

Buses Get New Look



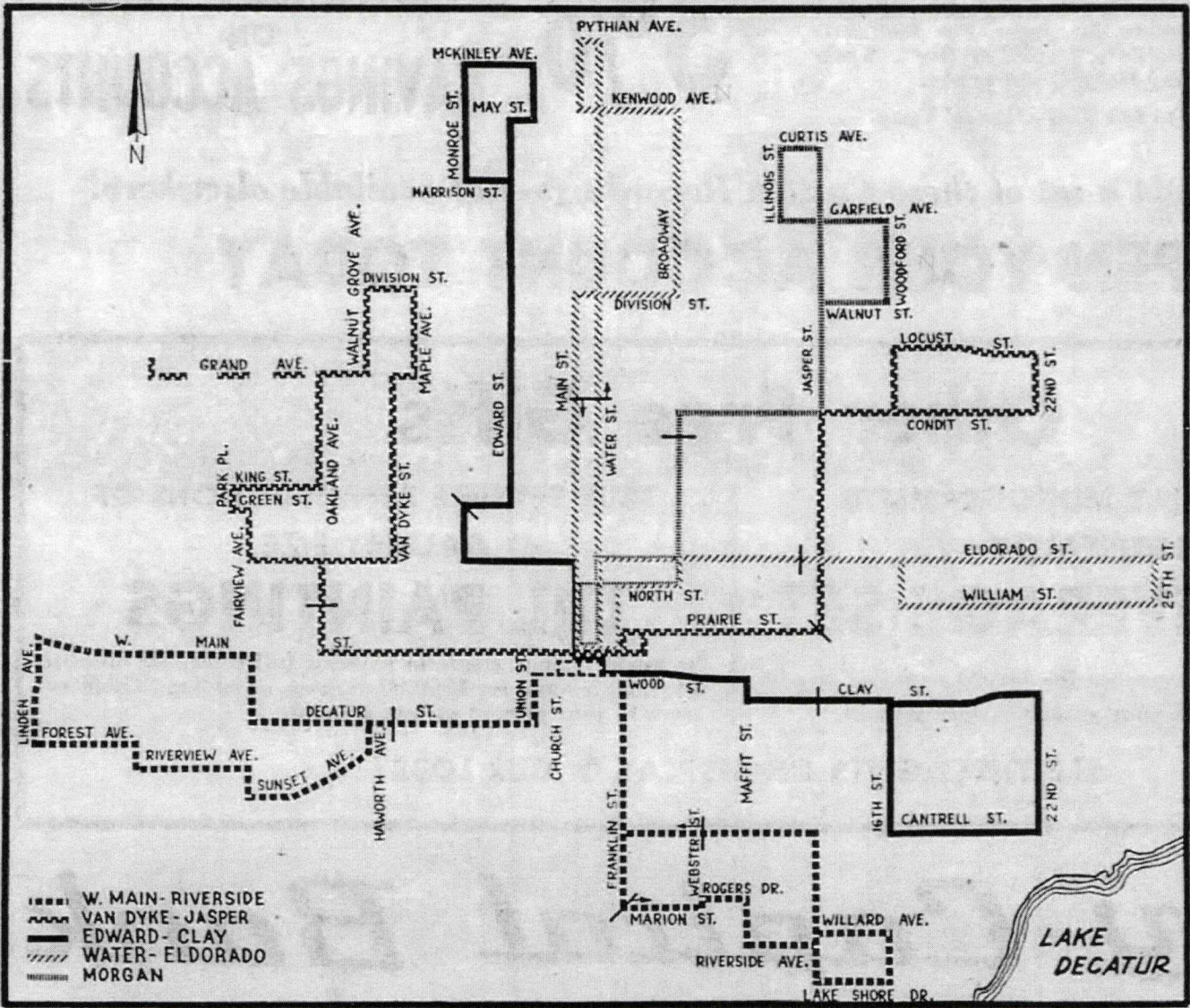
Herald and Review Photo

Newly painted, reconditioned buses will start running on Decatur City Lines routes today. Three of the green and white buses have arrived from reconditioning shops and two more are due. Bernard F. Murray, local

superintendent, said possibly the rest of the fleet will be repainted and more buses may be reconditioned. The re-painting and reconditioning are part of the plans to induce more riders.

https://herald-review.newspapers.com/image/88546968

Zone Points to Mark 15-cent Fare Area for Bus Rides



The 15-cent fare "zones" Decatur City Lines expects to initiate May 8 for a 120-day test are shown above. They will pre-

vail on the "downtown side" of slash marks made through bus routes. Passengers boarding or leaving buses beyond the zone

markers will pay regular fares of 25 cents per adult. Fares will be collected when a rider gets off outbound and when he gets

on inbound. A definite decision on the starting date is to be made early this week.

Decatur School Board Meeting

Some members of the workshop attended ^{Several} school board meetings ~~on May 10th~~, at which time the school bus proposal was slated to be discussed. However, at the end of the meeting the discussion was tabled to be discussed at the joint City Council School Board meeting on May 17th. (Unfortunately no members of the workshop were able to attend this meeting.)

Both the City Council and the School Board reported the efforts they both had made to interest the Decatur City Lines in transporting the school children. However, the last proposal of two proposals made by the City Lines was still \$5,381 more than the city could afford to operate the school buses.

The bus company made the following proposal concerning transporting the pupils between their residences and school. However, no school buses run within six blocks of a public bus line.

- 1) The school District ^{would} ~~is to~~ furnish all necessary motor buses to be operated by employees of the Company.
- 2) The School District ~~is to~~ furnish all State and City licenses.
- 3) Routes and services ^{would} ~~to~~ be established by the School District.
- 4) Bus operators ~~to~~ be furnished by the company.
- 5) The company shall provide parts and labor for the maintenance of the bus fleet.
- 6) The company shall provide insurance for Property Damage, and Public Liability. (However, Mr. Dever said that the city could not let the company provide the insurance.)
- 7) Payment: The school district shall pay the company for the service rendered at the rate of 44.75¢ per bus mile if the company supplies the fuel or 40.85¢ if the school district provides the fuel.
- 8) A yearly contract ^{would} ~~to~~ be made.

The figures this proposal was based on are as follows in comparison with what it cost the school to operate the buses in 1960-61 school year.

	<u>School Operation</u>	<u>N.C.L.</u>
I Total Miles	197,355	
Cost per Mile	.42952¢	.4475¢
total cost	\$84,768.63	\$88,316.36
II Expenditures School District will bear if Bus Proposal is accepted. License fees, supervision of routes, deprec. of buses.		
	\$12,322.98	
III Comparison of total costs of transportation		
Total cost	\$84,768.63	\$88,316.36
Total expenditure of school district of City Lines had operated the buses -----		\$12,372.98
Extra Cost if City Lines Operated buses -----		\$100,689.34
		\$15,920.71

Difference is \$3547.73

First Proposal

Second Proposal \$39.41¢

A new proposal was made later, but it would still cost the city \$5,381 a year more than it nows pays for transporation costs. The only difference between the first and second proposal was the cost per mile. The City Council felt that the cost of school bus transportation should in no way be higher to the taxpayers.

Members of the City Council suggested further studies be made to see if something else could be done to keep the public buses running.

Bus Transportation Workshop Report

Meeting With Mr. Murray

On September 12th, 1961 a committee met with Mr. Murray, who is operations manager in Decatur, to discuss what steps are being taken by the company to help keep bus transportation on an operating basis. *in Decatur*

First, the company must receive 42¢ return for each mile to break even on expenses, and must receive at least 50¢ return per mile to show any ~~Seturn~~-profit. Right now they are at the point where they are just about breaking even.

A Zone fare plan ^{u)} was tried recently for a period of 120 days. It proved fairly successful and is being continued. This has been one step that has helped the company at least a little.

In addition, School children are issued a free card by the bus company which enables them to ride for 15¢ one way until 4:30 in the afternoon. The bus company does run both to school and return one bus to St. Patrick's, 2 buses for Eisenhower and St. James children, one bus to MacArthur, 2 to St. Teresa, and one to Southeast school.

As it is they do not have enough buses for all the children that might use them, but they cannot afford to buy a bus just for that purpose. A new bus costs \$22,000.

A question was raised as to the feasibility of the bus company advertising for its own benefit. He had no knowledge of this and said that the advertising cards inside the buses and outside the buses were handled by an agency in Chicago. He suggested that we write to the National City Lines and suggest that the company advertise on the outside of the bus lauding the advantages of riding the bus.

(2)

A survey of Northland Heights and South Shores was taken by house count and car count. This information plus the fact that the streets were not feasible caused the company to decide not to extend service to those areas. *Shuttle bus perhaps to D.S. after the new bridge is built.*

The city has tried to help the bus situation by removing for a period of two years a local bus licensing fee of \$50 per bus, which totals about \$1,000 per year. The state has removed the 5¢ per gallon tax on motor fuel.

An experiment being tried here now is to rebuild a bus completely as is now done in St. Louis. If costs can compare favorably, Decatur may then get the job of rebuilding the buses, which would help the income of the company considerably.

The one operation that now keeps the Decatur City Lines in business, according to Mr. Murray, is the National Truck Company, which is operated by National City Lines. They lease to Beatrice Foods all of their trucks, and to Arthur's Furniture Store their trucks, and to other similar businesses their trucks. This is the one phase in which the company makes a profit.

In conclusion, it seems the future is brighter and the danger of losing bus service in Decatur as far as the city lines is

concerned, is not as imminent as it was a few months ago. Three main items which seemed to have helped alleviate the situation are: the half hour schedule, which is now in effect; the zone fare plan; and the motor fuel tax dropped by the state for local bus companies.

- (1) The zone fare is a plan where in a 15¢ fare in the "downtown" zone is paid. And passengers boarding or leaving buses beyond the zone markers will pay regular fares of 25 cents per adult. Fares are collected when a rider gets off outbound and when he gets on inbound.
- (2) One thing the bus company favors is changing the point of transfer from the transfer house to a point nearer the center of the shopping and office area. For instance, closing N. Water to traffic between William and North, and letting the buses have that block for arrivals and departures.

City Council, School Board Open To Further Bus Transport Ideas

Two major public agencies last night agreed to remain receptive to any ideas to help solve the public bus system problem.

That general conclusion was reached by the City Council and the Decatur Board of Education in a joint meeting.

Both reported to each other the efforts they have made to interest Decatur City Lines Inc. into transporting school children and adopting other suggestions.

Members of both groups also agreed that officials of National City Lines Inc. seem cool toward doing too much toward protecting their own business future in this community.

But City Manager John E. Dever said he has noticed a partial change in attitude in recent weeks and feels the bus company may be more interested in trying to stay here.

Two proposals have been made by the bus company to the school board. The latest, and lowest, would still cost the school district \$5,381 a year more than it now spends for transportation services.

No Higher Costs

Mayor Robert A. Grohne said that one of the requirements of having school children transported by buses was that the cost in no way should be higher to the taxpayers.

The problem of what would happen to some 20 school bus drivers was stressed to some extent by

Teacher Group Elects Officers For Next Year

Bill Fromm, Centennial Junior High School teacher, was named president - elect of the Decatur Education Assn. yesterday.

New officers, who will take office in September, are:

Kathryn Wagenseller, president, Centennial

Robert M. Beckwith, vice president, Harris

Dorthea Wood, corresponding secretary, Spencer

Robert Lee Henderson, treasurer, MacArthur

G. L. Jacobsen, director, Lakeview

Raymond E. Newton, school business manager, and Mrs. Ida Coppenbarger, a member of the school board.

City Councilman Ralph M. Colburn said that problem was secondary, implying that if the school district, by throwing some \$90,000 in business a year to the bus company might be able to preserve the public transportation system, its responsibility was to the community as a whole.

Newton said it would be harmful if the public bus system left, because many school children ride the buses.

It was made clear that the bus company could put the school buses more or less out of business, because the schools do not pick up pupils within six blocks of a public bus line.

An expansion of bus lines, which both Newton and Dever said they had hoped for, would do that.

Colburn and others suggested a continued study to see if something could be achieved toward keeping the public buses running.

Council, Schools Talk Insurance Procedures

The city's insurance advisory committee may be put to work by the Decatur Board of Education.

School Board member Theodore A. Bates praised the city's success in buying insurance on bids, with greater coverage and in some cases at lesser cost.

Mayor Robert A. Grohne gave credit to the advisory group, made up of three men who buy insurance for industries.

He suggested the three might be able to aid the school board, although he said he could not volunteer their services without talking to them first.

Bates said the school board's advisory committee does not, in his opinion, meet the principle involved because the schools buy insurance from the committee that makes the recommendations.

City Manager John E. Dever said it is possible there could be substantial savings to the city and school board by buying some insurance together. That may be explored.

School Board Approves Staff Increase Plans

The Decatur Board of Education last night approved about \$275,000 in expenditures which, during the 1961-62 school year, will add 36 teachers, provide for non-professional noon-hour supervisors in the elementary schools and staff and equip two developmental reading centers.

The items approved, which will be written into the 1961-62 schools budget, are a few of the many listed by Supt. Lester J. Grant as priority needs for system schools.

A Decatur Education Assn. proposal for a salary increase that would mean a cost of about \$82,000 to the district was rejected by the Board of Education last night.

The proposal would have affected 418 teachers in the system who had completed their 12th year in the system.

At present salary increases stop at 12 years. The new proposal would have added an increase the 13th year.

The board did approve, however, an increase in pay that will affect about 98 personnel in the system, and cost the district \$15,000 a year.

This increase will go to junior and senior high school coaches, junior high school assistant principals, deans of girls, senior high school department heads, special education teachers, and advisors of student activities.

At a recent board meeting, informal approval was given to budgeting an additional \$10,500 for a central cataloger for school li-

brary materials and a secretary. The board refused to grant approval to this item last night.

The items approved represented, particularly as far as the additional teachers are concerned, a restoration of the many teachers cut from the system when the 1960-61 budget was reduced a half million dollars last year.

Even though the board, after considerable discussion, approved the \$275,000 in expenditures, some had serious reservations.

Joseph E. Katauski called for bringing the district back to a sounder financial condition and said this can't be done if "the board continues to add expenditures."

Grant, added, however, that the "system can't continue to cut short these items and have high quality education."

A new proposal from Decatur City Lines for operation of Decatur School District buses was tabled until the next regular meeting.

Terms of the new proposal were not made public.

The board had turned down an earlier proposal on grounds that the plan would have cost the school system about \$16,000 more than is spent for operation of buses now.



DECATUR



Suite 3500 Prudential Plaza
Chicago 1, Illinois

Copies for Bd

April 17, 1961

Board of Education
School District No. 61
Decatur, Illinois

Gentlemen:

Supplementing our letter of March 8, 1961, we wish to revise our proposal for the operation of your school bus service by substituting the following for the paragraph entitled, "Payment":

Payment: The School District shall pay the Company for the service rendered at the rate of 39.41¢ per bus mile operated, which the School District shall remit monthly upon presentation of a statement showing the number of miles operated in furnishing service under the agreement.

The above rates are based upon the operation of approximately 200,000 bus miles per year, which is the approximate number of miles now being operated by the School District to provide transportation for students between their residences and the schools.

We shall be pleased to have you consider our proposal amended as shown in the foregoing.

Yours truly,

DECATUR CITY LINES, INC.

V. A. Westover
Manager of Operations

VAW:k

DECATUR SCHOOL DISTRICT NO. 61

SCHOOL BUS OPERATION

21 March 1961

This is a comparison of the cost of school operated bus transportation 1960-1961 and the proposal made by the National City Lines March 8, 1961. For comparison, all calculations are based on mileage and the proposed rate on which City Lines would have operated for School Year 1960-1961.

The following calculations are based upon continued ownership of the school buses by Decatur School District No. 61 as proposed by National City Lines.

	<u>School Operation</u>	<u>National City Lines Proposal</u>
I. Total Miles (Est. 1960-1961)	197,355	197,355
Cost per mile -	.420403 .42952	<u>.4475</u>

* Total Cost \$82,968.63 \$88,316.36
\$84,768.63

* To and From School only - no extra-curricular trips.

