

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Speaker Ryan: "The House will come to order. Members will please be in their seats. The Chaplain for today is Father Paynic from the Cathedral of the Immaculate Conception Church here in Springfield. Father Paynic."

Father Paynic: "Let us pray: Direct our actions we beseech Thee, O Lord, by the Holy inspiration and carry the one by the grace's assistance that ... work in prayer of ours may always begin in Thee and to Thee be likewise ended. For Thine is the Honor, the Power and the Glory. Amen."

Speaker Ryan: "We'll be led with the Pledge this morning by Representative Nelson."

Nelson: "I pledge allegiance to the flag of the United States of America and to the Republic for which it stands one nation, under God, indivisible with liberty and justice for all."

Speaker Ryan: "Roll Call for attendance. Committee Reports."

Clerk Leone: "Representative Rigney, Chairman on Committee on Agriculture, to which the following Bills were referred, action taken March 24th, 1981 and reported the same back with the following recommendations: 'Do pass' House Bill 385. Representative Wikoff, Chairman on Committee on Cities and Villages to which the following Bills were referred, action taken on March 24th, 1981 and reported the same back with the following recommendations: 'Do not pass as amended' House Bill 330. Representative McMaster, Chairman on Committee on Counties and Townships to which the following Bills were referred, action taken March 25th, 1981 and reported the same back with the following recommendations: 'Do pass' House Bill 529. Representative Winchester, Chairman of the Committee on Elections to which the following Bills were referred, action taken March 25th, 1981 and reported the same back with the following recommendations: 'Do pass as amended' House Bill 209.

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Representative Reilly, Chairman on Committee on Elementary and Secondary Education to which the following Bills were referred, action taken March 25th, 1981 and reported the same back with the following recommendations: 'Do pass' House Bill 174, 497 and 500. 'Do pass as amended' House Bills 496, 498 and 501. 'Do pass Consent Calendar' House Bill 499. 'Do not pass as amended' House Bill 374.

Representative Pullen, Chairman on Committee on Executive to which the following Bills were referred, action taken March 26th, 1981 and reported the same back with the following recommendations: 'Do pass' House Bill 462. 'Do not pass' House Bills 74 and 283.

Representative Barnes, Chairman from the Committee on Health and Family Services to which the following Bills were referred, action taken March 24th, 1981 and reported the same back with the following recommendations: 'Do pass as amended' House Bill 525. 'Do pass as amended Consent Calendar' House Bill 502.

Representative Leinenweber, Chairman from the Committee on Judiciary I to which the following Bills were referred, action taken March 25th, 1981 and reported the same back with the following recommendation: 'Do pass as amended' House Bills 123, 309, 378, 380, 386, 435. 'Do pass Consent Calendar' House Bill 471.

Representative Stearney, Chairman from the Committee on Judiciary II to which the following Bills were referred, action taken March 26th, 1981 and reported the same back with the following recommendations: 'Do pass' House Bills 57, 286, 287. 'Do pass as amended' House Bill 132, 154.

Representative Schuneman, Chairman from the Committee on Labor and Commerce to which the following Bills were referred, action taken March 25th, 1981 and reported the same back with the following recommendations: 'Do pass' House Bill 179 and 334. 'Do pass as amended' House Bills 115 and 229.

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Representative Huskey, Chairman from the Committee on Motor Vehicles to which the following Bills were referred, action taken March 24th, 1981 and reported the same back with the following recommendations: 'Do pass' House Bill 342. 'Do pass as amended Consent Calendar' House Bill 523. 'Do pass amended Short Debate Calendar' House Bill 476. Representative McAuliffe, Chairman from the Committee on Personnel, Pensions and Veterans' Affairs to which the following Bills were referred, action taken March 25th, 1981 and reported the same back with the following recommendations: 'Do pass' House Bill 449. Representative Ewing, Chairman from the Committee on Revenue to which the following Bills were referred, action taken March 25th, 1981 and reported the same back with the following recommendations: 'Do pass as amended' House Bill 381. Representative Neff, Chairman from the Committee on Transportation to which the following Bills were referred, action taken March 26th, 1981 and reported the same back with the following recommendations: 'Do pass as amended' House Bill 265, House Bill 394."

Speaker Ryan: "There being 137 Members answering the Roll, a Quorum of the House is present. Messages from the Senate."

Clerk Leone: "A message from the Senate by Mr. Wright, Secretary: Mr. Speaker, I'm directed to inform the House of Representatives the Senate has adopted the following Senate Joint Resolution and the adoption of which I'm instructed to ask concurrence of the House of Representatives, to wit: Senate Joint Resolution 926, 27, 30 and 31. Adopted by the Senate March 26th, 1981. Kenneth Wright, Secretary. A message from the Senate by Mr. Wright, Secretary: Mr. Speaker, I'm directed to inform the House of Representatives the Senate has concurred with the House in the adoption of the following Joint Resolution: House Joint

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Resolution 4, concurred by the Senate ...4 and 16, concurred by the Senate March 26th, 1981. Kenneth Wright, Secretary. A message from the Senate by Mr. Wright, Secretary: Mr. Speaker, I'm directed to inform the House of Representatives the Senate has passed Bills of the following titles and passage of which I'm instructed to ask concurrence of the House of Representatives, to wit: Senate Bills #66, 173, 174...174. Passed by the Senate March 26th, 1981. Kenneth Wright, Secretary. A message from the Senate by Mr. Wright, Secretary: Mr. Speaker, I'm directed to inform the House of Representatives the Senate has concurred with the House in the passage of Bills of the following title, to wit: House Bill 173. Passed by the Senate March 26th, 1981. Kenneth Wright, Secretary. A message from the Senate by Mr. Wright, Secretary: Mr. Speaker, I'm directed to inform the House of Representatives the Senate has concurred with the House of Representatives in the passage of Bills, the following title to wit: House Bill 141, together with attached Amendments hereto, and the adoption of which I'm instructed to ask concurrence of the House, to wit: Senate Amendment #1 to House Bill 141, Senate Amendments #2 and 3, passed by the Senate as amended March 26th, 1981. Kenneth Wright, Secretary."

Speaker Ryan: "Representative Telcser, do you have any excused absences this morning? Representative Telcser?"

Telcser: "Mr. Speaker, will the Journal please show that Representative Oblinger is absent because of illness?"

Speaker Ryan: "The Journal will so indicate. Representative Polk?"

Polk: "Would the record also show Representative Stiehl has sickness in the family and requests to be excused?"

Speaker Ryan: "Celeste Stiehl?"

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Polk: "Yes."

Speaker Ryan: "The record will so indicate. Representative Lechowicz, for what purpose do you arise?"

Lechowicz: "Would the record indicate Representative Henry excused because of a death in the family? Henry."

Speaker Ryan: "The record will so indicate. Change of vote."

Clerk Leone: "Representative Carrie, Zwick and Swanstrom request to vote 'aye' on House Bill 73. Representative Swanstrom and Zwick request to vote 'aye' on House Bill 93. Representative Winchester requests to vote 'aye' on House Bill 147. Representative Grossi wishes to vote 'aye' on House Bill 259. Representative Koehler and Greiman request to vote 'aye' on House Bill 290. Representative Jack Dunn and Ted Lechowicz request to vote 'aye' on House Bill 337. Representative Johnson requests to vote 'aye' on House Bills 372 and 373. Representatives Bell, Findley and Bower request to vote 'aye' on House Bill 382. Representatives Stewart, Hoxsey request to vote 'aye'....Representative Stewart requests to vote 'aye'...requests to vote 'present' on the Consent Calendar 161. Representative Hoxsey requests to vote 'aye' on House Bill 605. Representative Zwick requests to vote 'no' on House Bill 161, Consent Calendar. Representative Koehler requests to vote 'no' on House Bill 161, Consent Calendar. Representative Pawell requests to vote 'aye' on the Consent Calendar. And Representative Kelly requests to vote 'aye' on House Bills 373 and 425."

Speaker Ryan: "...Leave granted for the change of these votes? Are there any objections? Hearing none, leave is granted. Introduction and First Reading of House Bills."

Clerk Leone: "House Bill 755, Collins, et al, a Bill for an Act to amend Sections of the Illinois State Auditing Act. First Reading of the Bill. House Bill 756, Collins, et al,

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

a Bill for an Act to amend Sections of the Illinois State Auditing Act. First Reading of the Bill. House Bill 757, Dwight Friedrich-Leverenz, et al, a Bill for an Act to amend Sections of the Illinois State Auditing Act. (sic, First Reading of the Bill) House Bill 758, Dwight Friedrich, et al, a Bill for an Act to amend Sections of the Unified Code of Corrections. First Reading of the Bill. House Bill 759, Leverenz, et al, a Bill for an Act to..in relationship to persons employed to provide protection and safety in connection with state governmental buildings and facilities. First Reading of the Bill. House Bill 760, Leverenz, et al, a Bill for an Act in relationship to the use of nonpublic funds by instrumentalities of the government. First Reading of the Bill. House Bill 761, Yourell, a Bill for an Act making appropriations to the State Treasurer. First Reading of the Bill. House Bill 762, Yourell, a Bill for an Act to amend Sections of the Illinois Library Systems Act. First Reading of the Bill. House Bill 763, Breslin, et al, a Bill for an Act establishing a statewide Grand Jury System. First Reading of the Bill. House Bill 764, Breslin, et al, a Bill for an Act to amend Sections of the Environmental Protection Act. First Reading of the Bill. House Bill 765, O'Brien, et al, a Bill for an Act creating a High-rise Fire Commission and defining its powers and duties. First Reading of the Bill. House Bill 766, O'Brien, et al, a Bill for an Act making appropriations for the Ordinary and Contingent expenses of the High-rise Fire Commission. First Reading of the Bill. House Bill 767, Bower-DiPrima, a Bill for an Act amending Sections of the Illinois Pension Code. First Reading of the Bill. House Bill 768, Hoxsey, a Bill for an Act to amend Sections of the School Code. First Reading of the Bill. House Bill 769, Hoxsey, a Bill

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

for an Act to provide for the election of county superintendent of highways. First Reading of the Bill. House Bill 770, Hoxsey, a Bill for an Act to amend Sections of the Illinois Municipal Code. First Reading of the Bill. House Bill 771, Hoxsey, a Bill for an Act to amend Sections of the School Code. First Reading of the Bill."

Speaker Ryan: "...Hour of 10:00 o'clock having arrived, the House will now resolve itself into a Committee of the Whole. Representative Clarence Neff will be in the Chair. Representative Neff."

Chairman Neff: "The Committee of the Whole will now come to order. We're going to have quite a long day here. We hope that we can hold our witnesses down to a minimum..to a maximum of ten minutes. If someone could make lists....Any witnesses that have prepared slips, if they would leave them with us, then just touch the highlights, it will be appreciated. It appears at this time we will have from 60 to 100 witnesses, it appears. So we have a long day here and it's going to take quite a long time. Yes? Representative Darrow."

Darrow: "Thank you. Representative Neff, are you saying that the witnesses can only speak for ten minutes? Is that going to be a hard, fast rule? Or are they able to explain their positions if they..."

Chairman Neff: "...No, that won't. I'd like to hold it down that much, Clarence. But, some of them may have to have a little longer and I think that we should. And then, I would also hope that we can question each witness as they come up."

Darrow: "We will be questioning them after their testimony, is that correct?"

Chairman Neff: "Right."

Darrow: "Thank you."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Chairman Neff: "All people that wish to appear as witnesses, if they will gather up at the Speaker's gallery right above me and ..they will have witness slips up there. Pass them out. It's very important that everyone that testifies does fill out a witness slip. We will call them down...call you folks down as witnesses approximately five at a time. When you come down here, if you'll sit on my left at the bench here, why we won't have so much confusion and we will be calling you down approximately five at a time to keep the witnesses moving. Representative Mulcahey."

Mulcahey: "Thank you, Mr. Chairman. It's my understanding that there are a number of witnesses that are still in the process of coming down today that had planned on testifying tomorrow. Is this, indeed, the case?"

Chairman Neff: "Well, to my knowledge, this is the day the Committee of the Whole is to meet. And I thought they were all notified to that. The fact is, the Speaker's Office sent out two to three hundred letters on this that this was the day. And I hope they all got that word and hope they will all be able to be here today because there is some question of tomorrow, whether we'll continue the Committee of the Whole."

Mulcahey: "Okay. Thank you, Sir."

Chairman Neff: "To answer again, Representative, on that, if we do not get through today, why, we will continue tomorrow because it's my intention that every witness, regardless of which- proponents or opponents-be given opportunity to testify. Yes? Representative Dunn."

Dunn, John: "Thank you, Chairman Neff. Can you tell us if there is an agenda or a list that contains the order in which witnesses will testify? If there are 100 witnesses, I'm sure that all of us are not interested in hearing all the testimony. But there are probably key witnesses that we



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

would all like to be here for so we can have a chance to hear their testimony and perhaps question them."

Chairman Neff: "It may be, Representative Dunn, after we get...for sure. We don't know. We've been notified at least 60 people said they would be here. And we feel there will be others that come in. And until we find out for sure, if we can, then I'd be glad to try to prepare a list and, as you say there are certain witnesses that come a long ways and we should make sure that they have an opportunity to be heard..."

Dunn, John: "Well, the reason I ask, Mr. Chairman, is that you know as well as I do that if anyone had the intention to wear the Members down and then present key witnesses late in the day, that could be done. And I know that would not be your intention. So to facilitate things, it would be a great help to the Members if we could have an idea of the order and the time and which witnesses are going to appear so we could be prepared if we are interested in questioning them, to be here at the time they are testifying. And then we would proceed in a more orderly fashion to get all of our questions asked. Otherwise, I think we're going to find that a lot of us will not have an opportunity for one reason or another to question the witnesses we want to question."

Chairman Neff: "Representative Dunn, I was hoping that we could go ahead and as these witness slips are filled out, they'd be sent down to us. And we would take them right off the top of the list. And I hope they're scattered out so that we're getting both ends. But if we don't, why then we'll try to, because I agree with you. There is certain ones we want to make sure that are heard."

Dunn, John: "If you would just run off a copy of that list and have the pages distribute it, it would be very helpful to

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

us. Thank you."

Chairman Neff: "We'll see what can be done on that. Yes, Representative Kane."

Kane: "Mr. Chairman, could you give us some idea of when a vote will be taken?"

Chairman Neff: "There'll be no final vote taken today. There'll be no vote taken to my knowledge on the Committee of the Whole..."

Kane: "That wasn't the ruling of the Speaker yesterday. There was going to be a vote in the Committee of the Whole and I'm wondering when that's going to be scheduled."

Chairman Neff: "...What's the ruling? Representative Kane, it's my understanding there will be no votes taken as Committees of the Whole are generally run. There will be no vote taken in the Committee of the Whole."

Kane: "Would we get a ruling, then, on what the...what a Motion and a vote means under Rule 31?"

Chairman Neff: "As soon as the Bills are heard...we go through our hearing, then a Motion will be made to report them to the floor and if they go to the floor they will be on Second Reading."

Kane: "Okay. When will that Motion and vote be taken on that Motion?"

Chairman Neff: "At the end of the hearing, yes."

Kane: "Could you give us some idea of when that will be?"

Chairman Neff: "If you tell me how many witnesses and how long...how fast we can run them through, I could answer that. At this time, it's almost impossible to give you that. I wish I could. I'd like to know myself."

Kane: "Well, who's running this show then?"

Chairman Neff: "I'm running it, but I can't give you a time limit on how many witnesses are going to be here. I don't know. We have indication of a minimum of 60 and we have some

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

indication there might be 80 to 100. And it is my intention to let every proponent and opponent speak and give them equal time."

Kane: "How much advance notice will we have before a vote will be taken? Or, will we just get to the last witness and then bang the gavel?"

Chairman Neff: "Yes...I think that towards afternoon we'll have some idea on that."

Kane: "Could you give us some assurance that you will give us some advance notice?"

Chairman Neff: "Yes. I think that's nothing more than fair. We should give you advance notice on it."

Kane: "Thank you."

Chairman Neff: "Representative Madigan, our Leader. Yes, Representative Madigan. Madigan."

Madigan: "Mr. Chairman, who will be available to answer questions regarding the Bills? There have been a certain number of Bills posted for this hearing and who will be available to answer questions regarding the Bills?"

Chairman Neff: "...Day for the witnesses and we will not devote any time to the Sponsors. But on Second....But the Bills, when they get on Second Reading, then we'll be open up to the questions of the Sponsors. Today we'd like to devote full time, which we need all of it, for..to hear the witnesses."

Madigan: "So, there will be no one available to answer questions on the Bills today?"

Chairman Neff: "There will be people here to answer questions, but I don't want to open it up to that. I want to make sure that all the witnesses get a chance to appear."

Madigan: "Will the Bills' Sponsors be available to answer any questions?"

Chairman Neff: "No. I doubt that very much until Second Reading."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

I don't think we're going to have time for that. I think we're going to have to cut this to where ...I think we've got a long day ahead of us now, Representative Madigan, and ...but we will have plenty of opportunity when the Bills get on Second Reading to ask questions of the Sponsors."

Madigan: "Well, Mr. Chairman, could you ask the Bills' Sponsors to please read their Bills before they subject themselves to questions? Could you do that?"

Chairman Neff: "Yes. Well, yes. You're asking for nothing but what I intended to do. And the Bills will be read and at this time, again, I'd like to have some order here. There's too many meetings going on the floor. If you've got to have a meeting, why, step outside because we've got some important Bills here to come up and I hope everybody realizes...and there's many people that's going to want to hear...Yes?"

Madigan: "Mr. Chairman? Mr. Chairman, I have another question."

Chairman Neff: "Yes."

Madigan: "Mr. Chairman, the Speaker ruled yesterday that for these Bills to be approved by the Committee of the Whole would require a simple Majority vote in the Committee of the Whole. And would you state now, Mr. Chairman, that you will take a record Roll Call vote on that question because that is my request."

Chairman Neff: "Yes. That's...We plan on doing that, Representative."

Madigan: "A record Roll Call vote?"

Chairman Neff: "Yes. We'll take a record Roll Call vote. Yes. Representative Collins."

Collins: "Well, Mr. Chairman, I would just like to reply to the Minority Leader and suggest that he read the Bills before he ask any questions too."

Chairman Neff: "Representative Kane and then we'll start with the

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Bills."

Kane: "Mr. Chairman, are these Bills going to be taken up individually, one at a time?"

Chairman Neff: "Repeat that question please."

Kane: "Are these Bills going to be taken up one at a time?"

Chairman Neff: "No. We're going to hear them all as a package crew."

Kane: "Are...Did you say that we were ...we will not have an opportunity to ask questions of the witnesses?"

Chairman Neff: "No. You definitely have ...just the Sponsors. Today we're limiting the questions to just the witnesses. I'm sorry. The Sponsors...then you'll have plenty of time on Second Reading to ask the Sponsors questions..."

Kane: "Okay...We will..."

Chairman Neff: "...But we will have ...After each witness, we'll open it up to questions."

Kane: "Okay. Thank you. I did not understand. Thank you."

Chairman Neff: "Now the Bills that we're going to hear in this Committee of the Whole is House Bills 737, 738, 739, 740, 741, 742 and 743. And these will be heard in a package and we'll have our witnesses accordingly. Representative Telcser? Yes? Oh, Representative McPike. Yes."

McPike: "Thank you, Mr. Chairman. I want to make sure that everyone understands what procedure we have. Now, it appears that you just changed the ruling again and said that questions will be permitted. Is that correct or not?"

Chairman Neff: "Questions will be permitted to the witnesses. But from the Sponsors, it will not be permitted today, but you will be allowed to do all the questioning we want from the Sponsors when the Bills are on Second Reading."

McPike: "It's always been my understanding that on Second Reading, we debate Amendments and we don't discuss the Bill until Third Reading. It's always been my understanding

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

that in a Committee we discuss the Bill and we have the Com...the Bill Sponsors in the Committee to explain the Bill and to answer questions on it. Now, if we're not going to even be able to ....allowed to ask questions on the Bill, what's the point in this whole procedure? Why don't we simply submit written testimony and be done with it? The point of a Committee is so that we can question the Bill Sponsors and find out what's in the Bill."

Chairman Neff: "Representative McPike, if we have the time, that would be fine. But we've asked these witnesses to come down. We know we have over 60 right now and I think it's our duty to listen to them first. If we have time...as far as staying here, I'll stay right with you. And if we're here at midnight I'll be here. And if we want to decide we want to do that, we can do it. But I think today we want to make sure that the witnesses are heard. Many of these people have come quite a few miles to be with us... and..."

McPike: "...Mr. Chairman, I agree 100%. We should listen to all 60 witnesses. But they're only two Sponsors and it's not a lot of difference between 60 and 62. All we're asking is that after we hear all the witnesses and take all the testimony, we would like an opportunity to find out what the Bill's about..."

Chairman Neff: "I think the Sponsors will stay. I'll be glad to stay and if that's what you wish, and that's what the Majority wish, why we'll do it that way."

McPike: "...Well, then, it's the understanding from Members of this side of the aisle that we will have a chance in the Committee of the Whole to question the Sponsors and find out what's in this Bill. Is that your ruling?"

Chairman Neff: "Yes.."

McPike: "Thank you very much."

Chairman Neff: "Thank you. Representative Schraeder."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Schraeder: "Well, Mr. Speaker (sic), Mr. Chairman of the Committee of the Whole, I want to follow through on this questioning because it's quite obvious the way this has been handled so far in this Session. On these series of Bills there's going to be a railroad job and I'm not on the track yet and I don't want to get run over. But I want to know what the rules are so when I come to the barricade I stop or I go. I'd like to know very clearly why the rules today are being changed. In the normal Committee hearings the Sponsor presents the Bills and is questioned on his presentation. I see no reason why the Sponsor shouldn't be done...do the same thing. I don't want to hear 60 witnesses here all day long. I'm going to be here like everybody else. But I want to make sure that when they get finished and the Bill has got the necessary signals, that Representative Telcser, Ryan and Collins, the Sponsors, will be here to answer questions. And we won't be shut-off and then come tomorrow or whenever it gets on Second Reading, we can't question the Sponsors except on the Amendments. And I want it very clearly stated that under no conditions do I intend to support this Bill unless we can ask the Sponsors, at this Committee of the Whole, questions about the Bill."

Chairman Neff: "Thank you, Fred. And I think I have repeated that, that the Sponsors would stick around and therefore, you'll have that... This will be after all the witnesses. We will have time then and I don't whether that's going to be 10:00 o'clock or 9:00 or 12:00 o'clock. But I'll be with you. Representative Madigan? Representative Vinson."

Vinson: "Mr. Speaker (sic)...it's become ... Mr. Chairman. Pardon me, Sir. It's become very clear in the course of this week that the other side is trying to delay this whole process. First we had the discussion about rules

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

that...where they tried to consume the better part of a day. Now, we've been here 45 minutes when we could have had testimony on these Bills, when we could be enlightened as to the Bills. Mr. Madigan is wasting the time with questions. Mr. McPike, his other henchmen, are wasting the time with questions. They're trying to slow this down. They're trying to stand in the way of a solution to a transportation problem. And I would urge that you go on and introduce the witnesses so that we can with all expeditiousness, solve this problem and get a transportation program out of the House and to the Senate so that they can't delay the solution to the problem any longer."

Chairman Neff: "Thank you, Representative. And I'll try to follow your suggestions. Representative McMaster. We've got to get started here now folks. We're just losing time here."

McMaster: "Mr. Chairman, I think the other side of the aisle was being dilatory and trying to evade the witnesses. I would suggest that you pound the gavel, that we proceed with hearing the witnesses and get started on this thing or else we'll be here for all day and all night."

Chairman Neff: "Thank you, Tom. Representative Telcser, now to explain this package of Bills and if I understand right, Representative Telcser, you're going through all of them and then we'll start in on the witnesses."

Telcser: "Mr. Chairman, let me assure the Members of the Committee of the Whole that upon the conclusion of the witnesses' testimony whether it be at the end of today's Session or sometime tomorrow after witnesses are completed, I'd be delighted to stay and answer any questions which the Members may have regarding this very comprehensive- all inclusive program. Mr. Chairman and Members of the



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Committee, I come before you today addressing a very critical problem which the citizens of Illinois face. I'm sure that every Member of the Assembly agrees that this is a crisis which we must address ourselves to immediately. It is my opinion that House Bills 737 through 743 clearly and all inclusively will take care of the transportation problems in the northern part of the state regarding mass transportation for its citizens and at the same time will address itself to the declining balances in Illinois' road funds, which are now at an alarmingly low level. House Bill 737 creates an Illinois Transit Fund from which monies will be appropriated for the various functions of mass transportation. Money would be appropriated from the Illinois Transit Fund to the Transit Finance Authority which we're creating in a subsequent Bill. Money would be appropriated to the Downstate Public Transportation Fund, to a Bi-State Public Transportation Fund, to Amtrak and to the Illinois Department of Transportation for rail...You have a question, Representative Van Dwyne? Alright? House Bill 738 creates a Collar County's Transit Assistance Act which will deal primarily with mass transportation functions in the five collar counties surrounding Cook. House Bill 739 increases the authorization of Series A bonds in the amounts of \$400 million and these bonds would be used statewide for the various highway purposes. House Bill 740 reduces the suburban Cook County Regional Transportation Authority tax from its current level of one percent to one-half percent. This reduction would become effective on July 1st of 1982. House Bill 741 creates the Petroleum Products Revenue Tax Act and establishes a five percent gross receipts tax from the sale of a variety of petroleum products. House Bill 742 changes the method by which you calculate grants to downstate carriers and to the

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Bi-State Transportation Authority, which has the net effect of increasing the subsidy level for these various functions. 742 will also abolish the Downstate Public Transportation Fund and the Bi-State Public Transportation Fund. House Bill 743 abolishes the RTA Board upon passage of this legislation or upon its becoming law and replaces the Board with what we've termed, 'the TFA', or the Transit Finance Authority. The Transit Finance Authority would have the responsibility for overseeing the Chicago Transit Authority, the commuter rail services, suburban Cook bus systems and collar county bus systems if those individual counties do not opt out of the area-wide transportation system. Additionally, House Bill 743 would establish an Interim Board made up of three members until the TFA Board is appointed. The Interim Board would include the Secretary of Transportation, the Director of the Bureau of the Budget and the Comptroller of the City of Chicago. The TFA Board would consist of five members, two appointed from the City of Chicago from a list of five submitted by the Mayor. And the Governor would then...would then be appointing those two members from a list of five. The Governor would appoint two members from suburban Cook County from a list of five submitted by the suburban Cook County Commissioners and the Chairman would be chosen by the Governor from the six county region. Now, Mr. Chairman and Members of the Committee, this obviously is a very light description of what each of the Bills does regarding the mass transportation problems in Illinois. Let me simply say again in conclusion that I sincerely believe that this series of Bills represents an honest, forthright, responsible move towards solving, once and for all, the nagging problem of mass transportation and highway maintenance and highway construction which we've had in

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Illinois for many, many years. Clearly, the flat seven and a half cent gasoline tax which we've had for a number of years, which included one increase of, I believe, two and a half cents over the past 20 some odd years, is not going to maintain adequate levels in Illinois' Road Fund so that we can either build new highways or at the very least, repair and maintain the existing highway system and existing bridges. Additionally, the question of moving people about in the Chicago area and Cook County area is a critical, critical event which we must deal with. And, so, Mr. Chairman and Members of the House, I present to the Members of the Committee of the Whole these series of Bills for your questions, which I will be delighted to answer at the end of the testimony from the witnesses you'll be hearing during the course of today and perhaps for some time tomorrow."

Chairman Neff: "Thank you, Representative Telcser. And the first witness we're going to hear from is John Kramer, Secretary of Transportation, Illinois Department of Transportation. Secretary Kramer."

Secretary Kramer: "Thank you very much, Mr. Chairman and Members of the House. I appreciate this opportunity to appear before you to discuss the Bills before you. These seven Bills represent the only comprehensive proposal now on the Table to deal with the most serious transportation crisis in the history of our state. These Bills are offered to the General Assembly by the Governor and by their Sponsors in the spirit of compromise. We believe that they represent a constructive and comprehensive solution to the problem. As the Governor said in his message to you the other day, however, they are not sacrosanct, nor are they perfect. And we welcome the opportunity to explain them in detail to you and also to discuss with you individually or

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

in groups ideas for improvements which individual Members of this Body may have. I would like, however, for the moment to briefly summarize the transportation and economic environment which caused us to develop this program, summarize the principle elements of the program embodied in the seven Bills before you, respond to some of the questions and criticisms of this program which I have heard and then answer your questions. The environment in which you are considering these Bills and this program is, unfortunately, an environment of crisis. Although the problems which lead to the introduction of these Bills have been a long time in coming, although the general philosophies embodied in these Bills have been the subject of public debate and legislative debate for at least nine months, the simple fact of the matter is that we have very little time in which to enact a program which deals simultaneously with the funding crisis in public transportation, the funding crisis in highways and the imperative need that transit be reorganized in the Chicago area and that the new management bring financial discipline and accountability to a system which has not had it. On the funding side, it is painfully obvious to all of us that without increased short-term and long-term funding the commuter rail, suburban bus and CTA services in northeastern Illinois will stop in a matter of weeks, that 850,000 people who depend on that system to get to work every day will be stranded and that the economy of Chicago and the economy of downstate Illinois which depends in turn on a healthy Chicago will bear an enormous price. The Chicago Association of Commerce and Industry estimates that the direct loss in business activity due to a shutdown would be in excess of ten to twenty million dollars a day. And that that, in turn, would have a ripple effect

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

throughout all of Illinois which we clearly cannot afford. We are simultaneously dealing with a more subtle but equally serious problem with our road program, upon which the economic viability of all of Illinois depends. In the wake of unprecedented cuts in federal funding, in the wake of declining state gas tax and license fee revenue, we are brought to the point, as have..as our neighbor states have been, where the maximum road program we can afford in the fiscal year which begins this July 1st is less than half the size program that we have been able to support over the last four years, a program which would be the lowest road repair program in more than 25 years, a program which would not enable us to repair the roads and bridges as they wear out, a program, indeed, which if allowed to continue that level would lead to a doubling of the number of bad roads in this state within four years, a program which would cost the average motorist according to University of Illinois studies an extra \$200 a year in extra automobile operating costs and all of the people of Illinois the cost of a less productive economy because everything that we eat, everything that we buy at one point or another has to move by truck over the highway system. The obvious conclusion therefore is that we must have additional revenue for both the road program and the transit program. And the amount of revenue that is required is in excess of \$600 million a year, revenue which has got to be raised from new tax sources because the revenue is simply not there in the State Treasury to meet that shortfall. There is obviously no easy painless way to raise that much new revenue. We have looked at literally hundreds of alternatives and found in our judgment that the most equitable way of raising the necessary revenue and avoiding the economic catastrophe inherent in a transit shutdown and in a declining road

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

program is a five percent tax on the gross receipts of oil companies. We have never said that that tax will be painless. We believe, however, that it is less painful than the alternatives that have been suggested. The only two alternatives that we have heard for raising the necessary revenue are either a five tax package which would include a ten percent gas tax, an increase of six dollars a year on license plate fees, a 120 percent increase in liquor taxes and a five cent a pack tax on cigarettes. I submit that that package of taxes would be far more painful for Illinois business and Illinois consumers than the oil tax which we have proposed. I would also submit to the Members of this House that the other alternative we have heard, which is the oil tax coupled with a tax on Illinois banks, would be far more devastating to the Illinois economy than the oil tax which we have proposed..."

Chairman Neff: "Pardon me, Mr. Secretary. Mike, did you have a question now or...?"

Madigan: "Could you ask for some order, Mr. Chairman?"

Chairman Neff: "Very good request. Let's stop the meetings on the floor of the House. We have an important meeting here. We have a witness here that many people want to hear and if this noise continues, many of these people are sitting here trying to hear will not and so I would hope that all of us, if we want to have a little meeting, why step outside because we just can't have meetings going on on the floor. Thank you."

Secretary Kramer: "Thank you very much, Mr. Chairman and Members of the House. It is our contention that the cost of the tax is far less than the cost of allowing our highway system to crumble, far less than the cost of allowing our transit system to shut down. There are some who have said that the oil tax is unfair, that it is singling out a

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

single industry which cannot afford it. I submit that the tax that we have proposed is equitable. It places the oil industry on the same basis that many of their competitors in the energy business are on. Illinois has had a five percent tax for some time on natural gas and electricity, quite similar to this one. The oil companies are amongst the primary beneficiaries of good transportation. More than 50 percent of their product and their revenues are attributable to transportation. The tax that we are proposing is a much broader base than any of the alternatives that are suggested, which means that the burden will be distributed more broadly and more equitably. As the Governor pointed out, the tax is also structured in a way to allow deductability so that the full cost of the tax will not be borne either by the oil industry or by other Illinois businesses and consumers. And it is a tax which grows with the economy and allows our transportation system at last to be put on a sound financial basis. We believe that those benefits outweigh the arguments that have been posed against us, the most telling of which has been the argument that this tax would place an unfair burden on the agricultural industry of Illinois. We submit that while this tax if passed through the Illinois farmers would result in some increased costs, approximately one-tenth of one percent of farm operating costs, that the benefits to the agricultural industry as well as to the rest of the economy of Illinois outweigh those costs. We have developed with the help of the University of Illinois a fair amount of detail which we would certainly be delighted to make available to Members of this General Assembly on what the direct costs are to the agricultural community versus what the direct benefits of the program are. And the bottom line is that the direct benefits

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

exceed the costs. That isn't to say that Illinois agricultural would not be better off if somebody else paid the tax and they got the benefits too. That's true of any group. But the simple fact of the matter is that this is not a tax which is going to drive under Illinois agriculture, nor is the program that we are proposing a program without benefit to Illinois agriculture as well as to the rest of the economy of Illinois. Indeed, the program that we are proposing would allow the road program, which would otherwise drop to \$550 million a year in Fiscal Year 1982, and to less than \$500 million thereafter, to be increased so that we could keep up with the wear and tear on the road system and maintain the momentum that has been established on new construction. That's not as large...particularly large program. It's about the same size road program as we've supported in real buying terms over the last four years. It is a program, however, which allows our farm-to-market roads over which all Illinois grain must move to be maintained so that Illinois agricultural products can get to market at a reasonable cost. It is a program which would allow us to reduce the backlog of bad roads in this state by 2,000 miles at the end of five years over what it would otherwise be. Not, I'm sorry to say, over what it is now. And it is also a program which would allow us over the next five years to increase the amount of money available for townships and counties and municipalities through the motor fuel tax formula by 20 percent over the levels that they would otherwise be getting. The program that we are suggesting would provide for additional aid for Chicago area transit, enough additional aid to avoid the shutdown and the need for the massive fare increases and service cuts that have been proposed. Not all fare increases or all service cuts,



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

but not fare increases and service cuts of the phenomenal magnitude proposed by the RTA. If this program of increased state aid, and it's nearly \$400 million over the next two years, is to work, however, we must have management reform and financial discipline in Chicago area transit. And so, this program also includes a proposal to abolish the RTA Board upon this Bill becoming law. This program proposes that it be replaced by a Financial Authority modeled on the School Finance Authority Board, in 'Big Mac' in New York, which would provide a whole series of explicit budgetary mandates as well as increased accountability to this Legislature through the annual appropriations process and to all of the people of Illinois. It is also a program which provides for regional equity. Downstate Illinois would not be asked to pay penny one for Chicago area transit. Forty percent of the revenues of this program will be raised in downstate Illinois and forty percent of the revenues will be earmarked for downstate programs, principally the highway program, which is in such desperate shape in the 96 downstate counties. The sixty percent that will be raised in the Chicago metropolitan area will be divided between aid for public transportation, which will keep the systems running if there is the financial discipline that is so desperately needed, as well as provide for a road repair program in the six county region. In summary, Mr. Chairman and Members of the Committee, we believe that this package of seven Bills is equitable. We believe it contains the necessary principles of increased funding for highways and mass transit, short-term money to keep the system running, the financial discipline to make sure that the monies are used wisely, that the taxes raised in different parts of the state are spent in different parts of the state and

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

that there is accountability to this Legislature on how the funds are used. As I said at the beginning however, it is not a program that is sacrosanct or written in granite or concrete. While it is the only comprehensive proposal now on the Table and we believe, the only fair one that has been proposed, it is certainly a program which deserves your scrutiny and a program, which I am sure many of you will want to amend to deal with individual problems. And so, I would like to now answer any questions you may have..."

Chairman Neff: "...Mr. Secretary Kramer, we do have a lot of questions. We appreciate your being here and at this time I'd like to call on the Gentleman from Stephenson, Representative Rigney."

Rigney: "Director Kramer, Secretary Kramer, as you put this package together and I assume you had a very major role in putting the package together, of course I am concerned about some of the things that have been sandwiched into the program. But I am equally amazed at some of things that were apparently discarded at someplace along the way. And I'd like to hear a good, solid explanation of some of these, what I regard as obvious omissions, as you put this whole tax package together. First of all, I did a little checking. I found out the assessed valuation of the city of Chicago is approximately ten billion, 480 some million. Cook County, if you want to talk about spreading the base out there, would be something over 23 billion dollars. How was the decision or why was the decision arrived at that you did not specify at least a certain contribution, a certain percentage, on the property in those areas?"

Secretary Kramer: "Representative Rigney, we believe that property taxes in Illinois, for the most part, are too high and that the state should not be in the business of

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

increasing property taxes, but that that should be a matter for local governments. I will say however, that we are proposing as part of this package that the city of Chicago's contribution and that of Cook County be doubled from the current levels so that there will be an increased local government contribution which..."

Rigney: "And that is how much, Sir?"

Secretary Kramer: "It is currently five million dollars a year.

It is being proposed that that be doubled to ten. This program also provides that those...that the one percent sales tax in Cook County, which the residents ... in the City of Chicago be continued so that there will be a larger local contribution and that that contribution will grow as the sales tax grows and further, that any shortfall above and beyond the subsidy levels that we're proposing here be met either by increased local tax contributions or by fare and service measures. So, in our judgment there is a balance in this program between increased state aid and increased local aid, including local taxpayer and farebox contributions."

