair MacLeod, a railroad lawyer, elected official in an East Bay community, and a BARTC member, led a movement to form a permanent East Bay Transit Committee. This group would consider forming a public transit agency. By the end of 1954, Alameda state Senator Breed had a draft of a transit district bill ready for discussion. However, all this came as a shock to San Francisco. No San Francisco BARTC members were involved with the East Bay Committee's work, or were even well-informed about it. Moreover, the plans thus far developed for an East Bay transit district did not consider service to San Francisco.

Senator Breed thought that transbay service was not the concern of people working on the East Bay district. "Probably the BARTC will come up with a plan for service between the East
Bay and San Francisco. That is the kind of thing they are studying." The East Bay needed to take action now; the problem was a local one.

Sherwood Swan agreed this was a local matter. Swan said Key System wanted to get out, and the East Bay had to be prepared to take over. "It will be a practical, useful mass transit system for our East Bay area; and we are dealing with it from the point of view of downtown Oakland. If the values of our property are going to be sustained, we must do it by a system which serves our area well—but this bears no relation to traffic to San Francisco."

Swan brought Robert Nisbet, assistant Oakland city attorney and legal advisor for the East Bay Transit Committee to a BARTC meeting to discuss the proposed transit district legislation. Nisbet explained the East Bay's need to be in a position to act on this local issue. He saw no conflict between this East Bay initiative and regional rapid transit. The San Francisco contingent was very disturbed. Arthur Dolan asked Nisbet how it would be possible to tie in an East Bay district with the envisioned regional operation. Nisbet repeated the East Bay operation would be a strictly local one, just like San Francisco's Municipal Railway. There was no conflict. Alan Browne said he saw possible difficulties in working out an arrangement. Dolan agreed with Browne that forming an East Bay district would make it more difficult to finance a regional system. Swan responded he could not conceive of any other objective than integrating the proposed East Bay district with any overall operation. Another Alameda County representative asked why an East Bay local system would harm financing for a regional system when San Francisco's local system wouldn't. In any case, he thought that local transit would remain locally operated even after the regional system began operating; he didn't see any integration problems. Dolan replied it did not seem unlikely to him that studies currently underway would indicate the desirability of having San Francisco and East Bay local transit lines operated by the same agency that ran the regional system. Alan Browne said a separate East Bay transit district would confuse the financial community. Cyril Magnin, a leading San Francisco CBD merchant, stepped in to propose that a special committee be formed composed of members from San Francisco and the East Bay to try to work out an accommodation. BARTC voted its approval of this motion.

When this special committee met in early 1955 the San Francisco members stressed the need for unity and for making sure the East Bay action did not jeopardize the larger project. The East Bay contingent protested their sincerity, emphasizing their allegiance to regional goals. The summit was able to reach agreements on language that was acceptable to San Francisco.

The financing concerns expressed by Dolan and Browne went to the uncertainties that would exist for bondholders if two autonomous agencies provided service in the same territory.
Without some kind of understanding it would be possible for one agency to take action that would jeopardize the revenue generating capacity of the other. Such action could threaten the security of the bondholders. Interestingly, however, the provisions finally agreed upon were vague and did not provide any concrete guidelines for future relations between agencies. The leaderships on both sides of the Bay informally agreed on a division of labor. However, nothing specific would ever be legally adopted. The East Bay had decided it wanted a transit district. In the interests of the larger regional project San Francisco reluctantly acquiesced. Ironically, the integration that was supposed to characterize relations between the Bay Area and East Bay systems did not spontaneously emerge. In fact, relations between the Bay Area Rapid Transit District and the Alameda Contra Costa Transit District have been characterized by a great deal of bitterness precisely on the issue of integration and the appropriate role each is best suited to play.

Following DARTC's endorsement of a transit district for the East Bay, Alameda Senator Breed submitted enabling legislation. The procedure called for the creation of a district by a vote of the people in the proposed area. In addition, people would elect the district board of directors by ward. The district would be able to sell bonds for an amount up to twenty percent of the assessed valuation of district property. Furthermore, the district was authorized to levy a property tax for any district purpose; no limit was set on an allowable tax rate.

The only controversial aspect of the legislation was its provisions dealing with transit labor. The East Bay was divided on the question of whether a civil service-style merit personnel system or collective bargaining procedures ought to govern. The original bill called for a merit system. In addition, the bill did not say anything about what would happen to transit workers in firms that were acquired by a district.

A new set of labor provisions was soon amended into the bill. Collective bargaining between a transit union and a district was mandated. Moreover, to the extent necessary for service, all workers of a utility taken over by a transit district would get the same jobs with the district and would not suffer any decline in status. District workers were, however, forbidden to strike. The more conservative elements in the East Bay had been persuaded that things would go more smoothly, politically and economically speaking, if these concessions to organized labor were granted. The labor provisions were amended further to protect the fringe benefits of affected private sector workers.

Given the long history of strong anti-public ownership and anti-labor union sentiment in the East Bay, the relatively smooth legislative passage of this transit district bill was extraordinary. It reflected the political strength of the downtown Oakland leadership in local and state politics, and the
confidence the coalition felt regarding its ability to manage its transit affairs. Within its domain the elected board of directors would govern as no other transit directing body could anywhere on this continent. The Alameda-Contra Costa Transit District Act was a pioneering piece of legislation in several ways.

The unrestricted and unlimited property taxing powers granted to the district directors were unique. No other public transit agency had any taxing power of its own at all. These powers would allow the district a great deal of flexibility in financing operations from a variety of combinations of fare box and property tax revenues. The twenty percent of assessed valuation bonding capacity was extremely generous. Furthermore, the fact the district did not have to seek approval from other governmental agencies before submitting a bond issue to the electorate represented a grant of formal autonomy that many other transportation agencies, including authorities, did not possess.

The labor provisions were likewise pioneering. This was the first time agencies of government in California were allowed and mandated to recognize labor unions and sign collective bargaining agreements. While they gave up the right to strike, nevertheless, the local unions involved were more concerned with gaining recognition and bargaining rights. Public sector labor organizing received a boost. The provisions establishing protection for private sector workers - supervisory employees were not similarly protected - were also precedent-setting in the California transit industry.

After the passage of the legislation the East Bay transit leadership re-organized to campaign for district formation. Three BARTC members would be part of the committee preparing for the election. They were there, as Sherwood Swan told BARTC, to guard against the possibility of East Bay objectives conflicting with those of the regional movement. As an integral part of their election publicity, those speaking on behalf of an East Bay district stressed the complementarity between the local effort and the regional system being developed by BARTC.

Joseph Knowland, the arch-conservative Oakland Tribune publisher and leading activist in the right-wing of state and national Republican parties, supported the creation of an East Bay transit district. Knowland concisely and precisely explained his reason for supporting governmentalization; his comment summed up the relationship between business ideology and business politics on the transit question: "I am not an advocate of public ownership, as such. But we are here confronted with a condition, not a theory."

The Alameda-Contra Costa Transit District was created by vote of the people in 1956. However, the place competition dynamic constrained even so powerful a coalition as the Oakland CBD. Coalitions in portions of Contra Costa County opposed district formation because they feared domination by downtown Oakland. The new district would soon face a serious challenge.
The San Francisco-Oakland fracture may have been sealed, but new fault lines appeared as BARTC shook up the 1957 legislative session. When the shaking stopped the Bay Area Rapid Transit District (BARTD) was in place, without, however, Santa Clara County being in it. Santa Clara County business and political leaders were deeply concerned with the autonomous economic development of their area. Manufacturing industries were their primary concern, hence their keen interest in - and disappointment with - the fate of the southern crossing. A rail rapid transit system focused on the San Francisco CBD did little to advance this interest, and threatened development aspirations in San Jose.

Reflecting the intensely controversial nature of the project, BARTC sought district creation by the governor, and gubernatorial appointment of the board of directors. The BARTD's property taxing powers and its access to the region's tax base were relatively more constrained than ACTD's. Moreover, San Mateo County had insisted on a provision enabling counties to easily withdraw from the District, before any commitments were made. With Santa Clara already gone and San Mateo clearly wavering, the regional nature of the project, from the downtown San Francisco point of view, was in jeopardy because of likely future travel patterns. The traffic movement into the San Francisco CBD from the peninsula was then, and was forecast to be substantially larger than the CUD-bound movement from the East Bay.

BARTD hired a joint venture composed of Parsons, Brinckerhoff and two locally based engineering and construction firms, Tudor and Bechtel, to engineer their system. While they worked, however, relations between the District and San Mateo County steadily worsened. The main line of opposition was the same as had divided San Francisco and Oakland earlier and had paralyzed the Los Angeles movement. A peninsula group clearly articulated the conflict: "The transit district is designed almost entirely for the purpose of moving people into and out of the San Francisco and Oakland business districts to the detriment of the development of San Mateo County." Combined with the elimination of the southern crossing, and Southern Pacific's freight-based opposition, the withdrawal pressures became intense. During the early postwar period San Mateo development had been primarily residential, so interest in rapid transport connections to existing areas of employment concentration was great. However, as the 1950's wore on, office/commercial activities - the kinds of activities CBD groups saw as "naturally" centralized - increasingly developed in outlying areas. Place-based interests coalescing in these outlying business centers opposed the downtown-radial initiative, calling for transport facilities that would facilitate autonomous

from within its own midst. When ACTD moved to buy-out Key and begin operating service its areal extent was constrained by competing coalitions in southern Alameda and central and eastern Contra Costa. As a result, a successful BART project remained a crucial downtown Oakland objective.
economic growth. In late 1961, the San Mateo County Board of Supervisors voted to withdraw from BARTD. With San Mateo gone, Marin County was forced to withdraw; the shrunken tax base would not support a Golden Gate crossing.

Indeed, the District disintegration process nearly went as far as Contra Costa County. Outlying business center interests argued for withdrawal from BARTD, just as they sought to remain outside ACTD’s jurisdiction. However, large residential developers in the central portion of the County, who had been leading activists since the transit movement began, managed to keep the County in. A very different, much smaller BART system than the one envisioned in Regional Rapid Transit limped on to the 1962 ballot, where a very heavy pro-BART vote in San Francisco, linked to the freeway revolt, barely edged it over the top.

BART represents the triumph of a spatially limited alliance composed of the San Francisco and Oakland CBD coalitions and their East Bay residential development allies. In one important sense the BART success was possible because of a contextual dimension not directly related to either transportation or metropolitan development at all: the governmental structure of the Bay region. The fact that the metropolitan area was divided into counties permitted disaggregation as well as alliance building. Opponents, such as San Mateo and Santa Clara could withdraw without stalemating the entire movement. So long as the movement was able to succeed in other counties, then limited alliances were possible. Given the spatial distribution of development and political power in Alameda and Contra Costa Counties at that point in history, the movement was able to prevail.

Such a solution to the place competition dynamic was not available in Los Angeles County. The very large number of existing business centers, each with its own locally-oriented development aspirations, made coalition building based on transit system design impossible. Indeed, RTAC’s proposal to place rail rapid transit lines in freeway medians virtually eliminated most physical possibilities of coalition building, because of the distance between freeway transit stations and outlying business centers. That all these outlying centers were spatially distributed within Los Angeles County (as well as within the City) prevented disaggregation. The L.A. CBD initiative, therefore, was stalemated.

The Bay Area, however, soon came to exhibit the dynamics of an intensely competitive metropolitan area with a vengeance. As outlying business centers developed, demands for locally-oriented transit service increased in urgency. Following their withdrawal from the regional rail rapid transit project, San Mateo and Santa Clara Counties each created their own transit districts. Marin County later created a district as well. Instead of a unified region-wide system during the 1970’s the Bay Area now contained no fewer than eight autonomous transit
properties, six of which were public agencies. (SP and Greyhound continued private operation at this time.) This profusion of
governmentalization, with a minimal amount of cooperation on
fares, transfers and service policies, and an interesting amount
of overlap on certain routes as well, faithfully reproduced the
competition prevailing in the metropolitan political economy.
The many public agencies, each seeking to facilitate development
aspirations, intensified fiscal crisis pressures. These
pressures, in turn, generated another round of intervention -- the
Metropolitan Transportation Commission -- and continuing efforts
to rationalize transit in the region.