II. Expenditures the school district will bear if the City Lines' proposal is adopted.

State License fees - 21 buses @ 2.00	42.00
Supervision of Routes (School Salary Administrator)	1,449.09
Clerical	100.00
Depreciation of Buses	<u>10,781.89</u>

* Total School District Expenditures 12,372.98

* These expenditures have been included in the cost per mile of school operation - see part I above.

III. Comparison of total costs of transportation:

	<u>School Operation</u>	<u>National City Lines Proposal</u>
FROM PART I:		
Total cost to & from school -	\$82,968.63	\$88,316.36
FROM PART II:		
Total expenditures of the school district if City Lines had operated the buses 1960-1961	----	<u>12,372.98</u>
Additional expense if we maintained separate lot storage as the City Lines propose	\$82,968.63	\$100,689.34
Extra Cost to the School District if City Lines had operated school bus transportation 1960-1961	<u>+ 1,800.00</u> \$84,768.63	<u>\$17,720.71</u> <u>- 1,800.00</u> \$15,920.71

84,768.63
3,547.73
12,372.98
\$15,920.71

COST OF SCHOOL BUS

OPERATION BY SCHOOL DISTRICT

21 March 1961

I. Salaries: - (Extra-curricular trips excluded)

Drivers	\$35,897.37	
Transportation Foreman	4,936.80	
Summer Maintenance on buses (4 drivers)	5,702.40	
Summer Maintenance on buses (Foreman)	821.34	
Supervisor (pro-rated) (9 months)	1,449.09	
Clerical-(Maint. Office & Business Office)	598.50	
Maintenance Superintendent	<u>650.00</u>	
		\$50,055.50

II. Operation Expenses - (based on 1959-1960)

Rate - .0761 per mile		
Estimate 1960-1961 mileage - 197,355		
(Includes: Gasoline, oil & grease, tires & tubes, repairs to chassis & body)		
	15,018.72	
Vehicle License - 21 buses @ 2.00	<u>42.00</u>	
		15,060.72

III. Depreciation

Based upon 12 year life of		
21 buses - 8 $\frac{1}{2}$ % of initial cost		
being depreciated annually		10,781.89

IV. Illinois Municipal Retirement Fund

Drivers	5,702.40	
Foreman	821.34	
Drivers (9 months)	35,897.37	
Foreman	4,936.80	
Maint. Supt.	650.00	
	<u>\$48,007.91</u>	
Rate 9%		4,320.71

V. Insurance - 2,500.00

VI. Chauffeur's Licenses & Physical Exams 250.00

Total Cost of Operations	\$82,968.82
	<u>+ 1,800.00</u>
	\$84,768.82
Total Miles of Operation	197,355 (Est.)
Cost per mile of operation	.420403
	.42952

DECATUR



Suite 3500 Prudential Plaza
Chicago 1, Illinois

March 8, 1961

Board of Education
School District No. 61
Decatur, Illinois

Gentlemen:

Pursuant to our recent conversations, we are taking this means to submit our proposal for the operation of your school bus service. We understand that this service falls into two principal categories:

- (1) Transportation of students between their residences and the schools, and
- (2) Transportation of students in connection with extra-curricular activities.

We are not in a position to make any specific proposal at this time as to the operation of the extra-curricular transportation service because we do not have sufficient details regarding the nature and extent of the service to do so.

As to the transportation of students between their residences and the schools, we make the following proposal:

Buses: The School District is to furnish all the necessary motor buses. It is understood that your present fleet of 21 school buses is to be used for this purpose. The buses are to be operated only by employees of the Company.

Bus Licenses: The School District is to furnish all state and city licenses or vehicle tags as may be required.

Routes and Services: The various routes and the amount of service to be operated via the respective routes, including the time schedules, shall be as established by the School District from time to time.

Bus Operators: The Company shall furnish motor bus operators in sufficient numbers to operate the service requirements of the School District. The motor bus operators shall be qualified and experienced motor bus operators who shall, at their own expense, be properly licensed by the State of Illinois.

The Company shall furnish such supervision of the motor bus operators and of the operation of the service as may be necessary.

Motor Bus Maintenance: The Company shall provide all the parts and labor necessary for the maintenance of the school bus fleet in its present condition as nearly as possible, ordinary wear and tear excepted. The maintenance to be furnished by the Company shall include the repair and replacement of tires, motor oil, grease, anti-freeze and the cleaning of the motor buses, both interior and exterior.

All costs and fees in connection with safety inspection of the motor buses shall be borne by the Company.

The Company shall provide the space necessary for the safe storage of the motor buses. The Company shall not be required to provide inside storage facilities.

Insurance: The Company shall maintain in force during the term of the agreement a policy of insurance with the School District as a named insured, with limits of Public Liability of not less than \$100,000 per person and \$100,000 per accident, and with Property Damage limits of not less than \$100,000, and a policy of insurance against loss or damage to the motor buses by fire and theft in an amount equal to the sum of the fair market value of the respective buses as set forth in a schedule to be furnished by the School District and attached to the agreement. The Company shall furnish to the School District certificates that said policies are in force.

Payment: The School District shall pay the Company for the service rendered at the rate of 44.75¢ per bus mile operated if the Company is obligated to furnish the motor fuel, or 40.85¢ per bus mile operated if the School District is to furnish the motor fuel, which the School District shall remit monthly upon presentation of a statement showing the number of miles operated in furnishing service under the agreement.

The above rates are based upon the operation of approximately 200,000 bus miles per year, which is the approximate number of miles now operated by the School District to provide transportation for students between their residences and the schools.

Failure to Perform: The Company will exercise due diligence to adhere to the time schedules, but minor deviations therefrom due to traffic, weather or load conditions shall not be deemed to be a default. In no event shall the Company be deemed to be in default for failure to perform where such failure is due to strikes, walk-outs, civil insurrection or disorders, acts of God, or for any other cause or causes beyond the control of the Company.

Independent Contractor: The Company will be acting as an independent contractor, and the operators, supervisors, mechanics and any other employees engaged in the performance of the obligations of the Company shall not be deemed

to be employees of the School District for any purpose. The agreement is to be made solely for the benefit of the School District and the Company and is not to be made for the benefit of any third person, whether an employee of the School District, a student of a school in the School District, or for any other person, and no action or defense is to be founded upon the agreement except by the parties thereto. The agreement shall contain the entire agreement of the parties relating in any way to transportation service.

Accident Damages: The Company shall bear the cost of repairing all damage to the buses caused by the negligence of its motor bus operators. The cost of repairing all other damages shall be borne by the School District.

Contract Term: The agreement shall be in full force and effect for the term beginning _____, 1961 to and including _____, 1962, and from year to year thereafter, except that at the expiration of the said term or of any renewal thereof, either party may terminate the agreement by giving notice to the other party of its intention to terminate the agreement or to negotiate changes in its provisions. Said notice shall be in writing and shall be delivered to the other party not more than 90 and not less than 60 days before the expiration of the said term or of any renewal thereof.

As soon as the information necessary to formulate a proposal for the operation of the extra-curricular activities service is available, we will be happy to submit a proposal. In the event you care to discuss this proposal personally, we will be glad to confer with you at a mutually convenient time.

Yours truly,

DECATUR CITY LINES, INC.

V. A. Westover
V. A. Westover
Manager of Operations

FMP:O

DECATUR



Suite 3500 Prudential Plaza
Chicago 1, Illinois

March 8, 1961

Board of Education
School District No. 61
Decatur, Illinois

Gentlemen:

Pursuant to our recent conversations, we are taking this means to submit our proposal for the operation of your school bus service. We understand that this service falls into two principal categories:

- (1) Transportation of students between their residences and the schools, and
- (2) Transportation of students in connection with extra-curricular activities.

We are not in a position to make any specific proposal at this time as to the operation of the extra-curricular transportation service because we do not have sufficient details regarding the nature and extent of the service to do so.

As to the transportation of students between their residences and the schools, we make the following proposal:

Buses: The School District is to furnish all the necessary motor buses. It is understood that your present fleet of 21 school buses is to be used for this purpose. The buses are to be operated only by employees of the Company.

Bus Licenses: The School District is to furnish all state and city licenses or vehicle tags as may be required.

Routes and Services: The various routes and the amount of service to be operated via the respective routes, including the time schedules, shall be as established by the School District from time to time.

Bus Operators: The Company shall furnish motor bus operators in sufficient numbers to operate the service requirements of the School District. The motor bus operators shall be qualified and experienced motor bus operators who shall, at their own expense, be properly licensed by the State of Illinois.

The Company shall furnish such supervision of the motor bus operators and of the operation of the service as may be necessary.

Motor Bus Maintenance: The Company shall provide all the parts and labor necessary for the maintenance of the school bus fleet in its present condition as nearly as possible, ordinary wear and tear excepted. The maintenance to be furnished by the Company shall include the repair and replacement of tires, motor oil, grease, anti-freeze and the cleaning of the motor buses, both interior and exterior.

All costs and fees in connection with safety inspection of the motor buses shall be borne by the Company.

The Company shall provide the space necessary for the safe storage of the motor buses. The Company shall not be required to provide inside storage facilities.

Insurance: The Company shall maintain in force during the term of the agreement a policy of insurance with the School District as a named insured, with limits of Public Liability of not less than \$100,000 per person and \$100,000 per accident, and with Property Damage limits of not less than \$100,000, and a policy of insurance against loss or damage to the motor buses by fire and theft in an amount equal to the sum of the fair market value of the respective buses as set forth in a schedule to be furnished by the School District and attached to the agreement. The Company shall furnish to the School District certificates that said policies are in force.

Payment: The School District shall pay the Company for the service rendered at the rate of 44.75¢ per bus mile operated if the Company is obligated to furnish the motor fuel, or 40.85¢ per bus mile operated if the School District is to furnish the motor fuel, which the School District shall remit monthly upon presentation of a statement showing the number of miles operated in furnishing service under the agreement.

The above rates are based upon the operation of approximately 200,000 bus miles per year, which is the approximate number of miles now operated by the School District to provide transportation for students between their residences and the schools.

Failure to Perform: The Company will exercise due diligence to adhere to the time schedules, but minor deviations therefrom due to traffic, weather or load conditions shall not be deemed to be a default. In no event shall the Company be deemed to be in default for failure to perform where such failure is due to strikes, walk-outs, civil insurrection or disorders, acts of God, or for any other cause or causes beyond the control of the Company.

Independent Contractor: The Company will be acting as an independent contractor, and the operators, supervisors, mechanics and any other employees engaged in the performance of the obligations of the Company shall not be deemed

to be employees of the School District for any purpose. The agreement is to be made solely for the benefit of the School District and the Company and is not to be made for the benefit of any third person, whether an employee of the School District, a student of a school in the School District, or for any other person, and no action or defense is to be founded upon the agreement except by the parties thereto. The agreement shall contain the entire agreement of the parties relating in any way to transportation service.

Accident Damages: The Company shall bear the cost of repairing all damage to the buses caused by the negligence of its motor bus operators. The cost of repairing all other damages shall be borne by the School District.

Contract Term: The agreement shall be in full force and effect for the term beginning _____, 1961 to and including _____, 1962, and from year to year thereafter, except that at the expiration of the said term or of any renewal thereof, either party may terminate the agreement by giving notice to the other party of its intention to terminate the agreement or to negotiate changes in its provisions. Said notice shall be in writing and shall be delivered to the other party not more than 90 and not less than 60 days before the expiration of the said term or of any renewal thereof.

As soon as the information necessary to formulate a proposal for the operation of the extra-curricular activities service is available, we will be happy to submit a proposal. In the event you care to discuss this proposal personally, we will be glad to confer with you at a mutually convenient time.

Yours truly,

DECATUR CITY LINES, INC.



V. A. Westover
Manager of Operations

FMP:O

Progress

Report on Problems of Mass Transportation

City of Decatur, Illinois

Report to the City Council,
by the City Manager
March, 1961

March, 1961

Honorable Mayor and City Council,
City of Decatur, Illinois.

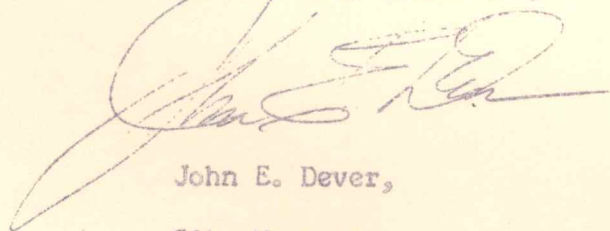
Gentlemen:

I am pleased to submit for your study and consideration a progress report in the area of the problems of mass transportation in the City of Decatur.

The City Staff and others, as indicated in this report, have spent considerable time and effort working toward answers to some of the problems in this field. This report makes certain recommendations which if followed should help insure continued public transit service in Decatur for a considerable period of time.

We stand ready to follow the Council's directive of action or further study.

Respectfully submitted,

A large, stylized handwritten signature in dark ink, appearing to read 'John E. Dever', is written over the typed name.

John E. Dever,
City Manager.

JED:ls

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Progress Report on Mass Transportation Problems

Introduction

At the request of the City Council, on December 12, 1960, the staff filed a "Report on Problems of Mass Transportation". This report pointed out that the local bus company, following the national trend, had lost passenger and gross revenue almost every year since 1946 while increasing fares and slashing service. It was also stated that the company would probably end the year 1960 with a net loss and having reached the practical maximum of fares while being burdened with old equipment - early action was necessary to save the public transit system.

It was suggested that the alternatives available were:

- a. better private operations,
- b. subsidizing private operations,
- c. municipal ownership and operation,
- d. eliminating bus service and relying on alternate forms of public transportation.

Each of the alternatives and its implications was carefully analyzed.

What Has Happened Since December

Since the filing of the December 12th report, the staff has had numerous meetings with officials of the bus company, school system, state legislative officials and the staff of the Illinois Commerce Commission. In addition, the City Council has discussed the problem at length several times and received a number of petitions requesting the City do everything possible to save bus transportation.

Local Bus Operations

The Decatur City Lines ended 1960 with an operating loss and net loss of income. The first two month's operation this year indicates that the downward trend is continuing.

School Bus Operations

In meetings with school officials, they pointed out they were faced with a need to purchase new equipment, storage facilities and better garage or maintenance facilities. They very kindly furnished detailed cost information on their operations as well as routes, passenger data, and the like. This was furnished the Decatur City Lines and has been analyzed by their staff and consultants.

City Staff Analysis

The City Staff analyzed bus system revenue, passenger boarding data (such as was available), equipment condition and route layout and scheduling. These items were also discussed with the company officials.

Legislative Action

At the time of the December 12th report, there was considerable discussion that the local officials throughout the State might sponsor state enabling legislation making it possible for municipalities to subsidize private bus operations. There now seems little likelihood of such a bill being introduced and no chance for such a bill to become law.

There is a good possibility that several bills removing bus companies from the tight restrictions of the Illinois Commerce Commission will be enacted. Also, the President has included a bill, now before the Congress, which makes loans and grants available for local mass transit studies and improvements as part of his legislative program.

Program for Consideration

School Bus Consolidation

Officials of the National City Lines have indicated that the addition of more revenue such as might be gained by providing school bus transportation service would place the Decatur City Lines in a position to operate without deficits. This new

business would further spread fixed overhead, maintenance and facility costs.

School officials have four areas of major concern which must be carefully investigated before any change of service can be considered. These include:

1. Welfare of existing employees;
2. Continuance of complete, prompt, safe, service;
3. Cost of transportation service;
4. Long run continuance of service without creating a possible financial burden on the school system if private service is discontinued.

The area of service arrangement that offers the most hope for real savings for the schools and increased revenue for the Decatur City Lines is the use of Decatur City Line's buses on regular routes modified so as to accommodate school children riding on bus tickets or tokens furnished by the schools. School officials have indicated they will meet with bus officials and explore all possible areas before making any decision on changing or expanding present operations.

Equipment Improvements

Officials of the National City Lines have informed the City that they will shortly begin a complete modernization and up-grading of equipment of the Decatur City Lines. This should provide a basis on which they can actively pursue new business and regain old customers.

Schedules and Route Changes

The study of schedules, passengers and routes verifies that there is some duplication in service and needed overhaul of both schedules and routes. Officials of the Decatur City Lines are now making final studies which will lead to recommendations for modifications in schedules and routes.