Rigney: "Well, the reason I was raising this issue, I also found that apparently the rate in there must be a little over six dollars on a hundred, which is basically about the tax rate of most of your downstate areas and coupled with that, the classification of property, which puts homes in at 50 percent of the value of the downstate homes, it just seemed to me that before you started out to tax the fuel that farmers will use to dry their grain and a few of these other things, that you certainly would have been aware of the fact that, you know...what I regard anyhow as a discrepancy as far as overall effort is concerned and I'm still not satisfied that there's no requirement for property in there. One other question and that is, why did

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

you not put into this program some language dealing with at least a certain fixed percentage contribution from the farebox?"

Secretary Kramer: "We believe that that requirement of a fixed percentage contribution from the farebox was better met by providing that the amount of state assistance would be fixed and certain and allowing people at the local level to decide whether they wanted to make up the difference by increasing fares or increasing local taxes. We didn't believe that that was ..that was a decision that the state should make, but rather a decision which ought to be made locally by the people who would have to pay either the tax or the increased fares."

Rigney: "Well, I thought that was my last question, but your last statement has raised another question. I was under the impression that the amount from the state is not fixed. It'll be subject to annual appropriation. And, did I misunderstand that part of the program?"

Secretary Kramer: "Well, the amount would be fixed by the..by the General Assembly. There...As a practical matter, the General Assembly as it has proved in the case of the school aid formula and other formulas that allocate state aid, is that that's a matter that's subject to change in any case and so it seemed to us that the most secure way of fixing a predetermined amount of state aid to fund the state's portion of the cost was by appropriation by this Body. If...If others would like to look at formulae, we would certainly be prepared to work with any Member of the General Assembly who would like to pursue that as I indicated at the downstate caucus this morning."

Rigney: "Then you would not out-of-hand reject legislation that would crank-in a certain percentage contribution from property and from the farebox. Is that what you're

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

saying?"

Secretary Kramer: "I think that it's a....I think that any such formula on farebox or property tax contribution would tend to be a little arbitrary. My preference would be for the state to determine the amount of aid and then let the City of Chicago in the case of the CTA determine what kind of mix it wants to determine between farebox revenues or property taxes or other revenues available to the city. But, I don't want to foreclose the idea out-of-hand. But that is my initial reaction, Representative Rigney. But let us talk about it further."

Chairman Neff: "Mr. Mulcahey."

Mulcahey: "Thank you, Mr. Chairman. Director, if this whole program is adopted in both the House and the Senate and obviously the Governor is going to sign it, it's my understanding that we'll average approximately \$850 million in new revenues for the next four years. Is this correct?"

Secretary Kramer: "That is...That is the...That's the revenue..the average annual revenues between Fiscal Year '84 and Fiscal Year '87, Representative."

Mulcahey: "Okay. Now, of that new money, on a percentage basis, how much is going to go to the 101 downstate counties as opposed to the remaining?"

Secretary Kramer: "Well, that would be, of course, subject to change by the General Assembly in each of those fiscal years. In general, the ...the administration's recommendation in those years will be that a minimum of 40 percent of the revenue, which is about what is raised in the 96 downstate counties, be used downstate, principally for road repairs and that the 60 percent of the revenues that is raised in the six county Chicago metropolitan area be used for transit and for road work within the Chicago metropolitan area, that six county area. I'm sorry,

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Representative. I don't have a break between Cook County and the five collar counties. The oil tax information can't be broken down by county by county basis, only metropolitan area by metropolitan area basis."

Mulcahey: "Alright. Now, is this going to be spelled out in any one of the seven or eight Bills exactly, line item wise, exactly where these funds will go in the next fiscal year?"

Secretary Kramer: "It would be spelled out in the DOT appropriations Bill, not in these seven Bills. But we do have in the Bill some allocations with respect to the transit portion and I would be delighted to share with you what my recommendations will be to this General Assembly for..in our appropriations Bill which is not of course before this Committee."

Mulcahey: "Okay. One more...a couple more questions. What is the Department of Transportation's immediate plans, and I mean immediate plans, as far as the North-South Freeway is concerned with these new revenues? Could I have some dates?"

Secretary Kramer: "Immediate revenue is ...The immediate plan is to advance and speed up the construction table on the 51 freeway from Rockford to Interstate 80 and to speed up the timetable for construction on 51 between Decatur and Bloomington. As things currently stand, we will be able to get 51 from the US 20 bypass just south of Rockford to Illinois 5, the East-West Tollway southeast of Rochelle entirely open to traffic by the fall of '82 with substantial portions of it open as early as next fall. That is a result, a direct result, of this Legislature's action on the transportation program of two years ago. Our next goal on the northern end of the freeway is to open up the new freeway as quickly as possible to Interstate 80, just north of LaSalle-Peru and to have underway the bypass

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

construction around LaSalle-Peru..."

Mulcahey: "Director Kramer..."

Secretary Kramer: "If we are forced....Do you want the precise timetables with and without or..?"

Mulcahey: "Please."

Secretary Kramer: "If ...If we are forced to limit the funding levels possible without increased highway revenue, the timetable for 51 to LaSalle-Peru would be ten to fifteen years. If we get the amount of highway revenue that is being proposed in this package, we can speed up that opening date to four to five years, which is the fastest possible construction timetable and we can very possibly get the section of 51 between Interstate 80 and US 34 near 'Mendota' open within two years. On the southern view....Do you want me to talk about the southern end of 51 too?"

Mulcahey: "No. I don't. I'll leave that for someone else. Director...Director..."

Secretary Kramer: "Yes."

Mulcahey: "I suppose the same timetable will hold as far as the Freeport Bypass is concerned. Is this correct?"

Secretary Kramer: "Generally, it'll take longer to get...for the completion of the whole Freeport bypass it'll take slightly longer to get individual segments open because of the nature of the construction around Freeport. But the general pattern of being able to speed up the timetable by roughly 300 percent would apply to the Freeport bypass as well as to US 51..."

Mulcahey: "Okay. So, we're talking about a completion date with these new monies which is included in this package of what?"

Secretary Kramer: "I believe, in the case of the Freeport bypass within five years, possibly some sections of it earlier

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

than that. Without it, ten to fifteen years."

Mulcahey: "Alright. I have one more question and then I'll yield to someone else. I know this is, to a great deal, out of your jurisdiction and it's out of your hands, but indeed if you did have an opportunity to make somewhat of a contribution and somewhat...and provide some input, what would be the Department of Transportation and or the administration's position on the reopening of the Amtrak service between Chicago and Dubuque?"

Secretary Kramer: "We would..we'd be delighted to discuss it. They're..."

Mulcahey: "Yes, Sir. I realize that...Yes."

Secretary Kramer: "There are...Representative, I must say though, that the full...that the full service between Chicago and Dubuque, under current circumstances, cannot be economically supported. The ridership has declined precipitously in recent years and further, before we would know the exact status of that train we would have to know what Congress does with the federal Amtrak appropriation which the administration has proposed to cut back. But I think we ought..probably ought to pursue that in greater detail with you individually."

Mulcahey: "Alright. But you're not exactly ruling out the possibility of that service being reinstated? Is that correct? If, indeed, the Congress does come up with a proper appropriation, Department of Transportation of course is friendly to that cause."

Secretary Kramer: "Well, I can't commit myself standing here today to that. The other ..The other 'if' that would have to be put on it is that it's an economically supportable train which in its current form it's not now. But that certainly is a matter for discussion."

Chairman Neff: "The Gentleman from Cook, Mr. Conti."



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Conti: "Yes, Mr. Chairman. I wasn't going to ask any questions of the Secretary, but Harlan Rigney brought up the fact that you were very instrumental in putting this package together. Mr. Secretary, I've watched your predecessors defend the transportation...Let me get this straight first. I've been a strong proponent of the transportation system as far back as the 1957 Session when I introduced a Metropolitan Transit Authority Act. And I believe that transportation is vital for the economy in the metropolitan area. And if you've had something to do with putting this package together, why is it that we are so quick to abolish the RTA or change the initials of that Transit Authority and make the CTA so sacred? And the CTA is really the cancer in this whole transportation problem. The question I'm asking you is, as long as the road program...Before the road programs were involved in any of these transportation crisis or where we had to subsidize the CTA, never a road program was attached to it. But now, in the last two or three Sessions, there's always a road program offered to the downstate Legislators to help the CTA bail out their serious problems that they have and they're going to continue to have as long as they operate the way they do. My question to you is, as long as we're going to have a road program tied to the transportation system, would the Illinois Department of Transportation, instead of changing the initials of the RTA to FTA or whatever you want to call it, why doesn't the Secretary of Transportation take this over if it's going to be a road program and run the transportation system that's needed in the metropolitan area of Cook County or even look at it broadly on a statewide basis?"

Secretary Kramer: "Representative...Representative Conti, let me just say by way of introduction that we and the Thompson

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

administration are well aware of the great leadership that you have provided in transportation over the years and appreciate the fact that we have been able to work with you and your colleagues on important transportation issues as well as other issues. The reason that we are proposing that the RTA be abolished is that we believe that the RTA has been an abject failure. It has neither provided the coordination of services and the service improvements that were envisaged at the time the Legislature created it in 1974, nor has it provided the level of accountability for transit services that people hoped it would provide, nor has it most importantly provided the financial discipline that is essential to transit working on a long-term basis without the need for periodic bail outs by the state and by this General Assembly. We believe that the Finance Authority that is being proposed is not just a renamed RTA, that it is, in fact, something very, very different. It is an authority with real financial teeth. It is not a toothless fiscal watchdog as some have proposed. It is a Body which cannot, and I emphasize cannot, legally grant subsidy to the CTA or anybody else unless the budgets are balanced on an annual and on a quarterly basis. It is a Body where the Board Members would be accountable. It is a smaller and less unwieldy and wasteful Body than the RTA is now. With respect to the CTA, we don't believe that the principal problem with the CTA is its actual operations. Contrary to what some have said, which is that we are proposing that a Finance Authority Board with its Members appointed by the Governor, determine routes, services and fare levels on the CTA, we are, in fact, proposing that the CTA be given some operational freedom but with one extremely important caveat which is that it live within its means, that it not spend us into crisis ever again and that

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

its labor contracts and other major expenditures be subject to prior approval by the Finance Authority Board. We believe that that allows the CTA to do what it now does relatively well, which is operate the services in a locally accountable way, while at the same time provide the financial discipline which the RTA was supposed to provide when it was created but never did."

Conti: "And you would not consider taking over the transportation system in the State of Illinois as long as the state has to pick up this tab every year?"

Secretary Kramer: "Mr. Conti, I appreciate your..your vote of confidence in me and the Department of Transportation, but we've got enough problems with what we're doing now."

Chairman Neff: "The Gentleman from Coles, Representative...Mr. Stuffle."

Stuffle: "Yes, Mr. Chairman. John, if you could go back to your remarks regarding your argument that there would not be a disproportionment effect on the agricultural community by way of this package of Bills, should it be implemented—Would you repeat to us that percentage, one-tenth of one percent percentage? What was that tied to? Operating costs on the farm?"

Secretary Kramer: "It's...I'm sorry. It's three-tenths of a percent of operating costs. This is based on University of Illinois' report, 'Illinois Farm Business Records'. And this is based on a 600 acre grain farm which would have production costs totalling approximately \$174 thousand per year. That...The basis of it was the University of Illinois' 'Illinois Farm Business Records'."

Stuffle: "Okay. It's tied to that. Some of us in the farm community have taken it upon ourselves, not only to talk with the Farm Bureau and some of the farm organizational entities, but among ourselves with some of the people who

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

are farmers. We have some concern: #1, whether or not particularly with regard to the tax imposed by this package, the gross tax, whether or not that tax would cover, first of all and most importantly anhydrous ammonia?"

Secretary Kramer: "No."

Stuffle: "Why?"

Secretary Kramer: "Anhydrous ammonia's energy content is natural gas which is already taxed at the five percent rate."

Stuffle: "Then, is propane covered?"

Secretary Kramer: "Propane would be covered as an oil product."

Stuffle: "Why?"

Secretary Kramer: "We are proposing that all oil sales be taxed. We believe that oil...that it's important that everybody be treated fairly and that there not be exemptions which would have the effect of driving up costs for those who would still be paying the tax."

Stuffle: "My point is...My question is not to that nature. But, my understanding is, and perhaps if I'm wrong I know that many others...and we've just been talking with Mr. Stewart from the Department of Revenue about these definitions and they're very important to the farm community....It's my understanding the Farm Bureau believes in looking at this Bill, or this package, that anhydrous is taxed. Secondly, it's my understanding that propane is..."

Secretary Kramer: "Excuse me, Larry."

Stuffle: "Yes..."

Secretary Kramer: "Representative Stuffle, they're right. It's being taxed now. But this...but not under this..."

Stuffle: "...Not under this tax. Well, my understanding is that some of the propane does too come from natural gas and in fact...in fact manufactured on the borders of my District, in Tuscola. And if that's true and if anhydrous isn't

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

because it comes from natural gas, then my question was why propane?"

Secretary Kramer: "Any product that is produced with natural gas as its base would not be taxed. Most propane, however, is an oil derivative and it, like other oil products, would be taxed..."

Stuffle: "Most, but that which isn't would not be?"

Secretary Kramer: "Right...Other than to the extent that it already is by the five percent utility tax..."

Stuffle: "I would just indicate here, parenthetically, that in talking and some of the figures worked up by some of the farmers who sit in this General Assembly including my colleague...Republican colleague, Representative Woodyard, and we sat down and looked at this, if anhydrous were out of the tax scheme, the estimate he made and we made sitting here earlier and we did more than a little rough calculation, was that there might be a two and a half percent cost increase to him and if it were in, a five percent cost. But aside from that, let me ask you this. It's my understanding, John...very briefly, one more question, aside from those. It's my understanding the RTA is abolished by this package."

Secretary Kramer: "Correct."

Stuffle: "Then why in House Bill 737, Section 3-A, does this Bill state 'monies appropriated from the Transit Fund may be used for the following purposes, including public transportation services by the Regional Transportation Authority'?"

Secretary Kramer: "That's the old Act which is being amended."

Stuffle: "Well, if it's being amended and this is a new Act, which 737 involves itself with, why isn't that changed? Why is that reference still in there?"

Secretary Kramer: "Representative, there are some contracts which

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

the RTA has now, which have to be paid and honored so that this Act will be Constitutional."

Stuffle: "So you're saying we're picking them up as a predecessor of this successor organization..."

Secretary Kramer: "Yes.."

Stuffle: "...With the new money from the new taxes in the new fund would continue to go for that because of the contractual obligations?"

Secretary Kramer: "Well, we have no choice but to meet existing contractual obligations."

Stuffle: "Thank you."

Secretary Kramer: "Representative Stuffle, I know there is a...there are a lot of ..of detailed concerns that ...that Members of this Body have with respect to the impact of the tax on the farm community. And what..although Director Tom Johnson from the Department of Revenue will be here to testify following me and will get into that in somewhat greater detail, we would be delighted to meet and go through our figures in detail with any Member of the General Assembly who's interested in pursuing that in detail."

Stuffle: "I would appreciate that. I would just say this, figures are still being worked up. There's a disagreement as to what is taxable and what isn't. You and I, I think, entered into a discussion here that indicates there is a clear problem defining what a natural gas by-product is as opposed to other types that may be taxed and secondly, would indicate that ...your comment regarding the possible \$200 a year cost to the user on an average should we do nothing, contrasts greatly with some of the figures we've seen on, say an 800 to 1,000 acre farm, where the estimates are, without considering anhydrous as taxable, that there would be a 2,000 to 3,000 dollar per farm cost increase."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Secretary Kramer: "Well, even if you were prepared to assume that the oil companies would not take advantage of their tax deduction, and they would be the first company I've ever heard of that didn't claim a tax deduction to which it was entitled, and you were to further assume that marketplace forces would allow them to pass through the entire amount, which would be the first instance of that that I've ever heard of, particularly in commodities that are as competitive as ...as pesticides and herbicides, which are affected by this, the total cost even making those assumptions which we believe to be rather outlandish, the cost for a 600...for a typical 600 acre farm, using the University of Illinois' farm reports would be \$653 and that compares with a cost much larger than that to the agricultural community of allowing the highway system to go down. Because while that \$200 per year per motorist is accurate for the general population, the rural community which drives more than people in urban areas do, where there are more vehicles, including trucks, and where there are extra transportation cost due to the movement of grain, are far in excess of this cost that we would be ...that we calculate the Illinois farmer would pay."

Stuffle: "Lastly, no question, but just a statement. When you provide us those figures and definitions, would you also provide us with some breakdown of the differential as to what you consider to be petrol versus hydro-chemicals because there's some concern when you get into that area of which is which because some of the things commonly known as petrol chemicals are indeed based upon water hydro-chemically and there's a big difference there. These costs could double depending upon...to the farmer, depending upon what is and isn't in this package."

Secretary Kramer: "Yes, we'll do that, Representative Stuffle."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Chairman Neff: "The Gentleman from Lake, Mr. Deuster."

Deuster: "Secretary Kramer, it was good to hear you express some interest in financial discipline. For this reason I think there is a public perception on the part of the people and the taxpayers of Illinois that what we're doing here can be described in some ways they don't like. I think many people all over the state feel that the Chicago Transit Authority has run out of money essentially and we are here to tax all the people of Illinois, to bail out the CTA. That's a perception we have to deal with and I, for that reason, was glad that you directed some attention to the need for financial discipline. One of the Bills before us is House Bill 743, which redoes the RTA to get rid of it. And on page sixty-three of that Bill on line twenty-seven, it does provide what you suggested, that all of the grant recipients must show a balanced budget and that means a balanced budget from all of their sources. Now, what are all of their sources?"

Secretary Kramer: "The first...The first and largest source is the farebox."

Deuster: "Farebox? Yes. What else?"

Secretary Kramer: "The second is whatever federal aid they may receive. The third is the ...is the local taxes that are being raised. In the city of Chicago it would one percent, in suburban Cook County one-half percent and in the collar counties, depending on...on County Board or municipal action either a quarter percent or zero and the third (sic) and final source would be state contribution."

Deuster: "And that is a contribution that would...that we would appropriate each year?"

Secretary Kramer: "Correct..."

Deuster: "And so..."

Secretary Kramer: "...That would be subject to the same scrutiny



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

which Members of the General Assembly provide over state agency records."

Deuster: "That's reassuring. There's nothing in here that limits that amount is there, other than what we might appropriate?"

Secretary Kramer: "No. For the...And we've thought about trying to find ways of doing that, Representative Deuster, and concluded that there was no Constitutional way of doing so given the prohibition in the Illinois Constitution of one General Assembly tying the hands of the next. Any Statute that we pass could, of course, be amended by a subsequent Statute. There is something that is extremely important though for everybody in this General Assembly to know, which is that the proposed allocation to transit that we are giving includes \$150 million cost saving which must be realized if this program is to work."

Deuster: "Secretary Kramer, there were two statements that you made which I might summarize. One is that not one penny of tax money from downstate Illinois is going to go up to the CTA or the TFA or whatever. And, secondly, that what we're doing here is making them live within their means. And to get to that, we've said they're living within their means, which is their budget, which consists of their farebox plus what we appropriate and that's an unspecified and unlimited amount, depending on what we do year by year. So there really is no top limit and it is possible, is it not, Secretary Kramer, that we could, depending on the political...things that happen in this town, we could appropriate a great, substantial amount of the money coming in from this billion dollar tax to the TFA, could we not? And that would include money collected from southern Illinois, western Illinois, eastern Illinois and all over the state?"

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Secretary Kramer: "Well, it is true that the General Assembly can always change its mind, change the law and change its intentions. And there's nothing that anybody can do to limit present or future General Assembly action on this or any other issue. In my judgment, it is extremely unlikely that this General Assembly or any Governor of Illinois, but most certainly the current Governor of Illinois, would ever tolerate that."

Deuster: "What do you think of some ...since there is no financial control here, no financial discipline other than what we might do and we're not the best disciplinarians, would you think that it might be wise? We somehow got to send a message to, as I sense it, the people of America told President Reagan to do something and that is to control costs and we aren't controlling cost here...Should there be some kind of Amendment that says fifty percent of this budget shall consist of farebox receipts or charges plus contributions from local government? Shouldn't there be something in here?"

Secretary Kramer: "Well, I think...I think you have...you have something much better than that, which is you've got a predetermined amount by the General Assembly of how much the system will be getting and the difference has to be made up from other sources. You may...The problem with a formula of that kind is that rather than becoming a floor, it becomes a ceiling. And you probably, I suspect, in certain years may want the local contribution and the farebox and federal contribution to be more than fifty percent as it is now. And so...so formulae it seems to me have the problem of at once being too rigid and not achieving their intended purpose while at the same time being ...is subject to annual change by the General Assembly as an appropriation is. We go through every year

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

in the case of the school aid formula, with endless debate about changing the formula. And that debate it seems to me is ...is less specific and less important than the debate over what the appropriation ought to be and it seems to me that that's your best control. There's nothing we can do to bind the hands of future General Assemblies other than ...other than to structure a process which gives you balanced budgets and financial discipline. The structure we've proposed with this Finance Authority modeled on the School Finance Authority we think does that and in addition, the appropriation we're suggesting has inherent in it \$150 million in cost savings over the next two years."

Deuster: "My last question, Secretary Kramer, is this. I think the political realities of course, nobody outside of the Chicago region is going to vote for this unless it included roads. And so we've got roads in here. And the problem is I'm not sure I want to help you pass this tax, but I don't see how any downstate Representatives can vote for this unless there's some guarantee. The way this works as I see it, we put this tax on. We put it all into the Transit Fund. We appropriate it out to the Transit Control or Finance Authority and what's left over goes to downstate roads. And so, they've got no guarantee at all. Now, have you thought about or would you consider saying that 30 percent or five percent or 40 percent of this money go to roads?"

Secretary Kramer: "I...Again, I think the guarantees which are in here are better than the guarantees that are achieved by a fixed formula...I would be..."

Deuster: "What is the guarantee? There isn't any..."

Secretary Kramer: "...But I would be pleased to work with any individual Members of the General Assembly who would care

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

to draft an Amendment that provides a formula as well. I just think that the mechanics of that formula are going to be...are going to be difficult. But I would be delighted to sit down and try and work that out...The problem you have..."

Deuster: "...Minimum wage. At least there's something in there for the folks downstate. Thank you, Secretary."

Secretary Kramer: "We could certainly do that."

Chairman Neff: "The Lady from ...The Lady from LaSalle, Mrs. Breslin."

Breslin: "Thank you. Mr. Secretary, you have indicated that under the present program if we do not adopt this tax increase proposal, that we will have the smallest road program ever in the last 25 years of this state. We adopted 18 months ago a road program that was to last for four or five years. Can you tell this Assembly and the people of the State of Illinois what happened to that road program?"

Secretary Kramer: "The first thing that happened was we widened and resurfaced over 1800 miles of roadway in Illinois. We replaced over 250 bridges, including, Representative, as you know, the Ottawa Bridge which has been a sore point for at least the last 30 years in your area of the state. We've done, I think as a result of the General Assembly's action, a great deal over the last 18 months that otherwise wouldn't have happened. At the same time, I must say that things have happened to us over the last 18 months that we did not anticipate before that program was prepared and enacted by the General Assembly that have resulted in having a two year life rather than the four year life that we were hoping for."

Breslin: "And what were those things?"

Secretary Kramer: "Well, the first was a dramatic reduction in

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

the level of federal aid. At the time the program was passed, the federal highway program was growing and Illinois was receiving more federal aid for roads and bridges than any other state in the Union. Unfortunately, after the program was passed, Washington got religion with respect to cutting federal spending and the first area chosen for cuts was the highway program. In between President Carter's January 1980 budget and his revised March 1980 budget, we took a tremendous cut. We retained our position of being first in the nation with respect to the receipt of federal funds, but the overall pie was diminished to the point where those cuts on top of the additional ones proposed by President Reagan will result in a \$327 million loss in federal aid coming to Illinois this year and further reductions in federal highway funds next year and into the future as the Federal Government attempts to bring federal spending under control and to balance its budget. Secondly, in the 18 months since the compromise package was enacted by the General Assembly, we've seen a rather precipitous decline in state highway revenues. Gasoline consumption is going down at a far greater rate than anybody anticipated it would 18 months ago. And it's likely to continue to do so into the future and that affects the revenues from the seven and a half cent gallon gas tax. And finally, inflation in the construction industry and inflation generally, has been much higher than anybody was predicting two years ago. We have as a result of all three of those things, namely federal funding cuts for highways, lower growth rates for state highway revenues and higher construction, inflation in the industry, then hit with a financial crisis of unprecedented proportions in the road program...This program learns from those mistakes. For example, the \$900 million program that we are proposing

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

to carry forward with this program takes into account the full cuts proposed by President Reagan, which are \$200 million a year in cuts from the level proposed by President Carter. We are including in our projections continued declines in state gas tax and license plate fee revenue in real terms, and we are assuming that inflation is going to continue. So we...There's, in my judgment, no chance or very little chance that Illinois could be caught off guard again."

Breslin: "But, Mr. Secretary, don't we still run risks under this proposal? #1- we still don't know how many other tax proposals are going...tax cuts are going to be proposed on the federal level. This Federal Government that says it's going to cut taxes causes us to raise taxes. In addition to that, we really don't know whether the growth rate of your proposal will fluctuate as you say it will, just as we didn't know 18 months ago. We don't know what inflation is going to be 18 months from today, just as we didn't know 18 months ago. So, why don't we have the same flaws? Isn't there the potential that we will produce either less money or perhaps even far more money than you have estimated that it will?"

Secretary Kramer: "Representative Breslin, I think the key to answering your question is, first, we have assumed the full cuts proposed by President Reagan. The debate in Washington now and I've unfortunately been spending more time than I would like there participating in that debate with the Congress, is not whether the cuts should be deeper than the President has proposed, but rather whether they should be less deep. So our assumption with respect to federal funding is conservative because we have assumed the full cuts proposed by President Reagan. It's, in my view, likely the Congress will not approve the full cuts proposed

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

by President Reagan, but something slightly higher. Obviously we do not yet know and will not know for many months to come just exactly what Congress will do with respect to federal spending for highways. With respect to inflation, we have assumed the inflation rates projected by 'Chase Econometrics' which call for fairly high continued inflation over the next several years in the construction industry. If inflation were to be smaller, if it were to be immediately brought down to the levels which some federal economists are saying it will be if the full program as proposed by the Senate...er...proposed by the President is enacted, then we would be in relatively better shape. As far as the oil tax revenues go, the Department of Revenue has done very, very detailed calculations and Director Johnson and Director Mandeville of the Bureau of the Budget will be available later on to get into details on those."

Breslin: "Okay. Why has your administration chosen not to increase the motor fuel tax? And especially, why have they chosen not to go to a percentage motor fuel tax rather than the cents per gallon tax?"

Secretary Kramer: "The honest answer to that, Representative Breslin, is we became convinced that such a tax would never pass the General Assembly."

Breslin: "And how did you become convinced of that?"

Secretary Kramer: "We were...we were told by many, many Members of this House, many, many Members of the Senate that the votes just simply weren't there to do it."

Breslin: "And, have you asked those same Members if this one will pass? I don't...I have never been asked so I would like to know what your....?"

Secretary Kramer: "Our private... I'm sure that nobody really knows until it's put to an up or down vote and somebody has

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

to push a green button or a red button."

Breslin: "I know how the process works..."

Secretary Kramer: "But the.."

Breslin: "I want to know if you know that that's the count today?"

Secretary Kramer: "I don't think there is...I haven't heard a count today. The one thing that...The one thing that I've heard is that most Members of this Body believe that there's a transportation crisis that has to be dealt with on both the highway and transit side, but that everybody would love to provide the additional revenue to solve that problem without increasing taxes."

Breslin: "But this is a tax increase, is it not?"

Secretary Kramer: "Sure, but we believe it's a tax increase which will fall far less heavily on Illinois business and Illinois consumers than any other mix of taxes would which raise the revenues that are necessary to deal with the problem."

Breslin: "How much money would we raise if we changed the seven and a half cent motor fuel tax to a seven and a half percent tax?"

Secretary Kramer: "Just a second. We're looking up the number. Unfortunately, Representative Breslin, it's a small part of the \$600 million a year in new revenue we need. To get the revenues...ten percent ad valorem only raises about ...well it raises \$72 million in Fiscal Year '82 and \$112 million in '83 for a total of roughly \$194 million out of the billion 24 that's required over the two year period. So it gets less than a fifth of the way there. Obviously a seven and a half percent tax would fall farther short than that."

Breslin: "Okay. Thank you."

Chairman Neff: "The Lady from Marshall, Mrs. Koehler."

Koehler: "Director Kramer, how does this new plan affect bridge



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

construction in LaSalle and Peru area?"

Secretary Kramer: "This plan would allow us to begin work on the long awaited Illinois River bridge on the new US 51 freeway just east of LaSalle-Peru."

Koehler: "What is the timetable on that?"

Secretary Kramer: "Well, that's a number of years into the future because we're still doing the engineering on that now. The next stage after the engineering and environmental approvals are done, will be to acquire the right-of-way. I think...The first stage of construction on the new river bridge would be in Fiscal Year '84, '85 depending on the completion of the engineering and the right-of-way acquisition."

Koehler: "Would this proposal speed up that with any significance?"

Secretary Kramer: "Oh, absolute...No, that's with this proposal."

Koehler: "That's with that proposal..."

Secretary Kramer: "Without it, I'm afraid that bridge is probably something like 20 years away."

Koehler: "Thank you very much."

Secretary Kramer: "I would say, Representative Koehler, that the proposal does provide for an immediate benefit on 51 in the LaSalle County area, and that it would allow us to begin paving quite quickly on those sections north of I80, between I80 and Mendota, that have already been graded. So there would be an immediate infusion of badly needed construction jobs in the LaSalle-Peru area, which is where the work force would be drawn from primarily for that paving work."

Koehler: "Thank you."

Secretary Kramer: "Thank you."

Chairman Neff: "The Gentleman from Winnebago, Mr. Giorgi."

Giorgi: "Mr. Secretary, I'm going to pick up where

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Representatives Mulcahey and Deuster left off. You said you wanted to work with the Legislators to guarantee that some things occur. I happened to be here when Governor Ogilvie wrote the first bond issue program and by now the north-south highway should have been finished. I should have been riding it. So, I'm not going to ride it until next November, till after the next Governor's election, I think.."

Secretary Kramer: "It'd better, Representative Giorgi, it'd better be before the next Governor is elected or this Secretary of Transportation is going to be in trouble."

Giorgi: "Well, I'm going to help you stay out of trouble if you follow me along for a couple of minutes. You're talking about a \$400 million bond issue, right? And I think you've leaked out where the \$400 million is going to be spent. Could you refresh our memories on that?"

Secretary Kramer: "Yes. We've discussed in broad detail where the \$900 million road program would be in terms of projects..."

Giorgi: "No, no. The \$400 million bond issue- you're asking for a new authorization for \$400 million for roads and then you're asking...you're going to give the new RTA \$200 million in bonding authority if these Bills are accurate. There's \$600 million involved."

Secretary Kramer: "Yes. Those...those aren't comparable. What we've been working on and I've been discussing in response to specific project requests is which projects would be funded out of the total program. Some would be road funded. Others would be bond funded. I think what might be most helpful on the individual projects would be for us to ..those who have individual district concerns, for us to meet individually or...and we will, of course, publish a project's specific road program that would go with the

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

revenues of this package."

Giorgi: "John, I'm going back 11 years and I'm not going to be waltzed again. On House Bill 739, you talk about a Transportation Bond Act, series A bonds, of \$400 million. You've got to have an idea of where you're going to spend that \$400 million. I'm told you're going to spend \$100 million at FAP-4-12, is that correct or incorrect?"

Secretary Kramer: "No, that's low for FAP-4-12 or the US 51 freeway... It will cost \$85 million to build the section from Rochelle to I-80..."

Giorgi: "That's the one I want...Carry on. Very good..."

Secretary Kramer: "...We are proposing beyond that work be undertaken on the LaSalle bypass and also in equally and importantly to some other Members of this General Assembly that work be done on the 51 freeway between Decatur and Bloomington..."

Giorgi: "I'm going to take care of them, too. No hurry..."

Secretary Kramer: "And one thing that I think is very important to point out is that we have, contrary to counter-assertions, kept every promise that this administration has made on 51 and we have already put \$100 million worth of work under contract between Rockford and Rochelle as part of the package approved by this General Assembly 18 months ago."

Giorgi: "You just said \$85 million was needed to complete the FAP-4-12 from Rochelle to I-80, right?"

Secretary Kramer: "Right."

Giorgi: "Okay. And that's going to be part of your \$400 million bond issue. Is that correct? Then you wouldn't object to an Amendment...you could support an Amendment that would allow the counties affected and the mayors of the county seats to have veto power over your dipping into that fund once you set it aside for FAP-4-12? Would you have any

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

objections to that? Could you promise me support for that?"

Secretary Kramer: "It seems like rather an odd procedure that ..."

Giorgi: "...It sure is. I've learned that after 11 years..."

Secretary Kramer: "...The county and township officials would be given veto power over appropriations made by this General Assembly, but if..."

Giorgi: "...Advisory power..."

Secretary Kramer: "If this General Assembly choses, as it has in every year past, to earmark bond appropriations for specific projects, we will live within those appropriations just as we always have."

Giorgi: "Would you support an Amendment that would allow the counties affected and every county has a county seat and the mayors of those county seats, having at least advisory veto power over you dipping into that fund, to take it somewhere else rather than to use it for what it's earmarked today, PAF-4-12? Would you support me to that extent?"

Secretary Kramer: "Representative Giorgi, I'd like to see the Amendment before I support or oppose it. But I will promise you that I will do is work with you and other Members of the General Assembly who are interested in ironclad guarantees on 51, that you get them. Because I think your interest is in seeing the highway built, not in whether township supervisors have veto power over action by the General Assembly or the Department or advisory power. We'll work with them..."

Giorgi: "I've got the Amendment prepared so, you know, whether you support me or not, we're going to present it."

Secretary Kramer: "Okay."

Giorgi: "But I do think that it's about time that someone was

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

made to keep their word. We've heard for, again, for 11 years that FAP-4-12 was going to be built. Every time I supported a bond issue, they built another mile. Now I think they've built 12 miles in 12 years. That's a mile a year. At that rate, I won't even see it in posterity. But anyway, I'm going to introduce the Amendment and I hope you can support it. All I'm doing is allowing those counties that have been affected for the last 30 or 40 years that has been promised and the mayors of the county seats, I want them to know if they're going to be double-dealt by the Governor so that we'll put it in..in the Statutes."

Secretary Kramer: "Representative Giorgi, I think it is important that the record show that this Governor has kept every promise on 51 and that if you want guarantees beyond this term on 51 that the best thing you could do is support his reelection, Sir, because he has kept his promises.."

Giorgi: "You're committing sacrileges here on the floor of the House."

Chairman Neff: "The Gentleman from Marion, Mr. Friedrich."

Friedrich: "Yes, Mr. Secretary, the Governor made a couple of statements and I assume you're speaking for him here today. One of them- and I don't know-we've been going to meetings pretty regularly-I don't know what meeting this was in-but he said on this cost to the farmers they could pass it on. Now, I'm trying to figure out how a farmer passes on a tax on corn when he's competing with the guy from Iowa that doesn't have the tax. Did he mean assume the tax or did he mean pass it...He surely didn't mean pass it on. There's no way to pass it on that you know of is there?"

Secretary Kramer: "No. Representative Friedrich, I believe what the Governor was saying- and I wasn't ...I wasn't present when that statement was made...was that the cost to the

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

farmer with this tax would be considerably less than some have suggested, that those...those costs which would amount to about three-tenths of a percent of total operating costs on Illinois farms. That is less than one-half of one percent, could be absorbed by farmers who file federal income taxes. And I realize that there are some farmers whose profits currently are sufficiently low that they aren't able to deduct much from their federal income taxes as a cost of doing business. Most do file federal income taxes and those farmers who do could deduct as a cost of doing business this additional potential of three-tenths of one percent into their operations as a cost of doing business."

Friedrich: "Yes, but using your own figures, so it would be in excess of \$1.00 per acre. I've seen projections higher than that. But anyway, using your own figures, on a 600 acre farm that's over \$1.00 an acre. Now, the other question was, the statement was by the Governor that no one that did not live in the RTA area would pay any tax to support the RTA. Now, I've seen the projections that you've put out in some of the literature and it showed that 42 percent, right off the top, went to run the mass transit in the RTA area. I'm going to refer to it as 'District #1', I think that's how you relate a little better than the other. So 42 percent of this tax right off the top is going to 'Highway District #1'. Then, the residue, that's what the projection shows in 1983..."

Secretary Kramer: "No, Representative. The 42 percent is earmarked for transit which includes both Chicago area transit and downstate transit."

Friedrich: "No, eight percent..you look at your figures. The sheet showed 42 percent for RTA area and 8 percent for the rest of the state. That's 50 percent. I have the figures

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

right here."

Secretary Kramer: "Well, I've got them too, and I believe...."

Friedrich: "Well, you've got a different sheet then. But the one that was passed out to me by the Governor shows 42 and 8. Alright. Let's assume that 50 percent goes for mass transportation and only 8 percent of the mass transportation is downstate. Now, the other 50 percent and it's what you call 'residue', I'm smart enough to know that residue can mean anything less than 50 percent too. But isn't the...Doesn't the majority of the motor fuel tax go to District #1 area?"

Secretary Kramer: "No."

Friedrich: "What? On a population basis, it's partly on a population basis?"

Secretary Kramer: "No..."

Friedrich: "You've got over half the population. Why wouldn't you get over half of it?"

Secretary Kramer: "No. The bulk of the highway revenue and the state highway program goes to the 96 counties as my friends from northeastern Illinois will painfully attest. And the reason that the road program is concentrated...state road program is concentrated downstate is that the 96 counties in downstate Illinois have relatively greater highway needs than the 6 counties of northeastern Illinois and we, therefore, allocate typically 70 percent of the statewide road program to the 96 downstate counties..."

Friedrich: "But motor fuel tax as part of the formula is population, right?"

Secretary Kramer: "Yes. The motor fuel tax portion is...60 percent is distributed by formula to local governments and the factors include, depending on whether you're talking about the county, the municipal or the township systems, vehicle...number of vehicles registered, miles of township

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

road and population. And the miles of township roads is in that formula for local government contribution to make sure that downstate gets its fair share..."