CBD's vs. Suburbs

The following case study of governmentalization and
regionalization in the Seattle and Portland metropolitan areas
likewise illustrates the dynamics of spatial competition, as
downtown coalition initiatives are resisted by outlying areas.
While these two metropolitan areas are in transition from CBD-
dominant to intensely competitive, as the San Francisco Bay Area
came to be, there are important differences. Freeway revolts
were in progress and the environmental movement was gathering
strength in the Pacific Northwest. The defeat of the Seattle CBD
transit investment program and the controversy generated by the
creation of the Tri-Metropolitan Transit District in the Portland
area, therefore, illuminate the fundamental nature of spatial
competition in transit politics. Indeed, in the Portland case,
governmentalization was intensely controversial even in the
absence of an ambitious downtown/radial rail rapid transit plan,
as was the case in Seattle. The Portland area conflict produced
a governmental agency that was structurally similar to LAMTA --
one created by the governor with a Board of Directors appointed
by the governor -- yet was much less constrained than LAMTA. The
greater financial and service flexibility was due to the greater
strength the Portland CBD coalition wielded in state politics at
this particular point in time relative to downtown Los Angeles.
Gubernatorial creation and appointment were Portland CBD
strategies aimed at distancing the new governmental agency from
outlying area pressures. Given the increasingly competitive
nature of the Portland metropolitan area, though, the political
insulation built into Tri-Met produced a very cautious entity.

Efforts to governmentalize and regionalize transit in the
Seattle and Portland metropolitan areas illustrate the political
dynamics characteristic of the transition from a CBD-dominant to
an increasingly competitive context. During the period 1968 -
1972 service and institutional innovations were adopted in both
areas in response to the same problem: the inability of then-
extisting central city transit systems to provide the kinds of
service thought necessary by CBD coalitions. Privately-owned
Rose City Transit and municipally-owned Seattle Transit were
increasingly in financial difficulty and were caught in a
downward spiral of physical and service deterioration. Moreover,
both properties were severely limited in terms of their areal extent.

The Portland and Seattle areas shared another contextual feature as well: both were nationally known as leaders in the burgeoning environmental movement, as were their respective states. In addition, Seattle was facing a freeway revolt during the period when major transit innovations were on the metropolitan political agenda. The particular innovations and the routes to their adoption differed in the two areas, yet in both cases competition between the CBD and outlying centers structured the innovation process and the outcomes, even though the level of environmental consciousness in both areas was quite high.

The Defeat of Rail Rapid Transit in Seattle

Seattle-area voters defeated bond issues for extensive rapid transit systems in 1966 and 1970, parrying initiatives developed by Forward Thrust. In 1972 King County voters finally agreed to a limited program of regionalization and modernization, authorizing the Municipality of Metropolitan Seattle (Metro) to levy a transit sale tax, take over Seattle Transit, and operate a County-wide bus system.

One political analyst called Forward Thrust, "...unquestionably the most impressive example in the history of Seattle's characteristic 'government by citizens' groups. It represented a massive effort, in large part successful, by a broadly based citizens' committee to develop a coordinated capital-improvement program for the metropolitan region". The idea for Forward Thrust was advanced by James Ellis, a Seattle CBD lawyer who had been a leader in the movement to create Metro in the latter 1950's. Interestingly enough, the original Metro proposal called for a regional agency that would handle sewage, planning as well as transit for the metropolitan area. This proposal was defeated in early 1958, however, a revised version, leaving transit out, was approved later in the year. Another James Ellis-led effort to include transit as a Metro function was defeated in 1962. Ellis, as well as other CBD coalition leaders remained committed to a rapid transit system. In the mid-1960's the city of Seattle pressured the Puget Sound Governmental Conference to sponsor a rapid transit study, which was done by DeLeuw, Cather and submitted in November, 1965.

On 3 November 1965, Ellis formally called for a "Forward Thrust" in a speech to the Seattle Rotary Club. In this speech Ellis clearly articulated the ideology of a CBD-dominant metropolitan area. He envisioned downtown Seattle as the employment, tourist, trade and cultural core of a great region. Seeking to shape popular consciousness on this issue through the use of a suggestive biological metaphor, Ellis likened the CBD to the, "...heart of the city [that] pumps life giving blood into the suburban area..." and is "...complementary rather than
...competitive..." with suburban business centers. New transport facilities were key to the successful functioning of the greater Seattle organism: "...if the core is to develop to its maximum usefulness, rapid transit must be a major element of the metropolitan transportation system." 32

In the summer of 1966 Forward Thrust formally emerged, led by the following community activists: the president of Seattle First National Bank as president of the Forward Thrust Board of Directors; a Boeing vice president as vice-president of the Thrust Board; the president of the Seattle Chamber of Commerce as vice-president of Forward Thrust; the president of Pacific Northwestern Bell as treasurer; and James Ellis as first vice-president, then president of Forward Thrust. The Chamber of Commerce loaned a staff member to serve as executive director. Seattle's mayor was an enthusiastic supporter. Careful not to appear to be dictating the infrastructural projects necessary to propel Seattle to world city status, Forward Thrust planned a year of intensive citizen participation to identify priority capital facility needs.

In early 1968 Forward Thrust placed more than $800 million worth of capital improvement projects on the ballot. The largest was an extensive, downtown-radial rapid transit system, estimated to cost $385 million.33 An extensive public relations campaign was undertaken in support of the bond measures, led by the Seattle Times, which carried a weekly "Forward Thrust Forum" column in which movement experts responded to reader queries. Organized opposition to the transit ballot measure was apparently limited to efforts by a suburban realtor to discredit the rapid transit program on the bases of excessive cost, future financial subsidy requirements, and the inappropriateness of a downtown-radial fixed guideway transit system. A television reporter who criticized the proposal was said to have been fired because of his stance. 34

Yet the rapid transit measure failed to gather the 60% affirmative vote needed, even as seven of the other eleven ballot measures passed. The defeat shocked the CBD coalition. However, the fact that slightly more than 50% of the voters approved the proposal encouraged Forward Thrust to submit a slightly revised version to the electorate in 1970, accompanied by a very aggressive public education campaign that reached "feverish proportions." The second time around just 46% of the voters supported the rapid transit proposal.35 In addition to suburban reality opposition, two University of Washington engineering professors, both leading urban transportation experts, were active and vocal opponents. The academics questioned the population and employment forecasts that were the bases for the rapid transit proposal, arguing that these were inflated in order to make a downtown-radial rapid transit system appear necessary. Since forecast demand for the transit system was questionable, the cost effectiveness of the plan was doubtful. Reflecting the controversy swirling about the project and about the role of academic analysts, one of the professors...
received telephoned death threats during debates leading up to the vote. In the face of stiffening resistance a deflated Forward Thrust disbanded.

Seattle Transit, surprised to find itself still in business, gamely tried to play a progressive role in facilitating downtown Seattle aspirations. In 1970 the city system inaugurated eight "Blue Streak" express bus routes from outlying residential areas to the CBD via freeway. When Metro took over in 1972, the new regional agency modernized the system and undertook an ambitious program of downtown-radial transit expansion, increasing peak-hour service to the Seattle CBD by more than 25% between 1976 and 1978. Increasing downtown reception capacity through some form of rapid transit remains a primary Metro planning objective. Meanwhile, Metro has responded to the fiscal pressures generated by its expansionist program with pioneering contracts allowing for significant use of part-time labor, and with an emphasis on program budgeting and management.

Metro has been able to do as much as it has for the Seattle CBD because of the leading role played by the City—led by James Ellis—in the formation of the regional agency. The political structure of the agency reflects the strength of Seattle in metropolitan and state politics, and the relatively low level of suburban political activism. As Bellevue continues to grow as a business center rivaling Seattle in size, the political dynamics associated with a more intensely competitive metropolitan context will emerge.

**Governmentalization in Portland**

While regional rapid transit was the main objective of the Seattle CBD coalition, Portland had yet to governmentalize its transit operations. A specific rapid transit plan crystallized political conflict in the Puget Sound region. Even in the absence of a particular proposal, spatial competition and related issues of control and finance were the dimensions of conflict during the Portland area governmentalization process.

In early November, 1968, the management of Rose City Transit shut down the operation for two days, ignoring a Portland City Council ultimatum to either run the buses or forfeit its franchise. Rose City was the last remaining privately-owned transit system, paying the lowest wages, of all major west coast cities. The transit workers had just rejected a company wage proposal, precipitating the management action. When an agreement was reached granting drivers and mechanics modest wage increases, Rose City readied a fare hike request for the City Council. When the request came in early December, the Council voted instead to revoke Rose City's franchise in six months and take over the bus line. The Council reasoned that another fare hike would only exacerbate the process of ridership and service decline that had
brought Rose City to its current debilitated condition. Portland political leaders hoped that municipal ownership would be an interim effort, giving way to a metropolitan wide agency in the very near future. As in the case of Seattle Transit, Rose City's jurisdiction was limited to the central city and a three-mile band beyond the city's boundary. Suburban-downtown radial service was provided by four small private companies, who were in similarly poor financial and service condition. Rose City had shown neither strategic nor financial interest and ability in taking over these smaller suburban lines and consolidating them into a region-wide bus system. Reluctantly, therefore, Portland embarked on a governmentalization process, aiming at regionalization as well.40

The Portland City Council created a blue ribbon citizens committee in December, 1968, the Mass Transit Advisory Committee, to prepare a legislative agenda for the transition from private to public. The state legislative proposals developed by this group and supported by the City revealed quite clearly the Portland leadership's assessment of suburban political concerns. Regarding the transit district creation process, the City-supported legislation enabling creation by the governor. This would follow receipt of a resolution adopted by the governing body of the most populous city in a metropolitan area finding that area-wide transportation needs were not being met by the local transit operation. The governor would then appoint a seven-member board of directors for the transit district. While the governor would endeavor to assure equitable board representation for all places in the district, the governor had total discretion. Finally, regarding finance, a district would have available to it a wide range of possible tax mechanisms, some of which could be adopted by the board of directors without a vote of the district electorate.41

In opposition to the Portland initiative, suburban coalitions sponsored a legislative proposal that would enable creation of a multi-purpose regional agency, having sewage, solid waste as well as transit responsibilities, rather than the single-purpose transit district Portland sought. Moreover, creation of such a regional agency would have to be approved by the electorate, along with its tax base. Its board of directors would be appointed by a convention of locally-elected officials, allocating board seats in a manner that advanced suburban interests.42

The Portland leadership was concerned that the transit issue, the one that was most pressing in their view, might be submerged in a multi-purpose agency sensitive to suburban development aspirations. Given grassroots support for both proposals, however, the state legislature passed both. The City seized the initiative during the Fall, 1969, requesting the governor to create a district. Outlying area coalitions, who had planned to place a multi-purpose agency on the ballot the next year, opposed the City action. The governor, however, created the Tri-County Metropolitan Transit District (Tri-Met), and
appointed its directors, several of whom were members of the City-established Mass Transit Advisory Committee. 43

In November, 1969, Rose City Transit was locked in struggle with both the City of Portland over the financial dimension of a public takeover, and with the transit workers' union regarding a new contract. As in 1968, labor-management conflict threatened to disrupt service. Tri-Met dramatically intervened at this point, requesting a permit from the Portland City Council to operate a bus system. The City Council granted a permit. The Tri-Met Board then took up the intensely controversial question of district finance. 44

Of all the mechanisms available to it, Tri-Met chose to implement an employer payroll tax. Sales taxes were becoming increasingly popular as a revenue source for governmental transit operations around the United States. Since Oregon did not levy a sales tax, reflecting long-standing opposition in the state, creating the administrative machinery necessary to collect this tax steered the Tri-Met Board away from it. The Board also sensed widespread political opposition to the imposition of an income tax. The only other tax the Board could impose without a vote of the district electorate was a tax on employer payrolls. Tri-Met pioneered the use of this tax in the United States. 45 Interestingly enough, in 1971 the Paris, France metropolitan transit agency adopted a differentiated employer payroll tax to finance its operations. The French Communist Party was the leading advocate of this approach, claiming a major victory on behalf of the Parisian working class. Indeed, the Paris approach of assessing employers in outlying areas at a lower rate than employers in the central region would have made a great deal of sense in Portland. 46