It now appears that by eliminating duplication and some re-routing, schedules can be improved. Also, it may be possible to provide service to some areas not adequately serviced. Equally important, these changes can be made at no increase, and possibly a slight reduction, in operating costs - further strengthening the local bus

company.

Fare Changes

The constant raising of fares on a system wide basis (400% since 1946) has had the effect of penalizing the short haul passenger and the passenger from the high density areas of the City who are the bus company's principal source of revenue. This flat fare structure has tended to make the cost-revenue ratio for service into new areas so adverse as to eliminate all possibility of these areas ever gaining service.

The staff has recommended to the bus company, and they have agreed to consider and possibly install on an off-peak trial basis - a system of zoned fares.

The City could be divided into zones and short-haul passengers charged as low as 10¢ while passengers traveling great distances, i.e. - all the way across town, would pay up to 50¢. It is our strong belief that this would result in a net increase in revenue and get people in the habit of thinking about and riding buses again.

Local Bus Franchise Tax

Many years ago when the bus company was granted a franchise because of the competition for bus franchises, they agreed to a bus franchise tax. This tax brings in less than \$1,000 per year and is another operating cost of the bus company. This is in no way related to the motor vehicle bus licenses required. Its elimination would place buses in the same competitive position, from the municipal standpoint, as the private automobile.

Recommendations

As the result of additional study on the problems of local mass transportation in Decatur, it is recommended to the City Council that the Council:

1. Urge the School Board to carefully study and consider Decatur City Lines service in providing school bus service by using existing local transit buses instead of specialized school buses wherever possible or any other practical arrangement;
2. Urge the National City Lines to speed the re-conditioning and up-grading of Decatur City Lines equipment;

3. Actively support route and schedule changes that will eliminate duplication of service and cut bus operating costs as well as modify routes and schedules to accommodate school passengers.
4. Request Decatur City Lines to institute a system of zoned fares for a 120 day trial period;
5. Repeal the local bus franchise tax.

REPORT ON PROBLEMS OF MASS TRANSPORTATION

CITY OF DECATUR, ILLINOIS

REPORT TO THE CITY COUNCIL

by the CITY MANAGER

DECEMBER 12, 1960

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LETTER OF TRANSMITTAL

December 12, 1960

Honorable Mayor and City Council
City of Decatur, Illinois

Gentlemen:

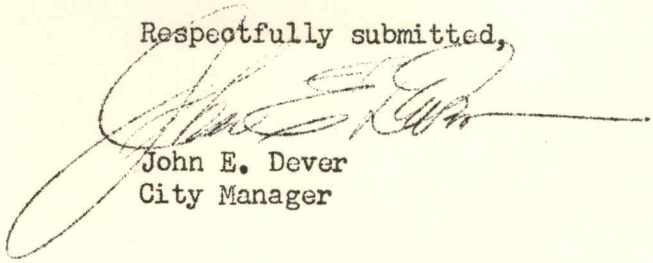
It is a pleasure to present for your study and consideration a report on the problems of mass transportation in the City of Decatur.

This report has been prepared at the request of the Mayor and City Council to:

- 1) permit a background of information to serve as a basis for future Council actions concerning bus service;
- 2) assist the State legislative representatives from this area in their consideration of bills affecting bus service in urban centers;
- 3) summarize the facts on the City of Decatur's local mass transit service to aid the special committee on this subject of the Illinois Municipal League and the Municipal Problems Commission of the General Assembly; and
- 4) help keep the residents of Decatur fully informed on an acute municipal problem.

I am indebted to officials of the Illinois Commerce Commission and the National City Lines, Inc. for their assistance in furnishing data and, also, the City Managers of Wichita, Kansas, Santa Monica, California and Janesville, Wisconsin for their detailed analysis of bus problems in their cities.

Respectfully submitted,



John E. Dever
City Manager

SUMMARY OF CONCLUSIONS

- 1) Beginning in 1947 and for each of the last thirteen years local bus operations across the country have declined without exception.
- 2) Industrial communities are almost totally dependent on their transportation facilities.
- 3) Urban areas are beginning to realize they must have local public transit service because they cannot economically provide all the needed local transport service in any other way.
- 4) Bus companies are disappearing at a rapid rate across the nation and in the State of Illinois.
- 5) Mass transit is still regulated by State agencies in a few states although the conditions justifying and requiring regulation have long since changed.
- 6) Several cities control bus operations through franchise arrangements or contracts when state regulation is lacking.
- 7) Fares have been increased by all bus companies to offset declining passenger usage.
- 8) Service has been reduced and routes curtailed in attempting to reduce rising costs of bus operations.
- 9) Several cities have turned to municipal operation of buses but these have also experienced financial difficulties.
- 10) The history of bus operations in Decatur has followed national experience and trends despite unusual economic growth.
- 11) The population density of the City has decreased markedly since 1946 through rapid annexation while the number of registered motor vehicles has more than doubled.
- 12) The City, County and State are spending millions of dollars on better highways and parking facilities to ease traffic congestion and parking woes in this area.
- 13) The drop in use of buses in Decatur is among the greatest of any similar sized city and is continuing at a more rapid pace.
- 14) Fares have been increased 400% since World War II in Decatur and are now at the practical maximum.

REPORT ON PROBLEMS MASS TRANSPORTATION

CITY OF DECATUR, ILLINOIS

HISTORY OF LOCAL MASS TRANSIT

Local mass transit in the United States dates back to the days of horse drawn cars. With the advent of practical steam generators, many power companies provided the cities in which they were located with street railway cars powered by electricity.

With widespread use of the internal combustion engine and gradual expansion of cities, motor buses quickly replaced trolley cars. They provided easy means of changing routes and schedules and did not require the tremendous investment in tracks, overhead lines and equipment.

From the very beginning of operations local mass transit was carefully regulated as a public utility. At first their operations were like those of a railroad and in many instances they were operated or controlled by utilities which were already carefully regulated. With the change to motor bus operations and the rise of separate, private, local transit companies regulation of these activities continued in several states.

World War II

From the beginning of World War II automobile travel was strictly curtailed - gas and tires were rationed and no new cars were produced for civilian consumption for nearly four years. During this period local mass transit operations flourished.

After World War II

Immediately after World War II for a short period local motor bus service continued to grow but beginning in 1947 and for each of the last thirteen years local bus operations have declined without exception. This is in part due to the competition afforded by the availability and use of private automobiles but also due to the shorter work week (5 days instead of 6); work shift standardization; the use of television and reduction in importance of public entertainment. A small part of this decline can be attributed directly to the reductions in service and reduced schedules. In addition, the declining competitive position of buses was even worsened by a series of larger fare increases.

Importance of Mass Transit

Any urban center is an accumulation of different patterns. Within all of these patterns, travel has prevailed as a constant condition and basic element of urban life. An industrial community, particularly, is almost totally dependent upon its transportation facilities. The whole future development of such a community is tied to adequate transportation service. With any reduction in transportation service, any industrial community is almost immediately adversely effected.

With some 70 million cars and trucks traveling our country's streets and highways and the great majority of travel taking place on City streets, the mounting traffic congestion and parking problems have resulted in acute economic difficulties for every city. High city debts have been incurred and pyramiding taxes have been levied to finance modern roadways for private motor vehicles. Also, larger areas of high value property have been removed from tax roles to provide public off-street parking space. Yet, even with these measures the traffic congestion and parking woes continue to grow.

Walter H. Blucher, one of the country's foremost planning consultants has said, "We are going to have to become much more intelligent and realistic with respect to the place of highways and parking facilities in the whole transportation picture.... no city can afford to build all the highways which industrial car owners would like to have to permit them to go from their homes to their places of business."

To serve its industrial and commercial base and diversified land use, cities are beginning to realize that they must have improved public transit service. From the viewpoint of their own financial solvency, more and more urban centers are again considering mass transit as the key element in transportation planning.

The Disappearing Bus Companies

Since the end of World War II, 346 cities in the United States have lost their local transit system. In the State of Illinois since 1949, 117 bus companies abandoned operations completely and their territory was not taken over by other carriers. Another 13 sold or transferred their rights, which since have been abandoned, while 25 other companies discontinued operations and their area is served at least in part by other operators.

Today there are only 20 companies operating in the State of Illinois. They serve some 74 jurisdictions.

In analyzing the decline in bus travel in Illinois, one must measure this against the $3\frac{1}{2}$ million vehicles now registered by the State. This figure is almost double that of ten years ago.

MASS TRANSIT AND REGULATION

In the State of Illinois regulation of local bus utilities is under the jurisdiction of the Illinois Commerce Commission. This was originally required and justified because the local transit companies operating street railways were virtual monopolies.

With the great increase in the number of private autos, each private auto became a competitor or potential competitor of motor bus operators. There no longer is any basis for regulating local mass transit as a local transportation service monopoly.

Another theory to justify regulation of this industry was because the companies required some special privilege granted by the State--such as being allowed to operate in a special way or in an area. However, when the electric trolleys disappeared any special privilege that could be granted by the State also disappeared. Today absolute control of the conditions which determine survival and success of a bus line are in the hands of municipal authorities, i.e., traffic flow, traffic speeds, loading and unloading space and the like.

The only other reason for State regulation of local bus lines is to control their rates and service routes in the State-wide interest. Many states have considered this question of whether or not local bus lines can best be regulated for maximum public benefit by a State agency. A great number of states have decided the question in the negative.

Control of Fares

Almost all public utilities are regulated for rate making purposes by considering their rate of return or net income on the original value of utility plant in service less reserve for depreciation. Rates are set that bring a fair rate of return.

In the case of bus operations this is impractical because of the extremely low investment in property compared to gross operating revenues. In addition the greatly increased risk factor for capital investment makes ordinary rate theory yardsticks inapplicable. For instance, electric, gas and telephone utilities are permitted to earn between $5\frac{1}{2}\%$ and $7\frac{1}{2}\%$ (approximately) on utility plant in service less depreciation. This represents an extremely small return in terms of dollars for almost any bus company.

To establish a yardstick of measure of bus company operations for control purposes, a ratio between operating expenses and operating revenues is most often used. An operating ratio of approximately 95% usually is equivalent to about an 8% rate of return on bus operations. The Illinois Commerce Commission has been approving requests for an operating ratio of 90% to 91% in recent bus cases. Other regulatory agencies have held a ratio of 85% is not excessive, but any figure chosen has no real meaning because bus companies haven't sustained profits near this range in any case.

The Illinois Commerce Commission Chairman has stated within the last three months: "...The Illinois Commerce Commission is not jealous over its authority...for bus operations." There seems to be serious questions whether there is any basis or reason for continued State regulation of strictly local bus operations.

City Franchise

In addition to State regulation bus companies are franchised either directly or indirectly by means of local license ordinances. Such licenses for revenue purposes have been dropped by more and more cities with ordinances being retained solely to control loading zones and routes.

In other states franchise agreements cover rates, types of equipment, service areas and many other matters. Such arrangements enable municipalities to deal directly with bus companies and provide the means of control and assistance that is needed.

CHANGING OPERATIONS

Fares

With the decline in bus revenues after World War II due to a drop in passengers and sharp increase in costs, most local bus companies sought to restore lost income by increasing fares. The Chief of the Motor Bus Division of the Illinois Commerce Commission estimates that the cost of bus operations has doubled since World War II.

As fares were increased in an attempt to re-establish adequate net income, more and more passengers were discouraged from riding buses. In the ten year period, 1949-59, 31 representative cities in 11 states show a decline in transit passenger traffic ranging from 31.7% to 84.8% with all but one being over 50%. The buses' competitive position has continually declined with respect to private motor vehicles with each increase in rates.

The Illinois Commerce Commission noted in its recent decision concerning the City of Decatur, "That local transit companies have experienced a tremendous loss of passengers in the post World War II era, coupled with ever increasing costs It must be recognized and noted that no reasonable means has been advanced for providing...with the additional revenue for which it has demonstrated need other than by increasing its rates of fare."

Several bus companies have tried to maintain fixed, low rates. Despite this practice the loss of passengers has been little different than communities which have sharply increased their rates. The best example of this is the transit system of the City of New Orleans which kept a fare of only 7¢ for more than 30 years.

Frequency of Service and Routes

Drastic reductions in service have accompanied the drop in number of passengers and fare increases. Almost every bus company has tried to reduce costs by dropping or modifying routes that were lightly used as well as curtail evening, Sunday and holiday schedules. This has been reflected in sharp reductions in miles traveled. A study by a neighboring state regulatory agency shows a 1/3 drop in miles traveled per year by local bus companies in that state in the ten year period, 1948-1958.

Many critics of transit systems have charged that reductions in service were actually causing the loss in passengers. The St. Louis Public Services Company experimented to see if this was so by doubling the service on some lines to see how many riders would be attracted by better and more frequent service. Despite much publicity, the number of passengers increased only slightly and not enough to pay for all the added costs of operating the stepped-up schedule.

Municipal Operations

As private bus companies dropped service, a number of cities took over operation of the local transit system as a municipal utility. There are now approximately twenty-three municipally operated transit systems in cities over 25,000 population throughout the United States.

The level of fares and frequency of changing fares by the City bus utilities, as shown by a number of studies, are not materially different than those of private companies. Also, a recent compendium of City government finances by the U. S. Bureau of Census reveals that for 17 municipal bus systems, the expenditures exceeded revenue by almost one-third and some of the city expenditure figures did not include depreciation.

Many municipalities apparently started bus operations assuming that reduced expenditures would be realized due to gas tax, local property tax, and Federal gas and excise tax savings. However, almost all experienced increased operating costs due to higher wages and fringe benefits and increased insurance rates. In addition, municipal governments have found it more difficult to modify service and resist pressure to provide service to unprofitable areas.

BUS OPERATIONS IN THE CITY OF DECATUR

The history of bus operation in the City of Decatur has followed the overall pattern of local bus operations throughout the nation and the State of Illinois. Decatur originally was serviced by electric trolley operations which were replaced by motor buses.

The motor bus operation was acquired and is operated by the largest bus operating company in the United States - National City Lines, Inc. This company operates 34 subsidiaries in eleven states. These include:

Aurora City Lines, Inc.	Aurora, Ill.
Aurora-Elgin Bus Line, Inc.	Elgin, Ill.
Beaumont City Lines, Inc.	Beaumont, Tex.
Bloomington-Normal City Lines, Inc.	Bloomington, Ill.
Canton City Lines, Inc.	Canton, Ohio
Cedar Rapids City Lines, Inc.	Cedar Rapids, Iowa
Champaign-Urbana City Lines, Inc.	Champaign, Ill.
Danville City Lines, Inc.	Danville, Ill.
Davenport City Lines, Inc.	Davenport, Iowa
Decatur City Lines, Inc.	Decatur, Ill.
East St. Louis City Lines, Inc.	East St. Louis, Ill.
Elgin City Lines, Inc.	Elgin, Ill.
El Paso City Lines, Inc.	El Paso, Texas
El Paso & Juarez Traction Co.	El Paso, Texas
Glendale City Lines, Inc.	Glendale, Calif.
Jackson City Lines, Inc.	Jackson, Michigan
Jackson City Lines, Inc.	Jackson, Miss.
Joliet City Lines, Inc.	Joliet, Ill.
Kalamazoo City Lines, Inc.	Kalamazoo, Mich.
Lincoln City Lines, Inc.	Lincoln, Neb.
Long Beach Motor Bus Co.	Long Beach, Calif.
Mobile City Lines, Inc.	Mobile, Ala.
Montgomery City Lines, Inc.	Montgomery, Ala.
Quincy City Lines, Inc.	Quincy, Ill.
Pasadena City Lines, Inc.	Pasadena, Calif.
Rock Island-Moline City Lines, Inc.	Rock Island, Ill.
Saginaw City Lines, Inc.	Saginaw, Mich.
Salt Lake City Lines, Inc.	Salt Lake City, Utah
San Jose City Lines, Inc.	San Jose, Calif.
Sioux City Lines, Inc.	Sioux City, Iowa
Spokane City Lines, Inc.	Spokane, Wash.
Stockton City Lines, Inc.	Stockton, Calif.
Tampa Transit Lines, Inc.	Tampa, Fla.
Wichita City Lines, Inc.	Wichita Falls, Texas

Factors Affecting Bus Operations

The City of Decatur is ideally situated and developed to encourage profitable bus operations. Much of the topography of the area is level or gently sloping. The only transport barriers are railroads, the Sangamon River and Lake Decatur. In addition the prime commercial area is highly concentrated and located almost in the exact center of the community. Large new industrial areas are developing at the fringes of the City necessitating travel to and from work.