Friedrich: "But, because of population, District #1 gets a disproportionate part of motor fuel tax, as opposed to the other counties..er...other districts. Alright, then, the balance of that, whatever it would be, would be divided up among 96 counties and I can't believe that you can't say that people in my District would not be paying for RTA in Chicago. Alright. The other question now was, there's a great deal of emphasis on this system requiring CTA to balance the budget. But one of the factors there is the appropriation. Now, if the Legislature appropriates enough, obviously they can balance their budget. If they don't, they...If the Legislature doesn't, obviously they can't. Well, I can balance my budget that way. Now, there's no formula in there. So, whatever the Legislature does, they can balance their budget or not balance it. Right?"

Secretary Kramer: "Well, Representative, again, we would be delighted to work with you and other Members of the General Assembly on a formula. But I believe that the appropriations process gives you a better guarantee than any hard and fast formula. If you don't, let's sit down and talk about it."

Friedrich: "Well, if this ends up retiring Governor Thompson, it won't guarantee us downstate anything. Now, the final thing and I'm really concerned about this one-- a couple of years ago people in my category, in my area, went for the Thompson-Byrne package because we finally got rid of paying sales tax to run the CTA. We were promised then that we would get road money. We haven't. I've looked at your 1982 package and you know how much my District got? Zip.



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Zip. And you look at District #1, their district got six pages for District #1. My...The 55th District got zip. Now..."

Secretary Kramer: "Representative..."

Friedrich: "...If you're going to promise us again that we're going to get money, why should we believe that?"

Secretary Kramer: "Representative Friedrich, I believe if you look at the amount of construction underway in your Legislative District you will find that there is work underway on 409, new US 50 freeway, which we discussed before. I believe you will find that there is widening and resurfacing work underway. I believe you will find that there is bridge replacement underway, none of which would have happened without the General Assembly's approval of that 1979 compromise package which was sponsored by your seatmate..."

Friedrich: "I want to go over the 1982 highway program for my District and you show me where those are. I want to see them."

Secretary Kramer: "Well, the 1982 program that you have before you is the result of no new revenues. Obviously, if this General Assembly passes a program which provides for 60 percent of the revenue going back to the road program, as we've proposed, that is, \$598 million for highway projects over the next two years, there will be additional work in your District, as there will be in every other Legislative District..."

Friedrich: "...District #1 has about five pages in the 1982 thing and mine has none. I'd like to go over it with you."

Secretary Kramer: "I'd be delighted to go over it with you, Representative."

Chairman Neff: "The Gentleman from Sangamon, Mr. Kane."

Kane: "Secretary Kramer, you indicated, or I think that the

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

figures when we passed the last highway program 18 months or so ago, your statement at that point was that that program would provide road program of something like 1.1 billion dollars a year. And, that's considerably reduced and you gave Representative Breslin some reasons. It seems to me that the reasons that you've given don't adequately account for the vast difference. I think your gasoline tax revenues have decreased..what?...8 percent?"

Secretary Kramer: "Well, the gasoline tax revenues have decreased since the period the package was passed, \$59 million from the level projected at that time by the General Assembly and by us. The main cut is the federal highway cut which is \$327 million for this fiscal year alone. And I would be pleased, Representative Kane, to account for every penny of the difference, because we can and we would be pleased to do so with you."

Kane: "On the federal highway cuts, where has that federal money gone to? Because I don't think any of the federal gas taxes have been reduced and isn't all of that money in a Trust Fund?"

Secretary Kramer: "Basically what is happening is, Federal Government is building up balances in the Federal Highway Trust Fund, which allow the Federal Government to borrow against that for financing the national debt rather than having to go to the private money markets to borrow. So, although the Federal Government cannot use that money that's building up in the Federal Highway Trust Fund, directly for other government programs, the Federal Government can use those balances to reduce the national debt, which is exactly what they're doing now."

Kane: "Is that program likely to continue? Are they going to impound those funds...?"

Chairman Neff: "Yes...Yes and what's your point of order? State

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

your point."

Matijevich: "Not really a point of order, and I don't want to interrupt Kane. I thought he was through. But I've heard from some who have been invited here that they feel that they've come here a long way at the invitation of the Speaker. We pay John Kramer and he'll be here till midnight for us to ask him questions. And I think that it's unwise for..for all of these Mayors and others who have come down here to get mad at the Speaker and they'll never come back here again. And I think, Mr. Chairman, that our better procedure after John Kramer gets through is to hold back the other state officials until we have some of these people that have traveled a long distance at the invitation of the Speaker so that they can be heard."

Chairman Neff: "Your point is well taken and we have committed ourselves to a couple of others and then we'll continue as you have suggested."

Kane: "Secretary Kramer? No, I'm not done. I'm not done."

Chairman Neff: "Oh, okay."

Kane: "Could I continue? Mr. Chairman? On your bonding program, 18 months ago we gave you an additional \$400 million worth of bonds, which, at that time, you said you would be issuing or spending at approximately \$100 million a year for the next four years. And, the position of the administration has been in the last four years to cut down on bonding for highways, particularly in bonding generally, since in the last ten years we've gone into a four and a half billion dollars worth of deficit financing in the state. Yes, that is a large number, Mr. Secretary. Why are you asking for an additional \$400 million worth of bonding at this time? Do you intend to sell those bonds, accelerate your selling of bonds? What are you doing?"

Secretary Kramer: "There's..Basically what we're attempting to do

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

with the bonds is to advance construction so that projects can be done, desperately needed projects can be done quickly and at less cost than would be required if those construction projects were delayed to the point where current revenues could cover their full cost. This program of new bonding, it is very important to note, does provide first, that there is a much improved ratio between ..."

Kane: "...Let me ask you a question differently..."

Secretary Kramer: "...Current revenues and long-term costs..."

Kane: "How much are you planning on selling in highway bonds in the next...over the period of these 400 million?"

Secretary Kramer: "Let me talk in terms of obligations as opposed to selling. Somebody can perhaps look back and..."

Kane: "You can't obligate them until you sell them, right?"

Secretary Kramer: "No. No, you obligate them and then you sell them at the rate that the construction payments..."

Kane: "...Over what period of time ...Over what period of time are you going to sell these bonds?"

Secretary Kramer: "They would be sold over..over a six or seven year period as the full construction was being completed and all the payouts were made. The...The timetable for obligation is in '80 and '81, \$210 million would be obligated, in '82 through '83 \$190 would be obligated, and '84 through '86 \$400 million would be obligated. So you see from that obligation rate that there is a declining bond obligation and hence, bond sale program, built into this as there was in prior programs and as I know you and other Members of the General Assembly have insisted."

Kane: "This is approximately the 11th year that we've financed highways with bond funds at approximately 100 million a year?"

Secretary Kramer: "No. As you will recall in the FY '76, during the Walker administration, there was a year in which there

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

was more than \$500 million in bond obligations..This..."

Kane: "...I'm talking about sales...the approximate level of sales.."

Secretary Kramer: "Approximate level of sales, I believe, for highway purposes is..."

Kane: "...It's been about 100 million a year for 11 years?"

Secretary Kramer: "No. Let me get the exact figures. But no, it hasn't been that."

Kane: "How much longer do you intend to continue with this form of highway financing?"

Secretary Kramer: "As long as it makes sound economic sense."

Kane: "How long is that going to be?"

Secretary Kramer: "...Which it clearly does now."

Kane: "Well, except that we're to the point where we are now paying out more in bond interest and retirement in a year than we are getting construction dollars, which means that ..."

Secretary Kramer: "It's about 85...It's about \$85 million now for Series A retirement and I believe that the construction program is much larger than that, even without a program. But I think your general point, Representative Kane, is well taken, which is that we should not authorize more bonds without more money to pay them off and so, the bond portion of this program can only happen if the rest of the program, which provides increased current revenue, is also approved."

Kane: "You mentioned earlier that if..that the...if the farm community did not pay a portion of this tax, that the farmers would be getting a windfall because they would be getting benefits from the program that they were not paying taxes for. Am I paraphrasing you correctly?"

Secretary Kramer: "Well, you're putting a rather different construction on it, which I did, which was that the farm

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

community would be getting, like the rest of Illinois, would be getting benefits from this program that exceed its direct taxation costs."

Kane: "Could you comment on..."

Secretary Kramer: "I can't say that farmers are getting a windfall from anything. They are a troubled industry..."

Kane: "...No, I said if they did. Okay. Would you comment on whether or not heavy trucks and the heavy trucking industry is getting a windfall under the present kind of highway financing that we have?"

Secretary Kramer: "I believe that the...that the current distribution between trucks and automobiles in Illinois is fair. I know the trucking industry argues that because license plate fees for trucks, particularly large trucks, is much higher in Illinois than in neighboring states, that they're paying more than their fair share. I also know that the trucking industry maintains that the 80,000 pound limit should be adopted in Illinois and that they should be able to run larger and bigger trucks with no increase in cost..."

Kane: "I'm sure you're familiar with..."

Secretary Kramer: "I believe that ..that the Illinois cost allocation as it currently operates is a fair one and that the trucking industry, because it will be using diesel fuel, which will be taxed under this program, will be paying increased costs in proportion to their benefits."

Kane: "What portion of the present financing is borne by heavy trucks?"

Secretary Kramer: "Representative Kane, we'll have to provide that to you. I don't know the number off the top of my head."

Kane: "What portion of the costs of the highways in terms of thickness of pavement and damage and those kinds of things

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

are required because of heavy trucks?"

Secretary Kramer: "Let me...Let me get you a ..the most recent reports that have been done on that. It's an extremely complicated subject that doesn't lend itself to a simple bottom line answer, the kind you're asking for. But I would be delighted to sit down with you and go through that in detail."

Kane: "Do you already have those figures? Do you have those studies?"

Secretary Kramer: "We have some of them but not all of them. The Federal Government is in the process now of completing a three year study to attempt to a term...to allocate costs and benefits between automobiles and trucks and trucks within different classes and I..and that study when it's completed a month from now will give us much better data than is currently available from any source. But I would be delighted to give you all of the data that we have."

Kane: "Can you get that by today?"

Secretary Kramer: "Certainly get you what we have by today."

Kane: "Thank you."

Chairman Neff: "Mr. Secretary, we have about 20 more people that want to question you. You're quite a popular man today. And, I wonder if you would come back afterwards. We're going to ask some of the other state officials to stick around and be back here because we do want to...I want to give every one of these Members a chance to question you and I'm sure you want to be questioned. So, can you...we...Mr. Secretary, will be back and I know many of you folks have lots of questions you want to ask him and he will be back around 3:00 o'clock and spend from 3:00 to 4:00 here to answer questions. This will give us a chance as has been suggested here to move on to some of the other people that have traveled a long way to be with us. We

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

have some witnesses here that do have other commitments and are going to have to leave and with the permission of the Members, why we will stop now. And, John, we'll appreciate having you back here at 3:00 o'clock and we'll need a good hour yet."

Secretary Kramer: "Thank you very much, Mr. Chairman and Members of the House."

Chairman Neff: "At this time I'd like to call on Mayor Morris, the Mayor of Waukegan to give us a testimony. Mayor? Nice to have you back with us, Mayor, and this is kind of old home week for you. Welcome back."

Mayor Morris: "Thank you very much, Representative. I can see that even though I've been gone four years, John Kramer is still as slick as he was when I was here four years ago. I'd like to compliment the Governor for keeping one around that can dazzle us with brilliance or baffle us with the other part if it doesn't work. I have prepared testimony here which I will leave with the Clerk of the House, but I will go through just a short piece of it for you. After more than seven years of operation, Illinois' experiment in mass transportation known as the Regional Transit Authority is a complete failure. The citizens of our state are entering a period when their expectations and views on mass transportation are much lower and much more realistic than they were in 1974 when the RTA was formed. In the Waukegan-North Chicago metropolitan area we have carefully examined the current RTA network and have found it's time to return to a locally controlled mass transit system which can be more effectively and efficiently serving the needs of the area. I was invited to Springfield today to address Governor's Thompson's proposal for alleviating our state's growing transportation problems. I'm able to do this based on limited information that I was able to gather through



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

news reports and I come before you, not as a transportation expert, but as an expert on the needs of the people in the Waukegan-North Chicago area. And I'm here also representing Mayor 'Leo Kukla' of North Chicago who was ill and unable to attend today. Our main concern as we testify here today is to discuss the transportation needs of our expanding area. A significant portion of our population, poor residents, handicapped persons, college students and the elderly are economically dependent upon mass transit and I believe we can meet their needs without new or increased taxing programs. Governor Thompson's proposed five percent tax on the sale of petroleum products, refined or distributed in Illinois, is not in the best interests of the consumers of our state. I am totally opposed to any such tax, but if this Body finds it is necessary to impose such a tax upon the Illinois consumers, there should be an exemption for home heating oil, fertilizers and other petroleum products not directly related to transportation. I would also suggest that you adopt the anti-pass through provision in order to keep the cost of mass transit to Illinois consumers at a minimum. Oil company profits continue to reach record proportions annually and that provision has been found unconstitutional only by a lower court and it would be foolish not to include that at this time. In regard to our current one-quarter percent sales tax that is imposed by the RTA in my area, I feel the tax could easily meet the needs of transit users in the Waukegan-North Chicago metropolitan area. This tax could be returned to the communities in each of the collar counties opting not to participate in a transit plan, for use in improving their roads or other transportation needs. Governor Thompson's proposed Transit Finance Authority Board concept appears to be good. However, the proposed

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

structure of the Governor choosing two members nominated by the Mayor of Chicago, and two suburban county Cook Board...two nominated by the suburban Cook Board Members, with the Board Chairman also selected by the Governor is obviously biased towards the Chicago area transit needs and the needs of Cook County and would once again leave the collar counties such as ours in limbo and without any voice of representation. Regardless of the structure used, collar county counties should be active in selecting the Transit Finance Authority Board members. Also strong provisions requiring that funds raised in an area be returned to that area are required regardless of the Board make-up. According to our research, the most logical solution to transportation problems in metropolitan regions such as the Waukegan-North Chicago area is to allow metropolitan areas consisting of two or more municipalities with a population combined of a minimum of 100 thousand, to form and operate their own transit systems similar to the provisions of the Local Mass Transit District Act, basically rendered useless by the RTA. These systems could form using the current taxing structure of the RTA for their operating expenses. Using that example of what I best know, allow me to detail how that system would work in Waukegan and North Chicago. Such a transit system would serve the areas bounded by our city limits and that of the city of North Chicago, which have a combined population of over 100 thousand. The transit system would operate with the 25 or 0.25 percent sales tax currently collected by the RTA and would be able to easily fill the educational, retail, industrial and recreational sectors of our community. Based upon our projections, this system could operate bus and rail service on a balanced budget and even finish the year with something unheard of by the RTA, a

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

modest surplus. A provision would also be included in the transit charter allowing adjacent townships at their discretion to become part of the Metropolitan District, but they would not be forced to join. It is time to face the facts. Our public is willing to support a mass transit system where there is a definite need as has been shown in our area by those who use it. The bulk of the riders of the Waukegan-North Chicago transit system, which is about 110 thousand people a month, come from and ride in the Waukegan-North Chicago area. However, it is foolish, politically unwise and economically frivolous to try and extend transit service and taxation into areas where it is now demonstrated there is a lack of need, such as in parts of my county. The flirtation with expansive regionalism is a dismal failure. Let us reset our expectations and adopt legislation to fit the unique personality of the entire region. Local control with regional communication is far superior to the current Regional Transit Authority. I have put together a transit company based upon our experience and with giving the best possible formula for train subsidy that the RTA now uses, which is biased against my area, and giving all of those funds to the train companies that they would like to have, we would end the year in my area with a \$21,397 surplus and you can send a heck of a lot of kids to college on that kind of money. I thank you very much and appreciate your time and attention."

Chairman Neff: "Representative Madigan."

Madigan: "Mr. Mayor, concerning your statement that current RTA sales tax collection be used to fund the mass transit...proposed mass transit system in Waukegan and North Chicago, would.. are you saying that the sales tax collected in all of Lake County...?"

Mayor Morris: "No, just in...just taking the sales collected in

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Waukegan and North Chicago, a quarter percent, we generate a revenue of just over a million dollars a year. Taking that same proportion, which is 21 percent of the 'umpta' funds assigned to Lake County...we take 21 percent of that which is another million, we would have \$2 million, 94 thousand which is Waukegan's-North Chicago-s share, which we can document. The operation expenses for the bus system would be a million seven. The farebox generates \$450 thousand. Our rail subsidy on what we think is a biased formula is \$831 thousand which leaves us a surplus of 21 thousand. We are not taking sales tax from Gurnee or Highland Park or anywhere else, nor 'umpta' funds, which would be allocated to those other communities. This is just our two cities. However, from a practical nature, Representative, if the adjacent townships such as Warren Township which is Gurnee or Zion Benton chose to join with us, we could provide the services and do it within the taxing revenues. The trouble comes when you try to make the people in Fox Lake, who don't want to ride buses, join the Transit Authority, it costs Mrs. Woodard too much to send the bus to Fox Lake to justify their existence. And the myth in the collar counties that the little towns are overtaxed and not getting service in fact is incorrect. The small areas of the county such as mine are in fact costing us too much to serve. And I think it would be in their best interests and obviously ours to let them out."

Madigan: "So, your idea would be that you'd use the existing Statute to create a Local Mass Transit District encompassing Waukegan and North Chicago and that the Legislature give those types of Districts or those types of Districts over 100 thousand the authority to impose a sales tax."

Mayor Morris: "Well, the sales tax is already in place..."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Madigan: "But it's the RTA sales tax."

Mayor Morris: "Right. What we would ask is that either the ...some similar Board to the current RTA or the Transit Funding Authority or whatever you folks might think is in the best interests to be a funding agency, but not a management agency. They would say Waukegan's share is 'x' number of dollars. We call it the 'Co-Hole Transit District'. We happen to like fishing in Waukegan. But our share is 'x' number of dollars. We receive our funding. We make the day-to-day management decisions, working with that Board. For grant purposes, that Board or 'Nip-C' or whatever Department of Transportation would be the pass through agency for grants. An important aspect of it from our study is that this does not satisfy as best we can tell the needs of Chicago. And I recognize that. I'm not an expert in that area, but we are trying to show that it could be done in an area like ours and I assume, Aurora, I assume Elgin, I assume Joliet. And I think we have to get back to where local decisions are made by local people, though funding would be done on a regional basis. But the tax would not imposed in other communities."

Madigan: "Mr. Mayor, if the action of the Legislature and the Governor is to either abolish the RTA or restructure the RTA in such a way that there remains a regional agency for northeastern Illinois for transit purposes, and let's assume for the sake of my question that it meets your specifications, would you want Lake County to be in or out of the newly recreated regional agency?"

Mayor Morris: "I would want Waukegan and North Chicago to be in. Probably Highland Park area would chose to be in, but it would be foolish to try to request that Antioch, Grant Township and those others be in because it would cost us too much. If I can take a second, this bus company that we

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

put together has a much smaller staff than the current bus company. It has approximately 20 drivers. What happened and to show how the RTA creates problems, a couple of years ago they told our bus company which is a private bus company to run a bus to our lake front industry. It turned out after two months nobody was riding that bus, literally no one. When our bus company said, 'Can we drop that run? It's costing too much money'. The RTA said, 'No, you must run it or you don't get your subsidy'. So Mrs. Woodard would take her personal vehicle down each morning, take the one or two riders to work. Ask them what time she should pick them up and bring them back to the bus stop. Therefore we were fulfilling the obligations of the RTA, but we would have had to be spending 20 or 30 thousand dollars a year to run a bus. The same with the bus now. After seven years it's clear the people in Antioch, Fox Lake are not going to ride buses. It's clear in my area without bus transportation the poor, the elderly, the handicapped and the students are in big trouble. We are just Chicago divided by 50. That's all Waukegan and North Chicago are. So what we don't like is we don't want you to turn us over to the County Boards. Because the County Board in my county might tend to put most of the money into roads. We don't want it into roads. We want it into mass transit. If you want to take their part of the money and let them build the Don Deuster Memorial Highway, I'm all for that. But I don't want our area to end up with the money going into streets and roads. We need buses."

Madigan: "Mr. Mayor, let me go back to my question, which revolved around the creation of a new regional transit authority in northeastern Illinois. And I understand your needs for Waukegan-North Chicago. Is there any reason why your needs cannot be satisfied by taking all of Lake County

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

out of the newly created regional agency and at the same time passing legislation that would permit a Local Mass Transit District with over 100 thousand population to impose a local sales tax to finance its operations?"

Mayor Morris: "We would have no difficulty maintaining the same tax, but I'm not going to pay your petroleum products tax too. I shouldn't say 'yours', 'Governor Thompson's tax'. But I....We don't want both. You can't do that to us. It would be unfair and it would destroy our community especially since we're near the Wisconsin border. I don't know about you folks downstate and in Chicago, but you put that tax on in my area, raise gasoline prices seven cents, you're going to put ten gas stations out of business in Waukegan in a week."

Madigan: "Now, Bill, without regard to the gross receipts tax, I heard you say that your needs could be satisfied through the Mass Transit District Statute plus an additional piece of legislation to authorize a sales tax..."

Mayor Morris: "Or the existing legislation which has a sales tax letting our local authority have that taxing power..."

Madigan: "Alright. Okay. You would still qualify for those 'umpta' funds under those conditions.."

Mayor Morris: "If there was a regional pass through agency to pass on grants such as 'Nip-C', the Department of Transportation, or this TFI or whatever it is.."

Madigan: "And you did testify that you feel that the needs of transit in Waukegan are better represented by you, as a Mayor, than they are by the County Board."

Mayor Morris: "Yes, Sir. No question about that whatsoever."

Madigan: "Thank you."

Chairman Neff: "Thank you, Mayor. Mr. Deuster. We'll have to move along and I hope that anybody that has prepared statements will just touch on them because we're going to

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

be here all night tonight and probably tomorrow if we don't move along a little faster. Representative Deuster."

Deuster: "You can almost read your mind, Mr. Chairman. I'll try to brief. But, some mention was made of my constituents who live in Antioch and Fox Lake in the northwestern portion of Lake County who ride the railroad trains down into Chicago. Also, Mayor, of course, you have the Northwestern running through your town. A good many of your constituents in Waukegan-North Chicago go down to the Loop to work or at least ride that train. I thought I heard you make some reference to the fact that we should provide some way of continuing bus service and rail service?"

Mayor Morris: "Representative Deuster, what I indicated is that right now the Waukegan-North Chicago share of the Chicago-Northwestern subsidy, under their formula, is \$831,195. Within the existing funding structure we could maintain that and still run bus service. In an area like yours there would have to be a provision to maintain the rail service, but you would not have bus service unless your area opted to become part of some type of a metropolitan transit authority for bus purposes. But the quarter percent sales tax would stay in place for the rail subsidy. What's left would be up to the discretion of your township or your city council to determine how they would like to spend it."

Deuster: "Yes. Mayor, I'd like to ask you this question. One of the real dilemmas confronting most Members, I think, is they recognize that the RTA or the CTA or whatever is running out of money and needs some money and the question is where should it come from and you've indicated that it should not be an additional tax and I concur with your thinking on that subject. Do you have any recommendation



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

as to where the additional funds should come from or how we could control...?"

Mayor Morris: "...There are not additional funds necessary, Representative Deuster. As far as our county is concerned, I can show you on paper with the most urbanized part of the county, with the most sophisticated bus system in the county, with a major commuter railroad, we do not need additional funds. Competent management would do the job for us."

Deuster: "How about... Have you given any thought to Chicago and the CTA? That seems to be the big problem."

Mayor Morris: "I would trust that the people from Chicago, based upon my philosophy of local control, are in the best position to make a judgment for their constituency and further, that if an additional tax is needed, it should come from the people that are served, obviously Chicago and suburban Cook County."

Deuster: "Fine. Thank you, Mayor."

Mayor Morris: "Thank you very much."

Chairman Neff: "Thank you, Mayor. At this time, for just a few comments, we have a former Legislator here, a good friend of all of us, the Mayor of Aurora, Mr. Hill. Mayor, we're glad to have you here. Jack says he's got really subdued since he left here and so he'll be real quiet."

Mayor Hill: "Mr. Chairman and Ladies and Gentlemen of the House, I'm going to make it very short. I haven't had the opportunity of looking over the complete package of Bills. And I only want to say just a few words in regards to House Bill 741. I don't have prepared...a prepared statement. I never have before in the 18 years I served down here. I didn't think that I should start today. Consequently, it's my belief that House Bill 741 is somewhat the backbone of the package of Bills that you people are considering today."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

There's one fault that I find in it because the consumers of the State of Illinois have been hit very hard in the last several years, not only in regards to taxation, but certainly inflation. And I would not be opposed to that piece of legislation providing an anti-pass on Amendment would be attached to it. Now I understand that there are people saying, whether they're attorneys or not attorneys, that this is not Constitutional, that there are cases pending in Connecticut and also in New York. But I would like to point out that the reason and the arguments given in regards to that piece of legislation that passed both states is that at that time there was control on the oil companies. Since that time, it has been removed. And consequently puts a much different complexion on a piece of legislation like that. And I'm here in respect to the consumers of the State of Illinois. Those monies in those two states are in escrow and certainly some day it will be decided. I'd like to read and quote from Business Week. Since I have left the Legislature, I find more time to read the news items that I failed to do when I was a Legislator. But in Business Week, March 30th of '81, I quote, 'Ohio is 53% owned by the British Petroleum, which in turn is 45% owned by the British Government'. Now, if you think that you are harming these oil companies, all you have to do is read something like this and read the financial sections of the Wall Street Journal or the big newspapers or the business magazines and you will find out that their profits have been in the billions. And it's not going to hurt these companies to do just a little for the citizens of the State of Illinois. And it seems to me that you people are elected to legislate and not come to a conclusion of whether something is Constitutional or is not Constitutional. That is why we have a division in our form

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

of government and that is why it makes it so much better than other forms of government. I fully understand and realize that you people are very busy. There's no doubt in my mind that with what's confronting you in this legislative Session, that there are going to be many people become ill. So I don't want to pressure you into anything. All I want you to do is take under consideration when you vote on this package of Bills, that all of the people of the State of Illinois are consumers and that they have been taxed, not only by law, but by inflation and certainly they should receive some consideration. Thank you."

Chairman Neff: "The Gentleman from Cook, Mr. Madigan. Mr. Madigan."

Madigan: "Mr. Mayor. Does Aurora have a bus system?"

Mayor Hill: "Yes, it does. We're approximately \$138 thousand behind in payments from the RTA at this time."

Madigan: "Is there a local support? Is there a local tax to support the...?"

Mayor Hill: "No, outside of what any monies that the State of Illinois taxes the people from our area."

Madigan: "So there's the RTA grant and then the farebox?"

Mayor Hill: "Pardon?"

Madigan: "Is there...There is the RTA grant and then the farebox."

Mayor Hill: "That is correct."

Madigan: "Now, I hope that you heard the interchange between Mayor Morris and myself. If the Legislature at this time were to create another regional agency and then the question became, 'Should Kane County be in that agency or out of that agency?' And if it's out of the agency, how could we provide for the continuation of the bus system in Aurora? Could you tell us how you would feel about the first question?"

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Mayor Hill: "First of all, I'm sure, Representative Madigan, you know my history as a Legislator in regards to the RTA. In regards to the question that you asked me, it would, first of all, be impossible to operate a bus system in the city of Aurora with the farebox monies that we receive. As far as disconnecting from a District which encompasses all of the six county area, I feel very confident if the state does not provide money that it would be very difficult to operate a bus system in the city of Aurora."

Madigan: "We talked in terms of 'Statutory authorization' to impose some percentage of a sales tax. Mr. Morris felt that in Waukegan, apparently their council would be willing to adopt the sales tax. Do you think that the Aurora Council would be willing to adopt a local sales tax?"

Mayor Hill: "I doubt very much if the council itself would. Any taxes, additional taxes, in regards to the city of Aurora would have to go to a referendum vote, not because of Statute, but because that is the attitude I would take. It would be left up to the majority of those people voting in a referendum vote."

Madigan: "In getting back to the question of all of Kane County, in your judgment is there any area of Kane County that should be a part of a regional transit agency?"

Mayor Hill: "I don't have the authority to make a judgment in regards to all of Kane County. I'm just Mayor of the city of Aurora and I act in that capacity. I would suggest that possibly, if there are county authorities here, you should ask them that question."

Madigan: "Thank you."

Mayor Hill: "Sure."

Chairman Neff: "Representative Winchester."

Winchester: "Mayor Hill, this is more of a comment than a question and it relates to your original comments when you

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

said and you made reference to the billions of dollars that oil companies are making and I agree with you wholeheartedly. But it seems like that the dilemma that we find ourselves in right now on this proposal is that if we support this and we do come up with a five percent tax, then the oil companies have already told us that dollar for dollar, that they intend to pass it on to the consumer. They intend to lose no money. Where will this stop? That, to me, is one of my big concerns. I don't think we're going to gain by taxing the oil companies. I think we're going to lose. So I disagree in one sense with your comment. Do you have a comment to that? I'd appreciate it."

Mayor Hill: "Well, certainly, Representative Winchester, apparently you didn't listen to my full statement, that I would be opposed to a pass on to the consumers and that it is my belief that if you would attach an Amendment to the piece of legislation, an anti-pass on, that then I could support that piece of legislation. You have agreed with the basic contention that I have, that the oil companies have made billions of profits and certainly should turn some of those profits back to the people of the State of Illinois in some benefit that would serve those people."

Winchester: "In your 18 years as a Legislator, in the Legislature, which you have a great record and I was proud to serve with you, but do you feel that a pass on provision like that would be Constitutional?"

Mayor Hill: "Again, in my opening remarks I made the statement that a Legislator is a person that is supposed to legislate and he is..and he or she is supposed to take into account the people that they represent. It is the Judiciary that decides whether something is Constitutional or is not Constitutional. And I think that is what makes America

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

great and that's the way it should be handled. I'm not qualified to say something is going to be Constitutional or not. I certainly have heard it expressed many times on the floor of this House in the 18 years I was here, many times, condemning the courts for the decisions that they have reached. So consequently, I try to stay away from that. I legislated and certainly the Judiciary could come to their conclusions."

Winchester: "Then, how do you feel about a ten percent ad valorem tax as a possible alternative proposal to this issue?"

Mayor Hill: "No, Sir. I'd be opposed to it."

Winchester: "Thank you."

Mayor Hill: "Thank you very much. I appreciate it."

Chairman Neff: "Just a minute. We have another questioner. The Gentleman from Peoria, Mr. Schraeder."

Schraeder: "Mayor, I'll be very brief. If we pass it with the statement in the Bill, with refusing the pass on, and the courts then would decide that that is unconstitutional, are you then saying that you would like to see the transit authority in that greater metropolitan area go down the tube? I think that's what we might be faced with and that's one of the biggest problems of this piece of legislation, where we've got one choice, pass on, or to go down the tube?' Are you maintaining your position of years ago of down the tube?"

Mayor Hill: "Well, that's your interpretation. You have to certainly attack these various pieces of legislation one by one. And if that happened, most naturally, it would put a different aspect on the overall legislation. As I said originally, I'm not attuned to the complete package of Bills. I didn't get a copy of at least a Digest of them until I reached here this morning. I haven't had that much of an opportunity to study it. I have had an opportunity

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

to discuss and look at House Bill 741. And that's what I am testifying on."

Schraeder: "Thank you, Mayor."

Chairman Neff: "The Gentleman from Wayne, Representative Robbins."

Robbins: "I have some questions and comments. Are you aware that a lot of the tax, the way this Bill is drawn, is levied to be collected through the distributor and not through a major oil company? A lot of times the distributor is having a hard time keeping himself afloat."

Mayor Hill: "I would suggest if you find that a problem, then you should amend the Bill to put it on someone else."

Robbins: "Okay. Also, on the decontrol of the oil which you spoke of, since the windfall profits tax is on the law, 50 to 70 percent of every dollar that comes in from a profit on barrel goes to the government. Are you aware of that fact?"

Mayor Hill: "Yes, I am. But are you aware that there are many cases pending in the federal courts today where the consumer has been over charged while we were under control and there are millions upon millions of dollars involved in that and consequently, the windfall tax, there seems to be some doubt in Congress of whether they will continue on in that particular area? So, I think what you should do is look at the situation in regards to the State of Illinois and not the Federal Government. They have a right to legislate the same as you do."

Robbins: "Then I would like to comment. Two years...I haven't been around the Legislature near as long as you have. I started two years ago in January and the gasoline cost me 68¢ a gallon to buy it here at that time. I think that they have done a very good job of passing this...the taxes that have been put on the oil companies through to the

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

consumer and I don't see how we can stop this."

Mayor Hill: "Apparently you're agreeing with what I'm saying. Again I will repeat, the consumer has taken a beating in this regards and I want to stop it and apparently with what you just got finished saying, you are agreeing with me and I'm sure that a mechanism could be set up where an Amendment could be adopted on an anti-pass through Amendment."

Chairman Neff: "The Gentleman from Cook, Mr. Kulas...Kulas."

Kulas: "Yes, Mayor Hill, how much of the funding for your bus system comes from the farebox and how much comes from the state?"

Mayor Hill: "I would say that the monies coming from the farebox is may be about 38%. That is a relatively close guess, I believe."

Kulas: "How much do your riders pay for a bus ride?"

Mayor Hill: "RTA pays the balance of that Bill."

Kulas: "No, how much does the average consumer pay? 50 cents, 70 cents...for a bus?"

Mayor Hill: "To ride the bus in the city of Aurora? I believe it's 50 cents."

Kulas: "Thank you."

Chairman Neff: "The Gentleman from Cook, Mr. Stanley."

Stanley: "Thank you, Mr. Chairman. Mayor Hill, I represent four counties and nine townships and part of one of those counties is Kane County and does a proposal that would have the same current funding in tact that we have now with the RTA regarding the 1% in suburban Cook in the quarter of a percent in the collar counties if we left that intact and created a suburban transportation authority that took in suburban Cook and the collar counties and was responsible for the overall coordination of a transportation system in that area, does that ring a friendly note with you and just



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

what...are you receptive to an idea like that, where a suburban transportation authority in suburban Cook and the collar counties leaving the current funding structure intact?"

Mayor Hill: "First of all, you're asking me a question without a piece of legislation in front of me, I have been here long enough to fully understand that before I would make a statement on a piece of legislation I certainly would read it and I would have to see that piece of legislation before I would answer a question like yours, knowing fully well that the process of legislating covers Committee and Second Reading where it could be changed and also in the Senate."

Stanley: "I'm talking about a comment on the concept. I'm not talking about any specific piece of legislation."

Mayor Hill: "I would be more than happy to look at your concept but at this time I fully don't follow your concept. I would like to hear about it though, and if you're from Kane County I would be more than happy to sit down with you and discuss it."

Stanley: "Thank you."

Chairman Neff: "The Lady from Kane, Mrs. Deuchler."

Deuchler: "Thank you. Mayor Hill, I had too wanted to ask you for the details of the specifics in terms of the farebox and the amount of the RTA subsidy. I think it would be helpful to those of us from Kane County if you could get those specific figures down to us."

Mayor Hill: "I certainly will do that."

Deuchler: "I would appreciate it. Now, could you comment as to whether or not from your perspective, now being a Mayor but also have...being in this Legislative Body as to whether you feel it's realistic to split the two issues of RTA financing and monies for Illinois roads?"

Mayor Hill: "Are you asking me if I think it's a good idea to

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

split the two, is that what you're asking me?"

Deuchler: "Yes."

Mayor Hill: "I think it should be split, yes."

Deuchler: "Thank you."

Chairman Neff: "Thank you, Mayor. We appreciate your being here and it's kind of like ole home week to hear from you again. We've heard from you a few times you know, in the past. Thanks."

Mayor Hill: "Thank you very much."

Chairman Neff: "Now, I'd like to call on Mr. Lewis. W. Hill, Chairman of the Board of the Regional Transportation Authority. Mr. Hill....keep them alphabetical. Continue, Mr. Hill."