The Tri-Met payroll tax proposal was never attacked as a communist plot. However, it was bitterly condemned by outlying area business groups as grossly unfair. More than any other finance mechanism, the employer payroll tax crystallizes CBD-suburban conflict on the transit question. At a hearing preceding the Board's action opponents charged that, "...businessmen in downtown Portland, not in the suburbs, would benefit from the metropolitan bus system." The Tri-Met Board President had earlier noted that he, "...had not received any negative reaction from downtown retailers who will be paying a big share of the payroll tax." Another Board member, an Oregon labor leader, added that he was, "...convinced that Tri-Met had come up with the fairest tax method...[ii]is conscience was clear." An editorial in the Oregon Journal pinpointed the suburban rallying cry: "Taxation without transportation." 47

Within days lawsuits were filed by suburban business groups challenging the constitutionality of the tax, and movements emerged in Clackamas and Washington Counties to secede from the transit district. The opposition coalesced in the Committee for Metropolitan Cooperation. The roster of outlying coalitions refusing to pay the tax mounted steadily. Referendum
petitions circulated. Tri-Met successfully resisted all the legal challenges; the Oregon Supreme Court finally vindicated the district during the summer, 1970. The petition movement failed to gain the required number of signatures. Recalcitrant businesses started to fall in line. Tri-Met moved to take over the suburban bus lines and create a unified downtown-radial regional system.48

Given the intense opposition that did in fact develop in outlying areas, the strategy pursued by the Portland CBD coalition regarding district creation, governing structure, and finance mechanism was politically astute. In all cases the transit movement leadership sought to insulate decision-making processes from outlying area influence. Having the governor create the district following an appeal that only Portland could issue, then having the governor appoint the Board of Directors kept the outlying area coalitions as far from power as possible. The key, of course, was the relative political strength of the CBD coalition in regional and state political arenas. The choice of a finance mechanism that did not require a vote further insulated the district from popular politics, and reflected the weight of the governmentalizing coalition on the district board.

The triumph of the Portland CBD should not, however, obscure the continuing – indeed, intensifying – nature of the conflict that prompted the insulation strategy. As outlying coalitions gain political and economic strength the distant nature of the Tri-Met board inclines it to tread softly so as not to threaten its relatively autonomous status. In 1974 and again in 1977 the governor replaced the entire Board, responding to concerns the district was moving too slowly and was insufficiently responsive to local concerns.49 A freeway revolt, however, presented Tri-Met with a real challenge. An alliance including the Portland CBD coalition and outlying business center coalitions in the eastern part of the transit district secured regionwide support for a light rail line linking them in return for support for numerous highway projects elsewhere in the metropolitan area.50 The financial impact of the light rail line, which may dramatically increase subsidy requirements, is likely to exacerbate the conflict between CBD and outlying areas regarding the structure of the district and its continuing CBD orientation.

The next case study illustrates the dynamics of a weak-CBD metropolitan area that is in transition to a competitive one. In the Tacoma, Washington, area the regionalization process was led by outlying business center coalitions, seeking transit that would facilitate locally-oriented development. The highlight in this case is the space opened up for service and efficiency-oriented managerial innovations by the absence of an activist CBD coalition promoting a downtown-radial plan. Moreover, the Pierce County institutional innovation – a suburban-controlled regional agency providing mini-radial as well as downtown-radial service – may be a politically stable solution for metropolitan areas undergoing this particular transition.
Mini-radials in Pierce County, Washington

In 1980 Pierce Transit District began operating a multifocal point transit system, in which two kinds of routes serve five established transit centers: (1) local routes, operating in a "mini-radial" pattern; and (2) intercommunity routes, connecting transit centers with each other and with downtown Tacoma. The transit center-oriented mini-radial configuration is the quintessential service innovation in a weak CBD metropolitan area. Institutional innovations in Pierce County reflect, however, features characteristic of a competitive metropolitan context. The combined form seems potentially a politically stable outcome, likely to appear in those areas where outlying business center interests seize the initiative from a dormant CBD coalition that does not rise up in opposition. Outlying groups can then structure a system that protects and facilitates their development aspirations while maintaining a place for a weak CBD as one focal point among many.

There are two important contextual features concerning the origins of Pierce Transit District and its transit center program. In the first place, the Tacoma CBD had been seriously declining for several years, while a number of outlying retail business and employment centers had developed. Indeed, leading downtown Tacoma retailers had been individually pursuing a suburbanization strategy rather than collectively undertaking transit-building action aimed at maintaining their historic position. Secondly, the route structure of then-existing Tacoma Transit was downtown-radial, and the property primarily served Tacoma city residents. As the CBD had been declining, so had Tacoma Transit. Service was virtually non-existent in those outlying portions of Pierce County that were growing.31

The process outlined in Washington state law for the formation of public transit districts begins with locally elected officials calling a Public Transportation Improvement Conference. The Conference is allotted up to $50,000 from the state to conduct a feasibility study and develop a comprehensive transit plan. Critical components of the study and plan include the determination of district boundaries, finance mechanisms, service patterns, and governing agency structure. The entire package is then submitted to the proposed district electorate for approval.

Outlying business center coalitions initiated the Pierce County process and were deeply involved in Improvement Conference activities. The Conference used the state money to hire a consultant to conduct the study and prepare a comprehensive plan. The absence of a CBD coalition advocating a downtown-radial transit investment program created a space in which outlying activists could pursue their objectives. Moreover, the technicians had more room within which to work. Technicians could proceed in a relatively participatory manner,
reflecting the widespread interest in outlying areas. They also could design a technically sophisticated system that accommodated the transit route structure to current travel patterns and likely future land development trends.52

Accommodation to existing travel demands and future spatial trends is a key aspect of current service and institutional innovations. It expresses the consensus that has emerged among technicians and academic analysts in the post-BART era of transit policy evaluation. It also reflects the profound historical and political differences between dominant-CBD metropolitan areas and those in which outlying business centers increasingly set the metropolitan political agenda.

The comprehensive plan finally developed by the consultants included: the two kinds of bus routes noted above - mini-radial and intercommunity; adoption of district boundaries that included most of the population within Pierce County; a district-wide sales tax financing mechanism; and a District Board of Directors that allocated appointment of four of seven seats to elected officials outside the city of Tacoma.53

The transit center mini-radials, the key service innovation in this case, reflect the relative strength of the outlying business center coalitions in the planning process, as do the institutional changes that were put in place. Given that district boundaries were extended to include most of the County's population and that the new finance mechanism would apply district-wide, a viable service strategy might have been to greatly increase the amount of suburban-downtown radial service. Indeed, this was the strategy adopted in those CBD-dominant and competitive metropolitan areas where a downtown coalition led the process of innovation. "Covering" the metropolitan area with such service was pursued as the route to political accommodation. The Tacoma approach highlights a different political emphasis.

Institutionally, the choice of a single, expanded District that would receive all sales tax revenues, rather than creation of one or more outlying area agencies in addition to Tacoma Transit reflects the political confidence of the transit center area coalitions. The allocation of seats on the Board of Directors is the key feature here. Another indication is that one of the consultant firm principals became Director of Transit Development for the District. The fare structure innovation adopted by Pierce Transit must also be seen in the context of an absent CBD investment program. In 1982 the District went to a peak/off-peak fare differential by raising the peak fare, rather than lowering the off-peak fare. While such a fare structure change is strongly advocated by technicians and academic analysts, as are other changes Pierce Transit is considering, including distance-based and class-of-service fares, the political situation obtaining in the Tacoma metropolitan area may be prerequisite to their adoption as efficiency and equity enhancing measures.54
While the transit center mini-radials are what distinguish the Tacoma metropolitan area case, downtown Tacoma continues to be well served by the new governmental regime. Indeed, 23 of the 42 routes operated by Pierce Transit District radiate from the Tacoma CBD. The regionalization movement has, therefore, expanded the scope of CBD-radial service and placed it on a much firmer financial foundation than previously.55

The dual nature of the District's transit investment program strengthens the likelihood of political stability. The key test of this potential has been developing with the recent emergence, following the creation of the District, of a activist downtown Tacoma coalition. Since 1982 a substantial amount of building has been going on in the Tacoma CBD, and downtown businesses are now apparently keenly interested in transit-based accessibility. The current downtown coalition is rooted in office- and service-type activities, rather than in major retail investments.56 The coalition's acceptance of this regional division of labor may provide the economic basis for continuing political stability. Should worsening CBD congestion develop as a downtown coalition concern, however, then more of the dynamics characteristic of intensely competitive metropolitan areas may emerge.

PUBLIC SECTOR INDUSTRIAL POLITICS

The national government entrance in the early 1960s was a manifestation of the Kennedy/Democratic Party urban strategy. There were two goals. It was primarily aimed at strengthening ties between the national party and its urban area constituents.57 Secondarily it was an effort by the national executive branch to rationalize urban programs in general in order to increase their effectiveness. The transit program was intended to support urban renewal program activities and to serve as an implementation tool in support of metropolitan development planning.58 These goals were institutionalized in the developing system of federalism, pursued by Republicans as well as Democrats.

The first order of public sector business was industrial modernization. The financial disabilities of the private transit companies had produced protracted periods of deferred maintenance, especially on railway rolling stock and rights-of-way. Combined with lack of investment in new equipment and facilities, the process of industrial decline had taken a terrible toll. Virtually an entire industry had to be reconstructed, including physical capital as well as managerial attitudes. Private company managers typically stayed on to run the new public agencies. Decades of retrenchment had produced a management generation, however, that was inexperienced in image-building, marketing, technological innovation, and other forms of entrepreneurial activity. Moreover, the industry's poor financial prospects held few attractions for a younger generation of
managerial activists. Research and development and management training, as well as investment finance would have to be governmentally sponsored.

Early intervention had a number of distinguishing characteristics: (a) it was financially modest, reflecting the narrow basis of support for a transit investment program in the Congress. Through the early 1960's the older CBDs of the northeast, midwest and west, those already experiencing the combined forces of transit deterioration and suburban competition, were the ones seeking modernization assistance; (b) it focused on capital grants, reflecting the weight of transit equipment producer interests in the coalition of groups put together to lobby for federal action; and (c) protections for transit labor were incorporated in federal legislation, reflecting the influence of organized labor in national as well as local Democratic Party politics.58

The first major expansion of the national transit investment program came in 1970, as downtown alliances in the south and west joined the original group in supporting a quantum leap in resource commitment to downtown/radial transit construction. In addition to this much enlarged group, the accelerating decline of private transit capital during the 1960's brought growing numbers of smaller and medium-sized cities to the national government seeking subsidy for bus modernization efforts. The Nixon administration, pursuing its own urban strategy oriented to the newer cities of the south and west, was responsive to the concerns of these newer cities whose CBDs were now confronting the same kinds of metropolitan development pressures and patterns as the older group had.60

The national investment program dramatically expanded next in 1973-1974. Federal legislation increased resource commitments, partially through granting the first significant degree of transit access to highway trust fund monies, and initiated operating subsidies. These two elements reflect the growing power of a new force in Congressional politics: the intergovernmental lobby.61 This new force, composed of state and local government representatives and professional associations closely aligned with the public sector, had two main transit objectives: (1) augment local revenues with national subsidies that could be used to fund downtown alliance transit programs; and (2) enhance local control of transit program resources in place of executive branch discretion. One important mechanism here is the use of formula-based methods for allocating funds rather than reliance on discretionary grants. Formulas are intended to mitigate competitive pressures, so that political stalemates do not persist. Formulas acknowledge the realities of competition for funds and reflect relative political weights in the competitive process. They also entitle most competitors to at least some means of support for individual projects.

The debate over operating subsidies highlights the nature and power of the new intergovernmental lobby. Executive branch
officials and academic analysts both forecast the likely consequences of operating subsidies during the lengthy period of legislative consideration. They agreed that transit management's ability to impose wage discipline on organized labor would be eroded, and that productivity would decline. Operating subsidies would go partly to increase transit worker wages, and partly to fund politically responsive, inefficient service expansion. Operating subsidies undermined the rationale for governmentizing the transit industry in the institutional forms of relatively autonomous, "businesslike" authorities and districts. Yet Nixon administration opposition, buttressed by these plausible, articulate arguments, gave way in the face of intergovernmental power.62

The evolution of local, state and federal programs of financial support, adapted to local competitive pressures and facilitated by intergovernmental activism, elevated the transit industry to the status of fiscal crisis machine. This was in the manner of, but on a much smaller scale than the health care industry. In health care, the combination of private and public insurance, retrospective, cost-based payment, and provider-influenced demand underwrote an explosively costly sectoral expansion. A financially explosive, "insured" transit industry generated efforts to contain costs and increase productivity that were quite similar to what was going on in health care; indeed, to efforts in the service sector generally.