The urban area has become highly industrialized with almost 1/3 of the population employed in manufacturing. Decatur's population and labor forces have increased 50% faster than the State as a whole in the last decade.

Since World War II the population has grown steadily and the area of the City has increased at a phenomenal rate. This has greatly reduced the population density making it more and more difficult to profitably serve all the City's residents.

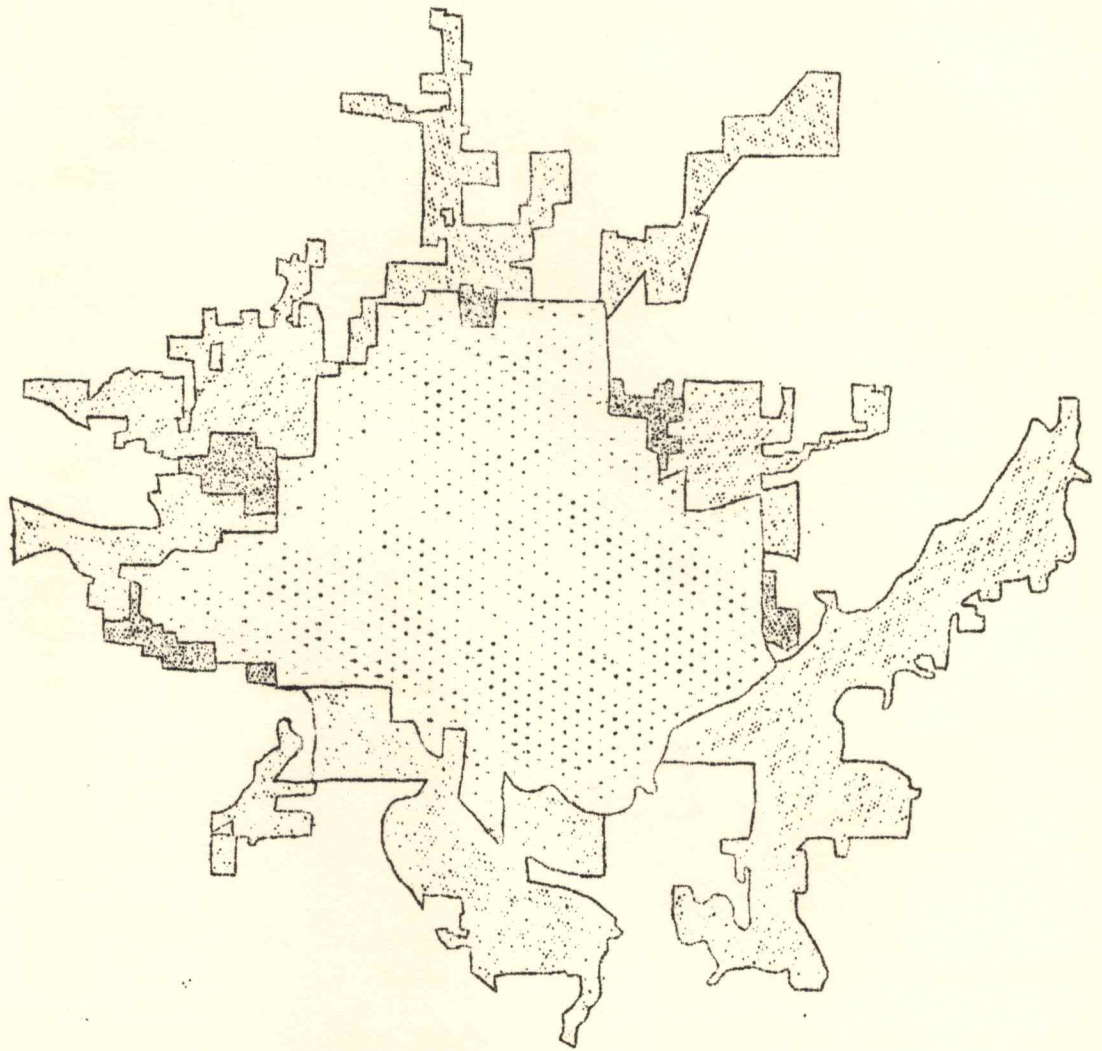
City of Decatur (as of December 31st)

<u>YEAR</u>	<u>POPULATION</u>	<u>AREA (Square Miles)</u>
1946	63,500	9.5898
1947	63,800	9.7278
1948	65,300	9.7396
1949	66,100	10.1124
1950	66,269	10.2263
1951	66,269	10.4633
1952	66,269	11.0125
1953	66,269	12.5256
1954	67,788	13.1838
1955	67,788	14.4191
1956	67,788	14.9681
1957	67,788	17.6224
1958	77,046	18.0328
1959	77,046	19.2662
1960	78,600	21.2 (Estimated)

While the City was expanding in area by 121% of the number of motor vehicles in Macon County, of which approximately 85% are located in the City of Decatur, was increasing 102%, as follows:

Registered Motor Vehicles

<u>YEAR</u>	<u>NUMBER OF VEHICLES IN MACON COUNTY</u>
1946	26,609
1947	28,665
1948	31,460
1949	33,651



GROWTH BY ANNEXATION

1940

1950

1960

Registered Motor Vehicles (con't)

<u>YEAR</u>	<u>NUMBER OF VEHICLES IN MACON COUNTY</u>	
1950	36,695	
1951	38,981	
1952	39,798	
1953	40,519	
1954	43,280	
1955	46,316	
1956	49,250	
1957	51,250	
1958	52,472	
1959	54,118	City 45,179

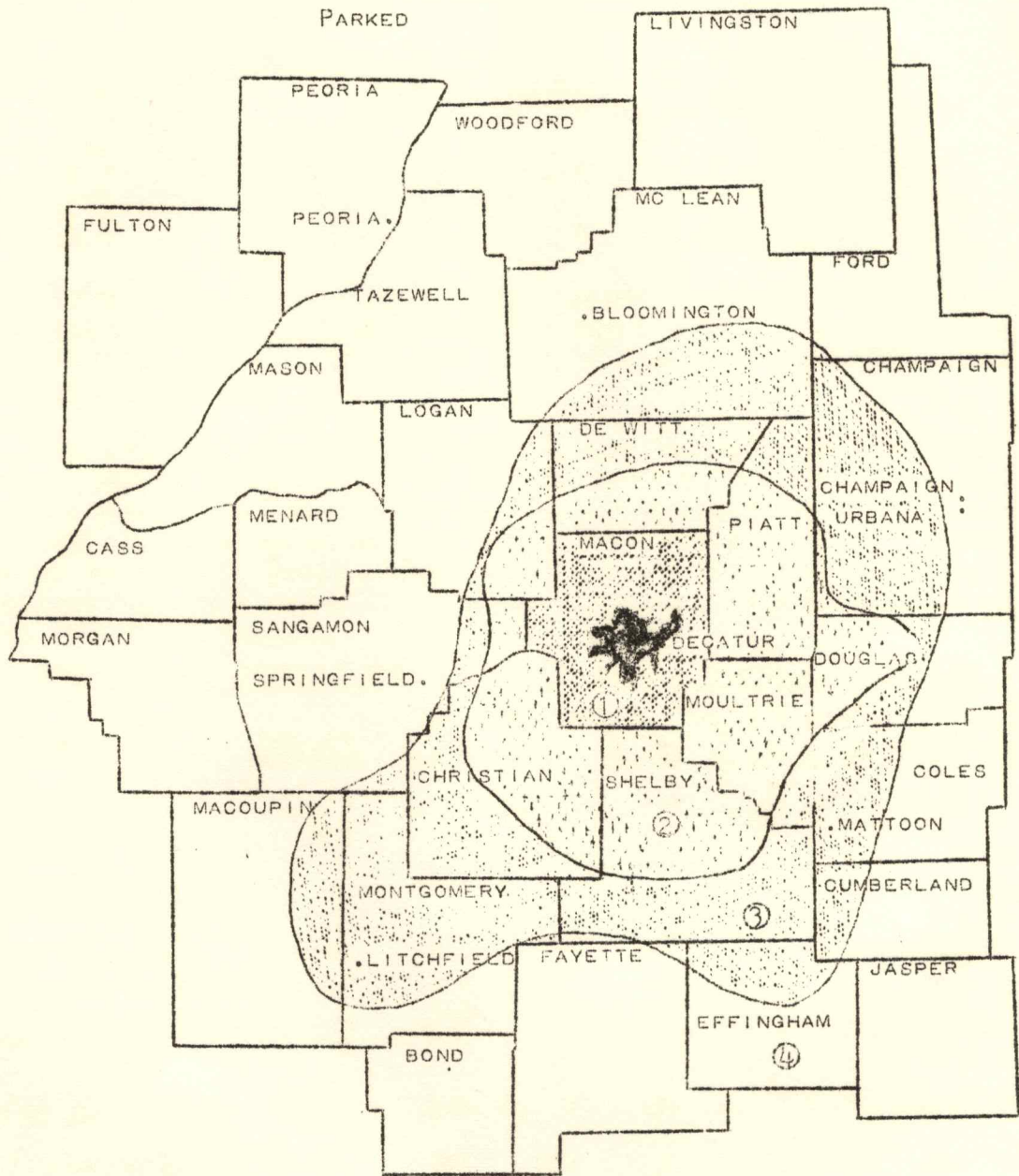
To meet the rising tide of motor vehicles, governmental units are spending millions of dollars on highway improvements in the Decatur area. Currently more than \$12 million is in some stage of design or construction within the City limits alone.

In addition, the City has invested more than \$2 million in public off-street parking facilities in the central business district. A planned program would expand the parking system by some 500 spaces while spending \$400,000. in the next year. A new \$1 million ramp garage will add 400 more off-street spaces in the near future. Approximately 4,400 vehicles are parked in the downtown area in a typical afternoon. A recent survey reveals the use and trip purpose of parkers:

Occupancy of Downtown Parking Space and Trip Purpose of Parkers

<u>Curb Space</u>	<u>Capacity</u>	<u>Average Season</u>			<u>Pre-Christmas</u>		<u>Trip Purpose</u>		
		<u>2 PM.</u>	<u>3 PM.</u>	<u>5 PM.</u>	<u>2 PM.</u>	<u>5 PM.</u>	<u>Shop</u>	<u>Busin.</u>	<u>Work</u>
Curb Meters	1,159	1,097	1,010	984	1,159	1,001	41%	42%	13%
Free Space	845	722	637	398	758	577	--	--	--
<u>Off-Street Space</u>									
Municipal Lots	713	658	624	309	710	524	16%	22%	58%
Commercial Lots	1,389	942	917	562	1,134	903	11%	11%	69%
Customer Lots	596	318	407	197	315	302	--	--	--
Private Lots	1,304	697	697	495	794	737	--	--	--
<u>Total All Spaces</u>	6,006	4,434	4,292	2,149	4,870	4,044	16.3%	22.7%	54.8%
<u>Per Cent Occupancy (All)</u>		74%	72%	49%	81%	67%	--	--	--

DOWNTOWN DECATUR TRADE AREA
 BASED ON ORIGINS OF PATRONS
 PARKED



AREA

- ① DECATUR AND SUBURBS _____
- ① BALANCE OF MACON COUNTY _____
- ② _____
- ③ _____
- ④ _____

PERCENT OF SHOPPER CARS

- 65%
- 13%
- 16%
- 5%
- 1%

As with other local transit systems, the Decatur City Lines, Inc. has experienced a substantial drop in passengers. Over the past ten years (1949 - 1959) this has amounted to 82.3% and compares with other cities as follows:

Comparison of Transit Passengers

<u>City</u>	<u>1949</u>	<u>1959</u>	<u>Change</u>	<u>% of Change</u>
Aurora, Ill.	6,537,808	2,877,033	- 3,660,775	- 57.7
Beaumont, Texas	8,335,042	2,543,638	- 5,791,404	- 69.5
Bloomington, Ill.	4,995,098	1,109,532	- 3,885,566	- 77.8
Canton, Ohio	15,580,322	5,163,124	- 10,417,198	- 66.9
Cedar Rapids, Iowa	8,123,619	2,370,761	- 5,752,858	- 70.8
Champaign, Ill.	6,404,653	975,620	- 5,429,033	- 84.8
Danville, Ill.	4,109,280	887,577	- 3,221,703	- 78.4
Davenport, Iowa	11,930,709	3,316,452	- 8,614,257	- 72.2
Decatur, Ill.	8,100,620	1,430,129	- 6,670,491	- 82.3
E.St.Louis, Ill.	17,029,220	6,657,984	- 10,371,236	- 60.9
Elgin, Ill.	3,524,605	1,249,106	- 2,275,499	- 64.5
El Paso, Tex	23,342,059	15,919,721	- 7,422,338	- 31.7
Jackson, Mich.	5,745,416	908,231	- 4,837,185	- 84.1
Jackson, Miss.	15,453,485	4,539,059	- 10,914,426	- 70.6
Joliet, Ill.	8,947,549	3,899,071	- 5,048,478	- 56.4
Kalamazoo, Mich.	6,590,032	1,571,663	- 5,018,369	- 76.1
Lincoln, Neb.	10,627,649	4,012,970	- 6,614,679	- 62.2
Mobile, Ala.	22,672,322	10,191,744	- 12,480,578	- 55.0
Montgomery, Ala.	18,274,476	4,609,209	- 13,665,267	- 74.7
Pontiac, Mich.	6,879,250	1,410,080	- 5,469,170	- 79.4
Quincy, Ill.	4,575,679	1,492,101	- 3,083,578	- 67.4
Rock Island, Ill.	11,808,994	2,020,599	- 9,788,395	- 82.8
Rockford, Ill.	14,637,309#	5,017,710	- 9,619,599	- 65.7
Peoria, Ill.	24,381,049	5,726,075	- 18,654,974	- 76.5
Saginaw, Mich.	7,110,966	1,726,085	- 5,384,881	- 75.7
Salt Lake City, U.	28,616,686	11,856,639	- 16,760,047	- 58.6
Sioux City, Iowa	11,687,105	3,033,641	- 8,653,464	- 74.0
Spokane, Wash	19,309,514	7,820,162	- 11,489,352	- 59.5
Springfield, Ill.	11,789,484#	2,906,481	- 8,883,003	- 75.3
Tampa, Fla.	22,557,024	9,987,897	- 12,569,127	- 55.7
Wichita Falls, Tex.	4,474,682##	1,169,955	- 3,304,727	- 73.8

- 1950 figure used

- 1951 figure used

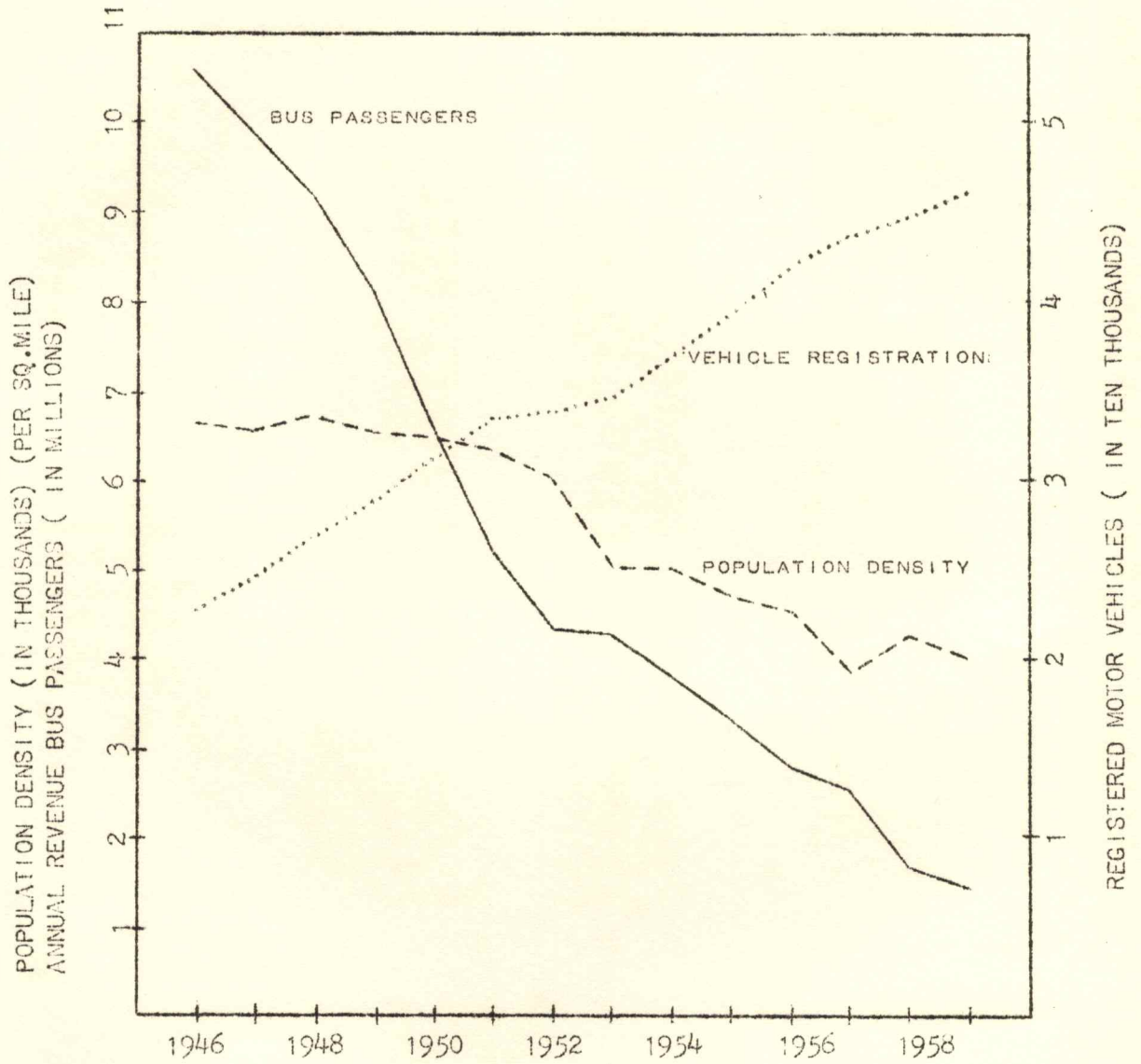
This has continued on into 1960 at an even more accelerated pace:

DECATUR CITY LINES, INC.