Hill: "Thank you, Mr. Chairman. Members of the House, I do have a couple of those figures I could not see from the other side who raised the question. The percent of the expense from the farebox in Aurora for this year including their fuel insurance is 17.7% based on our ridership through September. The opportunity to be with you today is a welcome one. I certainly appreciate that something has finally come forward in terms of a proposal to provide funding to meet the desperate needs for the public transportation program. I would suggest to you, however that the documents that we've seen and that my staff has been able to analyze so far, suggest that the allocations between transportations and highways is in fact not enough funds to meet the transportation needs. There is to start with no funds proposed for the current fiscal year, the RTA fical year ending September 30th, and therefore this is nonresponsive to the immediate needs in terms of a balanced budget and providing funds. I believe that there should be a specific allocation dividing that a new tax revenue is between public transportation and the road program. At the

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

present time, Northeastern Illinois, Regional Transportation Authority is the only transportation authority in the State of Illinois that does not receive any subsidies from the State's General Fund, the only one. We are the only transportation authority almost throughout this country that receives no support from it's state in terms of state funds and I believe that we in Northeastern Illinois should be treated equitably with the other citizens throughout the state. This year the overall percentage of revenue from the farebox to cost for all modes throughout the six county area is now running at 48%. That is exceeded only in New York City with a higher density of population and is in fact at 48% about twice what is paid for from the farebox by the downstate transit districts who do receive state funding. The RTA, January 1st, of this year increased fares in the six counties approximately 33% and the figures that I have given you reflect that increase. We are accused of mismanagement, to say the least, and other descriptions including an apt phrase for the news media, 'of a failure' because we have not controlled costs. The costs in our six county area for public transportation are increasing at approximately 17% which is the same as the national average. It is lower than the downstate transit districts' increase in costs have been and I think Secretary Kramer referred to the fact that road construction costs have increased approximately 25% in each of the past couple of years, again higher than our costs. I don't understand why, when transit costs increase 17%, it's because of mismanagement but when the road program costs increase 25%, it's because of unforeseen circumstances, inflation and the price of products and labor. Seems to me that we ought to apply the same definitions to public transportation and to road

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

construction if we intend to be fair. There has been an increase in ridership in public transportation over the past several years and I suggest to you that it is going to continue to increase with the cost of fuel continuing to escalate. I'd like to talk briefly about the reasons for a coordinated regional body as opposed to the fragmentation and the reversal that has been suggested in this legislation. We have been able to reduce expenses for fuel purchases by consolidating the fuel purchases for the variety of suburban bus companies so that we now can buy the aggregate and the volume that brings us down into competition at a much reduced rate. We have consolidated insurance purchases for the variety of suburban bus companies so that we're able to save a couple of million dollars a year in insurance premiums alone for suburban bus operations. We've acquired the para-transit vehicles that have been made available to the townships, the villages, the cities, the counties and the various districts and operating entities throughout the six county area to provide dial-a-ride service, para-transit service, service for the disabled and service for the elderly. We have been able to do that because we had a single purchase and because of purchasing a larger quantity, we're able also to economize and standardize so that in fact the repairs and maintenance will be on a standard vehicle and there will be a reduction in spare parts needed and the other items for repair and maintenance so that there will not have to be for each bus operation their whole supply of spare parts with their own special mechanics, separately trained to repair their own individual buses. We're able to work and coordinate the Capitol Improvement Program through the various lines not only in the railroads as well as the bus companies and program what is needed both for the rolling

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

stock as well as bus facilities again on a basis to provide flexibility and to respond to demand and not based upon our traditional township or county or city or village line but to do it on the basis of where the buses are needed in terms of operation. I think there's a whole variety of other economies that are just starting as well as the coordination of the establishment of a fare structure, a fair fare structure, throughout the region for the same amount in types of services. So, I believe a proposal to break this up to provide for the fragmentation would be counterproductive not only in operation but also in dollar and cents and would be more costly and if in fact you then suggest that a Chicago Cook County activity, a railroad activity, a suburban collar county activity could then be coordinated someplace else, all you're doing is changing a name, applying a function and establishing more layers of government, not less, and therefore increasing the costs, not reducing them. I suggest to you that the legislation that you have before you as submitted in fact makes the Governor and IDOT your friendly local bus operator because the board that is suggested in the transit authority is answerable only to the Chairman with his total veto power and he, of course, is the Governor's appointee. He will then dictate what those budget levels will be and all of this talk and that's all it is, that there will be local authority if somebody else approves and dictates what your budget is should certainly be seen through very quickly and very easily. For those opt-out activities and entities who would like to operate on their own, who under this legislation approves their budget? IDOT, right back at the same place. So, this is really another program similar to what we have right now. We call it a little bit of something different, such as we refer to in our six county

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

area, the Chicago Area Transportation Group, CATS, which is controlled by the Secretary of Transportation at the present time. I suggest to you that there are operating problems. I would anticipate that the Legislature in arriving at a budget allocation for transportation will do that sometime near the end of June. I would like to ask you how a transit authority, who is required to continue it's bus run or it's 'L' or subway or train run, the next work day can establish what levels of service it will have, what fares it will charge, how many buses it will have on the street without knowing until the day before how much money it's going to have to operate that coming year? I don't understand how you can do that in terms of a day in and day out ongoing, operating activity. You have got to have some lead time. How does a transit entity decide how many buses it will need today when he has to order for two years from now when he doesn't know how much money will be available to operate them? And just because most of the funds for capital for rolling stock as provided by the Federal Government in my mind doesn't make any sense that we order more equipment and then we run out of operating money and have to put it in a garage and let it rust away. You have to have a coordinated program and it needs to be one that goes from time to time and it can't be on simply that kind of last minute appropriation basis. One last item, and it's really where I started, and that is that this package does not provide any current, immediate assistance. A year ago, we were asking the six county area of Northeastern Illinois at that time to hold off on fare increases, that there would be help forthcoming, that there would be a legislative proposal submitted to the General Assembly in November. We were then told it might be December, and then perhaps the early part of January.

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Well, here we are at the end of March and it's almost April. The only aid we had then was to permit us to borrow \$75,000,000 against the coming sales tax revenues, similar to going to the bank and borrowing against next month's salary and then paying it back. That did ease the cash flow problem. It did permit us to catch up and pay our bills, and to pay the carriers, and the suppliers, and the fuel people, and the other activities. But what it also did was it cost us money because we had to pay 8 1/2% interest. We retired over half of that debt but we're still in debt and fast coming to another severe financial problem in terms of cash flow. The next three weeks to a month will be critical in terms of meeting those bills and those obligations and what is the solution here? We had hoped there might be some help. But what's the proposal before you? The proposal before you having permitted us to dig ourself into that hole, has is not been a ladder to climb out but they throw us their shovel to dig the hole deeper, to authorize us to borrow \$200,000,000 with no place in this legislation to indicate how that's to be retired. It seems to me that this is another temporary stop-gap measure designed to let us continue for about eighteen months and then it doesn't seem to me anybody cares what happens to public transportation. I don't believe that the mechanics of these Bills have been thoroughly thought through. I don't think they work, I think a great deal is needed to make them work if the objectives that have been enuniated even are to be achieved. I suggest to you however that the only objective that is there is to have the Governor, the Secretary of Transportation decide how many chains and how many buses will run and when. Because they are going to control the dollars and cents, and the one who controls the dollars and

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

cents then is going to control what operates and how it operates. Thank you, Mr. Chairman."

Chairman Neff: "We'll have some questions, now. Mr. Hill, the Gentleman from DeWitt, Mr. Vinson, we would like to hear from you."

Vinson: "Thank you, Mr. Chairman. Mr. Hill, what was the nature of your background prior to becoming Chairman of the RTA?"

Hill: " I was Commissioner of the Department of City Planning for the city of Chicago and a Commissioner of the Northeastern Illinois Plan Commission and of the Illinois-Indiana By-State Commission."

Vinson: "Does the...RTA exercise any kind of restraints over the Chicago Transit Authority?"

Hill: "Some, yes."

Vinson: "What are the nature of those?"

Hill: "A review of their budget in order to incorporate their budget needs and to the overall RTA budget requirement, work with their staff in terms of establishment or revisions or refinements of routes, participating with their staff in terms of arriving at the estimated needs for capital improvements for rolling stock or activities of that nature."

Vinson: "Are you satisfied with their current root structure?"

Hill: "Not totally."

Vinson: "Have you expressed that concern in your relationships with them?"

Hill: "Our staff meets with their staff with suggestions both for modifications of routes, some routes that we think could be either removed and others that could be added. The operating authority however rests with the Chicago Transit Authority, not our staff."

Vinson: "Have you ever conditioned abandonment of certain routes on RTA cooperation and assistance?"



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Hill: "The conditioning has not been done, no."

Vinson: "Has not been done?"

Hill: "No."

Vinson: "Don't you think that would be appropriate?"

Hill: "The only leverage that we do have is to withhold their money and shut down the system and I suggest to you at the present time, and at any time, shutting down a system and penalizing the commuters in terms of trying to get at another administrative unit in my mind is not a useable vehicle."

Vinson: "Well, now, that's a very interesting comment, Mr. Hill. I was in Chicago over the past couple of weekends and it seemed to me that what you were saying in the newspapers those weekends and we all know that sometimes we are misquoted in the newspapers and I'd appreciate it if you would elucidate your comments on that if I misunderstood them. But it appeared to me that you were saying that you should...that the RTA ought to try get at State Government because State Government was not adequately responsible by rolling back fares."

Hill: "I'm sorry...would you say that again?"

Vinson: "You were saying...you were saying in the newspapers I saw that the RTA ought to roll back fares in order to get the General Assembly and State Government to subsidize it more."

Hill: "I think what I said, and it was on a radio talk show and the people who were there inquiring were members of the press and they carried some stories afterwards. I was responding to a question that was posed to me about whether or not Ladies and Gentlemen of this group would be unhappy that we had not proceeded with the April 1st, fare increase. I responded by indicating to them that I had heard a couple of Members of the House talk about those

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

fare increases. We had also been told by others that we should not go forward. But what I was disturbed with was that there was constantly the discussion of raising fares, raising fares, raising fares with a no recommendation...or no recognition that we had raised fares 33% on January 1st and that if in fact we were treated the same as all the other transit districts in the state and received as they do, a share of operating costs from the General Fund of the State of Illinois for our commuters in the six county area, we could and should even consider rolling back the fares. That if we were treated the same way that, in fact, we could reduce fares so that instead of paying 48% out of the farebox we could drop them down a nickel or a dime which would still not be as down as far as they are in the other transit districts."

Vinson: "You never...you at no time suggested rolling back fares in order to get a state subsidy?"

Hill: "In order to get a...I don't think to roll back fares is going to get a state subsidy. But I didn't think that increasing the fares was going to get it either."

Vinson: "Well, it appeared to me that you were suggesting and maybe there was a misquote. I didn't hear the radio talk show, but I did read in the Sun Times very clearly that you suggested that you ought to roll back fares until there was a recognition by this Assembly, that you needed a subsidy and it would seem to me that if you treated the CTA the same way, you might not need either to raise fares or to get a state subsidy."

Hill: "Well, I think that if there was an interpretation of that nature in the news media, I didn't see it and that is not what I intended at all because with our cash flow situation as desperate as it is right now, I certainly would not roll back fares. I would think that that would not be at all

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

possible."

Vinson: "Now, you have suggested that in some form this legislation is headed in the wrong direction."

Hill: "I believe it is."

Vinson: "Would you agree from your recognition and knowledge of the legislative process, even from your recognition of the process on the RTA, that it's going to take some time to develop the Amendments and to get the political consensus necessary to direct it in the right direction?"

Hill: "It will take some time but I'm not sure what you mean by some time."

Vinson: "Well, wouldn't it make sense to buy part of that time period with an increase in fares so that the system would not shut down?"

Hill: "We did that January 1st with a 33% increase in fares after having been promised that we should hold off fare increases last July and August, that there was going to be action submitted to this Body, previous Body, in November and then in December, and so we did have to go forward and did raise fares a third on January 1st of this year."

Vinson: "Was there a subsequent scheduled fare increase after that?"

Hill: "There were two identified tentative fare increases, one for April 1st and one for August 1st."

Vinson: "What's the status of the April 1st increase?"

Hill: "It's in a holding pattern."

Vinson: "Well, wouldn't it make sense to you to enact those fare increases so that we could have time to direct this legislation in the way in which you think would be more appropriate?"

Hill: "That's what we did last November and that's why we in fact came forward with that 33% fare increase on January 1st to provide that time. But as we continue to raise fares and

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

as we raised the fares on January 1st to provide the time that you're referring to nothing happened and it seems to me that the alternative based on past action would be if we continued to raise the fares nothing else would happen either."

Vinson: "But there is now a package of Bills being debated in the Legislature."

Hill: "Well, there is now."

Vinson: "That's right."

Hill: "Just introduced this week."

Vinson: "That's right....so wouldn't you..."

Hill: "After we deferred the April 1st fare increase."

Vinson: "So...wouldn't you suggest that including the April 1st fare increase would be a good idea at this point?"

Hill: "No, not necessarily."

Vinson: "Why?"

Hill: "How long is it going to take you? Do you believe to arrive at a package that you will have signed by the Governor?"

Vinson: "Well, I don't think we're going to get it done between now and April 1st. I think that the...if both the House and the Senate in the most expeditious way possible did it pass this legislation or some other form of legislation, there is no way in the world that it can be on the Governor's desk by April 1st. But it could be pretty closely after that."

Hill: "Well, at this point....at this point there's no way in the world that we could get a fare increase implemented by April 1st, either because we do need.."

Vinson: "But you could have...you could have had you not postponed it, is that not correct?"

Hill: "Sure, could have."

Vinson: "Now, another question that's bothered me quite a bit, if

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

you have a CTA shutdown in the City of Chicago, sometime in April, and there are conflicting dates as to when that would be necessitated, isn't that going to create a lot of automobile traffic in the city of Chicago?"

Hill: "Absolutely, absolutely."

Vinson: "It would pretty well paralyze the city, wouldn't it?"

Hill: "It would be chaos. It will probably paralyze the state."

Vinson: "Wouldn't it make some sense to try to keep the commuter railroads operating in that circumstance?"

Hill: "We're trying to keep the whole system operating."

Vinson: "But even if you couldn't keep the CTA operating, would it not make sense to keep the commuter railroads operating?"

Hill: "I think it's difficult to try and single out one particular part of the system to keep it functioning and tell the rest of the commuting public that they can't go to work."

Vinson: "Why?"

Hill: "I think it would be a terrible..."

Vinson: "Wouldn't it be possible if you kept the commuter railroads operating, wouldn't it be...wouldn't the situation in the area in the city be a little bit better?"

Hill: "I've been told by some of the railroad representatives and I think there are some here who are going to be speaking to you later, I've been told by some rail representatives though that they would seriously consider shutting down the commuter service in the event the CTA system shuts down for an extended period of time because of safety reasons, that they feel that the trains, which are already substantially filled by the time they arrive at the closest station to the Chicago boundry line are already filled and that they would not be able to stop at the subsequent stations to pick up anyone else or even to discharge passengers who

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

don't go to...all the way to downtown Chicago. They experienced, a few years ago, when we had both the snow problems and also when we did have the few days when the CTA was shut down that many people at that time tried the train. If it were an extended shut down on the CTA, I think the commuters on the trains however, would grow so large that the railroads are concerned about safety and I've been told that they would most likely, shut down. They have not made a decision on that as of yet, because we are all working to try and keep the system operating."

Vinson: "But you would be...you are going to try then to keep the commuter railroads up even if the CTA has to shut down?"

Hill: "Not trying to keep one up if the other shuts. We're trying to keep the whole system operating."

Vinson: "Don't you think it would make sense to try to keep the railroads up if the CTA shuts down?"

Hill: "Not necessarily, no. It seems to me that perhaps the commuter on the railroad, and a broad characterization is difficult to arrive at because it's not uniform, might be able because they're more likely to be the salaried employee who's on a monthly check and would be able either to rearrange a vacation or something during a shutdown than an hourly worker or a daily worker or one who gets paid every week or gets paid by the day and I think that it would have a very difficult, or a hard impact in terms of what is, as everyone knows, a lower income group in the city of Chicago than the higher income group of the commuter.."

Vinson: "I would suggest that playing those groups off against each other is the kind of thing that has led to problems with the concept of regional government in the RTA."

Hill: "Well, you're the one who was playing them off against each other by suggesting we shut down the CTA and keep the

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

commuter railroads operating. I suggest to you, I was the one to keep them all operating not trying to play one group off against the other. I suggest what you were doing was that, not what I was suggesting to you in turn."

Vinson: "Now, on the...your relationship with the CTA, again, on the labor contract, have you ever entered into discussions with the CTA on this labor contract?"

Hill: "Yes, we did."

Vinson: "Have you ever conditioned assistance to the CTA on improvements in the labor contract?"

Hill: "Conditioned the assistance? No."

Vinson: "Why not?"

Hill: "Our board did not feel that that was within their purview."

Vinson: "You don't think the efficiency of the CTA is one...is a thing within your purview?"

Hill: "I said our board did not think it was in their purview to condition a labor contract of CTA at the other carriers."

Vinson: "I meant your personal view."

Hill: "My personal view is that I believe that legislatively, legislatively so there is no question about it, that the RTA should be required to prove labor contracts by the transportation entities that we fund prior to the contract becoming effective. But that ought to be done by legislation because we do have RTA legislation and we have transit authorities legislation and as happens on occasion, there is room for disagreement as to what both of those provide."

Vinson: "So in any event, you would recommend that whether the RTA is preserved or whether some other institution is created in its place, that it have the authority to approve, review and condition assistance on the labor contract of the CTA?"

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Hill: "On all the transit authorities, yes, that it provides money to."

Vinson: "Now, one last question. You compared...you suggested that the RTA had a 17% per year inflation factor in recent years?"

Hill: "I said our overall costs on increasing in the aggregate are 17%."

Vinson: "And you compared that to DOT's road construction estimates?"

Hill: "I'm referring to published reports, that it says construction costs on roads has gone up 50% in the two year period. Yes."

Vinson: "What new...roads or highways or mass transit railroad lines has the RTA constructed?"

Hill: "We regularly, as a part of our Capital Improvement Program on the railroads, are replacing track, ties, ballast on each of the commuter rail systems year in and year out as funds are available. We have been acquiring rolling stock. We have been acquiring and remodeling, reconstructing garage buildings for bus systems."

Vinson: "What percentage of your budget is devoted to that?"

Hill: "The Capital Program in the aggregate for the six county area including all the transportation entities has been about \$250,000,000 a year...200 to \$250,000,000 a year, again depending upon federal appropriations and allocations."

Vinson: "And what's the total budget?"

Hill: "The operating budget for all the transportation systems within the six counties is something over \$800,000,000 a year."

Vinson: "So the total budget construction capital represent about 25%?"

Hill: "Twenty to 25%, again depending upon how much federal funds



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

would be available and again, whether you take the year that the federal funds are allocated or you take the year when they are actually spent. But 20, 25%, in that range, yes."

Vinson: "Well, wouldn't you say then that it might be a mistake to compare the RTA's past cost increases to a construction cost increase that DOT is identifying since only 25% of your budget is construction or capital?"

Hill: "No, I don't think so. After all, construction does...uses two primary ingredients, labor and materials. Transportation is very heavy labor intensive."

Vinson: "Well, the whole economy uses labor and materials and the whole economy has different rates of inflation."

Hill: "But varying pieces of the economy have different proportions as it relates to labor as a part of their total cost in contrast to what materials run so that again depending upon the industry if you will, inflation rates on materials will have one impact, inflation rates on labor costs will have a different impact depending upon their mix. But I was saying..."

Vinson: "Have you compared the RTA mix to those things to the IDOT construction mix?"

Hill: "Well, I think ours is even more labor intense than the road construction mix is."

Vinson: "Have you compared those statistics though?"

Hill: "Not precisely."

Vinson: "Do you have any report on that that you could give us?"

Hill: "We...we can prepare that for you."

Vinson: "I just think it might be a mistake to compare apples and oranges here unless we know..."

Hill: "Well, I agree with you and as you pointed out I was not chastising them because of the 25% increase and cost of construction. I was just pointing out that while that cost

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

goes ahead of 25% that's because of inflation while our cost goes up at 17%, it's characterized because of mismanagement and I just thought that was unfair."

Vinson: "Finally, would you favor legislation that would bring the board of the RTA if it continues to exist more into alignment with population groupings in each of the constituent areas of the board?"

Hill: "I think that is...the current legislation of the RTA provides for that."

Vinson: "What about Representative Barkhausen's legislation that was passed yesterday?"

Hill: "Well, I think all that did, as I understood it and I have not seen that Bill as it was finally passed. I understood that the only thing that did was to accelerate the time period, moving it up to this year instead of '83 what the current legislation provides and is based upon what were then, at least as I understood it, preliminary census figures because in this morning's paper coming down here, I read a story - and again I would agree with you, you can't always believe what you read in the paper - but I think in something not quite as controversial I read the story that the final figures had just been released and the final figures that had just been released again indicated that the Chicago population figure was over 3,000,000 in contrast to what had been projected up until this release. I don't know what the basis of those figures are upon which your legislation was based. I don't know how accurate they are based upon the final population figures. So, that I'd have review those final population figures. My preliminary look because the newspaper gave only Chicago, Cook County and Illinois. It did not give the other collar counties. My preliminary calculation based upon that and based upon one person per X hundred thousand people, would be that the

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

shift of one seat from Chicago to suburban Cook would balance in terms of Chicago suburban Cook. What I didn't have were the figures on the collar counties to find out whether that balance would then apply with the three collar county Members because I didn't have the figures there."

Vinson: "If we were able to get you those figures over the weekend would you be willing to take a position in favor of that legislation if that is what the figures indicate is right?"

Hill: "I...I don't think there is any problem. If that is what the figures are, I would support that anyway. I mean I don't think we have to even calculate it out."

Vinson: "Thank you."

Chairman Neff: "The Gentleman from DuPage, Mr. Redmond."

Redmond: "Thank you, Mr. Chairman. Mr. Hill, at the time that we had the referendum for the creation of the RTA, the representation was made that it was necessary to have that type of regional authority in order to qualify for subsidies for the Federal Government. Was that representation correct, at that time?"

Hill: "I didn't participate in that deliberation at that time but I believe it was and I think that we would find extreme difficulty if in fact we broke up the Regional Transportation Authority into a variety of entities in terms of trying to find a body meeting the federal requirement to disburse those funds and do it on a regional basis. I suspect that the Secretary of Transportation would like to assign that to CATS, which as I noted before he runs already and therefore he would run the allocation of the federal funds as well as run the other items."

Redmond: "Then I assume that it's a safe assumption that the maintenance of some kind of a regional authority is necessary in order to qualify for any federal subsidies."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Hill: "Yes."

Redmond: "May I ask you this, Sir? What was the basis of support of the RTA other than the farebox at the time it was created, do you know that, Sir?"

Hill: "At the time that it was created? Because under my tenure as Chairman we still operated initially under that, was the allocation from the state of three-thirty-seconds of the sales tax collected within the six county area. The percentage at the time also in terms of a portion of license plate fees.."

Redmond: "About \$14,000,000?"

Hill: "I thought it was about 16, the last year..."

Redmond: "...from the city of Chicago or the County of Cook?"

Hill: "I...my memory was that it was from the city of Chicago, half from the city."

Redmond: "And also some assistance for the handicapped and the..."

Hill: "There is approximately 25 to \$26,000,000 provided from the state to assist in the subsidies that reduce fares for students and elderly and then the RTA was authorized to levy at that time a 5% gas tax."

Redmond: "And those were eliminated, is that correct, in the transportation package which was adopted by this General Assembly about 18 months ago?"

Hill: "Everything was eliminated with the exception of the 5% gas tax. The RTA was authorized to either continue that levy or to levy the sales tax of one penny in Cook County and a quarter cent in the collar counties but if it levied the sales tax then the gasoline tax had to be taken off."

Redmond: "Now, Mr. Hill do you have the figures showing the difference in revenue to the RTA pursuant to the measure which was passed about 18 months ago as contrasted to what the revenue would have been if we hadn't done anything?"

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Hill: "The previous funding package would have delivered approximately \$43,000,000 more in the current RTA Fiscal Year '81."

Redmond: "This great transportation package that we had eighteen months ago resulted in \$43,000,000 less money, is that correct?"

Hill: "Yes."

Redmond: "That's all."

Chairman Neff: "The next person we'd like to hear from is the Lady from Cook, Mrs. Hallstrom."

Hallstrom: "Thank you, Mr. Speaker (sic). Mr. Hill, would you please share your feelings and comments about an issue that has concerned me and many others? Is it really necessary to have a separate transit authority in Chicago, if we truly have a regional transit authority?"

Hill: "I believe that it is desirable that we have a number of transit authorities for the regular control of operations, the operating entities, that all fall under the umbrella of the overall body and that the overall body have certain responsibilities clearly established so there can be no question about it. As has been noted a couple of times earlier today, I believe that there is a desire. I believe that there is a good, legitimate purpose for a transit district that is less than six counties in scope so that it can get particular attention to the area it serves. I think we have some excellent activities. You're going to hear from the Nortran Group sometime later this morning and I think that because they have on their board representatives from the municipalities that they serve, and they have direct input from their constituents in terms of arriving at routes, arriving at frequencies of service and then exercise the responsibilities of day-in and day-out operation, that those kinds of activities and

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

responsibilities are well met by a more localized transit authority. But I do believe that what needs to be done is to spell out specifically who establishes fares, who would have to approve labor contracts and certain items of that nature on a regional basis in order to provide a regional coordination."

Hallstrom: "Mr. Hill, then are you saying it's necessary to have a separate board as the Chicago Transit Authority does?"

Hill: "Well, the Nortran has a separate board because they in fact draw them from the municipalities that they serve and that then builds in, input from those municipalities so that there is at that level for operating purposes as well as for some expressions of general community interest on transportation totally, a representative group from that community and I think they fulfill a very useful and purposeful function."

Hallstrom: "May I suggest to you that it's been suggested to me that many of the problems associated with the RTA are a direct result of the CTA. That the expenses, the deficit have very much to do with the CTA. And I think if there's anything in this package that certainly needs strengthening, it's the fact that the RTA has not taken sufficient control of the CTA."

Chairman Steele: "Thank you, Representative. Mr. Hill, for another question, I'd like to call on the Gentleman from Peoria, Representative Schraeder."

Schraeder: "Thank you, Mr Chairman. Mr. Hill, let me preface my remarks very briefly by saying that I'm a downstate legislator. My constituents do not understand the problems of Chicago Transit and the method in which the employees and the travelers of downtown Chicago...ride there...and they cost...and the time involved. So, I am prejudiced to begin with...with...as my constituency. But we have over

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

the past number of years had a feeling that this is strictly a power struggle between the administration of the RTA and quote 'the CTA'. We see no reason to believe that that's not true today as it was two or three years ago. Secondly, we also believe that apparently that there is a power struggle between the authority of the CTA, which I mean by that, the suburbs worth in conjunction and in opposition to the Chicago group. Would you dare to comment on why we get the impression that your group are fighting all the time and then that group has a whole is fighting with the management of the CTA?"

Hill: "Well, I think that in the exercise of our budget review process, in our reviewing expenses, and in our establishing fares, there is room as always for disagreement amongst people. The RTA board looking at the overall expenses and looking at where the revenues were coming from for the whole regional program took certain kinds of actions that the CTA board in itself, looking at them from their point of view disagree with as do differing groups within this Body. And since we are in an area that is heavily covered by the news media, both newspaper and radio and television and since they are usually looking for arguments and disagreements to present on the news media because that's the most attractive part of it, those are the items that get carried and publicized. The agreements that we have are all ignored because that's not news and so what you see from a distance are the disagreements and you don't see the areas of agreement."

Schraeder: "Then if that is true, would you or not agree that we ought to leave the management of the different rail and bus lines, two of the different sections of the system are of the suburban lines in the CTA and then go to the probability or the possibility of the RTA being a strictly

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

pass through funding agency?"

Hill: "But the pass through funding activity is only meaningful if you have some ability to control the costs, and the costs are primarily labor."

Schraeder: "Okay, and you tell me and I understand from the discussion you previously had that you really haven't any control over cost in the system and particularly the CTA, is that not true?"

Hill: "I said that there is a disagreement as to how much authority we had as it relates to concurrence in labor contracts at the present time, because of the legislative language in the legislation establishing the CTA and the language establishing the RTA. Now, we're...that's the cost side of the equation...The other side and the biggest single revenue side is the farebox and again there is confusion in those legislative findings, both for CTA and RTA as to who establishes fares."

Schraeder: "Okay, that brings to mind another question that I have written down and that is in recent days you have been quoted in my news media quite extensively as saying that we will not and should not put a fare increase as proposed, I believe April the 1st. It seems to me if that statement of yours is correct, that was a method of telling downstate Democrats and downstate Republicans that we're going to shut down. You have to come across with state money because we are not going through with the fare that we proposed. Is that a fair assumption?"

Hill: "No, it is not. That is not a fair assumption. As I said earlier, what was of concern to some of the RTA board members was that the legislative process in fact would go past April the 1st and what had been done on April 1st in terms of a fare increase would be forgotten, just as our January 1st fare increase of 33% continues to be forgotten



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

and ignored and no recognition of it."

Schraeder: "I'm not sure you're right on that. I don't think the fare increase was forgotten, alright..."

Hill: "I've never heard it talked about though other than when I bring it up."

Schraeder: "Well, I think we're quite aware of it if...at least I am, to that degree. If...Do you have any belief that the farebox should pay a reasonable amount of the cost of operation of the units of transportation? And I'm not singling out this, the metropolitan Chicago area I'm talking in general all throughout the state and inclusive of my own district. Do you have a figure?"

Hill: "Yes, I do."

Schraeder: "What would that be?"

Hill: "Well, I think someplace between 40 and 50%."

Schraeder: "And what would be the figure now in general through your area and separate CTA from it, if you can give me that...and I won't tow you down to an exact amount but something reasonably close?"

Hill: "I've got the figures here if you'll let me get my proper page. The CTA currently operating this year at our current fares with the January 1st, 33% increase, the current level of expenses which is based upon our estimate of a 12% inflation rate which then translates back into the wage rates that they have, etcetera, those expenses and all, CTA is at 45% out of the farebox Commuter railroads are 59% out of the farebox although a total of suburban bus lines is just under 35%. In the aggregate all of those come to 48%."

Schraeder: "Alright, now getting back to your present administration of the ETA..."

Hill: "As a footnote, I think and I don't recognize you but I think that the Chairman said that you were from Peoria?"

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Yes, Sir. You're figure in Peoria is 19%."

Schraeder: "That's why I specifically asked why...what the figure would be for the entire state."

Hill: "In the aggregate outside of the six counties for all the other transit districts in Illinois, outside of the six counties is 22.7%."

Schraeder: "I thought it would be pretty close to a quarter...but that's fine. Okay..."

Hill: "Some are...you know, a little higher and some are..."

Schraeder: "I know we're much lower than you are. Now, I understand from the news media and maybe this is an unfair assumption but that's the only reports that we get over the years, is that the administration of the RTA and the CTA, but I'm speaking primarily now of the RTA, has some problems with invoices in the administration of the RTA. And I would like to know if you really have a handle on the expenses of the board members and/or top staff and if not, why not?"

Hill: "Yes, we do. Again, I think you saw a very short one or two story sequence in terms of RTA directors expenses. What again you don't find in the newspaper is that those stories were based upon inquiries of a particular part of the staff to see the files which I made available as public records in terms of the documentation. The news reporter took those and used that as the basis of his story and said well these were unsubstantiated. Now, what he didn't do, and he didn't go back to the person who gave him the file, was to ask, 'Is this all of the records that you have?' Now, what we have in terms of our own internal operations is that our directors file their expense statements and their claims for compensation with the secretary of the authority. The secretary of the authority then summarizes them, sends them on to processing terms of the other clerks

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

to have the checks drawn. It was those files that they reviewed and never asked for the back up documentation, never went back to find that. They also made some comments that some of the directors were overcompensated beyond what the law provided. What they forgot to do however, was to note that a director who might have received a check in July had in fact been paid for activities that he performed in June and so one year it would go one way or the other way. One error was there where a director had been overcompensated. We had previously found it ourself in terms of our own internal audit, had presented the corrected statements to the director who immediately refunded the overpayment to us. That had been done months before the news media was ever there. You didn't find that out either in the story."

Schraeder: "Okay, alright one other question. I'm concerned about the stories that have been circulating in recent days particularly, but over some period of time about salaries from drivers and operators and maintenance people. And I have no way to justify it and I'm not saying I'm critical or not critical but some of the salaries that are reputed to have been paid to operating employees and maintenance employees have been, I'd say a little bit high in my judgement for the duties that these people perform. Are people making \$50,000 a year for maintenance. Are they making \$35,000 on maintenance for an eight hour or a seven hour day, five day week? Are these figures correct?"

Hill: "My understanding is that there has been a couple of maintenance people who achieved approximately that \$50,000 figure. The only basis that they're being able to do that however, was based upon the number of hours they worked, and the numbers of days a week that they worked...would have gone into this with some of your colleagues in the

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

last few days and we pointed out that in certain circumstances may depend upon a vacation season, may depend upon rash of flu epidemic or something like that where other workers or co-workers have been taken off the job or are not able to report to the job and in order to keep the maintenance going the people who are then able to perform were called in for extra hours to do that kind of work. We were asked why it would not be better to hire somebody else to come in. Well, first if you hire somebody else, presumably you're going to put them on the permanent payroll. But also in addition to that, there becomes a break point in, I'll have to yield in terms of my own knowledge on this one, but there does become a break point where it's better to pay the overtime for that period of time than it would be to have two people and have to pay all of the overheads of pension benefits, have them take sick leave, have them take their vacation time and all of those other kinds of add-on costs, the overhead cost. Someplace in there, there is a break and that really depends upon each individual situation and the management of that particular situation at that time with the options that you have available to do that."

Schraeder: "Alright, I'm going to be very brief. If it appears to me that we do have excessive maintenance in the situation of the CTA and probably the RTA or whatever, what overlapping functions there are, and I'm not clear who has jurisdiction where, but it seems to me that with this kind of a situation maybe a private corporation could do that at a much more economical basis on a opening bid situation. What is your feelings toward that?"

Hill: "There...you're talking about the actual maintenance work, itself?"

Schraeder: "Yes, the actual physical maintenance and that."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Hill: "Well, what we...what we have been doing and what has happened over the period of the years and Chairman Barnes from the CTA with his more intimate experience at the CTA can talk with about that one when he is up here, but what we have been doing in terms of some of those, we're doing the minor maintenance activities ourselves within the own shop where it's something to be able to be done on a bus so it gets back into service the next day. The more extensive rebuilding of engines or the more extensive work on air-conditioning equipment, the more extended type of operation is frequently put out to private operators and put out to bid with shops who do that kind of thing because that's not as necessary on a longer period of time. But again, it depends on how much of it there is to be done over a period of time, the size of organization. Some of the smaller systems, if you will, because we operate a whole series of systems within the RTA structure it's not just one system. But if we've got a bus in the outlying area of one of the counties rather than bring it in to a central shop to do extensive work, it would be better to go to a local shop as an example. There is also the time constraint and with the price of fuel, how far you want to take that bus for its repair work, for its activities before you're eaten up on fuel cost. We've recently completed a study within our staff, of new garage locations based upon the escalating fuel prices because the deadhead costs are now starting to be such a high percentage of those costs, both deadhead in terms of fuel as driver time, that we're dispersing and making smaller satellites in more distributed areas so you can get there faster. So, we do look and are constantly looking in that regard in terms of where is the best price but again when you go out to the private activity, you're going to pay a profit as well."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Schraeder: "Thank you, Mr. Chairman. You've been very helpful."

Chairman Steele: "There are a number of others wanting to ask questions. Perhaps I could ask if you might try to keep your questions a little more concise and brief and perhaps Mr. Hill, if I might ask if you would keep your responses a little more brief, we'd appreciate it. Next, I would like to ask for questions...the Gentleman from Winnebago, Representative Kelley."

Kelley: "Yes, Mr. Chairman or Mr. Barnes (sic) from your previous testimony I understand that you're received well in the political arena so maybe you're qualified to help me with a couple of questions. Just a country boy from downstate, how do I go back and tell my people that we should be for this package when you're paying these sinful salaries to drivers to your various people? What's the hourly rate for a driver, Mr. Chairman?"

Hill: "Well, it will vary depending upon the system they're with and if they have a union or if they don't have union, within..."

Kelley: "Well, let's say they have a union. I'm sure they do in Chicago and that area."

Hill: "Yes, the CTA does have a union and they...and currently with the recent increase it's 12.02 for..."

Kelley: "Twelve dollars and 2 cents and hour?"

Hill: "Yes."

Kelley: "What are the salaries for some of the executives? What...do you have some assistance...what type of salaries do they make, Sir?"

Hill: "Are you talking now about the CTA?"

Kelley: "I'm talking about the RTA, here."

Hill: "About the RTA?"

Kelley: "Yes."

Hill: "Well, they vary from mine at 72.5, down."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Kelley: "How many assistants do you have?"

Hill: "Assistants?"

Kelley: "Yes, or a deputy-chairman or whatever your colleagues..."

Hill: "We don't have any deputy-chairman."

Kelley: "Well, whatever the titles are, you do have..."

Hill: "We have a general manager."

Kelley: "General manager?"

Hill: "Yes."

Kelley: "What method, Sir do you use in hiring these people? Is it political. Is it Civil Service or what?"

Hill: "As I have indicated to everyone because an individual comes in with a recommendation from an elected official, I don't consider that person to be a second class citizen. I will review their qualifications, however and see if they can do the job and if they can do the job, then they will get attention and consideration as all the others will do and we'll take the people who are the best qualified. The transit industry around the country is quite competitive. The newer management, the younger people, are very mobile and are moving around as they do in some industries from place to place where they can better their salary scale, just as junior managers do in all industries and all kinds of activities. So that in terms of the managerial aspects, the central office functions in that regard. We're constantly losing people to other authorities where they're paying higher salaries and providing a better activity."

Kelley: "So, what I think what you're saying is it is a political type job basically, is that right?"

Hill: "No, I didn't say that."

Kelley: "I know you didn't say that but do you...are you covered by Civil Service or some type of a merit system?"

Hill: "We have our own...we have our own program within our office. I suggest to you however, with the federal

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

requirements in terms of employment, both employment as well as discharge and the appeals to the courts these days, the Civil Service is almost moot in most regards because if you hire the wrong person in some people's judgement, if you don't interview them in some people's judgement, you'll be into the courts under a complaint of unfair labor practice or if you discharge someone. We've ended up in courts the same way."

Kelley: "I think, Sir if you'll read some of the court decisions the same thing holds true for political hirings. Well, what per diem..."

Hill: "Don't even have to be in a political body. It's true across the whole boards."

Kelley: "What type of per diem paid, you or your staff get when you're out?"

Hill: "A per diem?"

Kelley: "Could you compare with the General Assembly's per diem?"

Hill: "We do not get a per diem. There is no per diem. It's actual expense only."

Kelley: "Actual expense? So, how... maybe just briefly, and I know the Chairman has asked us to be brief, just be brief, the Chairman has asked us to be brief in our questioning. Would you just briefly explain to me as a downstate Legislator how I can sell this back home?"

Hill: "Well, one place I would agree with Secretary Kramer is that...and I'm not sure about down home in terms of whether you have any bus systems any place within your district, but as a minimum which you'll get down home, I disagree with Secretary Kramer in terms of the mix. But what you'll get are some road works."

Kelley: "Just one question and that will be one answer. What per diem does your board get when they're on the road?"

Hill: "No per diem, again..."



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Kelley: "CTA, what do they get?"

Hill: "I don't believe CTA has a per diem either. But Chairman Barnes is here and will be able to respond in terms of their expenses, specifically."

Kelley: "Well, I understand it's \$200. a day."

Hill: "Pardon?"

Kelley: "I understand through the news media that this is \$200.00 a day, is that true?"

Hill: "What is?"

Kelley: "The RTA board's per diem when they're out of town, when they're down here..."

Hill: "No, no. You're confusing...you're confusing what is prescribed in the RTA legislation that a director is entitled to \$200.00 a day as compensation not per diem, not in terms of expenses for pay per day of activity."

Kelley: "How many days a month would.."

Hill: "With a cap of 25,000 a year again. \$200.00 a day up to 25,000 a year."

Kelley: "Thanks, Sir."