The nature of the fiscal crisis was this: downtown coalitions in metropolitan areas of CBD dominance and in areas of intense business center competition sought and secured the kinds of transit service - long distance, peak period, downtown/radial - that were extremely costly to provide, and priced these at well below marginal cost. At the same time, transit labor was able to secure wage gains enabling them to keep pace with workers in other local government sectors during a very inflationary period. Moreover, transit worker resistance limited management's ability to make work rule changes that would soften the consequences of the continuing concentration of patronage in the peaks. Thus, they were unable to increase use of part-time, split-shift, and outside contract labor. Since the new services often carried relatively light loads, the consequences were a dramatic decline in productivity and escalating financial difficulties.63 The crisis was political as well as financial. Outlying business center coalitions increasingly saw needs for locally-responsive transport going unmet while the downtown alliance program absorbed evermore subsidy.

Escalating financial and political crisis should not, however, obscure a central point: the urban transportation programs of the post World War Two period, including both freeways and transit, represent a staggering triumph for many downtown alliances throughout the United States. Measured in terms of the movement's own objectives - increased CBD accessibility and reception capacity - the proliferation of downtown/radial freeways and transit lines concretely express the
accomplishment. Indeed, many CBDs did so well strengthening their competitive position that few financial resources were left to subsidize the development-related transport aspirations of the most recent generation of rapidly growing outlying areas.64 Public sector transit crisis has, though, generated movements to restructure, rationalize and privatize both industrial and institutional arrangements. These efforts are the innovations of the current period. They grow directly out of the dynamics outlined thus far.

THE DYNAMICS OF INNOVATION IN RESPONSE TO FISCAL CRISIS

Program rationalization aims at resolving political and fiscal crises primarily in the following ways: (1) increase industrial productivity; (2) suppress competitive pressures emanating from politically weak coalitions, while creating some degree of order among remaining competitors; and (3) empower multiple decision-making centers, each with its own autonomy to pursue local objectives.65 Participants in the transit policy arena differ, however, regarding the nature and purpose of public sector industry. These differences are reflected in approaches to rationalizing: (a) the production of transit services within the public sector; and (b) relations between local program sponsors and the national government. There are three main approaches: (1) Replicate private sector behavior as closely as possible within the public sector. An economically efficient industry is the target. Transit supply and price distortions due to subsidies of various kinds should be minimized, including perverse income distribution effects arising from cross-subsidies. (2) Subsidize the development aspirations of those competing places sufficiently influential to require governmental response. A politically legitimate industry suffices, subject to increasingly severe budgetary constraints on total resource commitments. Increase the share of national funds allocated through formulas, however, as a means of reducing local pressures on Congress; and (3) Provide a residual, social welfare service for those without adequate income or capacity to achieve mainstream levels of mobility.

Since the Nixon years the executive branch has been the main proponent of the private sector approach to rationalization. The earliest productivity-increasing strategies were the substitution of capital for labor and the search for economies of scale through regionalization. In an industry where wage and related costs account for the great bulk of operating expense the strategy has a great deal of surface economic appeal. Moreover, given the extreme physical deterioration of the industry during its protracted period of decline, new technology had marketing appeal as well. When the transit industry was mostly private and regulated by state agencies, the regulators strongly encouraged the companies to shift from two-man to one-man streetcars, which many firms did during the 1920s and 1930s. The CART project, the transition between private capital market and
government financing, was intended as a radical substitution of capital for labor. Advanced technology transit systems that would not require vehicle operators were among the earliest and most prominent research and development efforts the national government undertook upon entering the industry in the mid-1960s. The savings theoretically available from the substitution of multi-car trains, operated by one person, for a multitude of buses each operated by a driver continue to be a main justification for rail transit demands around the country.

However, a large number of place-based alliances seeking subsidy for expensive capital projects generated a great deal of macroeconomic and budgetary concern among national executives. The downtown alliance demand for CBD/radial rail rapid transit is rooted in the spatial competition that CBDs confront. An increasing number of rapidly growing outlying business centers also became interested in the advantages rail systems were thought to confer. The expense of substituting capital for labor on the scale demanded by local project sponsors throughout the country prompted a shift in productivity strategy during the Nixon administration.

The next strategy was to rationalize the allocation of scarce capital resources among the numerous competition-inspired projects. One tactic the Urban Mass Transportation Administration (UMTA) adopted was to require local project sponsors to do cost-effectiveness analyses and to explicitly include low-capital cost approaches among the alternatives. The intention was to screen out the least effective proposals before local alliances came looking for subsidies. However, local alliances can and do work through the intergovernmental lobby and their Congressional representatives to preserve a place for local projects on the national agenda. In response to these pressures, executive branch officials seek to institutionalize cost-effectiveness calculations as authoritative decision-making exercises. Department of Transportation officials have been trying to achieve this since the agency was created. Congress has resisted, however, understanding that institutionalizing a technical procedure would weaken individual members' ability to respond to local alliance demands. Fiscal crises, though, exert increasing pressure toward institutionalization, legitimating the evaluation of projects according to marketplace criteria of worth. Executives would limit capital commitments to those few CBDs that will definitely be able to defend a claim to World City status in the near future.

On the operating side, rationalizing strategies aim at directly reducing the industry wage bill and increasing farebox revenues. The tactics here include increasing the use of split-shift and part-time labor, and instituting performance standards in the subsidy allocation process. The work-rule changes sought by management take the industry back to the pre-World War Two period, when they were standard operating procedures.

Management inclinations are reinforced by legislative
requirements that contracts permit part-time labor, as in California. Reagan administration efforts to eliminate federal operating subsidies are appropriately understood as a tactic intended to strengthen management's ability to enforce wage discipline as well as to cutback costly services. Indeed, many of the larger transit systems, dependent on federal operating subsidies for only a small portion of their revenues, would likely welcome a federal phaseout.

Performance standards are another rationalizing measure. Those emerging in the transit industry, once again, parallel a recently adopted innovation in health care: diagnostically-related groups (DRGs) for Medicare payments. The federal government now pays hospitals a set rate for providing care in each of nearly five hundred diagnostic categories, creating a powerful incentive for hospitals to concentrate their production in areas where they can deliver care "efficiently." In the transit industry performance standards have taken two main forms: requiring transit systems to meet a certain proportion of their operating costs from farebox revenues; and allocating a certain (so far, small) proportion of operating subsidy money on the basis of output efficiency criteria. These standards aim at encouraging public operators to cut back and/or eliminate precisely those lines created to serve the interests of the alliance that led the governmentization process. The prospect of such cutbacks will likely produce increasingly severe identity crises for public sector carriers. They are also intended to strengthen management in its efforts to secure work rule changes and to resist wage demands.

While the executive branch sought industrial restructuring according to marketplace criteria of efficiency, Congress worked to define politically acceptable means of relieving competitive pressures while retaining a capacity for local responsiveness. Legislation passed in 1982 reflected the most recent settlement, following a protracted period of stalemate in 1979-1980. During these years intense inter-metropolitan competition for federal transit resources surfaced. Those CDUs already having extensive downtown-radial systems, and seeking modernization and expansion subsidies were pitted against those alliances with out, but with aspirations. The 1982 legislation, including a discretionary capital grant program and a new block grant program containing both capital and operating subsidies expressed the accommodation reached.

At the local level, efforts to rationalize the transit network configuration and privatize are gathering force. Far-reaching institutional changes are emerging as well. Privatization is a multidimensional strategy encompassing a wide variety of practices. Seeking to reduce the wage bill, transit managements attempt to contract with private sector firms employing lower-cost, typically non-union labor for certain services. Local governments contract with private sector firms to supply transit services rather than create a public sector transit agency. Trying to market services as a private company
might, transit managements offer subscription services tailored to the demands of individual companies and/or patrons.

Private sector employers take steps to eliminate wage labor in the journey-to-work entirely, through employer-sponsored ridesharing programs. These include subscription buses, vanpooling and other efforts in which vehicle drivers are company employees. Privately-owned and operated commuter express buses, subscription services, and small vehicle-based demand responsive services are increasingly in evidence. These alternatives are supported and facilitated by UMTA, as expressed in its paratransit policy and the recently created Office of Private Sector Initiatives. State legislatures and regulatory commissions also support them, in the form of tax breaks for employer-based ridesharing programs and reduced barriers to entry where feasible.

Privatization and institutional pressures toward fragmentation are concentrated in those metropolitan areas characterized by intense competition between a leading downtown alliance and growing outlying business centers. In terms of institutional change, the leading innovation is a form of regional tax base sharing, in which a portion of tax monies formerly allocated to a regional transit agency is divided among metropolitan area local governments. The locals may spend their transit dollars as they see fit. The innovations characteristic of CBD-dominant areas - relatively autonomous, financially strong agencies providing downtown/radial services - give way to: transit services deployed by numerous outlying business centers each designed to promote locally-oriented development; and institutional structures designed to reflect local growth concerns. Privatization occurs primarily in outlying business centers, in the absence of public sector transit service. The public sector supplies very little in the way of non-CBD-oriented transport facilities because of the nature of the governmentalizing alliance and the fiscal crisis the downtown alliance program produced. Where metropolitan areas are in transition from CBD-dominant to competitive, suburban transit centers and grid systems represent efforts to respond to outlying area concerns in the context of a predominantly downtown/radial network. Bus grid systems have been recently implemented as feeders seen as necessary in conjunction with downtown/radial rail lines. In those metropolitan areas where initially small CBDs have been seriously declining, transit has historically been marginal; the very marginality of transit facilitates adoption of certain innovative approaches to organization and supply to meet the demands of outlying business center alliances.

As population and employment continue to decentralize, creating an increasingly pluralistic, competitive metropolitan landscape, privatization and fragmentation become attractive strategies for legislative bodies attempting to resolve fiscal and political crises. Demands for non-CBD-oriented transport facilities and services must be accommodated in order to maintain political legitimacy; all places having development aspirations
and reaching political maturity seek - and usually gain - some measure of support. Privatization, facilitated by appropriate institutional structures, appears to be a relatively cheap, efficient way of containing competing claims. As in many other industries currently facing international competition or competitive pressures emanating from the loss of an "insured" status, a profound process of restructuring is taking place. The agencies, services and collective bargaining agreements sponsored by downtown alliances will undergo a most painful transformation.

A Revolution in Transit: The Los Angeles County Transportation Commission and Its Transit Sales Tax

The following case study highlights the relationship between a local project sponsor and the national government, in the new context of fiscal crisis. Moreover, in returning to the intensely competitive Los Angeles metropolitan area, a number of innovations characteristic of this type of metropolitan context are observable, including the highly innovative transit sales tax. At the center of this case study is the emergence of the Los Angeles County Transportation Commission, rising Phoenix-like out of the ashes of a generation of protracted transit stalemate. The first part of the case analyzes the continuing inability of the regional governmental transit agency to construct a rail rapid transit system, one of the main causes of the creation of the new County Commission. Competitive pressures finally exhausted the regional transit entity. The new institutional structures brought into being with and by the County Commission, in addition to the growth of privately-owned and operated services in outlying areas, signal the new era of transit in this metropolitan context.