Monthly Comparison of Passengers Hauled

<u>Month</u>	<u>Year 1959</u>	<u>Year 1960</u>	<u>Difference</u>	<u>Per Cent of Change</u>
January	122,461	102,214	20,217	- 16.5
February	123,054	102,507	20,547	- 16.7
March	136,064	115,229	20,835	- 15.3
April	128,966	106,238	22,728	- 17.6
May	122,865	101,167	21,698	- 17.7
June	116,370	87,492	28,878	- 24.8
July	110,525	74,470	36,055	- 32.6
August	105,666	82,807	22,859	- 21.6
September	114,526	89,100	25,426	- 22.2

CITY OF DECATUR



LOSS OF BUS PASSENGERS V.S. POPULATION DENSITY

REGISTERED MOTOR VEHICLES
1946 - 1959

Fares

Since the end of World War II adult cash fares have been increased 400%:

DECATUR CITY LINES, INC.

Rates of Fare

<u>Date</u>	<u>Adults</u>		<u>Students</u>		<u>Children</u>		<u>Transfer</u>
	<u>Cash</u>	<u>Tokens</u>	<u>Cash</u>	<u>Tokens</u>	<u>Cash</u>	<u>Tokens</u>	
Jan. 1, 1946	5¢	None	5¢	4¢	5¢	None	1¢
Nov. 14, 1949	10¢	3/20¢	5¢	None	5¢	None	Free
Jan. 25, 1952	10¢	3/25¢	5¢	None	5¢	None	Free
Apr. 27, 1952	10¢	None	5¢	None	5¢	None	Free
Aug. 4, 1954	13¢	5/65¢	5¢	None	5¢	None	Free
June 17, 1956	15¢	None	10¢	None	10¢	None	Free
June 11, 1958	20¢	3/50¢	15¢	4/45¢	10¢	None	Free
Apr. 15, 1959	20¢	3/55¢	15¢	None	10¢	None	Free
Nov. 24, 1959	25¢	5/\$1.10	15¢	None	10¢	None	Free

Other cities in Illinois have experienced the same changes. In the past month the companies at Champaign, Elgin, Aurora, and Joliet have had substantial rate increases approved. It is generally agreed that the present 25¢ fare is the maximum that can be imposed without completely discouraging business.

Routes and Schedules

In addition to the sharp increase in fares, the local bus company has at regular intervals cut back service on routes and schedules which its analyses demonstrated were not being patronized. Today the bus company services only a very small portion of the City's newly developed areas of low population density.

There are only five bus routes in the City and these are not active on Sundays or evenings, except when downtown stores are open. Transfers between routes are difficult and very often time consuming.

Those most dependent upon public transportation are those over 60 years of age and under 16. Present routes and schedules serve only a portion of the needs of these people. In the past 20 years the number of the senior citizens has doubled while school age population has increased sharply. The prospect for further increases in these two groups is even more dramatic.

Schedule - Decatur City Lines

Route No. 1 - Edward and Clay

<u>WEEK DAYS</u>				<u>SATURDAY</u>			
<u>Edward</u>		<u>Clay</u>		<u>Edward</u>		<u>Clay</u>	
Leaves Transfer House	Leaves McKinley Graceland	Leaves Transfer House	Leaves 22nd & Cantrell	Leaves Transfer House	Leaves McKinley Graceland	Leaves Transfer House	Leaves 22nd & Cantrell
6:05 A	6:15	6:05 A	6:15	6:05 A	6:15	6:05 A	6:15
6:30	6:40	6:20	6:30	6:30	6:45	6:30	6:45
6:45	7:00	6:35	6:50	7:00	7:15	7:00	7:15
7:05	7:20	6:55	7:10	7:30	7:45	7:30	7:45
7:25	7:40	7:15	7:30	8:00	8:15	8:00	8:15
7:45	8:00	7:35	7:50	8:30	8:45	8:30	8:45
8:05	8:20	7:55	8:10	9:00	9:15	9:00	9:15
8:25	8:40	8:15	8:30	9:30	9:45	9:30	9:45
8:45	9:00	8:35	8:50	10:00	10:15	10:00	10:15
9:05	9:20	8:55	9:10	10:30	10:45	10:30	10:45
9:30	9:45	9:30	9:45	11:00	11:15	11:00	11:15
10:00	10:15	10:00	10:15	11:30	11:45	11:30	11:45
10:30	10:45	10:30	10:45	12:00 P	12:15	12:00 P	12:15
11:00	11:15	11:00	11:15	12:30	12:45	12:30	12:45
11:30	11:45	11:30	11:45	1:00	1:15	1:00	1:15
12:00 P	12:15	12:00 P	12:15	1:30	1:45	1:30	1:45
12:25	12:40	12:15	12:30	2:00	2:15	2:00	2:15
12:45	1:00	12:35	12:50	2:30	2:45	2:30	2:45
1:05	1:20	12:55	1:10	3:00	3:15	3:00	3:15
1:25	1:40	1:15	1:30	3:30	3:45	3:30	3:45
1:45	2:00	1:35	1:50	4:00	4:15	4:00	4:15
2:05	2:20	1:55	2:10	4:30	4:50	4:30	4:50
2:25	2:40	2:15	2:30	5:10	5:20	5:10	5:20
2:45	3:00	2:35	2:50	5:35	5:50	5:35	5:50
3:05	3:20	2:55	3:10	6:05	6:15	6:05	6:15
3:25	3:40	3:15	3:30				
3:45	4:00	3:35	3:50				
4:05	4:20	3:55	4:10				
4:25	4:40	4:15	4:30				
4:45	5:00	4:35	4:50				
5:10	5:20	5:00	5:15				
5:35	5:50	5:15	5:30				
6:05	6:15	5:35	5:50				
		6:05	6:15				

Only on Nights Stores are Open

6:30	6:45	6:30	6:45
7:00	7:15	7:00	7:15
7:30	7:45	7:30	7:45
8:00	8:15	8:00	8:15
8:35	8:50	8:35	8:50
9:05	9:15	9:05	9:15

Route No. 2 - Van Dyke and Jasper

<u>WEEK DAYS</u>				<u>SATURDAY</u>			
<u>Van Dyke</u>		<u>Jasper</u>		<u>Van Dyke</u>		<u>Jasper</u>	
Leaves Transfer House	Leaves Wal.Gr. & Div.	Leaves Transfer House	Leaves 22nd & Condit	Leaves Transfer House	Leaves Wal.Gr. & Div.	Leaves Transfer House	Leaves 22nd & Condit
6:05* ⁴	6:15*	6:05 ^A	6:15	6:05 ^A	6:15	6:05 ^A	6:15
6:30*	6:40*	6:20	6:30	6:30	6:45	6:30	6:45
6:45	7:00	6:35	6:50	7:00	7:15	7:00	7:15
7:05	7:20	6:55	7:10	7:30	7:45	7:30	7:45
7:25*	7:40*	7:15	7:30	8:00	8:15	8:00	8:15
7:45*	8:00*	7:35	7:50	8:30*	8:45*	8:30	8:45
8:05	8:20	7:55	8:10	9:00	9:15	9:00	9:15
8:25*	8:40*	8:15	8:30	9:30	9:45	9:30	9:45
8:45	9:00	8:35	8:50	10:00*	10:15*	10:00	10:15
9:05	9:20	8:55	9:10	10:30	10:45	10:30	10:45
9:30	9:45	9:30	9:45	11:00	11:15	11:00	11:15
10:00*	10:15*	10:00	10:15	11:30	11:45	11:30	11:45
10:30	10:45	10:30	10:45	12:00 P	12:15	12:00 P	12:15
11:00	11:15	11:00	11:15	12:30	12:45	12:30	12:45
11:30	11:45	11:30	11:45	1:00	1:15	1:00	1:15
12:00 P	12:15	12:00 P	12:15	1:30*	1:45*	1:30	1:45
12:30	12:45	12:30	12:45	2:00	2:15	2:00	2:15
1:00*	1:15*	1:00	1:15	2:30	2:45	2:30	2:45
1:25	1:40	1:15	1:30	3:00*	3:15*	3:00	3:15
1:45	2:00	1:35	1:50	3:30	3:45	3:30	3:45
2:05	2:20	1:55	2:10	4:00*	4:15*	4:00	4:15
2:25	2:40	2:15	2:30	4:30*	4:50*	4:30	4:50
2:45	3:00	2:35	2:50	5:10*	5:20*	5:10	5:20
3:05	3:20	2:55	3:10	5:35*	5:50*	5:35	5:50
3:25	3:40	3:15	3:30	6:05	6:15	6:05	6:15
3:45	4:00	3:35	3:50				
4:05*	4:20*	3:55	4:10				
4:25*	4:40*	4:15	4:30				
4:45	5:00	4:35	4:50				
5:10*	5:20*	5:00	5:15				
5:35*	5:50*	5:15	5:30				
6:05	6:15	5:35	5:50				
		6:05	6:15				

*Denotes trips to Oak Grove

Only On Nights Stores Are Open

6:30	6:45	6:30	6:45
7:00	7:15	7:00	7:15
7:30	7:45	7:30	7:45
8:00	8:15	8:00	8:15
8:35	8:50	8:35	8:50
9:05	9:15	9:05	9:15

*Denotes trips to Oak Grove

Route No. 3 - Morgan

WEEK DAYS

SATURDAY

M O R G A N

M O R G A N

Leaves Transfer House	Leaves Curtis & Illinois	Leaves Transfer House	Leaves Curtis & Illinois	Leaves Transfer House	Leaves Curtis & Illinois	Leaves Transfer House	Leaves Curtis & Illinois
6:05 A	6:15	1:00 P	1:15	6:05 A	6:15	1:00 P	1:15
6:30	6:45	1:30	1:45	6:30	6:45	1:30	1:45
7:00	7:15	2:00	2:15	7:00	7:15	2:00	2:15
7:30	7:45	2:30	2:45	7:30	7:45	2:30	2:45
8:00	8:15	2:45	3:00	8:00	8:15	3:00	3:15
8:30	8:45	3:00	3:15	8:30	8:45	3:30	3:45
9:00	9:15	3:15	3:30	9:00	9:15	4:00	4:15
9:30	9:45	3:30	3:45	9:30	9:45	4:30	4:50
10:00	10:15	3:45	4:00	10:00	10:15	5:10	5:20
10:30	10:45	4:00	4:15	10:30	10:45	5:35	5:50
11:00	11:15	4:15	4:30	11:00	11:15	6:05	6:15
11:30	11:45	4:30	4:45	11:30	11:45		
12:00	12:15	4:45	5:00	12:00	12:15		
12:30	12:45	5:00	5:15	12:30	12:45		
		5:15	5:30				
		5:35	5:50				
		6:05	6:15				

Only On Nights Stores Are Open

6:30	6:45	8:00	8:15
7:00	7:15	8:35	8:50
7:30	7:45	9:05	9:15

Route 4 - Water and Eldorado

<u>WEEK DAYS</u>				<u>SATURDAY</u>			
<u>Water</u>		<u>Eldorado</u>		<u>Water</u>		<u>Eldorado</u>	
Leaves Transfer House	Leaves Pythian & Water	Leaves Transfer House	Leaves 25th & William	Leaves Transfer House	Leaves Pythian & Water	Leaves Transfer House	Leaves 25th & William
6:05 A	6:15	6:05 A	6:15	6:05 A	6:15	6:05 A	6:15
6:30	6:40	6:20	6:30	6:30	6:45	6:30	6:45
6:45	7:00	6:35	6:50	7:00	7:15	7:00	7:15
7:05	7:20	6:55	7:10	7:30	7:45	7:30	7:45
7:25	7:40	7:15	7:30	8:00	8:15	8:00	8:15
7:45	8:00	7:35	7:50	8:30	8:45	8:30	8:45
8:05	8:20	8:55	8:10	9:00	9:15	9:00	9:15
8:25	8:40	8:15	8:30	9:30	9:45	9:30	9:45
8:45	9:00	8:35	8:50	10:00	10:15	10:00	10:15
9:05	9:20	8:55	9:10	10:30	10:45	10:30	10:45
9:30	9:45	9:30	9:45	11:00	11:15	11:00	11:15
10:00	10:15	10:00	10:15	11:30	11:45	11:30	11:45
10:30	10:45	10:30	10:45	12:00 P	12:15	12:00 P	12:15
11:00	11:15	11:00	11:15	12:30	12:45	12:30	12:45
11:30	11:45	11:30	11:45	1:00	1:15	1:00	1:15
12:00 P	12:15	12:00 P	12:15	1:30	1:45	1:30	1:45
12:30	12:45	12:30	12:45	2:00	2:15	2:00	2:15
1:00	1:15	1:00	1:15	2:30	2:45	2:30	2:45
1:25	1:40	1:15	1:30	3:00	3:15	3:00	3:15
1:45	2:00	1:35	1:50	3:30	3:45	3:30	3:45
2:05	2:20	1:55	2:10	4:00	4:15	4:00	4:15
2:25	2:40	2:15	2:30	4:30	4:50	4:30	4:50
2:45	3:00	2:35	2:50	5:10	5:20	5:10	5:20
3:05	3:20	2:55	3:10	5:35	5:50	5:35	5:50
3:25	3:40	3:15	3:30	6:05	6:15	6:05	6:15
3:45	4:00	3:35	3:50				
4:05	4:20	3:55	4:10				
4:25	4:40	4:15	4:30				
4:45	5:00	4:35	4:50				
5:10	5:20	5:00	5:15				
5:35	5:50	5:15	5:30				
6:05	6:15	5:35	5:50				
		6:05	6:15				

Only On Nights Stores Are Open

6:30	6:45	6:30	6:45
7:00	7:15	7:00	7:15
7:30	7:45	7:30	7:45
8:00	8:15	8:00	8:15
8:35	8:50	8:35	8:50
9:05	9:15	9:05	9:15