Chairman Steele: "Thank you, Representative. Again to be fair to all, it would be appreciated if you can confine your questions to one or two, please. Our next questioner, a Gentleman from Cook, Mr. Huff, Representative Huff."

Huff: "Thank you, Mr. Chairman. I'd like to start off by making a statement and I think that speaking for myself, I find this somewhat distressing that so many of the Members are getting a vicarious thrill out of rapping Chicago. I think in the final analysis that Chicago will be shown to be a victim rather than the perpetrator of the problems that we're faced with. Mr. Hill, what was your projected budget deficit for this year?"

Hill: "\$150,000,000."

Huff: "And wasn't it true that this \$150,000,000 was, the deficit

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

portion of it was assigned to the various transit systems in this Chicago Metropolitan area?"

Hill: "What we did...what we did with those was to come back in terms of two aspects, reducing costs and raising fares. We raised the fares 33% across the boards, basically."

Huff: "That was in '79, right?"

Hill: "No, the fare increase of 33% was January 1st of this year."

Huff: "Well, let's get back to the assignment of your deficits to the various transit systems. Didn't that result in Chicago for example cutting service to make up their portion of the assigned deficit that was imposed by you?"

Hill: "Chicago has not cut any service based upon that reduction. What we did do was ask each of the major units, CTA, Commuter Rail, and Suburban Bus to reduce expenses based upon the same proportion of their totals that went into the budget to trim their expense X percent across the boards and if in fact that meant we had to go to reductions in service then that's what we developed. CTA has been developing theirs and reviewing them...submitted for commuter railroads and suburban bus lines."

Huff: "Well, one more question in regards to that. When CTA informed you that they had to be mindful of federal implement...federal guidelines in regards to those cuts wasn't it suggested by some of your members to allocate \$7,000,000 for a study to see if that was true?"

Hill: "No, that is not correct. We knew about the title VI of the federal legislation on violations of civil rights prior to any of the discussion in the news media and had talked with the CTA prior to the time about what would need be done in terms of studies and analysis in that regard."

Huff: "Alright, I heard you mention to another questioner that currently CTA is defraying about 45% of this operational

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

cost out of the farebox, is that right?"

Hill: "That's correct, that's right."

Huff: "Well, isn't it true that prior to the increase we had in '79 that CTA was defraying 70% out of his farebox, of his operating expenses?"

Hill: "Well if you go back a few more years they were paying 100% out of the farebox. But what's happened over the years is that there has been a decline in terms of fareboxes of percentage of total expenses not only within our transit system but throughout the country."

Huff: "Well, wouldn't it be fair to say there has been a decline in ridership due to the ever increasing fare increases?"

Hill: "No. There was a drop-off in January...February of this year in terms of ridership which normally does happen to a varying extent with a fare increase and then there is a recovery. The drop-off of ridership on CTA last year in my judgement is based upon the same factors that all mass transit ridership has dropped off in terms of rapid transit around the country and that is because of the recession because the CTA decline in ridership figures is at approximately the same percent decline as they are in Philadelphia and Boston and New York and the other big cities."

Chairman Steele: "Representative, could you bring your questions to a close, please?"

Huff: "Yes, I'd like to ask Mr. Hill, of your total budget how much does Chicago contribute to that? I thought that Chicago was paying the three-thirty-seconds out of its vehicle motor tax."

Hill: "No, Sir, you did away with that."

Huff: "Alright, then..."

Hill: "What is happening at the present time is that there is a one penny sales tax levied by the RTA in Cook County which

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

is used for the subsidy."

Chairman Steele: "Is that all, Representative?"

Huff: "That's all for the moment, Mr. Chairman."

Chairman Steele: "Thank you, Representative. For another question, the Gentleman from Lake, Representative Deuster, please."

Deuster: "Chairman Hill, my board member is your colleague, Sidney Danoff and he's a fine gentleman and all of us in Lake County on both sides of this aisle have visited with Sidney about this problem and I know that you and Sidney and the other Members have known that a deficit was blooming ahead for some time, whatever some time means."

Hill: "A year."

Deuster: "For a year and even I think the Governor in his message indicated that a lot of people knew this was coming but they didn't think the Legislature would take it seriously unless we were on the brink of a shutdown or a crisis. I'm not sure my colleagues here are those kind of people. I think that I myself and many others would have preferred to start working on this a little earlier. However, I'm concerned about the fact that all of us are in this mess today because there has been political interference with the RTA board. Those of us who participated in setting this up were hoping that perhaps the board would have some backbone and I know that...is this true that, you think the board would have put on a fare increase perhaps last year if they hadn't been asked to defer it?"

Hill: "We had started the process of public hearings and then we were asked to defer it, yes."

Deuster: "Do you have any ideas on how instead of scraping RTA and destroying and repealing it and getting rid of it and starting all over with some new alphabetical agencies or something, if we could improve this system so that the

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

board members would have the backbone to do some economizing without having you know having other people lead you astray? Is there any structural changes we can make?"

Hill: "Well, first of all I would have to say that I think the board members have already done some economy activities and they have given staff not only direction but support in terms of making some economies. The staff completed about a year and a half ago, a productivity study of the number of bus routes in terms of their operations, brought those to the board, had public hearings. A substantial number of those were implemented in terms of either phasing out service or shortening its length, shortening its amount of run or spacing out things. So a number of those things have been done already. But I believe that it's not simply an issue of quote 'cost cutting', but it's being realistic and facing the facts in terms of what the dollars are that are necessary and as I indicated we have not gotten the dollars that were anticipated. Costs have continued to skyrocket, fuel cost particularly, and again since deregulation on oil, have shot up again. Whatever the board says in that regard that, they really have no control over that."

Deuster: "Do you have any figures on if we shut down all the buses out in Lake County and rather than tax my people, I'd be willing to have that happen even though those services are important for a lot of people in my own area, if we shut down the buses in running all over Lake County, what savings would be accomplished?"

Hill: "The figure I have for this year is about 1.8 million dollars."

Deuster: "Have you identified unprofitable or low margin bus routes in the city of Chicago and suburban Cook County?"

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Hill: "I'm sorry. He was just double checking my figure, I didn't hear what you said, I'm sorry."

Deuster: "Have you identified some...As a suburbanite, my constant complaint as you know is there are empty buses running all over Lake County, McHenry County and it just aggravates the people. They'd forget about RTA if they didn't see these empty buses burning gas up. So, that makes it so difficult for us. But have you identified in Lake suburban Cook, and in Chicago some low priority bus routes that just have, you know, very little ridership and very little revenue that could and should be curtailed to cut costs?"

Hill: "We're doing that on a regular basis. Part of the issue though in terms of which buses ought to be taken off is with the number of new routes that were established to provide service in areas that previously didn't have any and how long should that be installed is a question. Before then you take it out and say it's not ever going to get there."

Deuster: "Would you prefer to shut down the whole system or shut down say 15% of the system? Isn't it possible for you to avoid this shutdown by...if you stop the buses out in Lake County, my county is not going to come to an end. If you stop say 10% in Chicago, can that be done? Because I have the paper in my hand here, the Karen 'Petits' the city of Chicago Commissioner of Consumer Services has announced today or at least the paper has the story that we have a plan for using taxis to transport people around. The Chicago Police Department has a plan. The Chicago Area Transit System has a plan and I'm concerned that the only way that there can be a renegotiation of labor contracts for example, is if we just have a shutdown and everybody knows that they can't get the money from Springfield. Now,

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

that's not the way to run a railroad or a system. But do you have a plan for cutting down the low margin, the unprofitable routes rather than the whole system if we get to that?"

Hill: "That will not save enough money fast enough to avert the crisis. ...Is they've been doing are reductions over a period of time on the least productive routes and that's an ongoing process. But if you are suggesting to me that if we now move into a program and take out a certain amount of it will the rest then go along and will it continue to function. I don't think so, no."

Chairman Steele: "Representative Deuster.."

Deuster: "That concludes my questions, Mr. Chairman, thanks."

Chairman Steele: "The next questioner, the Representative from Cook, Larry Bullock and if you could in fairness to all confine to one or two questions, we'd appreciate it very much."

Bullock: "Thank you, Mr. Chairman I certainly will agree to your request. I suggest Chairman Hill, that we move rather fast on the response so that I can get the maximum mileage out of my questions and I will do likewise. A considerable amount of information and misinformation in my estimation has been given during your interchange with Members of this Body. My first question is if we took no action here what would be approximate the time that you would anticipate that service would have to be discontinued on the part of the CTA?"

Hill: "With no legislative action?"

Bullock: "Yes, Sir."

Hill: "With or without the Governor advancing us the \$20,000,000 of sales tax money that he can advance to us?"

Bullock: "Both ways."

Hill: "Both ways? If he doesn't advance it to us and if the

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

suppliers will continue to carry their current obligations, other than the fuel suppliers and if the railroads, you're talking only CTA?"

Bullock: "Yes, Sir."

Hill: "Well, Chairman Barnes can probably give you his estimate, and we'll give it to you afterwards, but keeping them as far behind in their payments as they are now or keeping up with them as much as we can, I would say probably the end of April. If the Governor would advance the \$20,000,000 in sales tax revenues we might, might get another couple of weeks but that is speculation."

Bullock: "Okay, considerable discussion has estimated relative to salary cuts for CTA personnel, specifically bus drivers, etcetera. I have not heard much discussion with regard to salary cuts for RTA staff and employees. I also am led to believe at this point, that it is said that you had some hand in suggesting the tax on gross receipts. Before I get to that point, which will be my last item for discussion, I want to ask you a series of questions and you can just say yes or no, on financial operational issues at the RTA. Does the RTA have no bid contracts?"

Hill: "Have no bid contracts?"

Bullock: "Do you let no bid contracts?"

Hill: "We led no bid contracts after telephone solicitation for small awards of say up to \$500.00."

Bullock: "That completes your statement to that question?"

Hill: "Well, Mr. Ford points out that we operate under the State Purchasing Act."

Bullock: "Which is \$10,000 and under."

Hill: "Pardon?"

Bullock: "Which is \$10,000 and under."

Hill: "10,000 is required. We can go out to bids less than that, though."



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Bullock: "Do you employ any stationary engineers in your office building, then?"

Hill: "No."

Bullock: "Do you provide to paint and refurbish facilities in the office building there? Does the RTA pay for that? In its lease arrangement do you pay for those types of cost?"

Hill: "Remodeling."

Bullock: "You pay for it?"

Hill: "If we remodel, based upon our lease."

Bullock: "So as a lessee you pay for it?"

Hill: "Well, no whatever our lease arrangement is for those things that are required that we do, we do those based upon the lease price that we have. We took over the lease from the Illinois Department of Transportation when they moved out."

Bullock: "Does your lease arrangement require you to employ a stationary engineer?"

Hill: "No."

Bullock: "Does your lease arrangement require you to pay for renovations and refurbishing of your office facility?"

Hill: "Based upon the remodeling if we reconstruct, if we consolidate offices etcetera those kinds of things."

Bullock: "In the Grummond bus controversy has the RTA been reimbursed for services that were provided during the down time of those facilities to be re-examined and what...first, what did it cost the RTA and have you been fully reimbursed?"

Hill: "We have not been fully...been reimbursed. We have notified Grummond that we expect them to reimburse us for those expenses...those have not been made."

Bullock: "And what do they total?"

Hill: "And the same basis though we are holding payments to Grummond because of some other controversy so we have a

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

substantial amount of leverage."

Chairman Steele: "Representative Bullock, could you bring your questions to a close?"

Bullock: "And what does it total? What's the total cost of the RTA for the down time in which Grummond buses were re-examined for defects?"

Hill: "In order to provide the substitute service in terms of renting the other buses that we have to go to the private carriers, it's about \$100,000 a week."

Bullock: "And what is the aggregate total amount of the down time and cost incurred for the RTA to re-examine the Grummond buses, the aggregate amount not per day the aggregate sum?"

Hill: "Well, first of all we're not re-examining. That's being done by the manufacturer. The manufacturer is also paying for the construction, the corrective efforts. What we are paying for at the current time is the substitute buses in order to provide service and keep it operating."

Bullock: "And what is the aggregate sum?"

Hill: "About a million-two, to date."

Bullock: "Mr. Chairman and the Members of the Committee, the reason that I asked these very pointed questions to the Gentleman from the RTA is because two years ago I had the unfortunate circumstance to be a party to a caucus on this side of the aisle where we asked some very pointed questions to transit officials and that time I received certain information which later proved to be incorrect and which the citizens of my district were subjected indeed to a fare increase, unnecessarily so in my estimation, and as we consider this legislation here this week in an unprecedented Session, I think this is more proof positive of my remarks earlier when the Speaker of the House insisted that we proceed with this Committee of the Whole hearing, that we are in fact being forced once again to

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

rush to judgement on a matter that has enormous impact not just to Chicago but to the State of Illinois and I submit to you Mr. Chairman and Members of this Committee that we indeed need more time not merely to analyze these Bills but to verify and recheck and double check information given to us in these proceedings. I am not satisfied with the information that's been given here today by the Chairman and certainly I hope that other Members of this Body will take the same posture that unless we get definitive and factual information regarding the operations of the RTA that we should not be supportive of this legislation or its bail-out. I don't think at this point that I have sufficient information in which to make that kind of judgement."

Chairman Steele: "Thank you, Representative. Representative Vinson do you have a point of order?"

Vinson: "Yes, Mr. Chairman I would urge that the Chair restrain Members from making political speeches and urge that they question the witnesses so that they we can get the information necessary and get this Bill out of here."

Chairman Steele: "Right, we do ask you confine your questions to the...to the matter at hand. For another question again if you can be brief as possible, we certainly appreciate your cooperation, the Gentleman from Marion, Representative Friedrich."

Friedrich: "Mr. Hill, to help you realize where I'm coming from. I live halfway between Chicago and Memphis and the problems of the CTA are not very immediate to the people of my district. Are you in favor...I think the first question I need to ask and I've heard your answers and I'm not sure, I've seen newspaper reports and I don't always believe those. Do you favor passage of this package? I don't know what you say..."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Hill: "Not as it is, no."

Friedrich: "You do not favor this package?"

Hill: "Not as it is."

Friedrich: "Okay, the last time we did anything around here which was what I thought the war to end all wars, it was a Bryne-Thompson package. Were you in favor of that?"

Hill: "I thought that it was the best that could be done."

Friedrich: "Well, wasn't that represented to be the solution to the mass transit problem?"

Hill: "Well, we all make mistakes."

Friedrich: "Well, you're suggesting you might have made one, I think maybe we all did. Okay. Now, my problem is we've got a crisis, I don't think anybody denies that we have an immediate problem. Where have you been for a year and a half? Why do you have to wait till we have to work weekends here to solve a problem in fifteen minutes when you've got 80 Legislators in this House in the RTA district? Couldn't you get one, didn't you have a program? Didn't you have a program? Couldn't you draft a Bill to have at least one Member of this House introduce a Bill until we get down to this?"

Chairman Steele: "The Representative from Cook, Mr. Madigan. Go ahead."

Madigan: "Mr. Chairman and Representative Friedrich there's no need for Mr. Hill to answer the question. Those people have been willing to participate in legislative activity on this problem since June of 1980. That has been thoroughly documented. The culprit and the reason why you're here today under the press of these circumstances is the Governor of this state. I prodded him since the middle of January to show some action, to show some leadership and now all of you are afraid that you have to do a little extra work because the Governor would not move before he

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

was forced to move."

Chairman Steele: "Mr. Madigan, we have asked that we refrain from the political speaking here. Representative Friedrich, do you have any further questions?"

Friedrich: "Well, I have to respond to that. Mr. Madigan has been a Member of this House and he certainly could have introduced a Bill in the last eighteen months, and I haven't seen one even up until today. Now, getting back to you, Mr. Hill, why have you not, if you don't agree with this, why don't you have a legislative package that we could look at? Frankly, I don't like this one either, and I think there are a lot of other Members that don't, and I'm not immediately concerned as you are. We'd like to have a solution to this but what is your solution? Why haven't you come up with a package, and I think that's important. I think that's a pertinent question."

Hill: "I suppose all I can do is to paraphrase what Representative Madigan has indicated to you because I would go back to last June when I did talk with the Governor. As a matter of fact I talked to him at midnight on the 30th when he signed the interim measure for \$75,000,000 that would authorize us to borrow against the future and the indications at that time was that it couldn't be resolved then and he was...he was going to come back in November with a package and we pledged to cooperate together. Members of the Illinois Department of Transportation staff and my staff and other elected officials from time to time regularly have been meeting and I was constantly told he was coming up with a package and when he came up with this one though he did it without any participation or cooperation with us because we were excluded from any role in it and therefore, I had thought that that was going to be forthcoming."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Friedrich, D.: "Every Member of this House has a right to introduce a Bill on any subject."

Hill: "I'm not a Member of the House."

Friedrich: "I .... forthcoming from your district. It finally had to be introduced by the Speaker of the House who isn't even in your district. Well, now I think this question has been asked but let me run it by you one more time. How do I explain to a farmer in my district who never will ride the CTA that he's going to be paying fuel tax on his tractor to subsidize the CTA? That's important because I have to do it, and there is many Members on this House floor that have to answer to that. What would you suggest we do to answer to that?"

Hill: "Well, let me see if I can give you about five quick ones and there are more. As it's been pointed out, one I'm not so sure if he'll never ride the CTA in Chicago because a lot of people who come to Chicago do ride the CTA and Chicago is the Convention Capital of the state and a lot of farmers come to Chicago and enjoy it thoroughly and we try and make them feel at home so they may use the public transportation system at a discount. Secondly, Chicago is also the hub financial center of this state and of the Midwest as a matter of fact, the whole midcontinent in terms of grain dealings and futures in agricultural products of a wide and diverse nature. And if the people who use the public transportation system to get to the markets in the city of Chicago can't get there and that transportation system shuts down and the futures market shuts down and there's no more activity in the city of Chicago in terms of buying and selling farm products, he's going to be impacted there. Same basis as has been pointed out earlier. Your taxpayers, your farmers are getting a substantial amount of money in terms of road construction

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

in their area to move their products to market and therefore the Chicagoan can say 'I may never drive on those roads. Why do we have to pay for that?'"

Friedrich: "I don't believe you've seen the latest road program or you wouldn't say it's true. That's all, thank you."

Chairman E.G. Steele: "Thank you, Representative. For another question the Gentleman from Cook, Representative O'Brien."

O'Brien: "Thank you, Mr. Chairman and Members of the Committee. Mr. Hill, I'd like to ask you a question in relation to the RTA or whatever authority we are going to get to provide some sort of transportation in the collar counties and the outline Cook area. What role do you think that authority or what role do you think the RTA should play in the operation of a transportation system?"

Hill: "It depend upon the area, I think. Where there is an operating transit entity in place, I believe that they should continue and do that operations if they're performing satisfactorily. I believe that the RTA or that umbrella organization should be a participant in arriving at labor contracts, settlements if it's going to be asked to come up with the money to pay the bill. I think that it should also participate and be the body, if you will, not participate, but be the body after discussions and after participation with others in terms of a .... notion of what the fare structure is. I think there's a series of those control features that are major controls on expenditures and incomes that the RTA should do. And so far as the operations themselves as I pointed out before I would in fact favor the establishment in county areas and it doesn't have to follow county lines of transit authorities or transit districts to do operations."

O'Brien: "That last part again one more time."

Hill: "As I pointed out earlier, I said I am in favor of

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

continuing transit operations by transit authorities in different sections of the six county area. It would seem to me that it would probably be desirable to have the whole six counties blanketed with transit authorities who are responsible for operations within their area so they can be more responsive and more finely tuned to the people that they're serving."

O'Brien: "Well then you feel that the RTA would be the overseer of all of the small little lines like the 'Nortown' etc., etc.,...."

Hill: "Of all the lines. Of all the lines"

O'Brien: "I have...I share your sentiments in relation to negotiating union contracts and I'm sure that Chairman Barnes and anybody involved in any regional authority would share your sentiments as long as we can bring our union negotiations and our union contracts back to where they provide some sort of sanity in relation to the service that's performed. I'd like to mention to you, Mr. Chairman, that I feel that perhaps the Regional Transit Authority or whatever area that we established that's going to provide that transportation ought to leave it to the private sectors and ought to see to it that the lines in those private sectors vie for those areas that there is a void in rather than actually having the transportation go into the operation of the system itself. I'd like to ask you a question, Mr. Chairman. In relation to the fair fare or an equitable fare structure that you indicated earlier in your speech, there has been an editorial by Channel 7 which indicated that perhaps we need a more equitable fare structure in the CTA transit system and perhaps even in the suburban lines, a fare structure such as they have in Washington D.C. or Camden, New Jersey, or Oakland, California, or Atlanta, Georgia or in almost every single



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

solitary transportation district that exists in every European city that I know of. My district quite frankly, the 13th Legislative District, I feel probably relies more on mass transportation than any other district. More people in the 13th Legislative District use transportation to get to and from work than anybody else, but yet they are traveling short distances. They are traveling ten to twelve to fifteen blocks on a line and paying 80¢ and of course, if your fare goes up a dollar to get to work and to get home while other people who come from Evanston or Homewood Flossmoor are paying that same amount for that service. What is your feeling in terms of instituting some sort of a fair fare system or an equitable fare structure within the Regional Transportation Authority and the CTA?"

Lou Hill: "The varied fare structure works on a controlled system where you have ticket collectors, or similar to the new Washington D.C. system where you can buy your ticket, you put it in at one end and take it out at the other end based upon how much you've paid for the distance you travel. Similar to what the Illinois Central Railroad Suburban does within the city of Chicago in terms of that method of fare collection comparable to what the commuter railroads do within our Northeastern Illinois area in terms of the same people who ride this same distance, they're paying the same fares and that's generally true on the European systems of fixed rail in that regard. Difficulty in terms of doing it on a bus system in my mind is that if you established in your area or if it were established in your area as an example and say the dividing line was diversity, I'm not sure what happens when the bus that's coming down from Montrose or Brenmar someplace gets down there, how the driver knows that he now has to charge an extra piece or an extra fare unless everyone getting on has to register and

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

then when they get off they register which means that the driver then is going to have twice as much effort and I think most drivers are concerned now that in rush hours they're hard pushed to accommodate the people who use it at the present time. So that I think there's some operating problems and perhaps Chairman Barnes would expand on that more because of his direct knowledge on operations at a later time. But I think that that avoids the basic issue that what we need is more money because if, in fact, you're constituents would pay less, presumably those in the outer edges of the City of Chicago would pay more and those in the middle would pay what currently is there and would end up with the same amount of money. So that in fact it doesn't help solve our financial problem. It simply makes it cheaper for your constituents to ride but charges others who ride further more money."

O'Brien: "Well, that may be one aspect of it but Mr. Barnes or Mr. Hill, wouldn't it also be possible for us to set up a situation where we would be more sensitive to the consumer so that he would be paying for the service that he's using? And in the outlying communities and in the outlying counties perhaps we could increase the express bus service and charge a premium fare of ten or fifteen cents more, whereby people would be getting on the bus in their local community say as Roger's Park or Marquette Park, they would be assured of a seat and they would have an express bus that would take them right into the Loop where they would be not having to stop, stop after stop after stop once the bus is full. You would be saving energy. You would be saving time. It would be more efficient and you may increase the ridership even in those outlying communities. And unless something is done, Mr. Hill, in those inlying communities you can rest assured that the thousands of

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

people in Dearborne walk, the thousands of people on the near west side at the Medical Center and at the University of Chicago and those people in Sandburg Village will find alternative measures to get to work. They'll walk. They'll ride bikes and your decrease in ridership as your fare goes up will be incredible. It will probably be 10% with the warmer weather. Many people who permanently use the CTA on a permanent basis, on a daily basis who need it will abandon it. I think that the system could work and I think it would be an equitable fare structure and I think that perhaps the RTA hasn't been as sensitive to the CTA who's wanting to implement these types of programs so that it can make the system sensitive to the Chicago neighborhoods."

Hill: "I've never been told that the CTA wanted to implement your system."

O'Brien: "One other question and I'll put that question in terms of the...you know we need an equitable fare structure and we also need an equitable tax structure in order to get some comprehensive planning and some good transportation in a collar area. But I'll get to my last question. Can you tell me under the present system by which we're operating what you owe the Chicago transit authority, what the RTA owes the Chicago transit authority."

Hill: "About \$50,000,000, \$52,000,000."

O'Brien: "About \$52,000,000? In other words under the program that we agreed to, the RTA owes the CTA and its ridership and its tax payers in the city of Chicago \$52,000,000?"

Hill: "I don't know about what we owe its ridership. We owe CTA because CTA owes its suppliers and fuel suppliers."

O'Brien: "Well, CTA has an obligation to its riders so therefore, you would owe its ridership and its users...."

Hill: "\$59,000,000 as of today."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

O'Brien: "\$59,000,000. Well I would just like to point out, Mr. Chairman that as Representative Huff said, if anybody is being misblamed for the lack of service or the breakdown in the transportation program it certainly shouldn't be the CTA or its ridership if they are sixty million dollars in debt. It would appear to me that the biggest bank that the RTA has right now is the CTA."

Hill: "No question about that."

O'Brien: "Thank you."

Chairman E.G. Steele: "Thank you, Representative O'Brien. For another question, a Lady has been waiting quite a while and again, in fairness to those who still would like to ask question, if you could select the one or two questions of greatest importance to you and pose those to the Chairman it would be appreciated. The Lady from Marshall, Representative Koehler, please."

Koehler: "Mr. Hill, on WBBM last week you stated that the tax placed upon petroleum products would not necessarily be passed on to the consumer. Is that still your position?"

Hill: "Yes, it is."

Koehler: "Well, I would suggest to you that all taxes are ultimately paid by the consumer and that to think otherwise would be to live in a Cinderella land."

Hill: "You were not at the select Committee hearing the other evening, were you?"

Koehler: "No, I wasn't."

Hill: "When the Representatives from Standard Oil testified and they were not flat out to say that it would all be passed on to the consumer because they also indicated that the competition that presently exists that they would respond to so not necessarily all of it would always be passed on to the consumer, that they might have to absorb some of it and they were not as strongly committed to the fact that it

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

would all be passed on."

Koehler: "Well, I think that history would indicate that taxes are...."

Hill: "Someone pays it someplace."

Koehler: "...passed on to the consumer."

Hill: "I say someone pays it someplace. Whoever it is and whatever place you know is open to the question. But they were not so committed that all of it immediately would."

Koehler: "Well, thank you very much. I see that you still think that. Thank you."

Hill: "Yes."

Chairman E.G. Steele: "Thank you very much, Representative Koehler. We very much appreciate your keeping your question concise and brief and to the point. Another question from the Gentleman from Cook, Representative Emil Jones."

Jones, Emil: "This won't be a political speech. Thank you, Mr. Chairman. Mr. Chairman, Lou Hill, and I'll be very brief in my question, what is the annual ridership of the RTA region? What's the annual ridership? Could you give me an approximate figure?"

Hill: "The total region?"

Jones, Emil: "Yes."

Hill: "It's about 2.4 million a day and we'll calculate that out for you. I've got the figures here."

Jones, Emil: "Okay, now with all the bus companies within the region including the CTA to what extent is the average rider subsidized by the RTA or CTA ridership? To what extent are they subsidized? What percent, that is."

Hill: "It's 41¢ per trip."

Jones, Emil: "For CTA."

Hill: "For CTA."

Jones, Emil: "Now, the other bus companies within the region, to

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

what extend are they subsidized per rider?"

Hill: "The suburban bus is 68¢ per trip in the aggregate. Averaging it all out, some are less and some are more. But 68 is the average."

Jones, Emil: "I thought it was up around 80 or more percent per rider in...."

Hill: "I'm talking about cents. Cents."

Jones, Emil: "You're talking about cents. So by...percentage wise..."

Hill: "Yes, 68¢."

Jones: "...It would be above 80% for the suburban and I believe the Chicago CTA ridership is around 39%."

Hill: "Well, if we go back to percents..."

Jones, Emil: "On ridership."

Hill: "Out of the farebox were the figures that I cited earlier. The percents from the farebox..."

Jones, Emil: "No, I wasn't talking about the farebox. I understand that, Mr. Hill. What I'm getting at is on annual ridership to what extent is the average rider subsidized by RTA as far as the CTA is concerned?"

Hill: "Well, based upon the subsidy per trip for CTA is 41¢, suburban bus is 68¢, commuter rail is 83¢."

Jones, Emil: "Okay then so how can you describe to me why we have such a gross inequity? When I listen to my colleagues from across the state, they are constantly bombarding the CTA based on the subsidy that it receives. But yet, according to your figures, the people from the city of Chicago are really a victim. Now how can you justify this gross inequity and subsidy?"

Hill: "Well, what I did not give you was the percent of subsidy. Suburban bus is larger than the CTA. Commuter railroad is less because the 83¢ per trip on the railroad also brings with it a larger fare per rail rider than what the CTA

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

rider pays because they pay more on the long rides."

Jones, Emil: "But the suburban bus, is that fare much?"

Hill: "Suburban bus is less. Suburban bus pays less than CTA in terms of the..out of its farebox. There's more subsidy on a suburban bus than there is on CTA. That's correct."

Jones, Emil: "And one other short question and I'll be through. I notice where the commuter rails are concerned when you enter Chicago the CTA bus service is there to give them additional ride. What is the distance, the maximum distance that those persons ride when they use the CTA buses? When they get off the commuter train, what is the maximum distance that they ride and how much do they pay?"

Hill: "Well, they pay whatever anybody pays on the CTA if they take the bus that goes anyplace throughout the system and they have to pay the CTA ride. If they take one of the shuttles they pay what the shuttle system pays. Whatever that is, based upon whether they ride the train or not they have to pay the extra fare."

Jones, Emil: "A person living at the 22nd street on the Chicago south side, if they were to ride to the Loop which is approximately a mile and a half, they would have to pay 80¢, but a person getting off a commuter rail train and take one of the shuttle buses could ride even farther and pay a lesser fare. Now, I can't understand the inequity there."

Hill: "Well, or if the one who gets off the commuter railroad and wants to ride out to 22nd street than he would pay the 80¢ just as the other fellow going the other direction."

Jones, Emil: "Well, it seems to me, Mr. Hill, that you don't want to answer my question directly."

Hill: "I thought I answered it."

Jones, Emil: "But what I am getting at is the same question that Representative Huff brought up, Representative O'Brien

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

brought up, is that the people who live in the inner city are actually subsidizing those individuals from the outlying areas, the suburban area because of the higher fare that they paid for a shorter distance to which they travel."

Hill: "No, they are not because what happens is that if you look at where the tax subsidies come from you will find that they come more greatly from the suburban area outside the city of Chicago."

Chairman Neff: "The Gentleman from Macon, Representative Tate."

Tate: "Mr. Chairman, I have a few comments in reference to some statements that the Chairman Hill had made earlier today. First question: Chairman Hill, in higher density areas your performance improves in terms of the revenue at the farebox through the operating costs. Would you agree with that statement?"

Hill: "Yes."

Tate: "Wouldn't you think then it would be unfair to make the statement in your comparisons earlier today when you cited statistics on some of the downstate operators verses the RTA recovery rates?"

Hill: "I only put those out to put them into perspective that as the state subsidizes the downstate transit districts because they have lower density and they subsidize them to a great percentage because of the point that you're making. But we get no subsidy at all, not even a varied subsidy."

Tate: "Are you familiar with the California legislation recently that distinguishes between that provides performance standards for areas in for example Metropolitan area like San Francisco and L.A. and they provide for performance standards in reference to tying the farebox revenues to the operating costs?"

Hill: "There are a variety of performance standards throughout



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

the country, yes."

Tate: "You cited earlier today and I heard it over the radio. I couldn't, I'm not sure....your farebox recovery rate this year for FY 81 is what, 45%?"

Hill: "45% for the CTA system. 48% in the aggregate for the total of all carriers funded by the RTA."

Tate: "I have a table in front of me that kind of disturbs me again on some comments that you made that projected, given everything would stay status quo like we are today, that your percent from the farebox recovery rate would be 34% in 1982, 32% in 1983."

Hill: "I didn't say that."

Tate: "As far down as 26% in 1985. I'm bringing this up because I have a problem with those type of projections given everything would be status quo of your refusal to implement any additional farebox increases."

Hill: "I think you're quoting figures from my previous five year program which was before we implemented the 33% fare increase on January 1 of this year."

Tate: "Would you, Chairman Hill...."

Hill: "It's the fact that we did go forward...."

Tate: "Chairman Hill, in fact support a proposal that would assure people of using mass..that are using mass transit facilities in the RTA region that contribute proportionally to the cost of maintaining the mass transit system?"

Hill: "I'm sorry, I didn't...."

Tate: "What I'm asking you, would you support the concept of tying your farebox revenues to your operating costs at a reasonable figure?"

Hill: "I responded earlier to a previous question similar that I think that I would have no problem if there were a requirement that the farebox should deliver 40 to 50% of operating costs. Somplace we arrive at the figure."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Tate: "What would you...Then you would be comfortable with the figure of what? 40 to 50%?"

Hill: "Yes, split it in the middle, say 45 as a quick response."

Tate: "Okay, thank you."

Hill: "But I don't know if the people downstate would like that."

Tate: "You've got to compare apples to apples though."

Hill: "That's right. We only compare dollars to dollars, too."

Chairman Neff: "The Gentleman from Cook, Mr. Zito."

Zito: "Thank you, Mr. Chairman. Mr. Hill, thank you for coming and testifying today. As you're fully aware, Mr. Hill, I'm a new Member of this Assembly but we..."

Hill: "I think I got you elected last year."

Zito: "Yes, Sir. We've dealt several times in the past and I'm happy to say to you now that this is the first time in all of our dealings that we agree on one thing and that's the Thompson transportation package which I don't think is going to solve transportation problems. However, I represent a district that's in the suburbs of Cook County and I haven't heard any mention of what if this transportation package is defeated, what new proposals, what new plans, what improvements can the suburban area of Cook County look for under the RTA?"

Hill: "If this package is defeated you won't be looking for any improvements because there won't be any system if there is no substitute."

Zito: "So in other words we're going to have to operate until this General Assembly funds are found for the RTA. If we don't okay this package then there is going to be no transportation system."

Hill: "I said if there is not a package, a substitute I hope for this. If there is not some legislative relief and some provision of monies shortly there will not be a system operating because we'll be so far behind, everything will

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

be shut down in my judgement. Funds are necessary."

Zito: "I just have one quick more question. I'm not an expert at budgets certainly but I've been looking through an itemized list of salaries for departments. And you list under \$37,000.00 a job title which is unassigned. I'd like an explanation or definition of an unassigned job title because its \$9,000.00 more than any Member of this Body currently is paid."

Hill: "I think you're looking at a CTA job list, and I would suggest you ask..."

Zito: "I'll hold my question for Mr. Barnes. Thank you."

Chairman Neff: "The Lady from Kane, Mrs. Deuchler."

Deuchler: "Thank you. Mr. Hill, I had a number of questions but in an effort to keep this short I would just like to ask you if you have been approached either formally or informally for a job as chairman of the TFA and if so at what salary?"

Hill: "No, I have not been approached either formally or informally."

Deuchler: "Would you be interested in such a job if it were offered to you?"

Hill: "No."

Deuchler: "Could you tell us whether the employees of CTA and RTA currently receive free dental care?"

Hill: "Free dental care?"

Deuchler: "Care. Yes."

Hill: "We have a hospitalization program which includes compensation for part of dental expense at the RTA. I'm not familiar with what the CTA has in that aspect. Yes."

Deuchler: "Does that include orthodontia?"

Hill: "I don't believe so. No."

Deuchler: "Do you have a blue print now in the making to transfer the staff to the TFA?"

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Hill: "No, Ma'am. I hope that likelihood never comes about."

Deuchler: "Do you have plans to transfer pensions or benefits or how would those be handled in the event of the demise of the RTA?"

Hill: "I have no idea. We have not made any plans that the RTA would go out of business."

Deuchler: "Thank you."

Chairman Neff: "The Gentleman from Cook, O'Connell."

O'Connell: "Thank you, Mr. Chairman. Mr. Chairman Hill, I'd like to direct my questions to the.....opt out provisions of the Bill, and I realize that you are not the drafter of the Bill, but in terms of the operations of the RTA it might help me in edification. It indicates in the proposed legislation that there is an opting out provision for collar counties. It also appears that those that one quarter of a penny of the sales tax is earmarked for bus service. Under the current system, is the one quarter of a penny that the collar counties pay now, is that also earmarked for bus service?"

Hill: "The one quarter cent goes toward the expenses of bus and in the collar counties the commuter rail system in their area, as well as the fare transit programs out there."

O'Connell: "Well, if then a collar county under the proposal were to opt out, then those funds for the rail service would be addressed exclusively by the gross receipts tax? And I realize this is not your Bill."

Hill: "I would understand the gross receipts tax plus what would continue at the present time of the federal subsidy monies. But again, that gets us into a whole other area that is very confusing to me as to how it would operate too because at the present time we get approximately \$80,000,000 a year of federal funds for operations and I'm not sure where that would go, who would decide how that's divided and how much

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

of that would be used to subsidize the variety of activities."

O'Connell: "I'm trying to determine if there is an accurate correlation between the one quarter of a cent and the degree of bus service in the collar counties. Is that a fair..."

Hill: "Well, let me give you this. At the present time, the one quarter cent in DuPage produces about \$12,000,000. These are our figures for this year, our projections for this year. The bus system throughout DuPage...let me find it...is approximately \$3 million three in terms of what we provide as subsidy now for bus alone. The rail receives about \$12,000,000 in terms of subsidy."

O'Connell: "So, if I'm not mistaken, if under the proposal the one quarter of a penny is to be earmarked exclusively for bus service then there is a substantial surplus over what is currently being used."

Hill: "There is if somebody else picks up the tab for the railroads, yes."

O'Connell: "Now, in relation to suburban Cook and the collar counties, isn't it true that there is a comparable bus service in much of suburban Cook as there would be in some other collar county such as DuPage?"

Hill: "There are portions of suburban Cook County that have bus service which is comparable to the other collar counties. There are some parts of suburban Cook that have service either provided by CTA or which is quite comparable to CTA. Yes, it ranges over."

O'Connell: "It would be fair to say that the closer you are to the CTA service system the more of a service you would receive."

Hill: "I don't think it's limited to the closer you are to the CTA. I think it also depends upon on the density of the

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

area, the tradition of the bus system and a few things in addition."