In November, 1974, the Los Angeles County electorate refused, once again, to increase the sales tax to pay for an extensive rail rapid transit system. They had turned down a similar program, placed on the ballot by the Southern California Rapid Transit District (SCRTP), in 1968. SCRTP was created by the state legislature in 1964 as successor to LAMTA, with these differences: SCRTP was mandated to build a rail rapid transit system, and was granted access to a sales tax - given electoral approval - to finance it. The old rapid transit stalemate continued to shape the political context, however. SCRTP's board of directors, this time appointed by locally elected officials, gave the City of Los Angeles just two of eleven seats, with four seats reserved for the other cities in the County and the remaining five for the County Board of Supervisors. SCRTP was enveloped in place-based conflict from the time of its creation and remains so to this day. SCRTP's continuing failure to build a rail rapid transit system was the soil in which the Los Angeles County Transportation Commission (LACTC), the most interesting and important development on the regional transit scene, took root and flourished.
County voters had, however, supported Proposition 5 in June, 1974. This proposition authorized the recipients of gasoline taxes - the state, counties and cities - to divert a portion of these funds to fixed guideway transit construction. The Proposition 5 victory encouraged SCRTD to downscale their rail system plans to fit in with the kind of funding that might be available under the Proposition and matching Federal transit capital grants, and to try once again. The concept of a rail starter line reflected this self-imposed limit. Moreover, there would be an important change in the rules of the political game: a vote of the people would not be necessary to authorize financing and construction.

In March, 1975, SCRTD took the lead in forming a Rapid Transit Advisory Committee (RTAC), whose task would be to recommend a starter line corridor. RTAC meetings were usually large affairs, attended by technical and political officials from the many local governments and transportation agencies active in the region. The group quickly agreed on a broad corridor. Ironically enough, RTAC reached consensus on the same corridor the state legislature had enabled LAMTA to study in 1951: San Fernando Valley to Long Beach via the Los Angeles CBD. 74

The broad corridor consensus contained a bitter conflict between advocates of two different rail system configurations. One alternative was to construct a tunnel through the Santa Monica Mountains connecting North Hollywood and the Wilshire district, then burrow east under Wilshire Boulevard into downtown, then turn south to the proposed Century Freeway in the south-central portion of L.A. The other alternative was a much longer system, stretching from Canoga Park in the western San Fernando Valley through Glendale, Burbank, central L.A., and on down to Long Beach. This second line would use existing Southern Pacific rights-of-way through the Valley and from the Century Freeway to Long Beach, combining at-grade facilities with some grade-separated construction.

The case for the shorter subway line was articulated most forcefully by City of Los Angeles technical officials, led by Planning Director Calvin Hamilton. This alternative was also favored by the Southern California Association of Governments (SCAG) and the Los Angeles Chamber of Commerce. The longer route was sponsored by the Los Angeles County Board of Supervisors, led by Naxter Ward, and by the many cities through which the County-backed line would pass: Burbank, Glendale, Compton, Long Beach, and the other cities in the south and central portions of the County. In the middle of June the County Supervisors voted to approve the long route and to commit the County’s share of Proposition 5 funds to its construction. 75

RTAC chose not to go beyond the broad corridor level in recommending a starter line. Given the nature of its composition, RTAC was able to contain the conflict, but not resolve it. However, at this stage of the process even this level of agreement was crucial.

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Following the November, 1974, defeat, County Supervisor James Hayes went to Washington, D.C., to explore the possibilities of federal funding. The Congress had just passed legislation dramatically increasing the amount of money available for rail transit projects. SCRTD hoped to obtain 30% of the funds needed to build a starter line from UMTA. The Los Angeles region, however, had, however, a bad reputation in the national capital.

Hayes came back stressing the necessity of a united front on the transit question and an end to local bickering: "...federal transportation officials...indicated to me that unless we speak with one voice from this region, we are not going to get anything." Soon after RTAC began meeting, U.S. Secretary of Transportation Coleman visited L.A. and made it clear that local agreement and commitment of local funds would have to be forthcoming quickly if L.A. were to be in the running for large amounts of federal transit monies.

SCRTD was able to take the RTAC consensus, endorsed by the state government, and communicate it to UMTA. However, it was clear to all concerned that the consensus position was extremely unstable.

Byron Cook, President of the SCRTD Board of Directors, told a state legislative hearing in late July, 1975, that the conflict concerned the northern part of the line; the southern alignment was much less problematic. Cook said, "...the City of Los Angeles, irrespective of which way it comes, will be the ultimate beneficiary of the starter line. It is my considered opinion that it should serve as large a geographical area and as many people as possible....To get lost over the hills trying to make Wilshire Boulevard a part of the starter line would, in my opinion, be a gross error, and I doubt that any of us would live long enough to see it completed."

Baxter Ward told the legislators that building the L.A. City-supported BART-like subway would drastically shrink the size of the facility that could be provided. Ward said, "We must get to Long Beach, and we must get to...Canoga Park. You have to get the...mileage." Long Beach Mayor Clark also spoke to the possibility of shortening the line in order to build a Wilshire subway: "I think Long Beach's attitude is very strong in opposition. If you don't reach Long Beach, we're going to be very unhappy because we think we are a vital link in that system."

Dorothy La Conte, Councilperson from the City of Rolling Hills and representing the Intercity Transportation Committee of the South Bay, told the hearing, "We do, of course, endorse that concept which includes the extension of the corridor to Long Beach and San Pedro, though not running through our area, many of our people will benefit from the corridor....In unity there is strength. After completion of this corridor, the time for rapid transit in South Bay will come, the overwhelming need is to start."
Finally, a representative of the Los Angeles Chamber of Commerce described a study that had been carried out under the Chamber's auspices. This study favored the Wilshire subway line because even though it would cost more it would attract more patronage because it ran through a denser corridor. One of the legislators asked the Chamber representative: "...setting the Wilshire as the priority, that means we won't get to Long Beach...we may not come all the way from the tip end of the [San Fernando] Valley...so it may be a shorter corridor. Now, you've heard the Mayor from Long Beach and the Councilwoman from Rolling hills and the representatives from the other cities insisting that for their part of the money to be contributed to this project, they would at least require that we take this all the way to Long Beach. That is a problem you would have to resolve locally and soon. Do you understand that?" The Chamber spokesman responded: "I understand that...and I think every effort should be made to get the line to cover the Long Beach area. Because in this study that we have made, it does not include any political acceptability. It was based on land use and the technical aspects of service...We have decided on the broad corridor and while we show preference for the Wilshire line, we have pointed out...there are some balancing factors and we would not oppose another line."?

The interesting thing to note in the Chamber's testimony, of course, is the distinction between "technical" and "political" aspects of the starter line project. The Wilshire subway supposedly was the technically superior option, while the County-sponsored alternative had political appeal. Baxter Ward crystallized these issues in a newspaper editorial debate with Calvin Hamilton a few weeks after this hearing. Attacking the Wilshire subway, Ward wrote: "A lot of ignoring has to be done if the city's plan is to make sense: that it would primarily serve the Wilshire Boulevard business interests, that it would cost more money than is available, that it would commit us to a type of technology found wanting in San Francisco, and that it would take 10 to 15 years to build. But we cannot ignore the need for joint political action, which dooms the city's plan....It is simply not logical to believe that Long Beach, Glendale, Burbank or Compton will support a system which does not serve their residents, nor is it logical to think that the Board of Supervisors could, in good faith, support a system which would only provide service to such a small fragment of Los Angeles County."

Ward's comment cast the political-technical distinction in an old and clear light. Historically, rail rapid transit proposals had always consisted of long lines radiating from the core. Even though central L.A. contained just a small proportion of all trip destinations in the metropolitan area, it still contained the single largest concentration. Therefore, if the objective was to build rail rapid transit, then lines radiating from the central area made more traffic/economic sense than
others. Moreover, the Wilshire corridor was special in another way: it was the only one in the central core that did not contain a freeway. As a result, Downtown/Wilshire Boulevard traffic capacity in this corridor was severely restricted. An L.A. city planner noted, "...the Wilshire corridor does not have existing public right of way capable of accommodating sufficient buses to provide an adequate level of service...Existing traffic congestion and projections of future traffic levels prohibit the conversion of sufficient existing traffic lanes to exclusive bus lanes on a scale large enough to provide adequate public transportation." 78

Business and political leaders from the many cities surrounding L.A. historically - and successfully - opposed a rail rapid transit system that would focus on central Los Angeles. Given its mandate to build a rail rapid transit system in this historical context, and given the composition of SCRTD's Board of Directors, the Board tried to reconcile its mandate with its political and economic bases of support by proposing that downtown/ radial lines be extended through as many cities as seemed technically and financially feasible. The Board hoped that coverage would suppress locational conflicts. The Board had, of course, been disappointed thus far. Baxter Ward's comment made clear, though, that L.A. City's plan for a subway system that would be almost entirely within the City's limits violated even this elemental political dynamic. Why would the SCRTD Board, historically concerned with coverage, approve a rail line limited to the City? Why would the smaller cities and the County Supervisors approve diverting their respective gas tax funds to build such a transit project?

In mid-August, 1975, the fragile consensus began to visibly disintegrate, as L.A. Mayor Bradley came out in support of a Wilshire subway. Ward criticized Bradley for disrupting the regional agreement. Long Beach Mayor Clark noted, "Tom Bradley has long been identified as a strong supporter of public transit in this region. Now, however...he endorsed a system that will be totally within Los Angeles...." 79

In late August the SCRTD Board voted the Downtown Los Angeles to Long Beach segment as their top priority. SCRTD voted against adopting the entire project that had been approved by the County Supervisors in order to minimize City antagonism. A Board majority reasoned that the southern segment contained elements common to both City and County plans. Moreover, this segment addressed the coverage issue that concerned the SCRTD Board. During the next several weeks SCRTD ordered commencement of pre-preliminary engineering work in the Long Beach corridor and adopted a fiscal year 1975-1976 rapid transit work program that focused entirely on the southern segment.

The L.A. City Council had confronted a similar SCRTD Board program before. In 1971 SCRTD resolved to build a line from downtown into the south central portion of the County. The City Council had refused to go along with this proposal. In late
August, 1975, a City Council Ad Hoc Committee on rapid transit recommended that the City and County ask Caltrans to conduct an impartial, non-political study of the various alternatives. RTAC likewise thought SCRTD's commitment to the L.A. - Long Beach line premature.

As the regional consensus disintegrated, influential outside forces began to intervene. In early October the first "summit" meeting, convened under the auspices of California Secretary of Business and Transportation Donald Burns, was held. The various local government and transportation agencies were invited. The Brown Administration was extremely interested in Los Angeles area transportation issues; the starter line was one of the Governor's highest transit priorities. SCRTD Board President Cook endorsed the idea of an impartial, comparative study by Caltrans at the summit. The meeting concurred in the call for a Caltrans evaluation.

In addition to state governmental initiatives, SCRTD received a letter from UMTA Administrator Robert Patricelli. The Administrator advised SCRTD to study the entire corridor, not just the southern segment. Moreover, Dee Jacobs, UMTA Regional Administrator, also communicated his feeling that SCRTD should analyze the entire corridor. In the face of these external pressures, SCRTD changed its stand; the Board adopted a resolution authorizing work on the entire corridor. The Wilshire subway was back in the running.

In late November the Business and Transportation Secretary convened the second summit; Caltrans submitted its report. Based on the results of Caltrans' study the summit produced agreement on the top priority of the Downtown-Long Beach segment. Both the Wilshire subway and the Burbank/Glendale routes should be built in a second stage.

Caltrans' technical analyses dovetailed neatly with SCRTD's coverage concern. In 1974 the state legislature had asked Caltrans to prepare an evaluation of the rail rapid transit proposals then being considered by SCRTD. Caltrans had concluded then that a large capacity rapid transit system - like the Wilshire subway - was not justified. However, Caltrans thought a medium-capacity system - like the County Supervisor's plan - made sense. This summit agreement represented the high point of the "political" approach to transit planning. Once again, however, the fragile consensus began to unravel.

RTAC, particularly the technical members, were disturbed by the results of the second summit. Michael Kennedy, an UMTA representative attending RTAC meetings, raised questions concerning projected patronage, environmental impacts and cost effectiveness in relation to the new priority line. Kennedy also said, "...that in Buffalo, Denver, and Detroit, political decisions could not be supported and that UMTA had to request that further attention be directed to an alternatives analysis testing the effectiveness of such policies as carpool and bus
lanus on freeways." A SCAG representative warned that the results of technical analysis, ".may not be consistent with the summit results...and that the members of RTAC should...seek to impress upon the decision makers the importance of the technical analysis work." At another RTAC meeting UMTA representatives expressed their concern about committing to the summit decision prior to full technical analysis.84

The Los Angeles City Council remained aloof. The Council refused to endorse the SCRTD priority line until the results of an analysis of the entire corridor were in.