Route 5 - West Main and Riverside

<u>WEEK DAYS</u>				<u>SATURDAY</u>			
<u>West Main</u>		<u>Riverside</u>		<u>West Main</u>		<u>Riverside</u>	
Leaves Transfer House	Leaves Linden & Wood	Leaves Transfer House	Leaves 16th & La.S.Dr.	Leaves Transfer House	Leaves Linden & Wood	Leaves Transfer House	Leaves 16th & La.S.Dr.
6:05 A	6:15	6:05 A	6:15	6:05 A	6:15	6:05 A	6:15
6:20	6:30	6:30	6:40	6:30	6:45	6:30	6:45
6:35	6:50	6:45	7:00	7:00	7:15	7:00	7:15
6:55	7:10	7:05	7:20	7:30	7:45	7:30	7:45
7:15	7:30	7:25	7:40	8:00	8:15	8:00	8:15
7:35	7:50	7:45	8:00	8:30	8:45	8:30	8:45
7:55	8:10	8:05	8:20	9:00	9:15	9:00	9:15
8:15	8:30	8:25	8:40	9:30	9:45	9:30	9:45
8:35	8:50	8:45	9:00	10:00	10:15	10:00	10:15
8:55	9:10	9:05	9:20	10:30	10:45	10:30	10:45
9:30	9:45	9:30	9:45	11:00	11:15	11:00	11:15
10:00	10:15	10:00	10:15	11:30	11:45	11:30	11:45
10:30	10:45	10:30	10:45	12:00 P	12:15	12:00 P	12:15
11:00	11:15	11:00	11:15	12:30	12:45	12:30	12:45
11:30	11:45	11:30	11:45	1:00	1:15	1:00	1:15
12:00 P	12:15	12:00 P	12:15	1:30	1:45	1:30	1:45
12:30	12:45	12:30	12:45	2:00	2:15	2:00	2:15
1:00	1:15	1:00	1:00	2:30	2:45	2:30	2:45
1:15	1:30	1:25	1:40	3:00	3:15	3:00	3:15
1:35	1:50	1:45	2:00	3:30	3:45	3:30	3:45
1:55	2:10	2:05	2:20	4:00	4:15	4:00	4:15
2:15	2:30	2:25	2:40	4:30	4:50	4:30	4:50
2:35	2:50	2:45	3:00	5:10	5:20	5:10	5:20
2:55	3:10	3:05	3:20	5:35	5:50	5:35	5:50
3:15	3:30	3:25	3:40	6:05	6:15	6:05	6:15
3:35	3:50	3:45	4:00				
3:55	4:10	4:05	4:20				
4:15	4:30	4:25	4:40				
4:35	4:50	4:45	5:00				
5:00	5:15	5:10	5:20				
5:15	5:30	5:35	5:50				
5:35	5:50	6:05	6:15				
6:05	6:15						

Only On Nights Stores Are Open

6:30	6:45	6:30	6:45
7:00	7:15	7:00	7:15
7:30	7:45	7:30	7:45
8:00	8:15	8:00	8:15
8:35	8:50	8:35	8:50
9:05	9:15	9:05	9:15

Revenues and Profit

In 1946 the Decatur City Lines earned more than \$102,940. with gross revenues of \$544,572. This year the company will gross half of this amount and probably wind up with a small net loss.

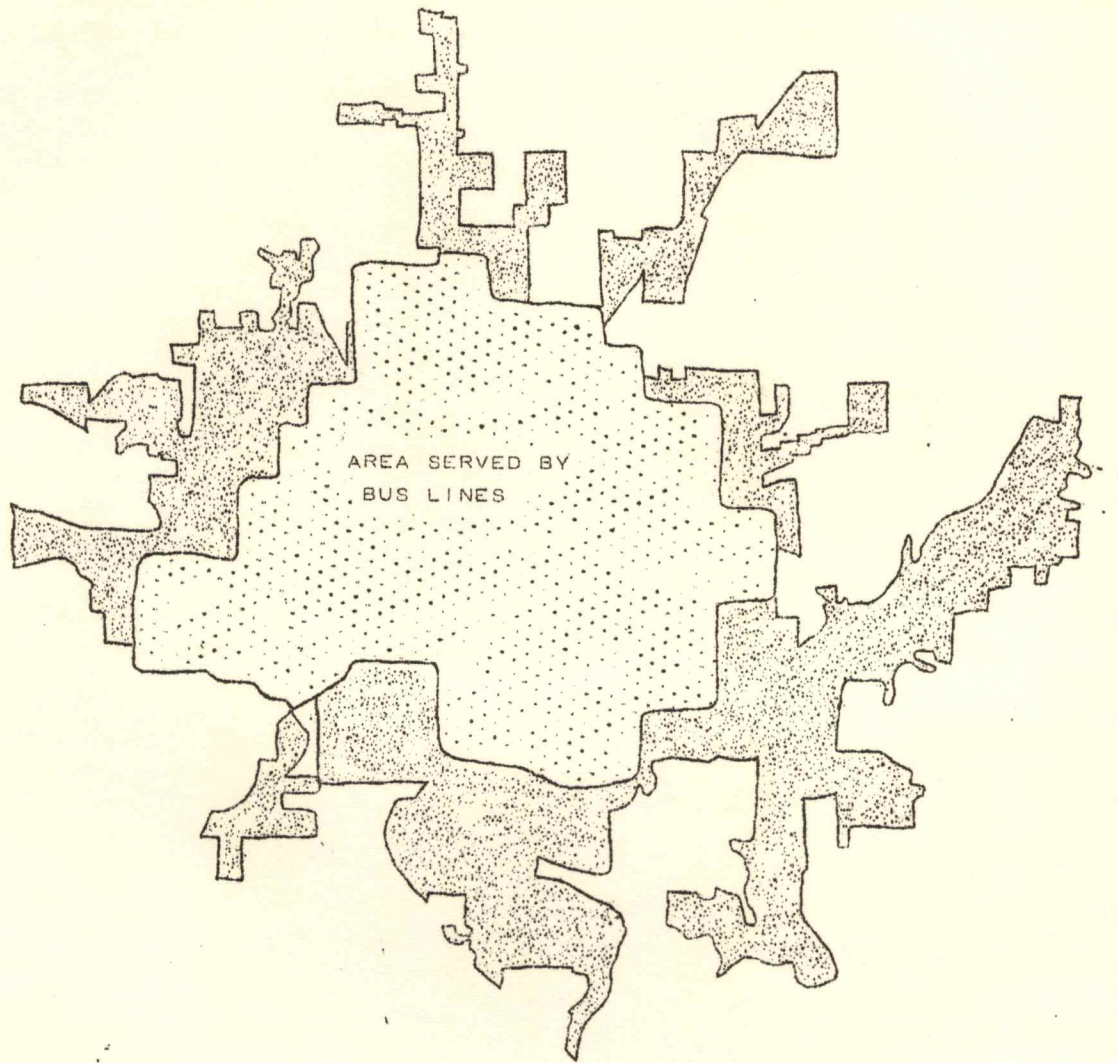
For several years the corporation has been operating a rental agency and truck service facility. Without this diversified complimentary operation, loses on the Decatur City Line would have been substantial.

	<u>DECATUR CITY LINES, INC.</u>			
	<u>Miles Operated</u>	<u>Revenue Passengers</u>	<u>Gross Revenue</u>	<u>Net Income</u>
1946	1,308,155	10,575,346	\$ 544,572	\$ 102,940
1947	1,264,565	9,848,202	508,616	75,072
1948	1,253,854	9,163,208	474,278	36,638
1949	1,250,559	8,100,620	436,981	12,853
1950	1,128,724	6,539,884	448,779	53,105
1951	921,298	5,176,751	355,915	18,884
1952	887,750	4,322,130	394,851	31,813
1953	899,791	4,290,796	407,181	30,720
1954	894,234	3,798,013	399,912	31,840
1955	899,166	3,317,153	400,115	31,973
1956	823,858	2,776,552	369,985	16,922
1957	812,619	2,528,851	370,401	23,871
1958	583,498	1,647,364	266,516	4,466
1959	548,243	1,430,129	264,357	3,253
1960:				
January	45,303	102,244	22,054	2,717 (Loss)
February	44,696	102,507	21,997	2,486 (Loss)
March	48,046	115,229	24,583	353 (Loss)
April	45,877	106,238	22,926	489
May	45,786	101,167	22,086	265
June	44,088	87,492	20,039	623 (Loss)
July	37,996	74,470	17,119	1,378 (Loss)
August	41,649	82,807	18,911	810 (Loss)
September	40,038	89,100	20,280	1,627
October	41,479	91,925	20,585	Not Available

Equipment and Investment

The National City Lines, Inc. has assigned 19 motor buses to the Decatur City Lines. These buses had an original value of \$265,963. Their depreciation value is now less than \$30,000 - and this closely approximates their actual book resale value.

The average age of these buses is 11 years. It is generally recognized in the industry that buses can be operated economically no more than 8 years. Also, six of the buses have gasoline motors which are relatively inefficient and expensive to operate on urban routes.



BUS LINES & AREA SERVED

The general condition of the buses considering their age is good although the present equipment is of such vintage and design as to discourage riders. The buses lack air-conditioning, soundproofing and other features of newer buses.

Other Mass Transit in Decatur

Decatur City Lines, Inc. is the second largest transit line in the City of Decatur. School District No. 61 of Decatur operates 21 buses - many of them over the same routes as Decatur City Lines, Inc. with other school associations operating 14 more.

The Decatur Checker Cab Company (35) and the Decatur Cab Company (3) operate 38 cabs. Their rates are now carefully regulated by the City and, for two or more passengers, are competitive with the local public transit line.

The Problem Today

If current trends that have prevailed since 1946 continue, the future of private bus transportation in Decatur has a very short life expectancy. In fact, it is highly questionable whether the Decatur City Lines can operate through all of 1961. This was strongly implied in recent discussions with the Decatur City Council and in proposals of the National City Lines to cities in which it has subsidiaries.

Any change in this outlook can only come about if one or more of the following things happens:

- 1) concentration of the City's population;
- 2) drop in motor vehicle registrations and use;
- 3) substantial increase in motor bus passengers;
- 4) increased operating revenues and stabilized operating expenditures.

Since there is no foreseeable possibility of any of these circumstances coming to pass, other drastic alternatives must be considered to provide public transportation service for the people of Decatur.

THE FUTURE OF PUBLIC TRANSPORTATION SERVICES IN DECATUR

The future of public transportation service in Decatur will be determined by action taken during the next year. This can take the form of:

- 1) better private bus operations;
- 2) subsidy of private bus operations;
- 3) municipal ownership and bus operation; or
- 4) alternate forms of transportation hauling present bus passengers.

Better Private Operations

Almost every public statement on bus transportation in the City of Decatur has indicated the bus system should be left in the hands of private ownership if at all possible. It has become obvious over the last thirteen years that local bus transportation in Decatur is a "high risk" business and must be assured of substantial profits if it is to succeed.

Faced with almost the exact same situation as Decatur, the City of Wichita, Kansas, free from state regulatory restrictions, worked out a bus franchise that has placed the local public transit system on a solid footing for the first time in many years. The City awarded its 10-year bus franchise on a negotiated bid basis.

The basic requirements of the new franchise are that the company provide all new, modern, air-conditioned, diesel buses and in return, the company is allowed to earn up to 15% of gross revenue during any 12 month period. If the return drops below 8% of gross revenue, fares are increased; however, profit is also limited to a maximum of 15% of depreciated replacement cost (new) of the company's physical equipment - thus assuring replacement of old equipment. Also, the City Council can order service on any route or to any area and it must be operated for a 90-day trial period to test profitability.

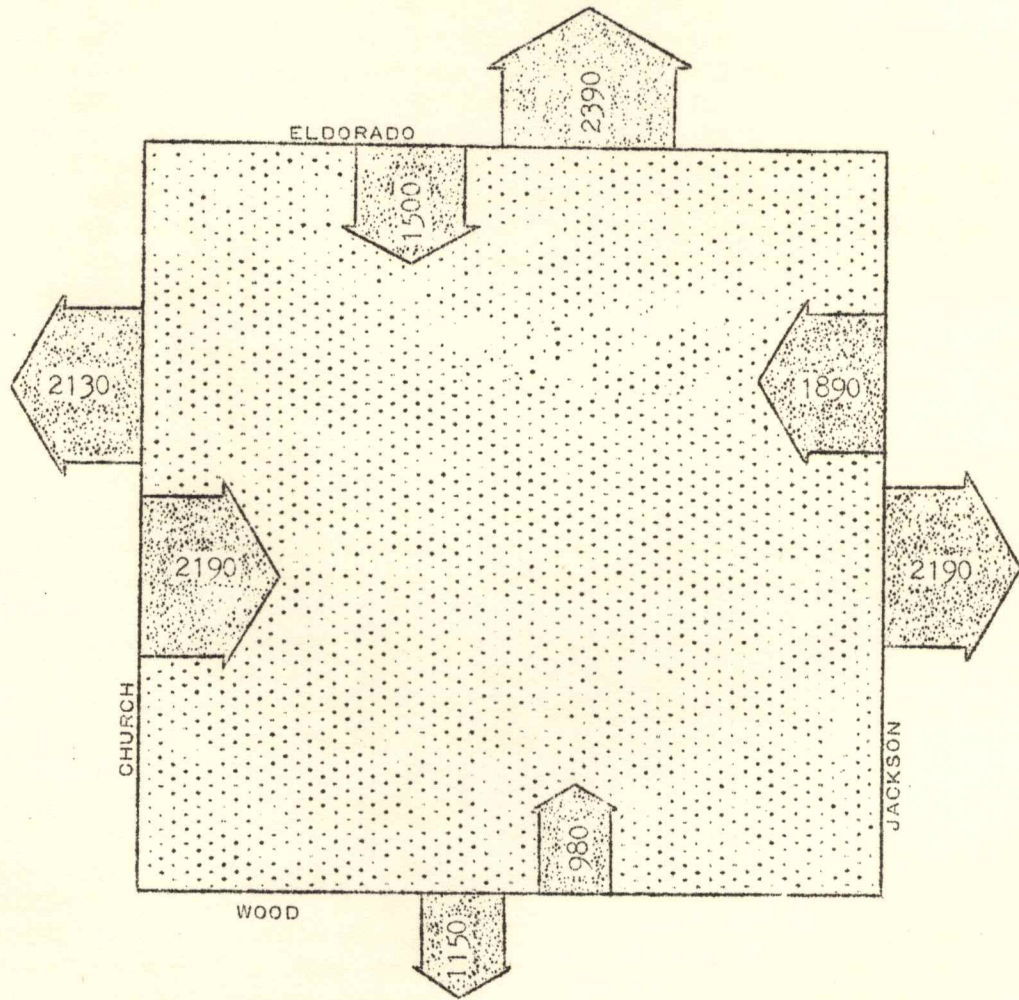
The present local bus operators recently have not vigorously pursued business. To succeed on a private basis any operator would have to push bus charters, operate a major share of all school line runs and initiate an extensive advertising and public relations campaign.

Subsidizing Private Bus Operations

The citizens of Decatur are already subsidizing a number of public transportation services. These include the Decatur Municipal Airport, school bus operations, the public parking lots removed from the property tax rolls, the extensive street maintenance program financed by property taxes as well as more remote facilities such as Federal waterways and harbors.

This past summer the U. S. Senate adopted Senate Bill (S) 3278 which provides grants to states and local governments in making studies to solve mass transportation problems and authorizes \$100 million in loans to finance specific state or local projects...and to integrate highways, bus surface.... and other mass transportation systems. It seems certain some similar legislation will be adopted in the next session of Congress.

TRAFFIC VOLUMES ENTERING & LEAVING
CENTRAL BUSINESS DISTRICT AFTERNOON
PEAK
4:30 - 5:30 P.M. - WEEKDAY 1960



Recently the National City Lines, Inc. has proposed that the state enact legislation making it possible for cities in Illinois to contract for the service of transit companies on a per mile basis (or on some reimbursement basis). Based upon passengers being hauled today with todays routes this would mean an annual subsidy in Decatur of:

<u>Fare Charged (Adult)</u>	<u>City of Decatur, Subsidy (Annual)</u>
25¢	\$ 31,000.
20¢	62,000.
15¢	107,000.
10¢	161,800.