O'Connell: "And again I realize that you're not the drafter of the proposal, but if the suburban Cook is assessed one-half of one cent of a sales tax would it not follow that that too would be earmarked for bus service?"

Hill: "I think under the legislation since that is included within the new entity that that would go into the general coffers for distribution and is not restricted for suburban bus. But I could be wrong because I've only..."

O'Connell: "Well, it would follow that if the collar county were to opt out and that quarter would be lost to bus service, obviously the commuter rails would continue in the collar counties so it would follow that the gross receipts tax would be paying for the train. So it would follow then that the suburban..."

Hill: "I think the logic of what you're saying is there. I don't think that's spelled out precisely in the legislation."

O'Connell: "Well, I think possibly a defect that the suburban Cook County members may be considering is that it would then leave us with one half percent of a sales tax on a bus service which in many instances is comparable to a collar county which has the opportunity to opt out which is not given to the suburban Cook County as an option."

Hill: "That might be. Again as I say, I haven't had a chance to go through it in that much detail either."

Chairman Neff: "The Lady from DuPage, Mrs. Karpiel."

Karpiel: "Just briefly, Chairman. Thank you, Chairman. Just to touch very briefly on something that was brought up by one of the previous speakers. Could you tell me how much of the revenue for the whole RTA region comes from the area outside of the CTA region? Either in specific dollars or percentage."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Hill: "Are you talking about the sales tax revenues?"

Karpiel: "Yes, Sir."

Hill: "When you talk of outside CTA, we have to remember that there are substantial number of suburban Cook County communities that are served by CTA. So I don't..."

Karpiel: "Let's just talk about suburban Cook and the collar county. What is the revenue either in specific dollars or percentage as opposed to the entire budget?"

Hill: "Are we only talking about sales tax now? I was looking at sales tax figures and my staff was showing me something else. Now, which figure were you looking for?"

Karpiel: "What other figures are there?"

Hill: "Pardon?"

Karpiel: "What other figures are there?"

Hill: "Well, we have federal funding which is..."

Karpiel: "I'm not talking about federal funding."

Hill: "You're talking about sales tax monies."

Karpiel: "Yes, Sir."

Hill: "Okay, for the eleven months ending September 30 which was our last fiscal year and only eleven months because that's as long as it was in effect 40.7% was provided by Chicago, 49.8% from Cook suburbs for a total of 90%. 4.2%, and I'm rounding this off, 4.2% DuPage County, 1.3% from Kane, 2% from Lake, and .6% from McHenry and 1.2% from Will."

Karpiel: "So what you're saying, in effect, that is that Chicago provides 40.7% of the revenue, suburban Cook 49.8% for approximately 9% and 10% is made up from the other collar counties. Is that correct?"

Hill: "That's correct, yes."

Karpiel: "Could you now tell me what percentage or actual dollars is spent in the CTA and how much actual dollars is spent in the RTA outside of CTA?"

Hill: "CTA receives about 70%."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Karpiel: "Is it also possible to break it down a little bit further and tell me how much suburban Cook that is in the CTA region accounts for part of that 70% of the CTA region?"

Hill: "What we have done because of the varying ridership, we have allocated 10% of CTA expenditures and expense to suburban Cook County."

Karpiel: "Alright, thank you. Then I would suggest that people who seem to feel that in the CTA region or downtown Chicago they are victims should realize that 90%, I mean should realize that 60% or almost 60% of the revenues for the RTA including CTA comes from suburban Cook and collar counties while 60% of the expenditures for the RTA region go to the CTA, not suburban areas, not the RTA region. So I don't know how we get to be a victim in the city of Chicago. I would suggest we're a victim. One other concern: Did you say, Mr. Hill, that you are now \$150,000,000 in debt?"

Hill: "No, I didn't."

Karpiel: "What's the total figure?"

Hill: "We're..through September 30 we would need about \$100,000,000 to balance our budget. We did increase the fares on the first of the year that 33% so that we will have nine months of the increased fares flowing from that. What I have referred to before was that when we started preparing this year's budget we were short \$150,000,000. We increased fares and did reductions in other expenditures so that we're about \$100,000,000 because short now we've also had the experience of sales tax receipts which are less than what were projected back last fall. The actual figures are coming in under what had been projected with the continuing decline in purchasing and fuel has now already achieved the level that we had thought it would this fall again heavily because of the deregulation that



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

the President did in January. So the expense on fuel.."

Karpiel: "...about \$100,000,000. Are you saying that if for instance we gave you outright right today \$100,000,000 to balance your budget, that from now on you could maintain a balanced budget with your fare increase?"

Hill: "Through September of this year."

Karpiel: "And then what?"

Hill: "And then next year with costs escalating at 15 to 17% then we will be short again."

Karpiel: "Well, if you knew about a year ago that this problem was imminent did you take any steps other than the eventual fare increase on January 1 and cut back you say of some services. And I frankly don't know where those are at. Did you do anything further to try to bring the budget into being a balance budget?"

Hill: "Yes, as a matter of fact we did do some trimming on a number of lines and as a matter of fact I was not making a facetious reference but perhaps I should explain it when I made my rather flip comment to Representative Zito. We cut substantially some service in the district that he now represents which he used as a campaign argument very heavily in opposition to our cutbacks in terms of some service in the district that he now represents and has continued to oppose those. We've cut a number of areas of expenditures for a variety of reasons and so there were other reductions."

Karpiel: "Well, I really don't have any other questions except an observation that...alright, never mind. Thank you."

Chairman Neff: "The Lady from Cook, Mrs. Braun."

Braun: "Thank you, Mr. Speaker (sic). Mr. Hill, with regard to the revenue rates for the RTA am I correct in understanding that you have only the sales tax, the farebox and federal revenues as a basis of subsidy at the present time?"

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Hill: "That's basically it, yes."

Braun: "With regard to the sales tax, the amount charged in the city of Chicago is higher than that in the suburbs. Is that correct?"

Hill: "It's the same rate in the city of Chicago and suburban Cook County. It's one penny. In the collar counties it's a quarter percent. Now, I should have pointed out though - let me go back in terms of that revenue base - I should not ignore the \$3,000,000 that comes from the city of Chicago and the \$2,000,000 that comes from the county of Cook for \$5,000,000 in terms of that."

Braun: "Alright."

Hill: "There are some other little bits but those are the ..."

Braun: "Alright, with regard to dollars, how many dollars are generated by the sales taxes collected in the city and sales taxes collected in the suburbs?"

Hill: "The eleven months of sales tax through September 1980 from the city of Chicago totaled \$93,550,000. The sales tax for suburban Cook County generated \$114,339,000."

Braun: "With regard to collections from the fare...And how does that break down percentage wise?"

Hill: "Well, then the remainder comes from suburban collar counties, the remainder of the sales tax. Out of the total sales tax 41% is Chicago, almost 50% is suburban Cook and the remainder is the collar counties."

Braun: "Alright with regard to the farebox, what are the revenues generated from the farebox in the city in terms of dollars and then percent and revenues generated from the farebox for the suburbs?"

Hill: "You want me to divide CTA between Chicago and suburban but again our quick allocation is 10% of CTA is suburban. That may not always be exact but let me tell you the farebox revenue of CTA, farebox revenue of railroads and farebox

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

revenue of suburban bus. Can we start with that? You're talking about farebox revenue?"

Braun: "Yes, I am."

Hill: "Okay, farebox revenues as we projected it for our Fiscal Year '81 is about \$249,000,000."

Braun: "From the city."

Hill: "CTA."

Braun: "CTA. 2 was that?"

Hill: "249."

Braun: "Million."

Lou Hill: "Million. \$249,000,000."

Braun: "And the suburbs."

Hill: "Well, CTA, we haven't got that split but if we take 10% of the CTA expenses to the suburbs we might take 10% of the revenue to the suburbs too as anequalization, but maybe I..."

Braun: "Okay, so..."

Hill: "We can get it for you but I don't have it here. Chairman Barnes may have that. The railroads in terms of revenues and again this is heavily suburban because primary ridership is suburban. There is some reverse commute on the railroads of Chicago residents who are taking the train out to work, some students and a few of the others than the, I see of course. But railroad revenues are \$117,000,000. Suburban bus revenues are 14.7 million dollars. These are our 1981 Fiscal Year estimates."

Braun: "Okay, so we're looking at about \$131,000,000 from the suburban, rail and bus add or take 10% of \$249,000,000 - right?- versus \$290,000,000 for the city..."

Hill: "No, no, no, you're going the wrong way. The total CTA is about \$249,000,000 is our estimate of which up to 10% might be suburban revenue."

Braun: "Okay."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Hill: "So instead of adding it on to it if you take 25 off and that may be high, say you just take 20 off, you'd be it to twenty-nine city."

Braun: "Okay, now with regard to suburbanites transferring to buses or trains within the city, what is the cost to the rider there?"

Hill: "Is this a different question than the one I had before?"

Braun: "It is, slightly."

Hill: "Well, if a person comes in on a commuter railroad and he takes the CTA he pays what the CTA fare is."

Braun: "Okay, so in terms of overall dollars both with regard to the sales tax and the farebox can you give me an aggregate dollar figure and then a percentage figure breakdown between the city and the suburbs?"

Hill: "I think I'm going to have to put numbers together here. Could I have the staff do that? Get that for you?"

Braun: "Okay, and I'll ask you another question. With regard to riders...ridership, do you have... do you keep ridership figures?"

Hill: "Yes."

Braun: "Okay, and what percentage of the riders, the users of RTA services are people who live in the city versus people who live in the suburbs?"

Hill: "Well, again, we have no way of giving that number to you because a person who gets on the CTA bus and pays their fare we don't know whether they live in the city or they don't live in the city. We can tell you what a CTA ridership number is in contrast to the others but I can't tell you..."

Braun: "That was what I meant."

Hill: "Okay."

Braun: "I'm sorry."

Hill: "Again, the Federal Government, in the efforts of

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

standardization of statistics, have asked us to give reports and statistics now on numbers of trips on a ride so if you ride a bus and then transfer to the 'L' that's counted as two trips because it's two different methods. If you transfer from one bus to another bus that's two trips even though you may pay one fare but that's what the feds want in terms of standardized reports across the country. The figures for last year would be that CTA trips would be approximately \$870,000,000. I'm sorry, we changed the fiscal year if you remember so last year has got two figures, one when we count only twelve months and one when we count fifteen months. Let me give you the twelve month figure. 687,000,000 trips on CTA, 81,000,000 trips on commuter rail and 38,000,000 trips on suburban bus."

Braun: "Okay, with regards while we're getting...I still want... We will be getting the figure of the aggregate for sales tax and farebox revenues, right?"

Hill: "Well, why don't we do that afterwards if we could because..."

Braun: "Well, I'd like to do that because it's relevant to what I, to an issue that I think is floating around in this room in a misconception regarding where the source of revenue is coming. You have a revenue base that consists not only of the sales tax and fareboxes and you've got more people riding, using the services of the CTA in terms of rides and it would seem to me that more people generating farebox and more people generating sales tax revenues would not mean, as you stated earlier, that the suburbs pay a higher proportionate share. But be that as it may, I want to talk a little bit while they're working on those figures, talk a little bit about..."

Hill: "What I think I said was that in terms of a commuter rail, in terms of the percent, that operating expense that comes

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

from the farebox is higher on commuter rail total..."

Braun: "That wasn't what you said, though."

Hill: "Wherever they live. No, I think that is what I said and that with regard to the CTA, the CTA operating expense is about 45% out of the farebox and I quoted the figures in terms of commuter rail out of the farebox and the figure in terms of suburban bus out of the farebox and they end up with an aggregate of about 48%. The point that I said and I think I responded to the Representative back here was that in terms of the percent from the farebox, if we take CTA as one figure, which is 45% and if we take commuter rail and suburban bus together, since suburban bus is suburban and commuter rail and take that together, the percent there is higher out of the farebox than it is on CTA."

Braun: "But you just said, Mr. Hill, that you subsidize the suburban rail and the suburban bus service at a higher rate than you subsidize CTA service so that would sound to me..."

Hill: "Now, what I said was that the subsidy per trip on commuter railroad in the 80% range is also matched because the rider pays a much higher fare on suburban rail than the CTA rider pays so that the percents, the relationships on percent is lower but the actual money per ride is higher."

Braun: "So that would seem to indicate that the economies are achieved by the CTA in transporting more people with a contribution at the farebox that was close to commensurate for less dollars, for less subsidy from the RTA."

Hill: "A more dense area will be able to produce a more efficient and economical system."

Braun: "That's what I think we need to be hearing here today."

Hill: "If you travel the same distance but again the maximum distance that you can travel on the CTA is less

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

substantially than the distance of a rider on a commuter railroad and therefore, the commuter rail rider who travels the maximum distance that they can will pay substantially higher fare than on CTA."

Braun: "So people who live closer into the city going to their jobs pay for or subsidize people who travel from a long distance to get into the city to their jobs?"

Hill: "No."

Braun: "Well, not to debate that. With regard to federal subsidies, what percentage of federal subsidies, how do the federal subsidies break down as between the city bus, city rail, suburban bus and suburban rail services?"

Hill: "We break them down by Chicago, suburban Cook and the other collar counties. We do not break them down in the way that you're referring to."

Braun: "Alright, well however you break them down."

Hill: "We've allocated the federal Section 5 funds of just under twenty million dollars to the city of Chicago, seven million dollars to suburban Cook County, 1.6 million dollars to DuPage, 0.6 million to Kane County, 1.09 to Lake, zero to McHenry because up until recently none could be allocated to McHenry because it was not part of the urbanized area of any of the urbanized areas and 0.5 million dollars to Will County. That's this year's budget."

Braun: "Alright, now but that seems to me now I don't have a calculator here, breaking down the proportion of riders in the city to the proportion of subsidy to the federal dollars afforded the city by the RTA. It would seem to me that there is a disparity that ... against the city's interest in that regard, the CTA. That is to say the difference between 687,000,000 people versus 100,000,000 people is less than the difference between \$20,000,000 and

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

\$9,000,000. The ratio is different."

Hill: "Section 5: federal money is distributed based upon the federal rules."

Braun: "In other words it's not based upon ridership. It's not based upon tax payers. Okay fine."

Hill: "It's based upon the rules that they established based upon both rides as well as length of ride, etc."

Braun: "Mr. Hill, with regard to the time payments by the RTA to the carriers with the system, what is the average time between submission by the CTA of expenses or bills to the RTA in payment and what is the average time for payment to other carriers in the system by RTA?"

Hill: "Overall they're basically the same."

Braun: "Do you owe any other rail carrier right now, fifty million dollars?"

Hill: "We owe all the rail carriers two and a half months of their subsidy monies."

Braun: "One final question, Mr. Hill. With regard to the, did you get those figures yet by the way, total revenues?"

Hill: "Not yet."

Braun: "Alright, Mr. Speaker (sic), I would like to... The figures that I've asked for relate to total dollar collections as between the city and the suburbs, that are afforded to the RTA and those figures would seem to me are crucial because one of the problems we have here is that there..nobody seems to be happy with this operation. The people who live in my area believe that they are subsidizing suburban riders. Suburban rider believe they are subsidizing city people. I've got a letter here from a RTA employee which is apparently anonymous saying, 'Kick up, don't get mad, get even with the RTA'. So we've got a problem here somewhere and I think that one of the problems is we've been getting a shell game with regard to where the



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

money comes from and where the money goes to and I would like to have some sensible breakdown on the revenue base of the RTA if we are going to proceed to deal... to address this question. I would hope that we would not bog down into regionalism in this regard because this is a statewide issue. However, I think that the misconceptions...that several misconceptions are abounding in this room and some straight figures from the RTA would be timely. So I would ask then, Mr. Speaker (sic), that when Mr. Hill's staff gets that information together that I be recognized again."

Chairman Neff: "I'm sure you can get Mrs. Braun those figures."

Hill: "Sure. I would say also that our annual report always includes all of these numbers but not in the same manner of addition or subtraction that was asked for."

Braun: "Mr. Hill, your annual report is unreadable. That's half the problem."

Hill: "I've never had your inquiry before, Ma'am."

Braun: "Mr. Hill, I got the first letter and please don't get me started because I was not going to get into badgering you this afternoon. But I have a file back in my district office where I've written you time and time and time and time again. I've written you about service cutbacks in my area. I have written you about discrimination in service decisions regarding the south side. I have written you about the number one bus. I have written you about the 95. I have written you on so many occasions I cannot count them standing here and I have gotten from you a single letter which I received two weeks ago. So, in terms of not hearing from me before, I have written you about integration of systems in coordinating payment of fares between the IC and the CTA. We've had hearings in my district on this issue going back for the last three years now and it's not until you come down here to this

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Legislature and give us information which may or may not, in my experience be correct, that I have ever had an opportunity to discuss this issue with you, Sir."

Hill: "I don't know that you've ever called me for an appointment to come in, for me to commit you to come and see me or me to come out and see you."

Chairman Neff: "Thank you."

Hill: "Others do."

Chairman Neff: "The Gentleman from Cook, Representative Dunn. Jack Dunn."

Dunn, Jack: "Thank you, Mr. Speaker (sic). We're pushing a lot of numbers around here all morning and all afternoon. I looked at the list of witnesses that we have to testify yet. I see that we only have 52 to go. It occurs to me, it occurs to me that by the time we have listened to the testimony of all these witnesses the RTA will have been out of money for about two weeks."

Chairman Neff: "... so you'll be up to date a little better."

Dunn, Jack: "That was my observation. Empty buses, Mr. Hill, I live out in Tinley Park and we've got empty buses going back and forth all the time. Shouldn't it be a part of the plan to save money, to do away with these bus routes that are no longer coming up with a number passengers that you need? I would think that would be a good area to cut in."

Hill: "Well, I would agree with that. I think that this again is similar to a question that has been raised before. Two things do happen though. One, when we put on a new route there's a testing period to see if it will, in fact, provide a service and have people attracted to it and after a period of time then it should be abandoned if in fact it is not doing anything. And I agree with that. The other one though that I pointed out perhaps the other evening to the Select Committee and not today, I've forgotten, was

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

that in some of the areas where we have feeder service to the commuter railroads, in the morning the bus coming away from the station is empty, as it goes out to the beginning of its run to pick up people bringing them to the train and then in the evening the reverse is true. Half of that run then is going to be empty and frequently people will see it going at that direction. Another one is if we had criticism of a couple of buses that again were empty but they were also buses that ended their runs at that particular intersection. They had already distributed their passengers. That was their turn around point. But they were there for transfer purposes in the event someone wanted to transfer between the two. So there are occasions when there is less than adequate ridership for several reasons and I don't...there's some that just ought to be done away with and I don't deny that at all."

Dunn, Jack: "I just have the feeling sometimes that those buses represent our political pound of flesh that in order make BTA more palatable to the people we'll put a bus there whether or not we really want it and really our buses don't carry many people. That's not the end of the run or anything. They just don't carry people."

Hill: "That I accept as well."

Chairman Neff: "Thank you. The Gentleman from Cook, Mr. Turner."

Turner: "Thank you, Mr. Speaker (sic). Mr. Hill, I have one question and it's a continuation from Representative Dunn's question. And that is the fact that reimbursement for the suburban bus lines as well as the CTA lines are based on ridership. Am I correct?"

Hill: "Reimbursement to them is based upon the deficit that they create."

Turner: "Do the total number of passengers riding that bus line, is that considered at all in terms of the amount of monies

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

that are paid to the bus lines?"

Hill: "Not the numbers of people. What is paid to them is the difference between what the expenses are and the revenues that they collect. So if you have one bus line as an example that might have ten students paying a reduced fare and another bus line with ten adult payments you'd get a different amount of money on the two of them even though you had the same number of people."

Turner: "Okay, then regarding those expenses for those bus lines, are there any certification of those expenses? You know. If I tell you that there's ten people riding the bus today or if it's...."

Hill: "No, we don't do it based upon numbers of people. We do it based upon dollars and there are audits of the dollars, yes."

Turner: "There are audits that are made. Okay, thank you."

Chairman Neff: "Thank you. The Gentleman that's been very patient here from Cook, Representative Boucek."

Boucek: "Thank you, Mr. Chairman. Representative Boucek from Cook and DuPage. We represent that too. But to follow up on Representative Dunn, he talked too about these empty buses going back and forth, Mr. Chairman. And you said this was a test run."

Hill: "Some are. I say on some of them that are installed as new runs."

Boucek: "Or new runs. The run he is talking about is the one that goes down Rt. 45 to O'Hare. You've been testing that for a great deal of time now. How much time do you take for a test and how much does this really cost before you suddenly realize that it's a failure to have that run?"

Hill: "First I didn't know that Representative Dunn had identified this specific run. He was talking about..."

Boucek: "I don't know if he was talking about that one but this

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

is one just like it. Out of my district I understand there is one from Joliet to Yorktown and they get one passenger on there a day. But how much do these runs cost? Is there a better way to test a run to see if it's bad or put on these expensive buses and these high salary drivers? They tell us they get more money than the Legislators now and isn't there some way that you could survey the area through publicity letters or what have you? How many riders are we going to actually have?"

Hill: "Mr. Ford tells me, reminds me that that was a run where the staff did do an analysis which they had identified as low ridership."

Boucek: "The one on Rt. 45 are you talking about?"

Hill: "... Did counts, came back to the board with the recommendation that a part of that run be eliminated where it had very few riders. We went to public hearings and had a large number of people testify in opposition in the board then in response to that then kept that on."

Boucek: "I sit there and I see it go by my office so one day I got on it. I thought I'd go to O'Hare and I went part way and I talked to the driver and there was a little old lady sitting on there. I said this is great to go to O'Hare with a private chauffeur. He says, 'Well, this goes on most of the time.' He was very happy and he laughed about it. He thought it was great that he could ride a bus back and forth to O'Hare and so forth without that responsibility of having passengers. Now the constituents in our particular area just don't like to pay for this kind of thing. If you're going to do it why don't you just have a single taxi cab go down there? It'll cost us less money and get one of the LeGrange cab drivers. I think they get about three dollars an hour. We could save a lot of money. But to go on I have a couple other things. I received some

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

mail from some of my constituents that indicate to me that all the employees and all their immediate family and some of their other family ride on the system free. I don't believe it. I don't want to believe it but just as a matter of information for us, how many people do have free passes and who are they that ride the system?"

Hill: "The RTA employee rides the CTA system."

Bouceck: "Only the bus driver or all the employees."

Hill: "I say the RTA. On CTA I think again it's the employee but you'll have to..."

Bouceck: "Just the employee."

Hill: "Just the employee."

Bouceck: "Not their wives or spouses or children."

Hill: "They shouldn't...Okay."

Bouceck: "Just them. Well, you know I have one constituent in particular that nows of some. Of course she does...you know, you've got to protect these people. She said she made a report at one time and was harassed greatly because her name was turned into the driver and I think that is terrible. I think people that confide in me in their name should be kept confidential. This woman was afraid to get on that particular bus."

Hill: "I agree with you and again RTA employees only, well RTA employees we don't do suburban..."

Bouceck: "Well, I don't think any of them should get to ride free. Our state employees don't go down in this cafeteria and get their lunch free. They have to pay for it. I don't think that anyone should get a free ride. Either you or me or anyone else. But maybe you could work on that and correct it. The next thing I wanted to ask you was, is Mr. 'Percharsky' still employed by the RTA system?"

Hill: "Yes."

Bouceck: "What is his yearly salary?"

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Hill: "Forty thousand dollars."

Boucek: "That's without expenses?"

Hill: "He's not billed any expenses."

Boucek: "He doesn't... I read in the paper one time where some of our board members just write it out on a piece of scratch paper and it's paid."

Hill: "We covered that earlier when I think you were not here and went into that issue."

Boucek: "I probably went for lunch. I missed that one but I'm going to come up with another one that I'll ask you to answer. But if that be so, then I think...you know, I'd like to hear from Mr. 'Percharsky' what he does for that forty thousand dollars. Next of all, a week ago today I read in the Chicago papers that a statement was made by you that you're going to roll back the fares. I haven't talked to anyone over at the board or anywhere else, but some of my other colleagues say that the statement was denied or it was rescinded or whatever it might be. Now it seems to me that if you as the leader in this particular area says to roll back fares and I think you probably know more about the RTA than anyone else, and I always talked against the board members and the chairman behind their back but I'd tell them the same thing to their face as you well know and we're still friends I hope. Now, when you say you're going to roll back the fares that to me seems like that you've got all the money that you need to run the job and do the system fair. Because I don't see the gas company or electric company or the telephone company rolling back their rates and they're going on with their services and this is the same thing to me. Yet, we're coming back here with a package and says we've got to have money to operate the RTA system. The question that I have is, did you or did you not make that statement?"

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Hill: "Well, we covered this again before but let me respond.."

Boucek: "Just answer yes or no. I think that's all that's necessary."

Hill: "I did not make the statement that you said. I did not make the statement that you said. I did talk about rolling back fares but I did not make the statement that you said."

Boucek: "Then our press does print the wrong things once in a while or that I don't want to believe that the press makes mistakes and I don't want to think that you make mistakes. Somebody did however. I have a high respect for the press."

Hill: "What I indicated and let me clear it up."

Boucek: "Go ahead..."

Hill: "...So that there is no yes/no answer. What I indicated in response to an inquiry about the April 1st fare increase and about what I thought the reaction in the Legislature would be to the RTA's deferral of that increase, and I said that what has happened is that many people have forgotten that we raised fares 33% on January 1st and that some of the board members of the RTA said if we raise the fares April 1st and nothing has happened, already nothing has happened until afterwards, that will be forgotten. And that therefore, why should we do it now because it will all be forgotten and nothing will be remembered in that regard. But that if, that if we received in the Northeastern Illinois area the same percentage of operating subsidy that all the downstate, that all the downstate transit district receive out of the general funds, that we could roll back fares and that is true."

Boucek: "In other words, if you're going to get some more money from the state you won't..."

Hill: "If we're going to get some."

Boucek: "Okay."



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Hill: "Cause we don't get any now. No operating funds."

Boucek: "I have to compliment our great Governor for coming up with some sort of package and I know he feels that maybe this isn't the perfect one and he's looking for some input. I'm sure of that. And I know that they spent a lot of time on this program."

Hill: "A lot of money too, I guess."

Boucek: "And probably money, but I think it's probably better spending the money on preparing this program as the Governor did than some of those test runs because..."

Hill: "At least the buses out there are available for a passenger to use if they want it though as opposed to this."

Boucek: "No, because what I do is in my area, in my district, I send out a lot of opinion surveys and starting a week ago this Wednesday I began a survey on this RTA and CTA system and I just threw a spatter out and surprisingly enough on Thur..Friday and Saturday of last week the responses were coming in very heavy. Now I suppose some of my constituents who are very conservative people decided that they would get that survey opinion back quickly before the 3% postage increase went up. And I commend them for that. But since that day, last Saturday, and I get a call everyday from home, the responses have been seven hundred plus a day coming in through the mail. Now that's a lot of return. So this is a very interesting area for our people who are very concerned and I'm not going to read you the report of what they said because I haven't completed it yet. But it seems to me that the pattern is running just about the same. But one more thing..."

Hill: "I'd appreciate seeing your results when you have tabulated it if you would."

Boucek: "I don't want to give them to you now."

Hill: "No, no I say when you're finished."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Boucek: "Hell, Skinner's been after me every day and I've held back but Representative Zito before had a question and I'm going to refer to him because I had the same question. He started to ask it and it wasn't kind of the answer...it just wasn't complete. So if he could take over next I think in all fairness he should do so. Thank you very much."

Chairman Neff: "Thank you, the Gentleman from Cook, Mr. Zito."

Zito: "Mr. Chairman, thank you. Mr. Hill, I wasn't going to speak again but you referred specifically to me once before indicating that the reason that I sit in this distinguished Body is because I oppose the RTA. Well I have to ask this question for my district, the constituents in my districts since I'm concerned. My first concern is with them. I don't support Thompson's transportation package as it stands now. What I'm asking you is this and what ...I do support public transportation. My concern is this, Mr. Hill. If we don't support the Thompson package my immediate concern and your immediate concern is going to be to find extra revenue for the RTA to let it continue because a need for public transportation certainly is crucial and much needed. If we, how can I go back to the district, Mr. Hill, and not support the Thompson package but support your extra funding? Would a 'yes' vote on that supporting you extra revenue I'd like to know what kind of extra services, what kind of improved services should we expect to see in suburban Cook County?"

Hill: "Well, first I believe when I made my reference to you and ourselves in your election I don't think I said that it was because you were opposing us as a such. I thought it was on the basis of some actions that we took. I wasn't blanking in everything. It was because of certain precise actions in that regard. What we have done though over the

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

years is to develop a series of system improvements which I do not have with me at the present time that we believe are responsive and could go forward if there were money. All of those have been put on hold because we don't have enough money to pay for the system that is currently there and therefore nothing new has been moved forward toward implementation."

Zito: "Mr. Hill, you see this is the problem. In the past two years that you've afforded me an opportunity to speak with you I haven't received a straight honest answer and I can see that I was foolish today to stand up and to believe that I would receive one now. Thank you, Mr. Chairman, for the opportunity to speak."

Chairman Neff: "The Gentleman from Champaign, Representative Johnson."

Johnson: "I know it's impossible at this stage to not be somewhat repetitive in questions. I'll try to avoid that but just a couple of questions. Can you tell me what, I assume you have statistics on this, what the starting salary and the mean salary, by 'mean' I mean average, for bus drivers in the RTA system?"

Hill: "Well, again there are several of those depending upon which bus company we're talking about. They do vary so... There are some variations in that regard."

Johnson: "What is the upper? If you use the upper figure what would that be?"

Hill: "You're talking about the upper salary for a bus driver as an example? Well, the CTA driver is twelve zero two."

Johnson: "Give me an annual salary."

Hill: "Well, again it depends upon how many hours he works."

Johnson: "Well, don't you have statistics indicating..."

Hill: "I don't have those at my...I don't have them here. My staff doesn't. Perhaps Chairman Barnes has."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Johnson: "Can you give us an approximation?"

Hill: "About \$25,000 if they would work a..."

Johnson: "So the reports of Representative Ewing's Committees indicating the average salary is thirty-four or thirty-five thousand dollars a year are improper and inaccurate. Is that right?"

Hill: "I don't remember that he said that the average salary was 34 or 35 thousand."

Johnson: "What kind of special qualifications are, if any, are necessary in order to, besides a chauffeur's license, to qualify as a driver in the system? Aside from political affiliation?"

Hill: "I suppose the same political affiliation that they need down in Urbana, Champaign."

Johnson: "Well, I'm not sure that they need one there."

Hill: "And that's the same answer that I thought you would not except from me but I'm glad you made it."

Johnson: "Can you tell me what special qualifications other than a chauffeur's license are necessary? Is there some kind of a other license, training or education or what?"

Hill: "Physical, in order to be in physical condition."

Johnson: "Does it require a college education, high school education, what does it require?"

Hill: "No, to be able to drive; to be able to have a valid driver's license; get a chauffeur's license; be able to communicate with the people that you're going to be servicing; be able to go through the training program and then perform."

Johnson: "What is the mean salary for, I don't know the technical classification, the individuals, radio dispatchers, individuals who answer calls with respect to information about routes and that sort of thing?"

Hill: "Are you talking about our travel information center or are

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

you talking about those who give bus dispatchers information? The information center? They're in the CTA union as well and because they are office personnel, they're tied to the bus driver's salary but I don't know what that is off hand. The CTA people can get that to you as well."

Johnson: "Would it be over \$20,000 a year or under?"

Hill: "Maybe for the supervisor but I would think not otherwise."

Johnson: "Do you know how salaries for bus drivers in your system compare, if you know, to bus drivers downstate and salaried employees in the Department of Transportation downstate? Higher or lower? Average?"

Hill: "Hell, again there are some employees of the Department of Transportation who make more than a bus driver."

Johnson: "I'm asking for an average, Mr. Hill. Do you have an average or don't you?"

Hill: "An average of whom?"

Johnson: "An average of the bus drivers in the CTA system, via the average of DOT workers downstate and mass transit workers downstate. Do you have that or don't you?"

Hill: "No."

Johnson: "Okay, you don't know that."

Hill: "No. I don't know what the average downstate...."

Johnson: "Could you supply that information for us? You seem to have staff and information readily available. I assume you could provide that for us."

Hill: "If I can get the average figure from the Department of Transportation."

Johnson: "I can count on your supplying me with that information, is that right?"

Hill: "If I can get the figure from the Department of Transportation."

Johnson: "How much money do you make a year, Mr. Hill?"

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

March 27, 1981

19th Legislative Day Legislative Day

Hill: "As I said before, \$72,500 a year."

Johnson: "Are you willing to take a pay cut in order to get this program through?"

Hill: "That's the same question that's been posed repeatedly and.."

Johnson: "Well, I want the answer that it's reposed...imposed repeatedly."

Hill: "How much pay cut do I have to get to get the \$100,000,000?"

Johnson: "I said are you going to take a pay cut?"

Hill: "How many dollars are you talking about?"

Johnson: "Oh, let's say 20%."

Hill: "20%? No."

Johnson: "10%."

Hill: "You get another chairman."

Johnson: "Pardon me?"

Hill: "Get another chairman."

Johnson: "You're not willing to do that. Is that right?"

Hill: "20%, no. Are you?"

Johnson: "Pardon me?"

Hill: "Are you?"

Johnson: "Well, since I'm not the head of the RTA I'm not in the position to make any statement on that. I would be I assume if I were in your position and I wanted to get the money as badly as you apparently do. One last question: Do you think that those people who make relevant decisions within the system in the absence of our providing bail out money for you, would be willing to increase fares and decrease salaries sufficient to keep your system running?"

Hill: "Well, first of all I object to the term 'bail out'. All we're asking for is the same percentage of operating revenues that you get in the system.."

Johnson: "My question isn't directed to my use of terminology."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

My question is, whatever you term our actions here, whether you term them a bail out or equity, are you in a position, let me strike that. Do you feel that those people who make relevant decisions within the system are willing to decrease salaries and increase fares sufficient to keep the system running?"

Hill: "Without any funds from the state?"

Johnson: "Without our doing anything right here pursuant to this package of Bills."

Hill: "I think I would refer you to the expression by the head of the transit union in the city of Chicago who said that they have a binding contract and they will not take a pay cut."

Johnson: "So the answer is 'no'. Is that right?"

Hill: "That's what has been said."

Johnson: "Since I've asked you sixteen questions and I've yet to get a 'yes' or 'no' answer. I appreciate your courtesy giving me one 'no' answer even though it indicates the frailty of your position. Thank you."

Chairman Neff: "We're going to have to cut the questions a little close. We're running real short and I don't want to cut anybody off. Some of you folks that have talked if you can hold it up because we've got a lot of witnesses. The fact is we've got right at 70 people yet to talk to. Now I say I'm willing to stay all night if you folks will stay with me but that's what we're going to have to do if we finish up today. So if we can't cut our questions a little bit ... Sometimes we're getting duplicate questions. The same question is being asked twice and I think we should try to avoid that. Mrs. Smith, the Lady from Cook."

Smith, M.: "Thank you, Mr. Chairman. Mr. Hill, I'd like to ask you a question please. I understand that the RTA sets the prices for the CTA in the city of Chicago. Is that right?"

Hill: "He have tried to."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Smith, M.: "Alright."

Hill: "Not always successfully."

Smith, H.: "Everyday there are droves of people that park in...to the Union Station and they come into the city of Chicago and they board the CTA train to take them to their respective jobs. Some up to the north side or the west side or the south side and I am led to understand that they only pay the fare of 55¢. Is that right?"

Hill: "They pay a shuttle bus fare the same price that other shuttle bus riders pay."

Smith, M.: "Alright. Now there are people who live on the south side of the city of Chicago and people who live in other areas in the city of Chicago and they go and travel short distances and I understand that they have to pay 80¢ and I want to find out what is your rationale there. Is there someway possible that you could also allow these persons who travel short distances, maybe not travel the distance that these other persons travel, that they, too, could be considered in placing your prices ... the CTA?"

Hill: "We're following the same rationale the CTA did in establishing those before the RTA ever came into existence. We're continuing the pattern that they established before we were there. The shuttle systems because they are restricted in terms of the distance they go, would pay a reduced amount. Whether you live in the city or don't live in the city you pay that same amount."

Smith, M.: "I understand that but these persons who come into the city, they take the revenue that they receive in the city of Chicago and take it back into their areas and we're not the recipients of it in the city of Chicago and I understand that it's stated that the RTA and the people living out of the city proper pay more money to the RTA. And I don't think it is right to not give consideration to



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

the persons who live there in the city of Chicago because millions of people in the city of Chicago were out .... all of these other shopping areas and leave revenue out there. So I am saying that to say this, that I think that in speaking in terms of setting prices, persons who live in the city of Chicago and travel to the loop, that they, too, be considered on setting these prices rather than have to.. and many of those persons are not really able to pay 80%."

Hill: "Well, if the CTA in their studies would propose to us some new quote 'shuttle systems' at reduced fares we certainly would review them and work with them and look at it."

Smith, M.: "This is something that I really wanted to bring to your mind because this is something that I have observed daily whenever I go downtown near the station and I don't think it's quite right for those persons to have to be charged."

Hill: "As I say, we'd be happy to work with the CTA in terms of any of the proposals that they would make."

Smith, M.: "Thank you."

Chairman Neff: "Thank you. Mr. Hastert from Kendall County."

Hastert: "Thank you, Mr. Chairman. Mr. Hill, just a couple of questions and we appreciate your steadfastness here and patience. First of all, for my information, I represent Kendall. I'm from Kendall County and I represent DuPage and Kane and Will, all RTA areas. What do you perceive as a mandate? Why does the RTA and your job exist? How do you see that? Where's that mandate come from?"

Hill: "The mandate flows, I believe, two-fold, one from the legislation creating the RTA which was to provide a better, improved, coordinated, cost-efficient public transportation system throughout the six county area responsive to the needs of the people. Now it's easier to say that than it is to do that. Because one of the big problems is to try

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

and find out what the needs of the people are in terms of their needs as they perceive them, as they state them, and then as they will actually use them. Because some of our problems, on occasion, is to allow the people to come out and say, 'Gee, we sure would like this bus'. And we say, 'Well, it looks like that's in great demand'. You put the bus in and everybody decides, 'Well, my neighbor should use it and not me'. That type of a situation. You know, that's a very popular argument because let's get all the neighbors' cars off the road so I can drive. Let them take the bus and make less traffic on the highway. But I think that it's that overall very short, simple objective."