SCRTD, however, was emboldened by the summit decision. The Board of Directors changed their line once again, amending the SCRTD application to UMTA to ask for funds to analyze only the L.A. - Long Beach corridor.

SCRTD immediately came under pressure from UMTA to analyze the entire corridor. Regional UMTA Administrator Jacobs hastily sought to gather support for a comprehensive study. The L.A. City Council voted to withhold support for the starter line project until results of an entire corridor analysis were available.

A few days after the Board's decision to concentrate on the L.A. - Long Beach line, in early January, 1976, intense pressure from UMTA forced SCRTD to reverse itself once again. The Board voted to analyze the entire corridor. However, the Board hoped the analysis work could be minimized; the southern segment remained SCRTD's top priority.85

In February SCRTD and UMTA held a technical review session to outline the analytical work to be done. RTAC Chairman Richard Gallagher, a SCRTD technical official, told RTAC, "A major point made by the UMTA group is that the 'initial increment' (of rail) for which we apply for funding be a complete 'program package', including not only the first stage of fixed guideway, but also high-level bus services as appropriate, arterial and feeder bus improvements and activity center circulation projects."86

Activity center circulation meant projects like the Downtown People Mover that L.A. City and its Community Redevelopment Agency had been working on for some years. UMTA was very sensitive to the need for coordinated planning of the downtown portion of any rail plan in relation to a people mover.

The program package outlined by UMTA officials was the first statement of what came to be adopted as the regional transportation plan. UMTA, though, was less interested in the rail rapid transit element than in the other aspects of the package. UMTA had been interested in promoting people mover projects in various cities around the country. L.A.'s downtown proposal was attractive to federal officials as a demonstration project in a particular type of urban environment. Moreover,
UMTA, SCRTD, and Caltrans had recently cooperated on the San Bernardino Freeway Busway construction effort and the Santa Monica Freeway Diamond Lanes. UMTA remained extremely interested in busway projects of these kinds. Finally, various federal transportation officials had, over the years, expressed doubt regarding the viability of rail rapid transit in the automobile-dependent Los Angeles area. UMTA, therefore, wanted to ensure that less expensive, bus oriented approaches were thoroughly explored.

Given these UMTA guidelines, SCRTD moved ahead with an analysis of the entire San Fernando Valley - central L.A. - Long Beach corridor. Five initial increments of rail were specified: Alternatives A and B were the northern and southern segments of the County-supported system; Alternative C ran from downtown south to the Century Freeway; Alternative D was from downtown to Century City, one of the leading non-central office/commercial centers west of downtown; and Alternative E was the L.A. City-sponsored North Hollywood - Wilshire - Downtown route. This route differed from the one originally proposed in that it terminated downtown; the south central portion of the City was not covered.

The criteria for specifying these particular increments, especially Alternatives C, D and E, were not identified in the alternatives analysis reports that were released. There were other options available, which is what makes the particular choices interesting. In December, 1975, SCAC released a report done by its staff comparing various rail system configurations. SCAC's evaluation included SCRTD's increment E, as well as a line that ran through the Wilshire Boulevard corridor to downtown and then south to the Century Freeway. The interesting point is that the Wilshire Boulevard - south central line was projected to carry 16 percent more patrons than increment E. The costs of the two lines were very similar.87 The Wilshire/ south central line also had an important political attraction: it provided service to a very poor, largely black section of Los Angeles that had staunchly supported previous transit referenda. SCRTD, however, chose not to analyze this alternative.

Perhaps SCRTD wanted to focus its energies in the Wilshire corridor because this corridor lacked a freeway. L.A. City technicians had been advocating this view for some time. In addition, there was support for the subway plan in Hollywood. The City-supported proposal provided a possible technical basis for recreating the alliance between downtown and Hollywood coalitions that had carried the 1948-1949 rapid transit proposal. The SCAC-designed route ignored Hollywood.

During the course of the alternatives analysis, the Wilshire subway rose to prominence. As the study documents emerged, UMTA Regional Administrator Jacobs said, "The Wilshire Boulevard line now has a lot more going for it than the corridor to Long Beach." The results of the alternatives analysis, released in July, confirmed initial increment E as the
alternative that would attract the most patrons and would provide the most cost-effective service.88

At a joint meeting of RTAC and the Community Redevelopment Agency Study and Review Group in August, 1976, a SCAG representative moved that RTAC recommend submitting combination "U" to UMTA. "U" consisted of initial increment E (the Wilshire subway); the Downtown People Mover; a series of bus system improvements collectively known as Transportation System Management (TSM) actions; and freeway bus transit. This proposal generated a great deal of controversy within RTAC. With representatives from the County, Glendale, and San Pedro (the harbor section of L.A., near Long Beach) abstaining, RTAC voted to recommend the adoption of combination "U" to SCRTD as the basis for an application to UMTA for preliminary engineering and environmental study funds.

Another summit meeting followed. According to a SCRTD official, each local agency had conducted its own evaluation of the results of the alternatives analysis. He said, "...it became apparent that the various agencies were not focusing on defining a staged transit system, one which includes activity center and regional elements to be defined over time." As a result of the continuing local disarray, UMTA requested formation of a joint agency task force to come up with a combined program. Caltrans argued for freeway transit. The City wanted the people mover, the subway, and more buses. SCRTD had to build a rail system, but wanted coverage. They converged on combination "U," which the summit endorsed.89

In September, the SCRTD Board adopted the four-part program, including initial increment E, "...a segment of high capacity rail rapid transit in the high density regional core area which is not directly served by freeways." Combination "U" appeared to SCRTD as the best available means to reconcile their rail transit mandate, desire for coverage, and the requirements of external funding agencies. There would be rail, although not very much and all of it focused on central L.A. The freeway bus program and other bus improvements would, however, provide County-wide transit coverage. Moreover, UMTA had expressed reservations about the County-supported long distance train since it had first been advocated. SCRTD abandoned this line as unacceptable to UMTA. Finally, the four-part program embodied the favored programs of Caltrans and L.A. City, encouraging their support for the entire package.

Federal validation, however, did not come easily. In late October, U.S. Secretary of Transportation Coleman described the proposed Wilshire subway as "costly" and "controversial." He said he would have to look further into the project before approving federal funds. The subway held a low priority at UMTA, although Coleman said he thought highly of the other elements of the four-part program. Coleman noted that firm local financial commitments were still lacking.90
In early December, UMTA Administrator Patricelli visited Los Angeles; his reception indicated that the regional consensus was in grave jeopardy once again. Supervisor Hayes questioned the need for the Downtown People Mover, as did a Citizens Advisory Panel appointed by Mayor Bradley. This panel thought the people mover would be worse than nothing. Supervisor Kenneth Hahn, the senior locally elected official in California, "brushed aside" the need for a glamorous rapid transit line and said money should go toward improving bus service and keeping fares low. The Executive Director of the Central City Development Corporation, however, pleaded for the subway and people mover projects.

Patricelli said he was not hopeful about the L.A. rail projects, although he did like the bus programs. Patricelli predicted the best Los Angeles could hope for now was federal funds for preliminary engineering and environmental studies. UMTA would not likely make a construction commitment.

Patricelli was only partly correct. On December 22, 1976, Secretary Coleman informed SCRTD and Mayor Bradley that he was ready to commit to building the people mover. Coleman also wrote that the TSM and freeway bus service elements were "...well justified by the analysis." UMTA and the Federal Highway Administration stood ready to provide funds for preliminary engineering and environmental impact analysis.

Regarding the rail rapid transit proposal, Coleman was more circumspect. The Secretary concluded that, "...further study in the Wilshire corridor - but only in that corridor is merited. This study may include initial engineering and environmental analysis; but before full preliminary engineering will be authorized, several issues must be resolved." These issues included: (1) the relationship between the subway and the people mover. Federal officials wanted to see any overlaps eliminated; (2) the relationship between the subway and high-level bus service on the Hollywood Freeway; (3) the relationship between the subway and regional land use goals; and (4) the position of the L.A. County Supervisors, since they would be providing a significant portion of the necessary local matching funds.

Coleman went on to emphasize the importance the federal government attached to the TSM and other bus programs. He concluded by noting that Los Angeles must still be willing to commit to providing funds to operate these transit services once the fixed facilities are put in place. If Los Angeles could not make such a long-term financial commitment, then the federal government would not consider it sensible to invest the capital. "As a Christmas present," Los Angeles got $11 million for further engineering and environmental work.91

The four-part program was adopted as part of the Regional Transportation Plan by SCAG in April, 1977. The L.A. City Council endorsed the package in September, 1977, and the Board of
Supervisors endorsed it "in principle" about the same time.

Local and state financial commitments remained elusive, however. While the tenuous consensus was under construction, the same actors were laboring in the state capitol to create a new institutional presence on the metropolitan transportation landscape that would stand a better chance of concretizing the plans that had survived thus far.

The defeat of the November, 1974, transit initiative had been preceded by a two-month strike that shut down SCRTD. In December the state Assembly held a hearing to explore these and other problems plaguing Los Angeles area transit. This scrutiny was accompanied by several bills aimed at restructuring SCRTD's Board of Directors and the organization of the district.

Mayor Bradley wanted a much stronger role for L.A. City on the SCRTD Board. Bradley noted that 60% of SCRTD service was within the City, and 54% of City voters had supported the 1974 initiative. Bradley wanted a new Board composed of five members appointed by the City instead of the two current appointees, five appointed by the County Supervisors, and one by the governor. Bradley was clearly concerned with minimizing the influence of the smaller cities in transit affairs.

The L.A. County League of Cities and representatives of the smaller municipalities disagreed, of course, and attacked SCRTD for failing to provide adequate locally oriented service within their jurisdictions. Several members of the Los Angeles City Council joined in criticizing SCRTD on the local service issue, even as they called for a larger City presence on the Board.

These local service concerns were part of a broader criticism of SCRTD's downtown focus regarding rapid transit planning as well as existing bus service. A San Gabriel Valley Assemblyman wanted to know, "...who are the people who are demanding rapid transit to downtown Los Angeles? We have lobbyists in Sacramento and you have pressure groups down here. Downtown Los Angeles wants to bring everybody down here. Who are the pressure groups that want everything to be funneled into downtown L.A.?" San Fernando Valley Assemblyman Antonovich also wanted to know who were the interests that wanted to focus everything downtown, while outlying areas went without service. L.A. City Councilmember Braude pointed out that 56% of all person trips in the region were less than 3.3 miles long. Perhaps too much attention was being paid to long distance trips. Braude also raised another problem besetting transit in the region: conflicts between the many bus companies often delayed service improvements. Most of these conflicts involved one of the municipally-owned properties fighting with SCRTD over who ought to provide service within a jurisdiction and linking the jurisdiction with neighbors.

In addition to these problems with SCRTD, state and local
transit activists were deeply disturbed with the continuing inability of the Los Angeles region to attract significant amounts of federal transit capital funds. There was widespread concern that SCRTD was simply incapable of achieving the consensus necessary to carry out a substantial program. Moreover, SCAG, the designated metropolitan transportation planning agency, had been likewise unable to unite the region beyond an ambitious effort.

State legislators were increasingly convinced that an institutional structure was lacking that could facilitate the emergence of as well as enforce a County-wide consensus on critical transportation issues. In addition to the continuing rapid transit stalemate, important parts of the regional freeway building program, particularly the massive Century Freeway project, had been stalled for some time. Conflicts between the state highway department and local jurisdictions were often intense. The state was refusing to commit Proposition 5 gas tax funds to rapid transit, even though L.A. County voters had approved diversion.

In March, 1975, just as SCRTD began its starter rail line planning effort, legislation was introduced that would eventuate in the creation of the Los Angeles County Transportation Commission, one and a half years later. The key aspects of the new agency and its domain as they legislatively evolved were: (1) the composition of the Commission; (2) LACTC and transit planning and finance; (3) relations with municipal operators and the coordination question; and, (4) formation of local transportation zones.