If service were enlarged and schedules improved, this would quickly mount to a quarter of a million dollars annual outlay with a 10¢ or 15¢ fare. It has been suggested that this might be handled by a law permitting use of wheel tax funds, or a special sales tax levy or other state aid rather than placing further burdens on property taxpayers.

It should be pointed out here, that while temporarily providing additional revenue for bus operators, this proposal does nothing but lower fares to encourage bus use and usurps revenue sources cities are seeking for other public needs. It does not insure improved service, better schedules or modern equipment but does remove the element of risk for bus operators while opening the gates to a flood of demands for similar public subsidies.

One other form of bus subsidy has been tried elsewhere with some success. It involves a contract agreement with merchants and property owners in the downtown area whereby the bus line is reimbursed in part for each passenger hauled to and from downtown at a reduced fare when the passenger presents a token or stamped transfer slip obtained when making a purchase at a downtown establishment. This is much like the purchase-stamp "free" parking privilege being successfully operated in many cities.

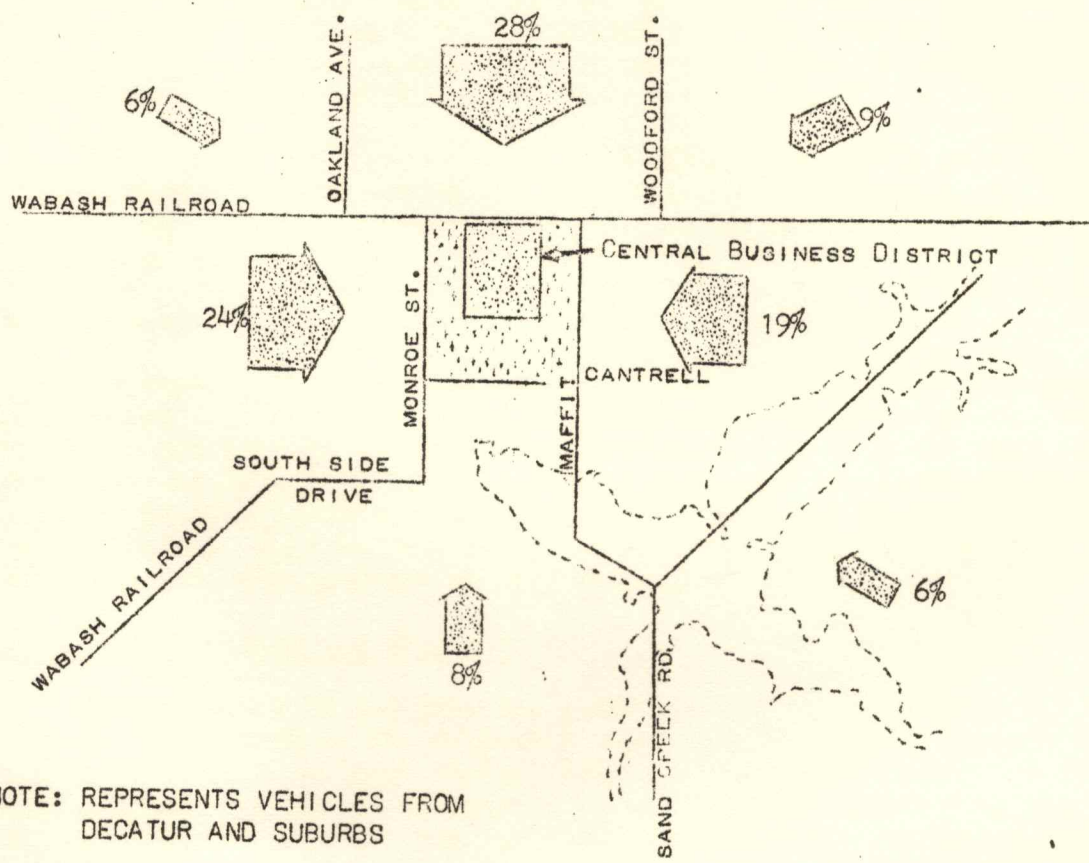
Municipal Ownership and Operation

Several times in the past few years the Decatur City Lines has proposed that the City purchase the company's buses and the company operate the buses for the City on a contract basis. (This is a slight variation of their present proposal for public subsidy of buses owned and operated by the company). In each case the proposal for municipal purchase has been turned down.

The last session of the General Assembly enacted Chapter 24, Article 31, Section 1, which enables an urban area to, in effect, set up a transit district much like a sanitary district and operate bus service. To date no city or area has taken advantage of this new law but it is available if citizens desire their government to perform this service.

There have been several well documented experiences of municipalities entering the bus field. Perhaps the most successful municipal operation is that of Santa Monica, Calif. which has combined modern equipment, comprehensive service, low fares and an extensive advertising campaign to operate on a solid financial footing. The City of Janesville, Wisconsin has followed similar steps and, although not nearly so successful financially, has been able to improve service and equipment.

DIRECTION OF APPROACH OF VEHICLES
PARKING DOWNTOWN



NOTE: REPRESENTS VEHICLES FROM
DECATUR AND SUBURBS

For several months the staff of the City of Decatur has considered the possibility of establishing a municipal transportation utility which would combine all on-street and off-street parking facilities as well as public bus and school bus operations in a single municipal utility concerned with local transportation services. All revenue from such a system would go to the system for overall development.

The obvious legal complications and financing difficulties make such a plan remote. Nevertheless, it strikes at the root of the problem which is the spending of public transportation revenue in the most effective way to provide the best possible overall transportation service.

Alternate Forms of Transportation

As has been indicated, unless some solution is found, and immediate action begun, bus service may well terminate in Decatur sometime during 1961. If no solution is found and no action taken, the passengers now riding buses will be without service or must shift to other forms of transportation.

If private autos are used they will add to the already serious traffic congestion and shortage of parking spaces. This will further burden the City which is already straining financially to meet highway and parking needs.

Part of the load could be picked up by expanding taxi service and adding small jitney operations to serve areas where peak loads would justify this investment. It should be pointed out that no operation of this kind has proved successful over a long period of time or for any large area.

Emergency Bus Study

Special All-Unit Meeting, October 24, 1961. A history of mass transportation in the United States, combined with a resume of Mr. John Dever's excellent "Report on Problems of Mass Transportation", a few School Board meeting to witness an abortive struggle to merge possible school bus-city line routes, mixed with the highlights of transportation legislation, successful (reduction of gasoline tax .05/gal to bus companies, permission to form a regulatory "transportation district", and federally, to allow loans for the study of the problem within state districts) and not-so-successful (prohibits cities dealing directly with bus companies, by-passing ICC), a summary of interviews with the Decatur City Lines officials led us to no solution, but we had a very fine meeting and I believe all those present left with the feeling we could cope with future legislation ---we knew from whence they spoke. We felt complimented that the Association of Commerce transportation Committee asked us to share knowledge and efforts, the Bus Company asked our opinion on the new transfer point and we left our radio audience with the clue that if their area was without buses they could try a chartered, scheduled route to prove their need to the Bus Company. My thanks to a hard working, globe-trotting committee.

Bonnie Livergood

Mrs. Harold Tenney
Chairman, Public Relations
423-2445

*Sent to the
Paper*

A committee of the Decatur League of Women Voters reported Decatur's public transportation system to the League Tuesday evening (Oct. 24th).

The committee found that Decatur City Lines Inc. is by no means unique in its problem of providing bus transportation at a profit. In comparing figures from over the United States, the committee noted that since 1947 every company providing city bus transportation has had a sharp decrease in passengers. The smallest decline was 31.7% in El Paso, Texas, and the greatest was 85% in Champaign, Ill. Decatur suffered an 82% drop in this period. 1947 is used as a basis for these comparisons because the end of the automobile and gasoline shortage then made itself felt on bus patronage.

The following factors were listed by the League committee as some of the causes of the decline:

1. A 5 day work week instead of 6 means fewer trips to work.
2. Sunday and nighttime use was reduced as customers found television a substitute for public entertainment.
3. As companies met financial difficulty, they reduced service and increased fares, further reducing their patronage.
4. Urban populations have spread. Companies must extend their routes, increasing expenses, or depend on smaller numbers who remain in their old areas of service. For example, Decatur's 1946 population of 63,500 was confined to 9 $\frac{1}{2}$ sq. miles. In 1960 the population was 78,600 and sprawled over 21 sq. miles. However, the buses are running virtually the same routes, and giving no service to the new areas.

(Cont'd.)

Decatur League of Women Voters

According to Bernard F. Murray, operations manager of Decatur City Lines Inc., the half-hour schedule, the zone fare plan, and the recent exemption from motor fuel tax have all helped the company recover some of its losses. However, it is still not a profitable business enterprise. The company recognizes outlying city routes are in demand, and bus officials hope that when the streets in the new sections are improved, some service may be extended to those areas. Bus companies are strictly regulated by state laws. The League noted that the bus company is not allowed, for instance, to change routes without the costly and time-consuming procedure of first clearing their plans with the Illinois Commerce Commission.

The report indicated that the future of bus transportation is not without promise, however, because the constant increase in traffic will eventually force some limitation on the use of private cars.

With the large increase in vehicles since World War II, mounting traffic congestion and parking problems have required tremendous expenditures by cities to provide modern roadways and parking facilities. Cities have subsidized private transportation by increasing tax levies, and by removing high value property from the tax rolls to provide extra parking space. More cities are again considering mass transit systems for relief. Citizens over 60 and under 16 are most dependent upon public transportation, and the number of these groups has increased dramatically. The findings of the Senior Citizens Survey sponsored by the University of Illinois have yet to be compiled, but may bring more attention to the transportation needs of this group.

(Cont'd.)

The League discussed causes of decline in bus service, and pointed out some need for its continuance; then what are possible solutions?

1. Private operation would seem most desirable. Could not the bus company more rigorously pursue business with promotions and better advertising methods? Decatur's bus operation is a subsidiary of the largest bus company in the U.S. -- Nat'l. City Lines Inc. This company operates in eleven states.
2. Could private and school buses merge services? This does not seem likely. The school buses number 21, 2 more than the private buses; school bus drivers are paid more pr. hr.; and the school buses travel routes much beyond the area covered by the private buses. This is possible because school buses are subsidized. Decatur receives a \$40,000 annual grant from the State each year to transport children. This subsidy would not be extended to a private bus company under existing laws.
3. The city could choose to subsidize private bus operation, or assume municipal ownership of the bus system. Some cities have successfully worked out a bus franchise.
4. Could Decatur set up a transit district, much as we set up a mosquito abatement district? Yes, according to a newly enacted law in Illinois. Such a municipal transportation utility would be a combination of all the transit systems in Decatur -- on and off-street parking as well as public and school bus operations. The income from these would be pooled and spent in the most effective way to provide the best possible overall transportation service.

The preceding comments are the result of research done by the League committee, not necessarily recommendations. However the feeling of the League is that if bus service cannot be achieved by better private operation, then it seems an inevitable trend that this will come under municipal control or ownership.

Members of this League study group:

Mrs. Don Livergood (Chairman)	664 S. Crea	428-5415
Mrs. Harold Kraus	56 Sundale Drive	428-8162
Mrs. Emmett Jurgens	245 N. Summit	428-2469
Mrs. T. L. Hurst	2095 W. Sunset	428-4795
Mrs. James Manuell	1535 W. Forest	422-1967

Submitted by,

Marilyn Tenney

(Mrs. Harold Tenney)

Chairman, Public Relations

Decatur League of Women Voters

423-2445

-end-

Schedule
for All members
meeting - Oct 24, 1961

Mass Transportation
(Decatur Bus Emergency Study)

How far man has traveled since he invented the wheel. Public transportation is a conception unique unto its time of civilization. Its flame began with the appearance of the omnibus service of Paris in 1819. However, public transportation has declined on a density ratio with the invention, improvement and acceptance of the private automobile.

One thing our study has shown us, it takes a generation of accepting change to accelerate growth; else we would be like the first families on earth.

In 1831, the omnibus appeared in the U.S. Operated in N.Y. on Broadway. The fare was $.12\frac{1}{2}$. It didn't last long. Iron rails laid in the center of the street provided smoother rides than the cobblestones after 1832. It was $1\frac{1}{2}$ miles long to start, N.Y. had a population of 200,000. Stage coach type cars, could accommodate 30 passengers. One year later, added 4 miles (15 minules), still $.12\frac{1}{2}$. New Orleans started a run 1835 (street railway) then Brooklyn. Then between Boston and Cambridge. Chicago laid one in 1859. By 1890 there were 105,000 horses and mules pulling 28,000 streetcars on 5,700 miles of track.

1873 saw cable car in San Francisco. It was an engineering feat, cables moved on slats, gripped by apparatus on cars. Didn't spread as the development of electrified tracks prevented cable cars from becoming popular elsewhere, and they rendered better, on the level service.

By 1902, 22,000 miles of electric track was in use. N.Y. & Washington used an underground system. Cincinnati erected a 2 wire overhead system, but elsewhere the one wire overhead system stayed. The biggest expansion was between 1902 to 1917 when 80,000 passenger cars, 45,000 miles of track were in use.

Franchises were easily obtained and elites encouraged their promotion. Each line was a separate corporation (Elise, ex: Mich.) The fares were fixed at .05. There was a charge for transferring. Then individual lines merged into single system and transferring free. But as line lengthened, passenger travel was less per mile than in the earlier, concentrated routes.

Costs rose and by 1915 until W.W.I, situation was so bad Pres Wilson appointed the Federal Electric Railway Commission. Difficulties attributed to 3 things 1) high cost of labor and materials 2) financial mismanagement and 3) inadequate fare system. The Comm. suggested special assessment and taxes be eliminated and motor buses competing with railways be regulated. The elimination of taxes did not alleviate the burden of paving, snow removal, franchise and other taxes.

After WWI, was discharges meant unemployment. These people

obtained 'jitneys', traveled railways at .05/head. Accidents were numerous, the injured had no redress because there was no insurance. This makeshift system hit the street railways' revenues. Laws finally ensued. They had a truck like body, seated 12 passengers. It merged into the modern motor bus. Buses opposed by the street railways, but eventually the same companies operated both modes of transportation. The buses more economical. But, from 45,000 miles of track in 1917, it shrunk to 24,000 in 1937. 80,000 cars to 35,000 st. cars.

The elevated appeared about 1895, postponing congestion from the private auto for a few years. The less courageous were slow in driving themselves in large cities. In 1950, a lot of elevated lines moved underground. Yet bus riders surpassed rapid transit passengers. (Carolyn - show map of routes) to show what our development has been and where our families and children live.

Mr. Dever's report.

In 1954, a survey indicated 66% of all workers living a mile or so used passenger cars while 85% of those living 10 miles away drove theirs. Nearly 75% of all urban passengers in 1954 was by auto. In cities of more than 100,000 57% used auto. In cities of 50,000 83% use autos. Have tried "fringe parking" or "park and ride" methods. Metropolitan problems, (Elise, N.Y. Port Author.)

Pauline, methods of legislation tried, starting with survey of 1957. to report to the governor. Bring us up to date on this yr's leg

A study has been made to compare transportation with a stand by or service charge for transportation comparable to minimum charge of public utility, such as electricity, gas water, telephone) which might solve the problem of adequate service. (Pauline and the Ice Co.)

Peggy Valentines article
Article from Chgo. paper.

Carolyn Kraus' survey.

School proposal, both

Visit to the National City Lines office.

zone fare results: 16.32 passenger rdction. for
first 6 months of 1961. Remodeled buses.

Assorted facts: Busses new, \$22,000.

Tear up streets,

High school buses has better springs, less comfort.

Diesel fuel vs gas. prohibitive to even VW's.

1/2 hour schedules.

p. 7 of Dever's report.

More parking lots, more cars downtown, less property tax from parking lots, less passengers than now.

Workshop: Bonnie Luerigood, Chmn

Elise Hurst

Pauline Jurgens

Carolyn Kraus

Dorinda Manuell

Peggy Valentine

ill (Mrs Humphries

Europe Eleanora Bahlmann

Sara Kessler

dropped } Viola Kieder

Peggy Madden

Why is the League of Women Voters interested in the bus transportation problem in Decatur?