Hastert: "Okay. Second question, do you or your board or your management, otherwise; within your control, you can control routes and you can control intervals of service. Is that correct?"

Hill: "In varying degrees, yes."

Hastert: "That's your responsibility though you or your organization done in cooperation with the provider of the transportation service itself. It's within your power then to scale down certain routes or certain services to cut costs. You could do that, right?"

Hill: "We may do that in certain areas after public hearings that are required by the legislation."

Hastert: "When you bring into existence new routes, is that through public hearings also?"

Hill: "The public hearing is not a mandated requirement, but what we do as a part of new service is to include those proposed new services in our five year program which then are the subject of public hearings."

Hastert: "Alright. Thank you."

Hill: "We also have some federal requirements to meet because of the receipt of the federal funds. Sometimes they match up

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

and sometimes they vary a little bit."

Hastert: "I understand that. By not carrying out the proposed April 1st fare increase, do you see us, perhaps, accelerating a crisis as far as the RTA is concerned?"

Hill: "My comment on that before had been that the April 1 fare increase was anticipated to bring through the month of April approximately, probably about 5 million dollars of additional revenue, which, at that time, in my judgement was not adequate to forestall a shutdown persay. And, therefore; by itself would not have solved the situation."

Hastert: "Thank you. One last question. I understand from your testimony before that you do not have any emergency plans, skeletal service, whatever in the works in case of a shutdown. Is that correct?"

Hill: "Personally, I believe that it will be impossible to provide any kind of a emergency program to accommodate 800 thousand to a million people."

Hastert: "So that's perhaps the posture of your organization, not necessarily yourself, that it's 100% everthing we have or nothing as far as the RTA and financial funding, correct?"

Hill: "In terms of a shutdown I would think so."

Hastert: "Okay. I appreciate your testimony. Thank you."

Chairman Neff: "The Gentleman from Cook, Mr. Rhem."

Rhem: "When you say 'farebox' just what all does that include? Is that more than just the money that's put in the box? Is anything else included in the farebox? Revenues?"

Hill: "Charter revenues in case a bus is chartered by a group."

Rhem: "What about advertising? All that's included..."

Hill: "Advertising is a part of the overall, it's you know quite a small piece. So, when I say 'farebox', we're really talking primarily farebox."

Rhem: "Thank you."

Chairman Neff: "Thank you. Representative Robbins, the Gentleman

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

from Wayne."

Robbins: "I have a few questions. Exactly how much money are you going to need from the Legislature to bail you out for the rest of this fiscal year?"

Hill: "At the present levels of service and expenditures and at the present fares, 100 million dollars through September 30th of this year."

Robbins: "And how much do you expect the Legislature to provide you next year?"

Hill: "Well, we would hope it would be more than this year, so it would go for a full year. But, again..."

Robbins: "Well, how much?"

Hill: "Well, again, it depends upon what we're talking about in terms of levels of service and what we're talking about in terms of fare levels, and if the Legislature would adopt a percentage out of the farebox, that then would start to provide some responses to your figures. If the Legislature would require that in order to obtain funds, 40% must be from the farebox, we have one number. If it's 45 then it's from another number. But at the present levels, we would be looking toward something at the range of 150 million dollars for next year."

Robbins: "In other words, it's 100 million for half a year and 150 million for next year."

Hill: "It's not fully 100 million for a half a year because we're already running in the deficit for this year. So we've already..."

Robbins: "Okay. If, as has been proposed, they would do away with the RTA, how many million in bonds would have to be picked up by the Legislature?"

Hill: "I'm sorry. How may what?"

Robbins: "How many million in bonds, indebtedness does the RTA owe?"

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Hill: "Well, as I understood the legislation, it was to, in fact, transfer all the obligations and responsibilities to this new authority."

Robbins: "Well, how many million dollars in bonds does the RTA owe?"

Hill: "Approximately... Well, we have approximately 30 million dollars in capital bonds outstanding and then we have the state repayment from our borrowing of last August which is 20... there's about 25 million."

Robbins: "In other words..."

Hill: "... with the payment in terms of the operating cash."

Robbins: "In other words, you owe 63 million in debts, in bonds?"

Hill: "Approximately. Bonds and notes, operating cash. The operating cash note which are being retired out of the sales tax receipts now."

Robbins: "There isn't any other bonded indebtedness of any kind within the RTA?"

Hill: "Bonded indebtedness? We have those two... those two issues. Our indebtedness is because we're behind on payments due to the carriers of 70 million dollars."

Robbins: "You have... In other words, your open balance of indebtedness is 70 million at..."

Hill: "We're seventy million behind in terms of payments to the CTA commuter railroads and suburban bus lines and other operators."

Robbins: "If this program is passed, how much would the five percent cost you on your motor oil, fuel, and gasoline? How much will that increase.... How many million will that cost you?"

Hill: "Well, since no one has been able to arrive at a figure in terms of how much the oil companies would pass that along as opposed to absorbing it themselves, it's a hard figure to give you. If it were two cents a gallon, as an example,

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

in terms of that it would be about a million one that it would cost at two cents a gallon."

Robbins: "A million one at two cents a gallon, okay. What do you pay for your gasoline?"

Hill: "Most of the..."

Robbins: "What do you pay, basically, I asked... What I asked was, what would five percent increase be on the cost of your fuel and your oil? I'm not talking about what might happen. I'm talking about what we are looking at."

Hill: "But the five percent is not persay on the cost of the gas. First, we use very little gas, it's primarily diesel fuel."

Robbins: "..."

Hill: "But the five percent is not on the diesel fuel. It is on much earlier so that the estimates that have been made by the Illinois Department of Transportation was that it might show up at about two cents or two and a half cents a gallon in terms of increased costs."

Robbins: "Well, basically, what did it cost you for fuel last year then?"

Hill: "Well, we use..."

Robbins: "So I can... So I can figure out what five percent of it will be."

Hill: "We use about 55 million gallons."

Robbins: "Fifty-five million..."

Hill: "Gallons..."

Robbins: "Gallons..."

Hill: "...Per year, per year..."

Robbins: "How much did it cost?"

Hill: "And the current price right now which is about a dollar and three cents, if my memory is right."

Robbins: "About a dollar and three cents."

Hill: "Pardon? On an average. Between...based upon number one diesel and number two diesel. One's a little higher; one's

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

a little lower, and we're told that our current prices are coming down a couple of cents. But we're about a dollar six to ninety-seven cents depending upon the grade of fuel."

Robbins: "Thank you, very much."

Chairman Neff: "The Gentleman from DeWitt, Representative Vinson. The Gentleman from Cook, Mr. Leverenz."

Leverenz: "Mr. Chairman, thank you. Chairman Neff, perhaps we could move to a different order so that we do not talk now or listen to the RTA-CTA people and let the people that came that ...Some have already left town because of the time involved. The people that want to make a five or ten minute statement get up, make their presentation, testify and let them go. I'm sure that Mr. Hill, Mr. Barnes, the Secretary of Transportation, Kramer, they can stay all night. But get to the others that just want to make a short statement. Get them on, get them off and we can move, I think a little more rapidly."

Chairman Neff: "Your point is well taken, Ted. Yes, Representative Conti."

Conti: "Mr. Speaker, Mr. Chairman rather, let me first publically apologize to Mr. Hill. We're acting here today that these witnesses that we're asking to come up and testify are personally responsible for this. We seem to forget that the Legislature created the RTA with the electorate in those county areas that gave us the RTA. I've heard the same repeated questions of Mr. Hill about his pay. We all know what he's making, and I think it's unfair for any Member to ask him if he'll take a cut in his pay. If he's not doing the job, let's pointedly accuse him of not doing his job, but I hate to see these personal attacks on this witness or any other witness that has already been on that stand or any witnesses who come before them."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Chairman Neff: "Mr. Griffin from Cook County."

Griffin: "Thank you..."

Chairman Neff: "And make it short. We're running way late. We've got 72 more people to hear."

Griffin: "I realize that. First I have a request... a question. How much of the RTA budget is labor costs?"

Hill: "Approximately 80% of the total cost is labor."

Griffin: "I know you've had... it's been difficult to break down CTA and non-CTA-RTA budgets, but is there any way to break that down in terms of CTA versus non-CTA?"

Hill: "Yes, I can give that to you in terms of the labor cost, of the three segments which is basically the way we keep it, the CTA commuter rail and suburban bus lines. If I could steal my staff member back here from..."

Griffin: "I have a couple of other questions."

Hill: "We've got it here, but maybe we could go to another one as he digs it out for me."

Griffin: "Right. Those of us who live in the contiguous suburbs have a concern that the service on a day to day basis on the CTA may be fraught with perils that many people are aware of. There are some problems with the scheduling, problems of increased crime and how, in terms of the RTA structure today, can the people in the contiguous suburbs have input in order to solve these problems? In other words, the CTA, as we know, is Chicago based, but for those contiguous suburbs that are in the RTA but not in, of course, in Chicago; what recourse, what remedies are available to them through your office, through the RTA to get action in solving some of these problems?"

Hill: "What I regularly receive are requests from a whole range of individuals from the average rider, if you will, to a local elected official, to a business man or whoever else who will write to CTA or to us, write to both of us and



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

pose their issue, their question, their concern or what have you and based upon that then we'll assign some staff to pursue it with the CTA or another carrier."

Griffin: "Are you satisfied that you've had results using that procedure?"

Hill: "Not always."

Griffin: "What's the problem?"

Hill: "Well, I suppose when you have different people looking at an issue sometimes they come to different conclusions to begin with. And since we're not the direct operators, then the operator is the one who carries it out the way they feel is the best way of carrying it out."

Griffin: "In line with that now, in terms of the current RTA or the Governor's proposed TFA, is there anything you can recommend that might improve the input for the people in the contiguous suburbs into this process in terms of the kind of problems I've talked about? Can you see any way that we could get quicker action and more effective action on these kind of problems?"

Hill: "I don't think you'll get better action by a legislative mandate because again that's really a charge to do your job, and you may legislate that, but again, it really is going to take the performance to accomplish it. I doubt if there's much that could be done as a legislative mandate to respond to that. I think it just has to be struggled with and continued to try and do a better job at it."

Griffin: "I've got one last question. I don't know if I've missed this today, but if you were to put side by side the current RTA operation or structure versus the Governor's proposed TFA, what are the relative advantages and disadvantages of both of these proposals?"

Hill: "Well, I think I covered some of those key elements in my earlier comments. First of all, I think that the proposal

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

that comes from the Governor again fragments the transportation program so that you have a multiplicity of activities, both in terms of its administrative operation as well as in its programming and planning and long-term operations. And, therefore; will cost more money in terms of certain purchasing activities that we've put together so that we can get economy on scale, economy because of a consolidation of standardization of types of equipment and vehicles, etcetera in that nature. So that I think it can end up being more costly in those areas. It can be more disruptive unless you then provide a super coordinating body over the things that the Governor's proposed to then do those functions the RTA is not supposed to be doing in terms of other coordination. And if, in fact, the opt out provisions would go into effect and you would have separate bus entities again working their own operation it gets to a point where you come to the county line and somebody should be scheduling when the two buses are going to meet there for transfer purposes. If they're done by the independent entities, then you have it back into the discord. If somebody is going to do that coordination, that's the function that we're now doing. So that it's a change of name if you do it all, it's a change of name. If you do what's presently proposed in the Governor's package, I think you would not have it all done."

Griffin: "Thank you, very much, Mr. Chairman."

Chairman Neff: "Thank you, Mr. Hill for appearing and I'm sure you'll stick around as there's more questions coming up. You're a great man and we always like having you here and we might have to have you stick around just a little bit. But we think we've had you up there long enough. You've been up there about two and a half, three hours and we'll let somebody else... let you get off your feet and rest a

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

little bit. Is John Kramer here? This morning, you know, we cut John off. There was several questions that you folks answered... had to answer... ask John, the Secretary of Transportation. I told him that we'd cut off and I promised you folks would get another chance. John does have an important debate this evening in Chicago. But he's still around or I hope he is and we're going to give him about fifteen or twenty minutes, because we do want to move along. We're not moving very fast. We've only got 70 left and so. About four o'clock in the morning if we continue like we are we'll be pretty well winding up. Secretary stepped out on us. Is Mr. Branand here? Would you come down, please? Mr. Branand, we'll hear you and Mr. Yarbarough, Roger Yarbarough and Robert Ready. And Mr. Weilding also. If you folks will all step down here and we'll try to give you an opportunity to state. We appreciate the fact that you've waited here all day and we're happy, at least, that we're getting to you now. At ease, folks. Mr. Ready? Ready, Ready? Come right up around here. We'll have you next. Yes, Mr. Ready, will you step up there and what is your title, Sir?"

Ready: "I am the President of Ready Paving and Construction Company and also the President of the Illinois Road Builders Association."

Chairman Neff: "Thank you, Sir. And if you will continue."

Ready: "Mr. Speaker (sic) and illustrious Members of the Illinois House of Representatives, as I've already told you my name if Robert Ready and I am President of the Ready Paving and Construction Company of suburban Chicago ridge. My grandfather founded our company in 1888, 93 years ago. I am a small businessman worried about our transportation system, and I'm making an effort to come speak with you today. I am also, as I said, the President of the Illinois

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Road Builders Association, a group comprised of over 200 companies which do business in the Chicago metropolitan area and who rely principally on government sponsored transportation and road repair projects. Our Chicago area members employ over ten thousand workers when we're working. With the prospect of continuing our labors rather dim at the moment, of these workers all are union members and many are either unskilled or semi-skilled. Statewide, the highway program currently employs 27 thousand construction and supply workers. Under present funding, this employment will drop to 16 thousand or a loss of 11 thousand jobs. Conversely, the proposed funding package would increase employment by eight thousand. As a small businessman, as a representative of the road building industry and as a citizen living in suburban Cook County, I urge you to accept the transportation financing package as presented to you in the current Bills now before you. Adoption will, number one, avert the impending shutdown of our mass transit system and avoid utter chaos. Number two, enable the continuation of a strong repair and maintenance program, and number three, provide a long-term financial solution. All of our members who are citizens and taxpayers as you are are more concerned that our mass transit systems continue to operate and our roads made safe than we are over who controls what or if we, our families, and our employees have to pay three cents a gallon more for gasoline. I am serious in saying that we'd rather pay the few cents a gallon more than pay the cost of a broken axle, a ripped tire, or God forbid, an injury to a child jostled in a small auto which hit a deep pothole. Failing to act now to adopt the Governor's transportation program would be costly in terms of auto repairs, safety and mobility. Ask your constituents which of the following two items would

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

concern them most. Number one, the financial structure of the RTA or, number two, a torn tire which would cost 70 dollars to replace. We ask only that you accept the responsibility of providing a transportation system worthy of the State of Illinois. Thank you."

Chairman Neff: "Is there any questions to what the Gentleman just spoke? Mr. Branand. Mr. Branand is the special assistant to the chairman of United Airlines. Mr. Branand? And he represents the Aircraft Association. Please continue."

Branand: "... The whole for the opportunity of appearing here this afternoon. My name is Edmond Branand. I am employed by United Airlines but come here today representing the Scheduled Air Carrier Industry serving the State of Illinois. A very substantial portion of this oil company gross earnings tax covering petroleum products will be paid by just 15 major consumers. They are the airlines serving the state and using jet fuel in vast quantities. Fuel loadings in Illinois are approximately 1 billion dollar... 1 billion gallons per year and however the pass through of this tax is figured, these 15 airlines will end up paying more than 40 million dollars... 40 million dollars additionally for this Illinois fuel. By any stretch of the imagination, this is a fantastically disproportioned, ultimate tax obligation for these 15 users who would receive no benefit from revenues directed to highways and mass transit. The imposition of this tax would be a devastating blow to the airline industry which is desperately fighting to maintain a high standard of service to Illinois against the ever mounting increase in jet fuel cost. Since 1973, when jet fuel sold for some ten or eleven cents per gallon, our fuel costs have increased ten fold and we anticipate they will go higher. To recover these costs we have been forced into large fare increases

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

that have driven many passengers away. So far this year, it is down more than 10%. Largely, the end result of increased fuel cost, the airlines are in no position to absorb or even accept this huge increase. Last year, 1980, our industry suffered the worst financial year in its history with an operating loss of some 220 millions of dollars. With continually escalating costs, even without this Illinois pass through, we see no significant improvement in our financial picture. By any measure, the airlines are already paying their fair share and more of state taxes to Illinois. The existing state and use tax structure already levies some 40 millions of dollars annually on our fuel costs at current prices. This is a tax obligation that has multiplied some ten fold since 1973 as our fuel costs have similarly increased. It would be the height of inequity to place another 40 million dollar cost levy on these 15 airlines to resolve the financial problems of other modes of transportation in the state. That's the substance of my statement."

Chairman Neff: "Representative Vinson."

Vinson: "Thank you, Mr. Chairman. I wonder, Sir, if you would indicate the percentage of your fare increase average in the past year."

Branand: "It's... I can give you some examples. It's been well over 30%. It may be even higher than that."

Vinson: "Over 30%?"

Branand: "Yes, indeed."

Vinson: "Because of the nature of the economy."

Branand: "Because of the nature of the economy and mainly because of the increase in fuel costs. We've gone, as I've explained, from about 10 or 11 cents a gallon to over a dollar a gallon. We anticipate that it may go to \$1.15 a gallon for jet fuel."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Vinson: "So, when you have a 30% inflation factor this year you think that it's irresponsible for us in transportation in Illinois to levy about a twelve and a half percent fare increase for the people who use transportation, who fund transportation?"

Branand: "I don't believe I quite understand your question."

Vinson: "Well, we spend about four billion dollars in Illinois on transportation each year."

Branand: "Yes, Sir."

Vinson: "This tax would generate approximately 12 1/2% increase on that. You think that that's irresponsible, given your record of 30% tax increase, fare increase."

Branand: "Sir, we're in the private sector. We have to accumulate dollars to pay for new equipment that does not come from any subsidy. We are generating a new fleet of airplanes in the 767 and the 757. We need many billions of dollars to pay for this new equipment and we can't begin to accumulate those dollars to pay for additional equipment. At the same time, we are facing increased space and landing fee costs, additional costs in the way of labor and we must examine our costs as minutely as we possibly can and attempt to fairly price our product in this competitive market. I can't tell you how to price the product that is being generated by the CTA or the RTA, Sir."

Vinson: "I understand what you're saying. It just seems surprising to me and commendable to me that Secretary Kramer and the administration come forth with a plan which generates a tax increase, an inflation factor of about a third what private industry does in your case. Thank you."

Chairman Neff: "The Gentleman from Rock Island, Mr. Polk."

Polk: "Thank you, Mr. Speaker (sic) and to our guests. I just want to clarify some things you said there, Sir. I believe you indicated that you use 1 billion gallons of fuel per

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

year."

Branand: "Per year."

Polk: "And is that 1 billion, is that purchased here in Illinois?"

Branand: "Yes, it is."

Polk: "And that would be..."

Branand: "That's the one on which we are now paying the 4% sales and use tax."

Polk: "That would be a combination of all the airports that handle commercial traffic or is that the fuel for all air..."

Branand: "About 90% of the total jet fuel that is used in the State of Illinois is used at O'Hare field. The balance is used in other locations throughout the state."

Polk: "So the 1 billion is jet fuel."

Branand: "Yes, Sir."

Polk: "And are you involved and concerned about fuel tax on the additional gasoline of private...?"

Branand: "I am, indeed, Sir."

Polk: "Do you have any idea...?"

Branand: "I don't have any idea what that fuel, that gallon it is on that fuel, but it is used by commer... commuter carriers such as Brit, Mississippi Valley, Air Illinois, and other carriers in that category."

Polk: "And that would be in excess of this 1 billion that you're talking about."

Branand: "It probably would be on... they use some jet fuel and some regular aviation gas."

Polk: "Fine, thank you."

Chairman Neff: "Yes, the Gentleman from Cook, Mr. Jones."

Jones: "Yes, a question of the Chair, Mr. Chairman. I know we have several witnesses here and I know we just finished a long discussion with the Chairman of the RTA, Lou Hill."



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Now we're concerned about transit and we know that the CTA is the largest carrier in the State of Illinois. And I wonder, do you have a schedule as to when the Chairman of that particular mass carrier will be called?"

Chairman Neff: "Yes, thank you. I hope right away. He'll be the next man up."

Jones: "I mean could you make an announcement so that we would know? We have several persons here who wish to know what is going on regarding the CTA and you have consistently passed over the Chairman. I'd like to know, right now, when you plan to call Mr. Eugene Barnes."

Chairman Neff: "Thank you, Representative. He will be the next man up. That's on my list now."

Jones: "Very good. Thank you."

Chairman Neff: "Thank you, very much. Chairman Barnes. I've got to get him, then I'll get you, John. We're very fortunate to have an old friend of ours here, Chairman of the Chicago Transit System who worked with most of us that have been here any length of time at all. Gene, we're glad to have you back and I'm sure you'll have some good words as you usually have."

Barnes: "Thank you, Mr. Chairman. Mr. Chairman and Members of the House, it has been a very long day for us all so I will not go into and touch on any of the things that have been so discussed here today. And I will not be redundant. I am available for any questions that any of the Members of the House may have relative to this program. I do have some staff with me, but I want to apologize to you, the Members of the House, the staff will have to leave. They're on the 5:30 plane. I will stay as long as you wish, but, as far as I'm concerned relative to my presentation here, it was thoroughly well-covered by the Chairman of the RTA and I think I could best serve this

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Body by simply answering questions."

Chairman Neff: "Any questions for Chairman Barnes? The Gentleman from Lake, Mr. Deuster."

Deuster: "Yes, Chairman Barnes, one of the problems we're all worried about is if we don't vote this tax and come up with the money real fast and the system shuts down, what are we going to do? It's my impresssion that a lot of people are making plans for a shutdown, the city of Chicago planners and the CATS people and everybody else, commuter railroads. What if we don't vote for the money? The political environment is not very good for putting on a tax now. So, I want to ask this question that came up a little earlier with Chairman Hill. That is, I know that you may have identified some routes that are low priority routes or not a lot of ridership on that might be, in the event of the necessity for the service, cut back, might be dropped. That includes the route in Lake County as well as Chicago I would presume. Could you describe whether you have identified any of these routes and about how much of your operating might be there and then lastly, would it be possible to kind of keep part of the system rolling so that everything doesn't come to a screeching halt and cut off maybe ten percent or fifteen percent of your operation until we can come up with some money or figure this out, Gene?"

Barnes: "Well, let me answer the last question first. The problem that we have as you well know is the CTA, like all mass transit systems, is highly labor intensified. There's no way that, that is unless the... our people would work without being properly compensated could we continue the system if there are no funds coming in to meet those payrolls. The first part of your question is, have we identified and yes we have and yes we have continually

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

reduced service. To give you an indication, on March 29 which is this coming Sunday I believe, we will be doing... we will be reducing some service on some of our lighter used routes. We will be extending some of the times between buses in the lighter used periods of the day during the non-rush hours. We will be... We have proposed and that will go into effect this coming Sunday for some lighter used routes in the evening hours which has previously ran either all night or until the wee hours of the morning that will no longer run that length of time. They will now cease to run somewhere in the neighborhood of seven to eight o'clock in the evening. We are doing that. We have done that and in the particular instance that I'm now citing for, the 29, it is my understanding, correct me, Paul, if I'm wrong, that that will be a related cost savings of about between three to four million dollars. And we will be instituting that on March 29. We do that, let me just add, we do that at least a minimum of four times a year. We do it on a scheduled basis and we do it in between, depending on the circumstances that develop."

Deuster: "Chairman Barnes, is that reducing your labor costs three to four million?"

Barnes: "Yes, it does and the reason it does... And the reason it makes that kind of reduction is because, in this instance, especially in three of the routes that will be affected, we will no longer be running any service whatsoever between I believe it's like eight o'clock in the evening until about four o'clock in the morning."

Deuster: "Does that reduce your fuel costs at all?"

Barnes: "It reduces all of the related.... It will eventually reduce all related costs in the area that it will directly be affected."

Deuster: "What percentage of a cut in service would be required

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

in order to avoid your deficit?"

Barnes: "Well, number one, I can say without hesitation or fear of contradiction that they, as indicated by the Secretary of Transportation, Drew Lewis, there is no system either in this country or out of this country that can run without some assistance from a public source. There is no system that exists that runs on its farebox receipts alone."

Deuster: "I understand that."

Barnes: "We could not do it."

Deuster: "But what I mean is what kind of a cut in service percentage would be required in order for you to live within your income which includes both your farebox plus your existing subsidy out of the sales tax?"

Barnes: "Well, that's sort of hard for me to say and one of the problems that we have is we don't have our existing... we do not receive nor have we received for some time our existing amount out of the sales tax; as indicated to you by Chairman Hill previous to me that the RTA is quite a bit behind relative to that amount. As a matter of fact, and I don't want to seem like I'm contradicting him, but while the question was being put to him we researched our records and currently, as of right now, the RTA has 62 million dollars in deficit to us. Now if we had that 62 million dollars coupled with our normal receipts, I'm sure that we could then give you a fairly decent estimate on how long and how we could run. The problem is is we do not have it and so, therefore; it creates an additional problem."

Deuster: "My last question is this. I know you've served in the Legislature and you know how to put your finger up in the air and see which way the wind is blowing. In the event that we don't provide any additional revenue, what is your contingency plan?"

Barnes: "Well, in fact, in terms of contingency that's very

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

difficult. One of the problems that we have and what we have been trying to avoid and we have been working very diligently for over the last year...It's not just something that just currently happened here. We have a thousand vendors. We have been paying those vendors in such a manner in which to stave off all of them coming in who asked us to be paid current. In trying to maintain that type of operation to insure that we would have the necessary funds to meet our payrolls, we have been juggling from one foot to the other. We will continue to do that, I can assure you. The question of whether or not and the dooms day of that is the term you're getting to, whether or not we will be able to continue to cooperate, we cannot answer directly to you because there's external situations that we do not control. That is the problem. I can assure you of this, that we would continue to operate as long as we are able to provide the service through our suppliers and through our employees as long as that will take us. Now I can assure you that. One of the things that I've never done is say what day we would run... we would cease to run because I don't think that anyone truthfully can give you that date."

Chairman Neff: "The Lady from Kane, Mrs. Zwick."

Zwick: "Thank you. Chairman Barnes, I have a couple of questions for you. It's my understanding that there is 9 million dollars that was allocated to something with the Franklin Street subway, 'umpta' funds. Does that sound familiar? What I'm looking for is the status of that money or..."

Barnes: "Well, that is interstate transfer money. That's a different pot. One of the problems that we have here is that we receive money from the Federal Government under Section 3 and Section 5 of the 'Umpta' Act. By and large the preponderance of that money is capital funds. None of

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

those funds can be either touched or expended for anything other than capital projects. Those... There are funds that exist like that but we cannot use them in this instant to do anything with them other than to acquire the capital projects that the grants... the purpose of the grants."

Zwick: "Okay. Does that mean that our legislation would have to specifically address some of those funds in order to... Do we have the power to... "

Barnes: "No."

Zwick: "We don't. Just strictly controlled by 'Umptra'."

Barnes: "Strictly controlled by the Federal Government. Strictly."

Zwick: "Okay. My other question is if the CTA as well as the RTA were abolished, what would the status of the present labor contracts be?"

Barnes: "If the CTA and/or the RTA was abolished the status of the current labor contracts with that organization would remain in force and would remain the same. There's a federal Act under the Department of Labor under Section 13C which gives complete guarantees to employees relative to employment in any situation irregardless of the change in the status of the overall entity that provides that service. 13C says and I cite, 'If the entity disappears, you must guarantee the employees continuous status for a minimum of six years'. You could change the CTA. You could change the RTA. You can make it anything you wish to make it. You can hire another group of employees, but continual enforce the last preceeding contract would have to remain in force for six years under 13C saying that those employees could receive no less than the last contract that was negotiated."

Zwick: "Okay."

Barnes: "That's a fact. Federal law."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Zwick: "Even if there was no entity..."

Barnes: "Federal law. If anyone would come in and run the system, if nothing existed, naturally there's nothing that would be there. But if anyone would come in to run the system, you would be required under the Federal Protection Act which is under the Department of Labor, to compensate those employees accordingly. To give you an idea and an example of what I'm speaking to is the Bart system in San Francisco had this very problem. The Golden Gate Transit Company had this very problem by eliminating a portion of the providing previous company. What they ended up with was a situation where they had to pay employees at the very same rate that was there before the new company took over irregardless of whether the job existed or not."

Zwick: "Does that go to both public and private companies even if the private sector took over?"

Barnes: "That goes for public... That's public protection under the Department of Labor."

Zwick: "Okay. No, what I'm getting at is if a private company took over the transportation..."

Barnes: "It would still have to pay it."

Zwick: "They would."

Barnes: "The provision provides."

Zwick: "Okay. Just on other thing."

Barnes: "13C provision prevails."

Zwick: "Okay. Just one other brief question. There is a formula that I've heard referred to, not a formula, a statistic that says for the Chicago area, it is, I believe, a two block walk for 90% of the citizens of Chicago to a bus. How is this calculated or have changes been made in this at all? Has it been approached from..."

Barnes: "The system changes, it expands and contracts. The basic contention is that within one eighth of a mile there is

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

some transportation for the citizens in the city of Chicago. That pretty well prevails. That is not necessarily true. In some areas of the city it may be a half a mile, it may be three quarters of a mile."

Zwick: "I'm sorry. Do you know what that statistic would be for Kane or McHenry County?"

Barnes: "No I don't."

Zwick: "Okay. I would think it would be a lot different."

Barnes: "I would imagine so and the reason being is because of the density of population. And that's what it is governed by."

Zwick: "It's impossible to do something like that in a rural county."

Barnes: "Yes, that's correct."

Zwick: "Okay. Thank you, very much."

Chairman Neff: "The Gentleman from DeWitt, Mr. Vinson."

Vinson: "Thank you, Mr. Chairman. Mr. Barnes, it's good to see you back here."

Barnes: "Good to see you."

Vinson: "Is there no way in which in the event dooms day comes that the CTA could reduce itself to a core of service to help ameliorate the problems that would occur?"

Barnes: "I would not say there is no way. I can say there's no way for us to do it without help of others. CTA, as I indicated, is highly labor intensified. Of the roughly 13 thousand employees and there's not really 13 thousand, 12 thousand and something, the preponderance of those are approximately 12, 200 to 12,300 are all belong to various labor organizations. We could not, there's no way that we could reduce our size to contract to a smaller core unit without the approval of that, not only without the approval but without the help of that 12 thousand, two, three hundred people. There's simply no way we could do it



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

unilaterally is all I'm saying."

Vinson: "Would you expect that that kind of sacrifice on their part would be more likely to occur if you were in a position where the legislature mandated you to do that?"

Barnes: "I'm not... It is not a position of legislative mandate. The problem that we have, as I 'm sure you know, is that we have and as addressed in this legislation as a matter of fact, legal binding contracts with those various organizations through the winter of 1982. And, as I understand, under the law we have an obligation to meet that agreement which is, in fact, lawful. Now, beyond that, my hands are tied."

Vinson: "Okay, now. You said you associated yourself with Mr. Hill's testimony."

Barnes: "I didn't want to be redundant. I don't necessarily associate myself with Mr. Hill's testimony in total, but I felt, especially with the length of time that we've been here, it would be better to take direct questions. So, I don't necessarily associate nor do I necessarily approve of each of the items that Mr. Hill... each of the positions that Mr. Hill had taken."

Vinson: "Would you agree with his position that the RTA or any successor organization ought to have a mandate, a legislative mandate, to require, for instance, a percentage of the farebox contribution?"

Barnes: "I've always supported the idea that any transit entity that received public assistance, public funding had a direct responsibility to provide a sufficient amount from its own generation. Now, I can say that and say that very positively because we at the CTA are one of the few transit entities in this country, not just in the state, that recover from our farebox revenue 50% of the cost of doing business. There are very few people that do that. So, I

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

don't want to come before you and advocate something and sound very pious saying that I support that because we do it already. The entity, for instance, in your area or some other area, and I'm not just picking on you, but they may not be recovering no more than 20 or 25%."

Vinson: "I understand that and I'm not here to carry a ... for them. I think they should be subjected to the same restrictions we put on you."

Barnes: "What I'm saying is I support the concept, but I don't want to say that we ... that level should be where we are because I simply think that would be unfair to some of the others that are nowhere near that..."

Vinson: "But you do agree that there should be..."

Barnes: "Support the concept, absolutely."

Vinson: "What about certain conditioning mandated on the labor contract?"

Barnes: "I think one of the ways that you can do that, I don't necessarily disagree with that kind of concept, but one of the things that you would be ... have to do in that regard is to set certain parameters in which the entity, whatever entity it is, know that they have and know that anything that they would negotiate beyond that point that they would have to raise themselves. I agree with that concept. Because one of the things that I did going into the CTA and I went in in mid-year is convince some people to face the facts that they can no longer be able to absorb the one percent, full 100% ... that had existed at the CTA for some thirty years before I got there. One of the first things that I was responsible for was rolling that back to 58% on a .35. That in itself saved this state, in essence, because we would be that much more in deficit now, saved this state in one year alone some 18 to 20 million dollars. So that what you need, and I agree, what you need is for us

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

to be able to better forecast what we have available at the time of contract negotiations and anything we go beyond that point would be on our own heads."

Vinson: "Finally, what's your position on part-time employees?"

Barnes: "My position on part-time employees is very strong and very forceful. For the first time in the history of the company after going on board at the CTA, we now have part-time employees, and as you know, one of the things that we had to do in that regard to achieve that was to take a strike. That issue is being addressed now head on in Philadelphia. The only issue in that strike situation in Philadelphia is that the Philadelphia property, Chairman Gerard 'Dicola' out there is attempting to do the same thing that we did at the CTA in 1979 and that's to have the ability to have part-time employees. I think it's an absolute necessity."

Vinson: "Thank you."

Chairman Neff: "Thank you, Chairman Barnes. If there isn't anymore questions. We appreciate you being with us. We're sorry you couldn't stay over till later because we'd like to have you on around 9:00 tonight. I'm sorry. Mrs. Fawell."

Fawell: "Chairman Barnes, I was wondering. You mentioned that there is absolutely no way that any new entity can come in and roll your contracts back. Is that right?"

Barnes: "What I said, and I will repeat, there is no legal way that I know, and this is on advice of counsel, plus the federal protections that is built into the labor law for anyone to come in, unilaterally, roll back any salaries or change the manner in which those contracts now exist."

Fawell: "I have been informed by an RTA Board member that Massachusetts did exactly just that when the MTA got into trouble."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Barnes: "Massachusetts did not do exactly that. Massachusetts was in the process of negotiating contracts and it closed down. Once it closed down, new contracts, new contracts were negotiated with the employees and various provisions were implemented in the new contractual arrangement. What I had said today is that that is perhaps a possibility at the end of the current contract. But I know of no way that you can do it during the period of the existing contract."

Fawell: "So, in other words, if we close down and we did not have any CTA for awhile, you still feel that there would be no way of rolling those contracts back. Is that what you're telling me? Because if no money came forth from this group, there will be no CTA. Am I right?"

Barnes: "To the best of my knowledge, under the Federal labor Protection Law, which is 13C of that Act, these employees as any public employees are protected. You cannot simply close a system down, reopen that system and pay employees at a different rate whether it is lower or higher. If you do that, by that Act, you are bound to the contract that existed prior to the closure."

Fawell: "And a contract still has another six years to go?"

Barnes: "That Act had given a minimum protection of six years."

Fawell: "What happens if the system just plain goes bankrupt?"

Barnes: "I can only say if there's another entity that comes... It's all involved in the protection of the employees of that entity. Birmingham has closed up. Now, whenever Birmingham reopens, you simply cannot go out and hire another whole group of employees under that Federal Labor Protection Act. You can do it, but if you do it you must pay the employees who were there at the time of the closure. That's all the Act says."

Fawell: "So Birmingham has closed down then."

Barnes: "Yes, it has."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Fawell: "That is still a possibility."

Barnes: "It is closed at this point."

Fawell: "That may be the possibility of the CTA too. It is a feeling of a great number of us."

Barnes: "That is a very real possibility that the CTA may close, but I assure you one of the things that you must consider here is the impact that will be felt on the state as a whole if the CTA does close. Because it's not just the CTA itself, but the General Revenue Fund which we are all here to protect will be affected in a most dramatic way on the closure of mass transit in the six county area. I believe the Secretary of Transportation said earlier that the estimates of unrecoverable costs from the closure of the mass transit system in the six county area would be 10 million dollars a day. That 10 million dollars also encompasses the amount of retail tax that is collected that goes into the General Revenue Fund in or with the income tax that is collected from those employees that would be affected by the closure. So it is not a situation that merely would affect the city of Chicago in or the six county northern county area. The ripple effect will affect the state as a whole."

Fawell: "When was this contract signed?"

Barnes: "The current contract?"

Fawell: "Yes."

Barnes: "The current contract was arbitrated..."

Fawell: "When was the current contract..."

Barnes: "The current contract was arbitrated and signed into law in June of 1980. The date of the contract is November 30 of 1979 and continue in force through November 30 of 1982."

Fawell: "1982?"

Barnes: "Eighty-two. It is a three year contract which is rather standard in the industry."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Fawell: "And you signed it in November of ..."

Barnes: "It was arbitrated. The contract ended in November of 1979. We negotiated. There was a strike. After the strike, there was a court litigation. From the court litigation it was put under a three panel arbitration team. That arbitration team came back with the current contract which is mandated by the contract that both sides must accept. It is binding arbitration and that was completed as of June of 1980, but it... the effects of it was retroactive to the beginning day of the current three year period."

Fawell: "So in June of 1980 we were handed this contract and they didn't have any idea at that point the mess we were getting into?"

Barnes: "What I'm saying... It was not handed to us in June. It was an ongoing process. And June is when the arbitrators which was given to us by the court proceedings when they completed their action."

Fawell: "But the figures were given to us in June."

Barnes: "The figures for the contract."

Fawell: "Were given to us in June."

Barnes: "Yes."