The following comparison of Boards of Directors is instructive:

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<tr>
<th>LACTC</th>
<th>SCRTD</th>
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<tr>
<td>5 Supervisors</td>
<td>5 Supervisors</td>
</tr>
<tr>
<td>3 L.A. City</td>
<td>2 L.A. City</td>
</tr>
<tr>
<td>1 Long Beach</td>
<td>4 Smaller cities</td>
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<td>2 Smaller cities</td>
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The composition of LACTC represented a small advance for L.A. City and a comparable diminution in the influence of the smaller cities. In its efforts to create a forum where decisive action could be taken, the state legislature was unable to move very far in terms of governing body structure. However, the new agency was endowed with an unprecedented set of financial powers.

LACTC was directed to maximize the flow of federal funds coming into the County. An early legislative provision prohibited any other public entity from applying directly to Washington, D.C. for money; this prerogative would be reserved for LACTC. A later amendment permitted others to apply, but only under conditions set by the Commission.
LACTC was given control over the County Transportation Improvement Program. All projects receiving state and federal transit and highway funds had to be included if they were going to be eligible for external aid. In addition, LACTC was to determine a formula for allocating state transit funds to local transit operators.

LACTC was also authorized to impose a sales tax, subject to voter approval, which could be used to fund public transit improvements, including rapid transit. LACTC would have authority to plan, design and construct such facilities if a sales tax were approved. SCRTD would operate any rapid transit system LACTC built. However, SCRTD's rapid transit planning role was dramatically reduced, as LACTC was positioned to take the initiative on the rapid transit issue.

SCAG's planning role was restructured as well. A rough division of labor was established between LACTC and SCAG. SCAG would do long-range planning, including identification of: the major corridors of travel, the problems in these corridors, and corridor travel goals; land use goals in the corridors; priority corridors for major resource allocation; the mix of modes for each corridor; and a statement of general policies to guide investment. LACTC would be responsible for short-range capital and service planning, including approval of a 3-5 year Transportation Improvement Plan; determination or approval of location and capacity needs of capital projects; selection of transport hardware and technology; and staging of Improvement Projects. Preparation of the annual transportation work program for the region was initially given to LACTC, but later assigned to SCAG.

Clearly, there were ambiguities and overlaps in the division of responsibilities. The legislature specified, however, that it wanted LACTC to coordinate the planning activities of existing agencies, rather than become a planner itself. LACTC would have a small staff and depend on consultant studies for projects it could not handle on its own. The major ambiguity concerned the status of SCAG's Regional Transportation Plan in relation to LACTC's policies and actions.

Relations with municipal transit operators was one of the most controversial aspects of the legislation. LACTC was directed to resolve transit operator jurisdictional disputes and to rationalize the growth of the municipals. Given the concerns with locally oriented service prevalent in the County, however, the state had trouble granting LACTC power to force recalcitrant operators to comply with coordination and rationalization programs. A later amendment to LACTC's basic statute included a mandate and deadline for LACTC to adopt rules for resolving transit disputes, and to implement a coordination program. This program could override various protections that were granted municipal operators in the basic law. Combined with LACTC's central role in allocating state transit subsidies to the
municipals, the Commission was theoretically well-placed to take action on the coordination question. The Commission, however, which included a substantial number of people concerned to enhance the status of locally oriented transit firms, would have to tread softly on this issue.

A final important dimension was LACTC's capacity to create local transportation zones, a direct response to the widespread criticism of SCRTD on the local service issue. The legislature explained in the statute that L.A. County is a multi-centered area with diverse socioeconomic levels and travel patterns. A majority of trips were less than or equal to four miles in length. Local transport zones were defined as cities or unincorporated areas which contained an economic center or major trip generator in which there was a large percentage of short and medium length trips. LACTC was directed to establish such zones and adopt guidelines for their operations. However, the Commission could authorize such zones only where it determined SCRTD or other municipal operators could not provide adequate service. The last provision was intended to prevent many newcomers from entering the field, assuaging the fears of existing operators that subsidy monies would be diluted by a larger number of claimants.

LACTC immediately began to unravel the knots that had been tying up major County transportation projects. The Commission played an important role in resolving the Century Freeway dispute. In addition, LACTC secured legislation forcing the state to allocate the maximum possible amount of Proposition 5 funds to the starter line rail project. The Commission committed itself to providing the remainder of funds needed to match a possible federal transit capital grant. LACTC then moved to place a sales tax on the ballot that would support an ambitious transit investment program. Commission staff began work on the sales tax in early 1980, aiming to get it on the ballot in November. Although the recent success of Proposition 13 in California made staff wary of proposing a tax increase, perhaps the more recent memory of lengthy lines at gasoline stations during 1979 and continuing air pollution problems would favorably dispose a larger proportion of the electorate to a transit initiative than had previously been the case.

LACTC staff initially proposed the following allocation of sales tax funds: 50% for guideway projects, including freeway transit and rail lines; 40% for increased bus and para-transit service in the near-term; and 10% for transportation system management programs. Staff wasn't sure about the modal composition of the guideway projects, though there was a feeling that voters would prefer rail rather than bus. In June, staff presented a proposal to the Commission calling for preliminary Commission adoption of the allocation formula and a set of corridors for guideway construction. These corridors were the historic set of downtown/radials. Staff recommended that a series of public hearings be held to receive input regarding the mix of bus and rail guideway projects. The Commission agreed,
although it was clear the corridors, the mode issue, and the allocation formula were controversial.

SCAG staff indicated support for the sales tax and for the allocation formula. They were especially concerned to avoid the proliferation of small, inefficient, uncoordinated local services if local governments got a significant amount of money. They offered the SCAG-adopted regional transportation plan as a blueprint for transit guideway investments. This would mean busways on freeways rather than rail rapid transit, with the exception of the Wilshire subway. However, the official SCAG committee dealing with transportation issues refused to endorse the staff position, even though it meant setting aside an agreement that had been laboriously constructed just a few years before. Official SCAG felt it was inappropriate to tie LACTC's hands. This was a clear indication that the institutional structure of transportation planning had decisively shifted, with SCAG now playing a distinctly secondary role.

In August LACTC and its staff discussed the results of the public review and comment process. The Commissioners were generally disappointed by the lack of excitement generated by the sales tax proposal. Turnout at public hearings averaged 30 - 50 people per session. Many speakers used the opportunity to attack SCRTD. There was rather strong support for returning a share of sales tax proceeds to local governments. In outlying areas there were a number of comments to the effect that proposed guideways would not serve these areas, yet people would be paying the tax. Officials in a number of cities that were not included in designated corridors demanded guideways for their areas. There wasn't a clear pattern of response regarding the mode specificity question.

Staff then recommended that the guideway investment be identified for the ballot as a mixture of rail and bus, with the Commission maintaining flexibility. A map would accompany the ordinance, showing the proposed corridors. The staff indicated it was favorably disposed to adding a few additional corridors - downtown/radials - but not others. Staff proposed a change in the allocation formula to reflect the demand for return to local governments. Staff now argued for: 50% guideways; 30% regional bus service, TSM and related programs; and 20% return to local governments on a population basis.

The Commission agreed with the staff on the mode specificity question, and agreed to a map. However, Commissioners voted to increase the local return to 25% and decrease the regional bus service/TSM component to 25%. At its next meeting the Commission would finally decide on whether or not to go to the voters, and on specific ballot content.

This crucial meeting was a very long, complex, and often confusing affair. Discussion of the sales tax was postponed for 45 minutes while the Commission waited for one of the members representing the League of California Cities to show up.
Supervisor Hahn used most of this time to informally and philosophically discourse about the need for "vision." Hahn recalled previous visionaries, including the men who brought water and electricity to Los Angeles. Hahn then went on to describe a proposal he had developed as an alternative to the one the Commission had approved two weeks previously.

The dramatically new departure Hahn proposed was this: give SCRTD - and the municipal operators - sufficient funds to substantially lower fares and to hold fares at the lower level for 5 years. Hahn also called for a 25% return to local governments, and for spending whatever was left to construct rail - and only rail - rapid transit lines. The League of California Cities representative then walked in, announcing that the League had voted 17-15 to oppose putting the sales tax on the November ballot, an eerily similar vote to the one that stalled transit district creation in 1948.

Following a very heated discussion, the League representative placed the question of whether or not LACTC ought to go to the voters in November on the table. On a roll call vote the Commission voted 6-5 against a ballot measure. All three City of Los Angeles members, including Mayor Bradley's alternate, voted "no." However, immediately following the vote Mayor Bradley's alternate changed his vote to "yes," thereby passing the measure. The Mayor was apparently concerned that the sales tax was sufficiently divisive that its defeat would jeopardize the chances of the other transit projects that had secured tenuous regional support. However, Bradley had historically been identified as an advocate of transit. He did not want to appear as the one to keep the measure off the ballot if the vote was close.

The Commission then took up Hahn's proposal. Hahn explained he had recently returned from a trip to Atlanta, where he was profoundly impressed by the approach that city had taken to transit finance. Atlanta voters had approved a sales tax that would be used to reduce bus fares and help build a rail rapid transit system. Hahn argued that fare reduction was the only way to generate widespread support. Indeed, when Hahn first suggested fare reduction to LACTC staff he wanted lower fares guaranteed for 10 years; the staff had talked him down to 5.

Hahn's action was consistent with positions he had taken since he was first elected to office following World War Two. Hahn had never been a supporter of "glamorous" rail rapid transit projects, and he hadn't become one at this point. During the recently concluded SCRTD rail starter line planning process Hahn had argued for more bus service and lower fares. In 1949, while an L.A. City Councilmember representing the district that was home to the Southwest Wave, he had been one of the "doughty" eight voting against a transit district. Hahn included the local government return element because of widespread support for it. He also called for spending remaining monies solely on rail projects in order to secure the vote of Supervisor Baxter Ward,
who was a committed rail advocate.

Hahn's proposal came during an increasingly severe SCRTD financial crisis. The transit agency had dramatically increased fares in the very recent past, and was clearly signalling an even more dramatic fare increase in the very near future. Moreover, SCRTD had had to weather a barrage of criticism provoked by its fare policies. Critics representing low income groups as well as policy analysts challenged the base fare increases that fell most heavily on relatively short distance, off-peak riders, as well as the large amounts of money subsidizing long distance, peak period, express trips made mostly by higher income commuters. SCAG had recently concluded a study, supported by LACTC members and staff, that analyzed the costs involved in supplying commuter express service. SCRTD emerged as the high cost supplier in the region. SCAG's report was intended to encourage more cost-effective alternatives to SCRTD. LACTC had been concentrating on ways to rationalize governmental transit operations, including the development and use of performance measures in the process of allocating subsidy monies. The Hahn proposal, especially the enormous increase in subsidies that would go directly to SCRTD without any mandated service changes, undercut these rationalizing initiatives.97

A great deal of discussion and negotiation ensued, which resulted in the allocation formula that finally appeared on the ballot: Hahn agreed to change the guaranteed fare reduction from 5 to 3 years; local governments would get their 25%; and the remaining funds would go toward rail construction. After three years, 25% would continue to go to the locals; 35% would be earmarked for rail construction projects; and the remaining 40% would be allocated according to Commission discretion for any transit purpose. This compromise passed by a 7 - 4 vote, with all L.A. City representatives in the opposition. The City would not contemplate further subsidizing SCRTD at the cost of expanded regional bus service.

The Commission then added a few more corridors for good measure, including one that was not a downtown/radial: a line along the San Diego Freeway from its origin in the northeastern corner of the San Fernando Valley, past Los Angeles International Airport, to Long Beach. Since corridor construction priorities were not established by the ballot measure, the relative standing of this last corridor should be especially interesting.98

Many, perhaps most of the Commissioners thought the sales tax would be defeated. Indeed, perhaps a Commission majority was willing to defer to Supervisor Hahn's leadership precisely because they thought it would lose. Hahn was, of course, right. An extensive program of rail rapid transit investment rode the backs of a SCRTD fare reduction and local government return to success. Representing the triumph of a supremely "political" approach to transit planning - the process by which additional corridors were added was enough to make otherwise strong technicians wobbly - a stalemate that had persisted for decades
was apparently transcended. The elements of LACTC's program may coexist rather uneasily, however. The many competing place coalitions in the County now have the means to dramatically alter existing institutional and service structures.