The League took it up as an emergency study last spring after becoming aware of the problem through the newspaper report of the danger of it going out of business and through our city manager's very fine report on the problem. We wanted to become aware of all the facets of the problem, not to set out to solve the problem: to know the reasons for the decrease in patronage, the problems of the bus company; possible legislation for us to support or oppose; possible municipal control or subsidies, and government is the area in which the League operates, municipal, state and federal.

What are some reasons for passenger decrease since 1947?

it's universal all over the country & parallels car registers

1. 5-day work week instead of 6
- 2 Sunday and nighttime use declined with TV substituting for public entertainment.
3. Bus Co. to meet the decrease, reduced service, cut expansion, increased the fares, again further reducing patronage.
4. Urban area development needed extended routes at an increased expense or the bus co. depends on a smaller number in old areas.
(1946 pop. of Decatur, 63,500 in 9 1/2 sq.mi.
1960 pop. of Decatur, 78,600 in 21 sq.mi.
pop. increased .24 (1/4)%, area increased 1.21 or 1 1/4%)
5. Bus routes virtually the same as in 1947
6. Bus co. stifled for trial areas and times *change* because of the expense of a hearing before ICC for all kinds of changes. *although almost any changes suggested by Bus Co & approved by City Council is allowed*

Has the problem improved this past year?

Yes. efforts are being made, attention as been called to the problem strongly through the report made by Mr. Dever.

1/2 hour schedules all day, every day
zone fares, .15 the first miles from the transfer house, .25 further
.05/gallon tax removed from gasoline allowed bus companies in Ill.
franchise payment due the city has been temporarily removed.
National City Lines has maintenance work and truck leasing operations that headquarter here and consequently offset passenger deficit

Why haven't new routes been tried in the *outlying city areas like* South Shores area and other heavily populated areas?

ICC hearing quite expensive
Bus Co. need 1 1/2 passengers per mile to repay their expenses - no profit
Street surfaces will not accommodate *heavy* city buses--school buses have special built springs, not designed for passenger comfort.
Bridge on Hiway #51 is too large a bottle neck to allow any kind of schedule. *to South Shore*
(Areas could charter a bus, fares paid *at a flat fee* charged against the charter fee)

What recommendations are being considered to help the situation?

Dear League & W.V. we've arranged a meeting
Assoc. of Commerce met with the National City Lines on Nov. 14 and a free discussion brought forth suggestions, but no action was promised:

Assoc. of Comm. transportation committee suggested a .10 fare during off-hours, (9-3). The National City Lines discussed the successful Ride and Shop plan Joliet is handling. Canton, Ohio may soon undergo a zone plan of .10 for one zone,, .20 for two, and .25 for all zone fares. If successful, perhaps it will be tried here.

Our committee felt above all advertising, was sadly lacking, if not in newspaper or other communications media, perhaps if this is a heavy expense to a drowning financial operation, but certainly on the sides of their own buses--tooting their own horn. People should be told of the 1/2 hour schedules, the zone fares to appeal to the people who live close to town, but far enough to want to ride. And, it's cheaper to ride the bus that to drive your own car and park (particularly if you have to drive the husband to work first to obtain the car).

Incidentally

Assoc. of Comm. figure analysis ~~xxx~~ would indicate that ^{only} 400-500 people in Decatur are dependent on the bus and do the riding.

School buses operate more economically than city lines. Schools have 22 buses, city lines, here, operate 18. \$40,000 from the state subsidy for school buses. *Bus Co apparently cannot operate at the same per mileage figure. School buses run*

Possibility of a municipal authority or municipal ownership of the buses. Governor vetoed two during this past session. one would have allowed the city to regulate fares and services. Gov. said bus co would have been allowed to abandon service and hurt public interest. "/ cities could subsidize bus co. Gov. said it would remove it from ICC.

run peak periods

*These conclusions did League reach
made our members aware of the problem
from the Bus Co.'s viewpoint, too
no schedules ^{or} needed any longer - bus leaves
the transfer house at the hour and 1/2 hour
of end of route on the quarter hour
We are trying to make more people
aware of these problems
keep
So be informed of possible legislation which
would threaten or aid our transportation
problem.*

*Trying to
unfathom
as many
people as
we can*

Pauline Jurgens

LEGISLATION - State and Federal and Illinois Commerce Commission

This past summer, the Federal Housing Act of 1961 makes available grants to state and local governments in making studies to solve mass transportation problems, and authorizes \$100 million in loans to finance specific state or local projects of integrating highways, bus surface, and other transportation systems.

On the state level, two bills were passed that would be of interest to this problem:

1. A bill exempting local bus companies from the 5¢ per gallon state gasoline tax. This new law affects 45 bus companies and will cost the state from \$400,000 to \$500,000 a year in gas tax revenue.
2. Also, the General Assembly enacted a law which enables an urban area to, in effect set up a transit district much like a sanitary district and operate bus service. To date no city or area has taken advantage of this new law, but it is available if citizens desire their government to perform this service.

Two bills involving bus transportation were vetoed this session. The first bill would have authorized cities to deal with a bus firm for operations within a city. Under the measure, a city would have regulate fares and service. The governor's objection to this bill was a provision allowing a bus company to abandon service without considering public interest.

The second bill vetoed would have permitted cities to deal with private bus companies for fare subsidies. The governor's objection was that it would have removed the bus lines from the jurisdiction of the Illinois Commerce Commission.

Rough draft - for meeting

Legislation - state + federal, aimed to relieve the problems of local transportation has been few. The Federal Housing Act of 1961 provides grants to states + local governments in making studies to solve ^{major} transportation problems and authorizes \$100 million in loans to finance specific state or local projects, and to integrate highways, bus surface, and other transportation systems.

A Commission was set up by HJ Resolute #7 in July 1957 to make a study of the Mass transportation problem in all + report to the 71st Congress for the purpose of making legislative, financial + engineering recommendations. Five meetings were held and recommended to 71st Congress the following:

1. set up Advisory Committee on Transportation
2. Create "Office of Coordinator of Mass Transit"
3. Amend certain sections of Public Utility Act giving mass transit operator "the right to arrange service + pricing without suspension, but subject to review of all Comm. Commission."
4. Reduce license fee to local city + suburban buses
5. remove motor fuel tax on same
6. legislation to exempt local, city + suburban bus lines from any district, municipal taxes, fees or licenses
7. recommends legislation permitting cities to enter into contracts with bus co's on a per mile basis or annual fee, thereby underwriting the cost.

companies for fare subsidies. Kerner's objection was that it would have removed the bus lines from the jurisdiction of the Illinois Commerce Commission.

Time and again in this study the Illinois Commerce Commission regulates several thousand utility companies one of which is the local bus utilities. This was originally required and justified because ~~local~~ street railways were virtual monopolies. With the increase in the number of private autos, each private auto became a competitor of the bus operators so there is no longer any basis for ICC regulation of the bus industry. Another theory to justify regulation of this industry was because the bus companies required some special privilege granted by the state, but now that electric trolleys have disappeared, so have the special privileges from the state. Today the control of the conditions which determine survival & success of a bus line is on the hands of municipal authorities such as traffic flow, loading & unloading space etc.

The only other reason for state regulation of local bus lines is to control their routes & service routes in the state-wide interest. There is some doubt about the effectiveness of regulation by a state agency. A great number of states have decided against state control.

In addition to state regulation, bus companies are franchised by local ordinances. This is a source of revenue for the city that has been dropped by more & more cities in favor of franchise agreements that cover fares, types of equipment, service areas, etc. This enables the local gov'n to deal directly with the bus companies, and provide the means of control & assistance that is needed.

Illinois Blue Book - 59-60

1. Ill. Commerce Commission regulates several thousand utility Companies - telephone, electricity, gas, water, motor carrier, public warehousing etc
2. State of Ill pioneered in regulating utilities. In 1871 a Railroad and Warehousing Commission was formed. In 1873 this commission was given the power to regulate railroad rates - first state in the union to do this. The RR contested but in 1880 the courts sustained law
3. In 1913, the Railroad and Warehousing Commission was abolished to set up an Ill Public Utilities Commission.
4. In 1921, " " " was revised to the Ill Commerce Commission. Each change increased duties and jurisdiction and today it regulates practically every phase of utility operation.
5. Act of centralizing utility control brought 2 results (1) relieved municipalities of heavy burden of engineering, rate and accounting experts necessary to investigate regulations (2) eliminated competition from other private utilities that were delivering the same service.

6. Primary duties of QCC

a. Make sure that the service is safe, efficient, and uninterrupted at reasonable rates and protect the utility companies financial structure so they can progress with the times in improving service. The rate of return is regulated by law

7 Commission consists of a chairman and 4 commissioners. Perrine of Aurora Chairman, Buchman of Champaign, Simpson, Edwardsville, Keenan DuQuoin, Collier of Chicago

The Mass Transportation Problem in Ill
June 1959 - by the State Mass Transportation Commission - H Bill No. 1228, July 11, 1957
House Joint Resolution # 7 70th Congress

To date, the picture is a grim one. Automobile registrations continue to grow at phenomenal rates great highway facilities have been and continue to be, constructed in response to this very powerful growth without any real or practical possibility of ever satisfying it completely.

Objectives & duties of Mass Transp Commission
Briefly - the responsibility of the Commission and its prime objective, appears to be the study and analysis of all phases of the existing Mass Transportation problems ^{in congested urban areas} for the purpose of making legislative, financial, and engineering recommendations found necessary to provide an adequate balanced Mass Transp. System for All.

Detailed Tabulations Supporting Conclusion That People don't ride the bus ^(+ could have) because they don't like it.

Reasons for not using bus to go to work

- 1 - Car is handier, more convenient 29%
- 2 - Bus service is too poor 15%
- 3 - Service too slow or infrequent 14%
- 4 - Too much time lost in transferring 7%
- 5 - Participate in car pool 5%
- 6 - Live too far from bus line 4%
- 7 - No direct service 4%
- 8 - Buses too crowded 2%
- 9 - Other reasons 12%

Committee scheduled 5 meetings ① Rockford
② Moline ③ Peoria ④ E St Louis ⑤ Champaign
The items discussed were as follows

1. Criticism of antiquated methods of mass transit operation
2. Need for competitive business principles by bus owners to win back lost riders
3. Need for subsidy until bus operators become self-sustaining.
4. Need for elimination of parking & double parking on transit routes.
5. Criticism of acctg methods used by transit operators to make picture worse than it is.
6. Older people & children ride buses.
7. in spite of improvements, people prefer their own cars

Recommendation of Committee : to 71st Gen Assembly

1. Set up Advisory Committee on Transportation
2. Create "Office of Coordinator of Mass Transp."
3. "Where monopoly conditions once justified a strict & rigid regulation of fares & service arrangements, modern conditions have changed the situation, this Commission, therefore, recommends that local transit companies should be accorded a greater freedom of managerial discretion in adjusting their fares and services to particular conditions. It is recommended that the Legislature enact

bills amending Sections 10, 36, 41 + 49a of Public Utility Act, giving mass transportation operators the right to arrange service and pricing without suspension, but subject to review of the Ill. Comm Commission.

how much
in \$'s

3. ~~In view of the fact that~~ Recommends enactment of legislation clarifying present law so that all local, city & suburban buses be required to pay only nominal license fee of \$2.00 per bus.

how much
in dollars

4- Legislation permitting removal of motor fuel tax on same

how much
in \$'s

5. Legislation to exempt local, city & suburban bus lines from any district or municipal taxes, fees or licenses.

6- Recommends legislation permitting cities to enter into contracts with bus companies to hire transp. co's to operate the lines on a per mile basis or annual fee, thereby underwriting the cost. Also allowing city to levy a limited property tax on local corporations to help pay for this underwriting.
(cont)

7. Revise Statutes to allow Property Tax Levy to .05 percent of the assessed valuation to be used to underwrite this underwriting.
 8. Set up Mass Transit Districts or Authorities
-
-

Better Transportation for your city - by
National Committee on Urban Transportation

388.3 N - Volume 2 or 3 on Modernizing
Laws & Ordinances plus Manual
Guide 388.3 N 21346.

HB 1211 - Randolph - "Amends
Section 49a & adds 10.19 thereto
discontinuance of service
May 2 - to committee
June 22 - tabled

Checked All Revised Statutes, Vol. 2, p. 1210

State Library

380
H 396

The Illinois Commerce Commission: A Study in Administrative Regulation, by Claude Hawley - U. of Chicago:

Nine criteria of effective regulation (things wrong with ICC set up)

- 1 - has broad jurisdiction on all private owned utilities except the motor truck industry.
- 2 - regulation is financed entirely by legislative appropriations.

Although the Commission collects fees for investigation expenses, this goes to general fund. Taxes pay for the regulatory expenses. Three undesirable results occur from this method of financing:

- a. Through a detailed, itemized appropriation bill, the Gen. Assembly controls the internal policies and organization of the Commission.
- b. Fixed legislative appropriation tend to make regulation unnaturally inflexible.
- c. The cost of regulation falls inequitably upon the general taxpayers, not in proportion to the benefits they derive but in proportion to their taxable possessions & activities.

3 - Internal structure of Commerce Commission does not conform to the best principals of organization. There are eleven independent divisions directly responsible to one executive officer who must co-ordinate their activities. It has no legal staff of its own - uses attorney general's staff. Staff of the following divisions too small in staff (Local transp. Warehouse, R.R. Transp., & Motor Vehicle)

Legislature refuses to increase appropriations to reorganize internal structure
Commissioners appointed by gov. with advice & consent of Senate. Term of office is 2 yrs. (too short) Salary \$6,000. Few have experience or training in public utility. Staff employees not civil service, therefore not secure in their jobs

4 - Techniques of practice & procedure vary with administration. Many cases handled by informal negotiations between the Commission & the Companies. Formal hearings have frequently taken from one to 3 yrs & records extend to several thousand pages in length
(over)

5. Commission's reduction in utilities rates cannot be determined with precision on informal negotiations between commission & the companies. On formal cases the staff generally use fair methods in computing rates but the commissions frequently accept $\frac{1}{2}$ way between staff and Co's figures. Instead of applying the prudent investment theory of valuation.
6. Granted greater powers of control over the financial and service performances of utilities, this information was of a comprehensive nature previously unavailable.
7. Commission's actions have met favor by judiciary. The ~~Supreme~~ ^{Supreme} ~~several~~ ^{several} ~~times~~ ^{times} reverse Commission. Opinion of judiciary in valuation cases have been weighed by Commission than the advice of experts in utility regulation.
8. Commission is a good co-operator with Interstate Com. Commission, FCC, FPC, SEC, + REA, Trade to each other meetings + information borrowed advantageously.
9. Attitude toward local problems has been distinctly passive. Mediates problems between utilities + cities as they arise,

but will not take the initiative in finding a solution.

The Commission has not imposed its authority, to be sure, but the cities are powerless to act in their own behalf. The legislature should divest the Commission of its responsibility & give it to the cities.

Recommendations for more effective public utility regulation in Illinois. The chief responsibility for effecting them falls to the General Assembly.

- ① Public Utilities Act should be amended to include motor trucks and strengthen regulatory buses over intrastate busses.
- ② Public Utilities Act should be amended to exclude local transp. facilities of the large cities from the jurisdiction of the Commission. The cities are better position to assume responsibility than is a State-wide agency.
- ③ utilities should bear the entire cost of financing the regulatory process. After they paid for special investigations.

of which they have been the object, the remaining costs can be assessed against each utility according to, say, its intrastate gross operating revenue; thereby the Commission would no longer be hampered by restrictions imposed by an itemized appropriation act. The Gen Assembly could not control its internal policies and organization. The burden of regulation expense would be borne by the utilities, their consumers and investors (who benefit the most).

- 4- Review internal structure of commission. Eleven staff divisions combined into 5 Major Bureaus.
- 5- Make complete staff for Local Transit Pl., Warehouse & Motor Vehicle Div.
- 6- Commissioners should be qualified, more salary to attract qualified person, term of 6 yrs. overlapping terms would assure continuity of policy.
- 7- Less formal rules of procedure, lessen bulkiness of testimony by permitting the examiners to brook irrelevant materials.
- 8- Staff employees should be placed

under civil service regulations.

9. Commission rate making policy
should conform to experts opinion
instead of compromise decisions.

Members of Present Commission +
no. of staff chiefs + cost of
Commission.