Local governments have been slow to effectively utilize the monies they receive under the local return program. For most of them, coming up with ways of spending transit sales tax funds was an unprecedented experience. LACTC helped them learn, with an extensive technical assistance program. As of early 1985, the locals were spending about 30% of their monies on paratransit projects, primarily for the elderly and disabled, and for the general public. Many of these projects were contracted out to private firms. Another 22% was going toward locally oriented fixed route transit projects. Not a single local jurisdiction was contracting with SCRTD for additional service, indicating the depth of estrangement from the regional carrier.

Indeed, the most likely longer-term consequential developments are efforts by a number of subregional coalitions - three at present, in the eastern and southern portions of the County - to form local transportation zones through which they might expand locally-oriented service. Using their local return funds, these zones would have a stable source of funding that would enable them to establish autonomy in relation to the downtown/radially configured SCRTD.

At the center of the County, the City of Los Angeles has been exploring taking over the operation of express bus service from SCRTD. Given SCRTD's historically limited subsidy sources, the development of express bus service had been limited. Indeed, the existence of sizable outlying business centers had generated a thriving privately-owned and operated commuter express bus industry, serving corridors SCRTD was politically and financially unable to serve. The most important of these corridors stretched north and south of Los Angeles International Airport. Moreover, the study of commuter expresses in the region sponsored by SCAG pointed out how expensive it was for SCRTD to provide express service relative to carriers that were able to utilize non-union, part-time labor. The City apparently believes it can improve on SCRTD. In addition, City officials were deeply disturbed when LACTC traded off regional bus service for local return and lower fares. The City's primary goal in the short and medium term was to dramatically increase express bus service. Rail rapid transit, even if approved, would be a long time coming.99

SCRTD, however, continues to exert influence simply because of its weight on the current transit scene. In late 1984, LACTC decided to allocate all of its 40% discretionary share - now that the 3-year guaranteed fare reduction program was about to expire - to general public transit purposes for at least the next two years. At least 90% of these discretionary funds will be allocated to SCRTD and the municipal operators in order to minimize fare increases and service cutbacks. Up to 10% will be utilized as an incentive tier, encouraging local governments
to explore rationalizing strategies, including contracting, the substitution of paratransit for fixed route service, and user-side subsidies.

The structure and behavior of LACTC, and the developments resulting from its sales tax initiative clearly illustrate the dynamics of an intensely competitive metropolitan area. The position of the regional transit carrier, historically weak, is being further eroded. Indeed, as subregional coalitions become increasingly activist on transportation questions, the continued existence of the regional carrier in its present form is in question, as is the future of the rail rapid transit portion of the sales tax program. Given an increasingly competitive context, those downtown/radials may begin to appear increasingly anomalous.

RETROSPECT AND PROSPECT

The following table highlights the relationship between metropolitan structure and service and institutional innovation during the transition from a mostly private industry to a mostly public one, and then in response to the fiscal crisis generated by this transition:
Table 1

The Relationship of Metropolitan Structure to Transit Innovation

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<th>Period I: FROM PRIVATE TO PUBLIC</th>
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<tr>
<td>Metropolitan Structure</td>
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<td>CBD DOMINANT</td>
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<tr>
<td>COMPETITIVE</td>
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<tr>
<td>CBD WEAK</td>
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<td>Hierarchical</td>
</tr>
<tr>
<td>Strong Core</td>
</tr>
<tr>
<td>Specialized</td>
</tr>
<tr>
<td>Interdependent</td>
</tr>
<tr>
<td>Self-Contained</td>
</tr>
<tr>
<td>Multi-Centered</td>
</tr>
<tr>
<td>Non-Hierarchical</td>
</tr>
<tr>
<td>Non-Centrality</td>
</tr>
<tr>
<td>Investment Program</td>
</tr>
<tr>
<td>Downtown/ radial</td>
</tr>
<tr>
<td>Downtown/radial vs. outlying center orientation</td>
</tr>
<tr>
<td>Outlying center orientation</td>
</tr>
<tr>
<td>Institutional Outcome</td>
</tr>
<tr>
<td>Powerful; relatively autonomous</td>
</tr>
<tr>
<td>Financially and spatially con- constrained</td>
</tr>
<tr>
<td>Marginal</td>
</tr>
<tr>
<td>Innovations</td>
</tr>
<tr>
<td>Extensive rail transit/express bus service in addition to existing service</td>
</tr>
<tr>
<td>Some express buses; limited rail transit in addition to existing service</td>
</tr>
<tr>
<td>Social welfare service; locally-oriented suburban service</td>
</tr>
</tbody>
</table>
Table 2
RESPONSES TO PUBLIC SECTOR FISCAL CRISIS

<table>
<thead>
<tr>
<th>Metropolitan Structure</th>
<th>CBD DOMINANT</th>
<th>COMPETITIVE</th>
<th>CBD WEAK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rationalization</td>
<td>Substitute capital for labor; wage discipline and work rule changes; some load shedding</td>
<td>Same as CBD-dominated with more load shedding; suburban transit centers and grid systems</td>
<td>Efficiency-oriented fare policies; small vehicle-vehicle, demand-responsive systems</td>
</tr>
<tr>
<td>Privatization</td>
<td>Privately operated downtown/radial express buses; some contracting out; some employer-based ridesharing</td>
<td>Much contracting out by local governments; extensive subscription bus service and private express buses; much employer-based ridesharing</td>
<td>Contracted-out small vehicle systems</td>
</tr>
<tr>
<td>Institutional Changes</td>
<td>Regional tax base sharing; activist employer-based transportation management associations; broker/facilitator at metropolitan level; numerous public agencies within metropolitan area</td>
<td>Broker/facilitator at metropolitan level; suburban level; public agency</td>
<td></td>
</tr>
</tbody>
</table>

The pattern of development in the United States is likely to produce convergence in category two: intensely competitive metropolitan areas. Whether a once-dominant CBD now confronts numerous competing places, or a weak CBD stages a comeback, future dynamics will reflect the full political and economic maturation of outlying office-commercial centers.

For those areas in transition from category three to two,
the Pierce County solution is the likely outcome. For those moving from category one to two, the Los Angeles solution will predominate. Within category two, the relative intensity of competition will be important in determining the precise shape of the result. In rapidly growing regions, which are likely to be the most competitive, the regional institutions created by the CBD-led governmentalizing coalition may be dismembered. Where growth-related pressures are less intense, the existing regional institutions may remain intact, though with a narrower scope.

In competitive metropolitan areas, the governmental agencies may support a limited program of privatization, including services for the elderly and disabled and late-night/weekend runs. They will not, however, seize the initiative to privatize that which is their reason for being: the peak period, downtown/radial long distance and express operation. Their reluctance to do so does not stem from bureaucratic inertia, lack of imagination, or a generation of managerial decline. It is, rather, a direct reflection of their historical and political rootedness.

Withdrawal from this arena would directly threaten the loss of political support from precisely those alliance partners that led the governmentalization process: the CBD coalition; the suburban residential developers who have produced the higher income patrons of those long distance peak period services; and organized labor. Jettisoning these services in order to concentrate on dense central city lines patronized primarily by lower income, transit dependent groups would make the transit program extremely vulnerable politically: a program for the poor is a poor program.101

Disaggregated institutional, financial and service structures, the key innovation characteristic of competitive metropolitan areas, will facilitate the re-emergence and expansion of the private sector in urban transit. Just as region-wide governmental agencies were a key implementation tool in postwar downtown redevelopment plans, privatized, locally-oriented service will frequently be the weapon of choice for outlying business centers in the competition for locational advantage.

The governmentalization process in transit reflected the changing structure of federalism during the Kennedy-Johnson-Nixon years, including a place near the top of the national agenda for large urban area concerns, and an intervention strategy focused on extending the domain of public sector power. In the context of the Reagan administration, given its different social basis and ideology of governance, fiscal and political crises at once enhance the attractiveness of private sector alternatives to governmental power and undermine the viability of the alliance of big city leaders, organized labor and the national government.

Disaggregation will dramatically increase the already extreme pressures bearing on organized transit labor. The newly
empowered outlying center coalitions will strongly resist the commitments and protections, as well as the work rules secured by transit labor during the governmentalization process. As in other industries experiencing the loss of the insured status that buoyed the labor movement, transit worker protections will be eroded by old as well as new firms in the industry. Indeed, the success of privatization as a fiscal crisis resolution strategy depends precisely on these changes in the transit labor process.

Disaggregation will also greatly complicate the process of alliance formation so crucial for the construction and maintenance of regional scale facilities and services. Once again, the relative intensity of competition will determine the fate of institutions operating downtown/radial peak period express buses and rail rapid transit lines, as well as the extent of planned facilities. Where competition is intense, the future of regional-scale services and facilities is in doubt.

A final casualty of the disaggregation dynamic is the ideological banner of the one right metropolitan form that CUB alliances proudly held aloft. The banner still waves. The cold wind of competition so buffets it, however, that few stand still long enough to read it.


22. Southern California Business, April 20, 1949; Valley Times, April 7, 1949; April 14, 1949.


24. Los Angeles Times, April 19, 1949, April 20, 1949, April 22,


27. Valley Times, June 19, 1951, June 27, 1951; California Assembly, Bills, AB 3112.

28. Los Angeles Metropolitan Transit Authority, Minutes of the Meetings of the Board of Directors, various meetings.


31. Colcord, Jr. and Lewis, pp. 33-34.


33. Colcord, Jr. and Lewis, pp. 84-85.

34. Interview with Professor Jerry Schneider, University of Washington, April, 1985.

35. Colcord, Jr. and Lewis, p. 85.

36. Interview with Professor Edgar Morwood, University of Washington, April, 1985. Jerry Schneider interview.


38. J. Black, Donald O'Connell and Michael Morina, Downtown Office Growth and the Role of Public Transit, ULI- the Urban Land Institute, 1982, p. 117.


42. The Oregonian, August 13, 1969.

43. The Oregonian, October 1, 1969.
44. The Oregonian, November 7, 1969, November 14, 1969.

45. The Oregonian, December 2, 1969.


52. Interview with King Cushman, Director of Transit Development, Pierce Transit, April 1985.

53. King Cushman interview.

54. Schneider, Deffebach and Cushman, pp. 401-402.

55. King Cushman interview. Schneider, Deffebach and Cushman, pp. 394, 396.

56. King Cushman interview.


69. John Pucher, "A Decade of Change for Mass Transit,"


72. Southern California Association of Governments, Commuter and Express Bus Service in the SCAG Region, February, 1982.


75. Memo, RTAC to SCRTD Board of Directors, June 30, 1975; Los Angeles Times, June 18, 1975, June 19, 1975.

76. California Legislature, Assembly Subcommittee on Southern California Regional Transportation, Transcript of Proceedings, Los Angeles, December 13, 1974; Memo, Jack Gilstrap to SCRTD Board of Directors, July 1, 1975.


78. Memo, Tom Stennock (City of Los Angeles) to Bill Ackermann, (SCAG), August 13, 1975.


80. Los Angeles Times, August 21, 1975, September 18, 1975;
Memo, Ad-Hoc Committee on Rapid Transit to Los Angeles City Council, August 26, 1975; Memo, RTAC to Jack Gilstrap (SCRTD), October 6, 1975.

94. RTAC, Minutes, November 24, 1975, December 4, 1975.
96. Memo, RTAC Chairman to RTAC, February 12, 1976.
102. California Legislature, Assembly Subcommittee on Southern California Regional Transportation.
104. Memo, Sy Adler to Ron Hoffman, Los Angeles County Department of Regional Planning, April 22, 1980.
105. Memo, Sy Adler to Greg Medeiros, Los Angeles County Department of Regional Planning, July 18, 1983.
106. Memo, Sy Adler to Ron Hoffman, Los Angeles County Department of Regional Planning, August 11, 1980.

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Southern California Association of Governments, Commuter and Express Bus Service in the SCAG Region, February, 1982; Roger Teal, Genevieve Giuliano, Mary Brenner, Steven Rooney, Jill Jacobs, Private Sector Options for Commuter Transportation, Urban Mass Transportation Administration, 1984.

98. Memo, Sy Adler to Ron Hoffman, Los Angeles County Department of Regional Planning, August 21, 1980.


100. Transit Tips, October/November/December, 1984