Fawell: "And they didn't realize the mess that we were already in?"

Barnes: "Well, during the period in June, we were here in the Legislature during that period as Chairman Hill has indicated. At that time there was an indication from the Executive Branch that we were then given an interim solution that was put into place with the assurance that there would be an introduction of legislation for a permanent solution no later than November of 1980. That simply did not occur."

Fawell: "So the contract was based on the fact that some day

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

there was going to be a solution to this problem."

Barnes: "No, it was not. No, it was not."

Chairman Neff: "The Gentleman from Cook, Mr. Griffin."

Griffin: "Mr. Barnes, just two questions. First, for those people whoI asked, by the way, asked Mr. Hill the same question- for those people who live in suburbs contiguous to Chicago, obviously the CTA is Chicago based and Chicago has considerable control over the policies, the daily operational aspects of the CTA. As you see it, what recourse do people have in the suburban areas served by the CTA for impacts on those policies, any remedies for complaints or problems they have under the existing structure of the CTA?"

Barnes: "Very much so. As you well know, the CTA not only services the city of Chicago but 38 suburban areas in Cook County. We have a member of our board which was appointed by the Governor who is a suburban member. Always has been, historically and he represents very well the suburban interests in the deliberations of that board. Not only does he but, we, the board, I think, is very sensitive to meeting the needs of all of the area that we serve. As you well know, I visit the suburban areas and every place that I can to ensure that that is carried out. But we do have, on the CTA Board, a representative of the suburban areas of which we serve."

Griffin: "I wanted to ask following up that, there is a symbiosis between the suburbs and the Loop that's very important to both of us. I mean, the Loop needs us and we need the Loop and we need that kind of quality access without delays, without a kind of an apathy on the part of some of the personnel on the various carriers. I think sometimes this can be a problem. What can we do to improve this and is there anyway we can take this kind of suburban

199

---

Griffin: "Thank you, very much, Mr. Barnes."

Chairman Neff: "The Lady from Cook, Mrs. Smith, Margaret Smith."

200

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Smith(M.): "Thank you, Mr. Chairman. Chairman Barnes, I 'd like to ask a question please. There are already existing routes on the communities where buses accommodate short areas. Is it a possibility that they could institute shuttle fares for those community buses and what effect would it have in revenue?"

Barnes: "There's is very great possibility that those kinds of systems can be set up. We would be happy to extend more into those kinds of systems if we had the autonomy to do so. We have not had that autonomy to do so since 1973. Those kinds of systems are developing, are being developed around the country in various ways. I heard the earlier question and they can be developed; they can be very cost effective. I sincerely believe that the system should be so developed, any mass transit system, should be so developed that the patrons pay proportionate to what they receive. Our system is not designed in that fashion, but that does not mean that it cannot be designed in that fashion."

Smith: "Case in point, the reason why I wanted to bring it to you is because there are people who never travel to the Loop, but they want to go to the doctor, to the hospital for clinical facilities that they have there. Sometimes they have to go there and stay all day. Some never go to the downtown. They shop in their community and they only travel short distances, and I do think that if they could pay a cheaper fare traveling say five or ten blocks, I think that we would get more people to ride the public conveyances in you city if they were benefited. And I wanted to get your thinking in that regard."

Barnes: "I believe, if in the wisdom of this Body and in the wisdom of whatever program that will be developed from the recommendations that are before you, if we are given the



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

complete autonomy to design our structure and our fares and our schedules, we can address that issue."

Smith: "Thank you, kindly."

Chairman Neff: "Representative from Cook, Mr. Preston. Do you... You have your light on. Mr. Preston here? Gentleman from Cook, Mr. Giglio."

Giglio: "Mr. Speaker... Mr. Chairman. Gene, is it true? I've heard a statement before. Does the CTA now have on their charter that they're allowed to go within the County of Cook to the boundary line?"

Barnes: "Absolutely."

Giglio: "Okay."

Barnes: "The CTA charter currently gives, in terms of our service area, any parts of Cook County with exception of three northern townships. One is Hanover, one is Bremen...no. There's three northern townships."

Giglio: "You could go into those areas."

Barnes: "You can go anywhere."

Giglio: "Okay. If this Body does something to change the structure, do you know if by running your, say CTA out into the outlying areas and eliminating the bus services, that the small bus companies that now service in that area, how much of a substantial saving that might be?"

Barnes: "Well, I can't say for certain how much it would be. Let me just say that there's... And I don't want anyone to get the impression that the CTA is advocating running out in suburban Cook County because there are some very, very substantial well-run, very cost effective operations in suburban Cook County. And I'm thinking specifically of Nortran and Suburban Transit and South Suburban. I think that if given the autonomy that we in the CTA and the mass transit system that surrounds us in suburban Cook County that we have found that we can work very well together and

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

we will not have some of the problems that perhaps that have existed in the most recent years."

Giglio: "Okay, the reason for the question was that it's my understanding now in my area where the South Suburban Bus Company operates there are a duplication of routes and their routes are going over the same streets that your routes are going."

Barnes: "That's correct."

Giglio: "That was the reason for the question."

Barnes: "That is correct. I agree with you premise. We have not been given the autonomy, the wherewithal, to make those adjustments. Those adjustments can be and should be made where there's blantant duplication where one or the other, not necessarily the CTA, one or the other should have the right-of-way in that particular area."

Giglio: "Okay. This might not be a fair question to you but maybe you can help answer. I should have asked it of Mr. Hill. Do you know if the RTA now is trying to eliminate some of this duplication with their buying up of some of the bus companies or the RTA is working with these bus companies to eliminate some of those routes?"

Barnes: "I'll be honest with you, Representative. I really couldn't say and I would not want to have it against me."

Giglio: "Okay. Thank you."

Chairman Neff: "Thank you, Chairman Barnes. Now, is the Secretary of Transportation here? The Secretary has got only ten or fifteen minutes here that he can stay with us. I want to apologize to the many people that came down here as citizens and it seems like we've had to spend the whole day with the people that's interested in these particular Bills. I would hope that the next time we have an important hearing like this that they will plan their time and not come and say, 'Well, we've got to leave; we've got

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

to leave'. We've had many people sitting here all day and haven't had a chance to say a word and that's what this meeting's all about. Just as important, probably more important than any of those and Mr. Secretary, if you will continue there and take in some questions, why we'll try to move along."

Secretary Kramer: "Thank you, Mr. Chairman and for Members of the House, I will come back and answer any questions that don't get reached this afternoon so that the other witnesses who come to Springfield at their own expense can be on and have time."

Chairman Neff: "Representative from Cook, Bullock. Bullock."

Bullock: "Thank you, Mr. Chairman. Director Kramer, would you be in a position at this point to share with me or this Body an alternate funding concept that's been proposed? We're still stabbing in the dark for the amount of revenue that we could generate from it. In lieu of the 5% gross tax or the 5% tax on gross receipts, let's hypothetically talk about a tax on net profits for oil producers in Illinois. Do you have any information as to the amount of revenue that might be generated, let's say if we pegged it at one and a half, two percent?"

Secretary Kramer: "I don't, Representative Bullock. This... I will say, however; that a tax on the profits of Illinois oil producers would probably be unconstitutional since the State Constitution says there can be no income tax other than the base income tax which already exists on oil companies and other corporations. So I suspect were the General Assembly to impose such a tax, the courts would throw it out and we'd be right back where we are now. Secondly, such a tax would be discriminatory toward Illinois corporation since they would be the only ones paying it and it would just invite out of state firms to

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

come in and sell their products undercutting Illinois firms and undercutting Illinois jobs. So we would be very much concerned about that as an alternative to this, but I would be delighted to look at any specific proposal which you or other Members of the General Assembly may have and to evaluate its merits but those are two concerns going in that I would have."

Bullock: "Okay. There's a tremendous concern in this Body also about the farm community. I'm very much concerned about the farm community. We all depend on it for our food. I think that some of the farmers or representatives of the farmers have talked to and have been getting perhaps some cross current from the farm lobby as it relates to the pass through of the tax on gross receipts. Some of the farmers feel that they would be penalized unnecessarily if this tax is passed through, particularly those who participate and use large amounts of fertilizer and so forth. Could you share with us your comments on whether or not the farm community would be adversely penalized with this pass through of the tax assuming the oil companies would pass it through to consumers and farmers who have large... spend large amounts of money each year in that area?"

Secretary Kramer: "It is true that if the oil companies pass through the full amount of the tax to consumers that farmer along with everyone else in the state would be paying some increase for oil products. We calculate based on data provided to us by the Agricultural Extension Service at the University of Illinois that the maximum add on for farmers would be three-tenths of one percent of total operating costs. We further calculate that the benefits of this program to the farm community would be far in excess of that since the farm community must get their products to market over the road system, and what we have... what I

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

have asked is that we meet with the... that the farm people meet with us so that we can compare numbers and sort this out and I've also indicated my willingness to sit down with those Members of this General Assembly who represent farming areas to go through the numbers in great detail. But the bottom line is that, yes, this may cost the agricultural community a little more than they're paying now, but that the benefits to the farmer community as well as to the state as a whole will be far greater than the impact of this tax."

Bullock: "A final question; in my district in Chicago we have some state roads and I'm sure you're familiar with them. I'm from the near south side of Chicago so all of the people in my district don't ride the CTA, some have cars and they travel along a section in my district that's Oakwood Boulevard. I don't know if you're familiar with that. That's one of the few state roads that come right through the city of Chicago that's not really a Chicago... of the city of Chicago but really it's a state road. And for many years, I've been trying to lobby the Republican administration to give me some help. But if I vote for this Bill is there a possibility that some of that road fund money will be used in my district as it will be used in the downstate districts to repair those roads?"

Secretary Kramer: "Absolutely. Let me look into the particulars of Oakwood Boulevard and get back to you. Yes, there is that possibility."

Bullock: "I appreciate that. I want the Governor to know if he's listening that you're certainly a credit to his administration, second only to Gale 'France' and I have high respect for both of you."

Chairman Neff: "Thank you. You folks that talked this morning and asked Kramer a question, I wish you would give a chance

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

to some of the others that didn't get a chance.  
Representative from Cook, Birkinbine."

Birkinbine: "Thank you, Mr. Speaker, or Mr. Chairman rather. Secretary Kramer, when you were making your prepared remarks this morning you said that in relation to putting a tax on oil such as home heating oil, this would tend to provide a balance because presently there's a 5% tax on natural gas and electricity. Well, isn't it also true that if I, as a homeowner, go out and buy home heating oil, I am paying Cook County 6% and around the state 5% sales tax on the purchase of that fuel?"

Secretary Kramer: "You would on natural gas as well. This just puts the oil industry on parity with the natural gas industry, and I might point out, Representative Birkinbine, that 90% of all Illinois households heat with natural gas and electricity and thereby have been paying a 5% gross receipts tax for many years now. It's nothing different than what people are paying now."

Birkinbine: "A 5% gross receipts utility tax. Right?"

Kramer: "Right."

Birkinbine: "But as far as the home heating oil is concerned, we pay a sales tax on that because that's not considered a utility item as electricity or natural gas is, right?"

Secretary Kramer: "I think you pay a sales tax on natural gas as well."

Birkinbine: "I don't think so. I don't think so."

Secretary Kramer: "I think you do, but let me..."

Birkinbine: "That's not what our staff has indicated."

Secretary Kramer: "Let's check it out."

Birkinbine: "Because that throws akilter (sic, out of kilter), the argument you were making that this simply makes things parallel. That would then become an additional 5% added onto home heating bills."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Secretary Kramer: "I don't believe so, Representative. Let me get the law before you."

Birkinbine: "Okay. Two other quick points to mention from your prepared remarks when you were asked about how much the city of Chicago, the local governments affected there, were chipping in to help with this... You referred to a balance but the numbers you spoke of out of a 400 million dollar program you were saying Chicago was going to be asked to double their part which is only 5 million dollars. I fail to see how one-eightieth of the total package results in any sort of a balance."

Secretary Kramer: "Chicago will be, of course, paying, as will all of the state, a portion of the gross receipts tax. They will be paying a one percent sales tax in comparison to a half percent sales tax in suburban Cook. So, I just don't think it's accurate to say that Chicago is paying less than suburban Cook or any other part of the state. The fact is, they would be paying more, but they would also be getting more service as a result of this program. So there is equity in it. Chicago will be paying more, substantially more."

Birkinbine: "I guess we have two different feelings about what constitutes equity when you consider who gains the most from this. And lastly, you characterized the RTA as a failure this morning in your remarks, and, therefore, we're going to abolish the RTA Board and yet nothing in this program would abolish say the CTA Board. If the RTA is a failure, what word do you use to describe the performance of the CTA?"

Secretary Kramer: "My personal opinion is that while the CTA has not been as successful in the financial management aspects of its job..."

Birkinbine: "That's being very kind."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Secretary Kramer: "... And has been a failure. In that regard, the law gave that job to the RTA. It took it away from the CTA and it's been done miserably by the RTA Board and what we're proposing is that a finance authority modeled on the school finance authority and Big Mac be established to do that essential job of financial management. As concerns bus and train operations, I think the CTA for all of its problems is better equipped to do that than anyone else because they've got 30 years of experience doing it."

Birkinbine: "Thank you."

Chairman Neff: "The Gentleman from Macoupin, Mr. Hannig."

Hannig: "Thank you, Mr. Chairman and fellow Members. I just have a few questions here. I've been talking to several lobbyists from the oil industry and they've indicated to me that in Connecticut, I believe, where they have the two percent gross sales tax in effect similar to what the administration has proposed here in Illinois that on, for example, a home heating bill they will have all the appropriate information spelled out as far as the units that are sold and the cost, etcetera and at the bottom they will tack on this two percent gross tax. In other words, I guess the point I'm trying to make, is what they are trying to tell us is that they feel that the entire 5% gross sales tax or gross tax will be passed through. And I know that the Governor and other people have spoken to the contrary or perhaps have said that there is some uncertainty on this issue. Could you clarify and could you perhaps explain why it would not be?"

Secretary Kramer: "Representative Hannig, I hesitate to say that the oil company of obvious who talk to you spoke with forked tongue. But let me just say that in Connecticut there are two provisions that directly contravene the representation that apparently was made to you. The first



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

is in Connecticut there is an explicit exemption for home heating oil because in Connecticut home heating oil constitutes most of the source for heating. They aren't major natural gas and electricity users as we are here in Illinois. Secondly, there is a provision in the Connecticut statute subsequently held unconstitutional by the courts which prevents pass through. So the fact of the matter is in Connecticut they don't tax home heating oil now and until the issue is settled in the courts, the way the law currently stands in Connecticut, there's no pass through at all."

Hannig: "I didn't mean to imply that home heating oil was necessarily the only item that they were talking about. It could very well have been they were addressing some other issue. But home heating oil is an issue that I am concerned about. But I guess to ask the question again, would there be anything to prohibit the oil companies from simply adding on another line on the statement that would... in Illinois that would basically add the tax on and pass it directly to the customer?"

Secretary Kramer: "As a practical matter, there is nothing that the state can do now, nor would there be anything that the state could do with this tax to prevent the oil companies from charging more for any given product. There was, until fairly recently, a federal price control program which did control petroleum costs that has been lifted so that the only mechanism now in place to control oil costs is the marketplace. And there is no way that the state can legally enact a price control system to substitute for the federal one that's been abolished, and therefore, we can't assure that the oil companies will not pass on additional costs, be they additional costs due to this tax or additional costs due to increased oil company operating

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

costs or an increased desire for profits."

Hannig: "Because I get the impression that it will be similar to the sales tax that we now have on groceries. You go to the store. You buy the items. You check them out and then at the end they add on the three percent, four percent, whatever..."

Secretary Kramer: "That's alright."

Hannig: "I'm afraid we may have the oil companies implement this tax in that manner so that in effect they will be passing on 100% of that cost."

Secretary Kramer: "Representative Hannig, there are several key differences. The first is that this gross receipts taxes is applied at the very top of the oil distribution chain. Unlike the sales tax, which is a five percent add on at the time the consumer purchases something, this tax is on the first sale of an oil product within Illinois, which in most cases, is four or five levels removed from the consumer, is four or five levels removed from a whole series of markups on prices at the wholesale, distributor and retail level. This tax is eligible for federal tax deduction and I haven't known a corporation, particularly an oil company, that hasn't claimed every federal income tax deduction to which it's due. So this is..this is very different from a sales tax and it's just, I think, is incorrect to characterize it as one."

Hannig: "Perhaps that is correct. In the area of the deduction to the corporation, I've been looking back into some of my accounting books from college and it appears to me that in order to maintain their bottom line, so to speak, the same bottom line, a corporation would have to pass through the additional cost dollar per dollar."

Secretary Kramer: "No. I believe that there's just a standard...standard line on your federal income tax return

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

where you deduct for cost of business and where you deduct for state and local taxes paid."

Hannig: "Well, that's correct. But what I'm saying is that if you have an individual firm that makes an 'x' amount of dollars and they want to maintain that bottom line, if we impose this tax and assuming the market would bear that additional amounts of money, they would have to pass that tax on dollar for dollar on their gross sales in order to come to the same bottom line. Isn't that correct?"

Secretary Kramer: "I don't believe so. I believe they would just claim their standard deduction like you and I do."

Hannig: "Well, what I'm trying to say is..."

Secretary Kramer: "...not pass through..."

Hannig: "...If we had a firm here...For an example, if we had a firm that took in \$40 for example gross sales, \$20 was their cost of production, which gave them \$20 and then their tax rate let's say was 50 percent. So, they come to bottom line of \$10. Okay. Now we want to say what happens if we put this five percent gross sales tax on? We've increased their operating expenses from \$20 to \$22. Now, if they raise their price say only half of that to \$41, then 41 less the 22 will only yield \$19 of profit. Their tax rate on that would be 50 percent, nine and one-half dollars, and they'd only be yielding nine and a half dollars bottom line. What I'm trying to say is I think that they would have to charge \$42 or have to raise \$42 in revenues in order to come to that same bottom line of \$10 that I gave in the first example. Isn't that correct?"

Secretary Kramer: "No. Cause what the oil companies in fact have been doing to lower their overall tax rates has been to invest in other companies with lower yields, so that their overall liquidity of cash would be lower. A prime example of that is Mobile which has recently acquired Montgomery

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Ward. In this instance I suspect that marketplace forces would dictate the same thing. They would claim their 46 percent tax deduction..."

Hannig: "From my figures and the way I believe that business would work in this state and has worked in the past, my fear is that what will happen in this case is that the entire cost of this tax will be passed on to the consumers. But to go onto other matters, on the figures that we talked about or the Governor talked about, 800 million dollars, how certain can we be that that is any type of a ballpark figure?"

Secretary Kramer: "The estimates were arrived at with great care, based on very detailed information on oil company sales within Illinois. Director Johnson of the Department of Revenue and Bob Mandeville, the Director of the Bureau of the Budget, however, will be here tomorrow and they were the primary ones involved in preparing the revenue estimates and I think that question is probably better directed to them. But I feel confident of the projections they've made."

Hannig: "Okay. Thank you."

Chairman Neff: "The Gentleman from McLean, Mr. Ropp."

Ropp: "Thank you, Mr. Chairman. Mr. Secretary, I want to compliment you for coming in and spending a lot of time with us. One of things that concerns me and I need a little explanation, we haven't said much about the federal tax and how this will fit into this whole program. I kind of get the feeling that you imply there is less federal dollars coming. Where does that four or four and a half cents of federal tax...How does that fit into this total picture?"

Secretary Kramer: "The four and a half cent a gallon federal gasoline tax goes into the Highway Trust Fund. The Highway

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Trust Fund currently has a balance in it because the appropriations from Congress have been less than the total amount of money in the Trust Fund. What the Federal Government is now doing is using the balance in the Federal Highway Trust Fund to help finance the national debt so that they don't have to go out and borrow in the private money markets to help pay off the national debt. And as long as inflation is running as high as it is now and as long as the Federal Government thinks that one of the main reasons for that inflation is high federal budget deficits and high federal borrowing, I think we can anticipate that the President and the Congress will continue to allow those balances to build up in the Highway Trust Fund and will not make them available to Illinois and the other 49 states."

Ropp: "One other thing that is a little bit unusual in terms of agriculture is that we're probably one, if not the only, industry that is left that produces our product and takes it to the market and ask the market, 'What will you give me for it?' And since this is a brand new concept, I wonder if there's been any consideration as to putting some form of an Amendment on this that would permit this pass on through right on to the consumer in that we're producing as product that has been the end result or the partial product of the petroleum industry and that way, that would give us some protection as well as the distributor or the handler or anyone else that deals with petroleum or petroleum byproducts. What would your reaction be to that concept?"

Secretary Krauer: "Well, I think to understand it better, Representative Ropp..."

Ropp: "Well, it's brand new. Since this is a new proposal too, this also would be new, which currently does not happen. Other than if you were in business for yourselves, these costs could be added into the product that you sell in the

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

form of your price for that product. In our profession, we just take it to market and ...and the market says, 'This is what it's worth today. That's all you're going to get'. Our costs have gone up yearly and what we're not necessarily looking for is, as the Governor indicated, we could write this off as a cost of business. We've got plenty of costs. I mean, it's not costs that we're looking for to provide us with some net income. It's the end result or the price that we're getting for these products that's giving us the problem."

Secretary Kramer: "Well, let's talk about it. I must admit, coming from a farm family myself, I've found that federal efforts for price supports and federal efforts to control the marketplace have usually ended up hurting the farmer more than any kind of a free market system. But Director Werries of Agriculture certainly knows more about it than I do. And I think maybe the thing that would make sense would be for you and he and I to sit down and talk about it."

Ropp: "Alright. Thank you."

Chairman Neff: "The Gentleman from Cook, Representative Beatty."

Beatty: "Mr. Kramer, I'd like to ask you about a problem we have in our District, which you probably are aware of. It's in the budget...proposed budget for '82. It's been in many previous budgets. The bridge at 71st and Cicero on a state road which is Cicero Avenue was supposed to be ...was held off for years. The bridge is unsafe. It's been unsafe, found to be unsafe. The cross town was supposed to go there, so they were sensible in delaying the structure of it. But now apparently there's not going to be a cross town. I wonder if you could tell me if, in fact, the state has any serious intention of replacing that bridge in the near future?"

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Secretary Kramer: "Representative, the answer to that is 'yes'.

We are currently acquiring the final pieces of right-of-way and completing the final details of the engineering plans in the hope and expectation that we can begin construction on that new bridge this summer."

Beatty: "If, in fact, there were to be a failure of that bridge with passengers on it, would you, as the Secretary of Transportation for the state, feel that there was some responsibility on the part of the state for these...all these delays we've been meeting? In other words, if there were...if the bridge fails..."

Secretary Kramer: "The bridge is not going to fall down. The bridge is structurally sound. But the principal problem with the 67th Street Bridge on Cicero Avenue is the fact that you've got four lanes of traffic funneling into two there. There's not a question about the bridge failing or falling down. The question is..is one of relieving perhaps the most serious traffic bottleneck that exists on the southwest side and we're anxious to join with you and Congressman John Fary who's a strong proponent to that project to get that new bridge built as quickly as possible so that bottleneck can be eliminated."

Chairman Neff: "State your point."

Kulas: "Mr. Chairman, we were convened here today as a House (sic) of the Whole to discuss Governor Thompson's transportation plan. Now, I've been sitting here for over seven hours and all I've heard was political speeches from both sides of the aisle. I've heard personal attacks on witnesses. I've heard people questioning about bridges in their area or roads in their area. I haven't heard more than 45 minutes worth of testimony of the merits of these Bills. Now, I'd like to ask the Chairman to ask the Members to please curtail their remarks, their questions to

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

the merits of these Bills. Let's go on with the business of the House, so we can get out of here this weekend."

Chairman Neff: "Alright. I think the Gentleman's point is well taken, so if we will confine ourselves to the Bill, which is what we're here for, as he stated, and we have gotten off the track several times. So, are you..."

Beatty: "Mr. Neff, I think my question is pertinent. I represent a District on the southwest side of Chicago and we constantly hear that about 75 percent of the money that is collected in fuel taxes comes from Cook County and about 15 or 20 percent gets spent there. Now, I'm here as a Member of the House. I'm expected to support some of these policies that we're supposed to be raising taxes. And the people of my District are going to ask me, 'Well the hell should you vote for increased taxes when we're getting no service from the state now?' And so I think it's pertinent even... I understand the Member's....the Member's been sitting here and I think that he's been doing a good job representing his District. I'm trying to represent my District. I think it's pertinent. And, I would like to continue along the same vein....."

Chairman Neff: "Okay..."

Beatty: "...the cross town was supposed..."

Chairman Neff: "...Committee..."

Beatty: "...Pardon me?"

Secretary Kramer: "...May I suggest that since the matter is a District specific matter that I meet with you and your colleagues from the District to talk about individual projects so that other...and do so with any other Members of the House who would like to do that so that we can move along a little more quickly. I..."

Beatty: "...Well, along the line of transportation, the community that I represent has the poorest transportation, public



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

transportation system in the city. We're landlocked out there. The cross town was supposed to come through there...In...to speed things up so that Myron doesn't get tired, can you tell me, are there really cross town funds around here somewhere? Are we going to get any cross town funds? Did the central government shut this off?"

Secretary Kramer: "Yes. You will get some. We're arguing with Congress now on how much."

Chairman Neff: "Representative Beatty, I think the Secretary wants to meet with you in the next day or so and go into details and maybe that would be better."

Beatty: "Thank you."

Chairman Neff: "The Gentleman from Wayne, Mr. Robbins."

Robbins: "Since this package deals with transportation, in our area of the state, why Amtrak is abandoning considerable lines and I have understood that the state is going...is not going to try to help on keeping these lines open, even though one of them goes into Mounds and they have an opportunity to sell this line. Can you tell me what position we are in on this? Will that be a part of any of your transportation coverage?"

Secretary Kramer: "That issue is being debated in Washington at this very moment, Representative Robbins. As you know, the President has proposed some major cuts in federal funding for Amtrak. Congress is currently evaluating them. We have made it clear to the Congress that the state is ready to pay its share of Amtrak with this...with the General Assembly's approval of this program. The deciding votes, however, have to come in two places. The first is approval of this program so that state can guarantee its share of Amtrak costs and the second is votes in Congress to determine whether the Federal Government can pay its share and Representative Madigan of Illinois is in a very key

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

position on that issue since he is the ranking Republican on the Committee in the House which has to act on it. And he's fighting for our interest very hard."

Robbins: "The state in the past has surprised...has supplied some subsidy to rail lines that have gone out of the Amtrak....Is it the policy of the state to withdraw from that position?"

Secretary Kramer: "No. Under this program under the statewide transit improvements that you see on this program, we are proposing to continue and, indeed, slightly expand that level of state support."

Robbins: "Now it's my understanding that this tax applies to the first Illinois user of petrol chemicals. Is that correct?"

Secretary Kramer: "No. It's to the first sale of an oil product, which is to say, if the...if it's a petrol chemical manufacturer in Illinois, the oil portion when it is sold to him when it comes from the refinery, would pay the tax as is the case with natural gas now."

Robbins: "If you bought ...If you were in manufacturing clothing and you bought polyester cloth and when you bought it this was the first entry into the state, since this is a petroleum product, this will not be taxed. Is that correct?"

Secretary Kramer: "No. It will be."

Robbins: "Okay. How about plastics that are made in the state from petroleum products?"

Secretary Kramer: "I believe that the petroleum portion of that when it came into Illinois would be taxed along with the petroleum for any other product."

Robbins: "Okay. One of the questions that I have..can't really understand, is why natural gas has been excluded since it is a..strictly a petroleum product. It can be made into gasoline."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Secretary Kramer: "Because natural gas is already taxed at five percent. All we're doing is putting oil on the same footing that natural gas is now and has been for some years."

Robbins: "Thank you very much."

Secretary Kramer: "Thank you, Representative."

Chairman Neff: "The Gentleman from Cook, Mr. Griffin."

Griffin: "Three questions. First, I know the Governor has addressed himself to this before, but I wanted to hear your answer on this. The property tax..."

Secretary Kramer: "I hope it's the same as the Governor's."

Griffin: "The ...I understand that. But I'm interested in knowing if there's any daylight at all between you on some points. I'd like to ask on the subject of the alternative forms of taxation if, other than the fact that some kind of property tax modification would be difficult to pass politically, if there is any opportunity for a modification of that to be incorporated in some final resolution of this?"

Secretary Kramer: "Representative, I think we'd have to look at the specific proposal before we could give an ironclad answer. We did, amongst all of the alternative financing plans to support this program, look at the property tax within the city and within the downtown area of Chicago and determined that the increase to finance the program would have to be so large that we would be driving a lot of business out of ...out of the state. And it seemed to us that this tax was fair and would have less adverse economic impact than a property tax. And that is why we rejected it. If there's another alternative that you'd like to put forward, we'll certainly look at that on its merits."

Griffin: "But there are, are there not, possible intermediate positions as far as percentages that are debatable or

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

dis...."

Secretary Kramer: "Oh, sure. You know, we'll look at any alternative. We think the one we put forward is the most fair and the most equitable. But we're certainly prepared to look at any alternative that any Member of the General Assembly may wish to advance."

Griffin: "I have two other questions. One is, any transit system involves a lot of problems besides fiscal problems. There are problems of the operations day by day, the management personnel. Some of these have been some of the sore points for a lot of people in the Cook County area. I wonder in terms of the Governor's TFA proposal how these problems which have already been serious under the RTA which supposedly had more operational and management oversight can possibly remedied. In other words, the very problems we have have to do with things other than just fiscal problems. How, now, can the TFA address itself to solving those problems?"

Secretary Kramer: "Well, I think that the first way it addresses itself is by replen...is by getting a board in that's responsive, accountable and competent, none of which I think exists under the current setup."

Griffin: "By monitoring the fiscal program of the existing carriers can that board exert enough influence to correct these kinds of problems?"

Secretary Kramer: "I believe it can. The School Finance Authority in its one year of existence I think has done a commendable job with the schools in bringing the Board of Education into line with its revenues. And I believe that 'Big Mac' in New York has done a commendable job with New York City's finances and I have every reason to anticipate that this control authority that the Governor is proposing would be similarly successful."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Griffin: "Now along with that, can they exercise control over contracts to such a degree that they could influence the kind of personnel that will be working on the staff of the various transit units they'll be overseeing?"

Secretary Kramer: "No. They certainly couldn't...They certainly couldn't select bus drivers or other personnel..."

Griffin: "...Higher echelons. Can they have any impact on the personnel that are hired, kind of contractual arrangements that are made?"

Secretary Kramer: "Just...It would be budgetary oversight that they would have and ultimately the General Assembly would have that kind of budgetary oversight."

Griffin: "One last question. Under the current arrangement with the CTA, which I think would be ongoing under the Governor's plan, the suburbs have a certain helplessness in relation to policies that are formulated. Do you see any way that this can be corrected in terms of the Governor's plan? Can we maintain the sovereignty of the suburbs? Can we maintain a certain degree of input as to policy making in transportation areas under the current Governor's plan that would be better than what we have now?"

Secretary Kramer: "Yes. The proposal as advanced by the Governor calls for two members of the Finance Authority Board to be ...come from nominations from the suburban members of the Cook County Board. It calls for the Governor's appointment to be drawn from the region to represent overall regional interest. And, I believe that that's a significant measure of improvement over what exists now. If your primary concern is with the CTA Board, the...as opposed to the oversight Board, this legislation does not address that, although it certainly would be possible to do so by Amendment."

Griffin: "Well, I think that's most important. Thank you very

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

much."

Secretary Kramer: "Thank you, Representative."

Chairman Neff: "The Lady from LaSalle, Mrs. Breslin."

Breslin: "Mr. Chairman, the Secretary had indicated that he had 15 minutes to be with us. He's been with us for almost an hour..."

Chairman Neff: "Yes..I'm sure..."

Breslin: "Can't we move on to the other members who have filed here to testify?"

Chairman Neff: "Thank you. I think the Secretary does have to leave. Thank you, John. We may have to have you back at nine in the morning."

Secretary Kramer: "I will be back. Thank you very much."

Chairman Neff: "I'd like to make this announcement to all the folks that have been waiting here. And I'm sure there's some up there and many of them had to leave. We will continue here as long as we have people here that can't come back in the morning. Our hope is that we'll recess and come back at nine o'clock. But anybody that can't come back in the morning, why, we will sit here and hear them. So, if anybody will let us know the ones that can't be here tomorrow morning at nine o'clock, we hope that they will appear here this evening. Roger Yarbarough, representing the President of the Asphalt Association. Mr. Yarbarough. He's a proponent."

Yarbarough: "Good afternoon. My name is Roger Yarbarough. I'm President of the Illinois Asphalt Pavement Association. The Illinois Asphalt Pavement Association has 140 member companies and provides employment for approximately 11 thousand people during the construction season. Now, our testimony today speaks particularly to the highway portion of the proposed legislation. I suspect that our testimony will be viewed by some as a self-serving effort to feather

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

our own nests. It is obvious that our industry has a vested interest in this legislation. But our concern is far from a situation of feathering our nests to more of patching up the holes in the nest to keep it from falling apart. You need only to inquire with those who know us, such as our bankers, bonding companies, to verify this statement. In addition to our vested interest in this legislation our industry is uniquely qualified to know and understand some of the problems with our crumbling highways. The greatest problem is that highways are rapidly deteriorating at a rate far greater than they're being repaired. There's a current backlog of 3,000 miles of Illinois highways that need immediate attention in the form of patching, widening and overlay work. Under the current situation of funding, this backlog will grow by 700 miles every year. The cost of this highway neglect to the citizens of the State of Illinois is staggering. There will be a marked increase in the loss of life from safety hazards created from this highway neglect and there will be an increased cost of highway...of repair and operation to the vehicles using the state's highways of approximately 200 dollars per year per motorist. This is versus the cost of this highway legislation, which is approximately 70 dollars...75 dollars per motorist per year. And furthermore, if the highways are allowed to deteriorate to a point where they can no longer be maintained by patching and overlaying, and if they must be rebuilt, the cost of rebuilding is four times that necessary for regular maintenance. Make no mistake about it. This new legislation is not enough to adequately maintain the highways of the State of Illinois. This legislation only effectively restores the losses that have resulted since the last legislative package was passed here in this chamber in November of 1979. These losses

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

amount to approximately \$250 million annually due to decreased federal funds, decreased gasoline consumption with more fuel efficient cars and an inflation rate of 10 to 15 percent in highway material and labor costs. No, it's not near enough to meet the needs of the highways. But if the political realities are such that it is all that can be accomplished at this time, then so be it. It is certainly a positive step toward solving the highway needs. No tax Bill is ever popular. But we feel this legislation is fair and equitable to all. It is closely related to the support of its use and the tax burden will be broadly spread by the oil companies' own admission and will be shared by all. The present plan shows a distribution of revenues to the use in proportion to the geographical and physical needs, without one geographical or select group of population bearing a disproportionate amount of the tax burden for the benefit of another geographical or special group of citizens in the State of Illinois. Bear in mind that our industry, the asphalt paving industry, will be taxed at a heavy rate, or heavier than most anyone else. This legislation obviously is not perfect. But political compromises rarely are. It appears to be fair and equitable and the best one possible to solve the current transportation problems. The Illinois Asphalt Pavement Association suffers ...its members suffered greatly from an inconsistent road program. Our industry is heavily capital intensive. The average asphalt plant today cost from three-quarters of a million to a million dollars each and the amount of capital necessary per dollar of volume of work accomplished is about as high as any industry in the country. Our equipment has production limitation and if a highway program is too large there is a particular strain on our industry to keep pace with the work. This results



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

in a lot of overtime and inefficiency. And, conversely, if the road program is too small, it is not possible for us to recover appropriate equipment costs on operations and interest on our capital investment. In short, our industry benefits from a stable program and is seriously damaged by an inconsistent program such as a small program one year and a large program the next year. In order to maintain stability and viability in the contracting industry here in the State of Illinois, we urge you to adopt the long-range consistent programs that will not only ensure the viability of the companies and ensure the regular employment of our employees, but would result in great benefit to the citizens of Illinois. We are here today to urge you to pass the pending transportation legislation before you in order to ensure the fiscal and physical integrity of the Illinois transportation system which is the lifeblood of commerce in this great state. We urge you to pass this legislation with a minimum of Amendments and no exemptions, no, not even asphalt. Thank you."

Chairman Neff: "The Gentleman from Perry, Ralph Dunn."

Dunn: "Thank you Mr. Chairman. I'd like to ask the Gentleman--and I've been wondering about this and since...first time we have a chance to talk to an asphalt man-- How much of this five percent gross tax...raise the price of a gallon of road oil or asphalt? Do you have any idea?"

Yarbarough: "I'm sorry. Would you repeat the question?"

Dunn: "How much will this five percent gross revenue tax that we're talking about putting on...how much will that raise the price of a gallon of road oil or asphalt?"

Yarbarough: "Well, if you're talking about liquid asphalt, which is really 100 percent asphalt, it would be the total value of that asphalt. In other words that's..."

Dunn: "It would raise it five percent. Is that what you're

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

saying?"

Yarborough: "Yes, Sir."

Dunn: "And this is if Aamco sells it, it's going to be charged to Aamco. I have a little bit of trouble trying to figure out how we're going to collect it. If it's shipped in from Texas, who's going to pay for it? When it gets in across the state line? Road oil doesn't all...isn't all produced in Illinois is it, or asphalt?"

Yarborough: "I'm not familiar with the method of collection. I understand it's on the first point of sale. That's all I know..."

Dunn: "...Right, and so you'd be subject to the five percent tax..."

Yarborough: "Yes, Sir."

Dunn: "And road oil now...or asphalt is \$1.00 a gallon or thereabouts? Or do you know the price of a gallon of asphalt?"

Yarborough: "It's roughly \$200 a ton and there's 240 gallons in a ton, Sir."

Dunn: "Just about \$1.00 a gallon then. So it would raise the price about 20 percent, something like that perhaps, or 15 percent perhaps. I just want to point out, it's pretty inflationary besides all the other costs that you're going to get into. I'm afraid we're not going to be able to build many more roads with or without this tax. And that's the point I was trying to make."

Yarborough: "The point you make about liquid asphalt is correct. The asphalt upon bituminous concrete product contains approximately five percent liquid asphalt. So you'd be talking about on most of the road work which would be a hot mix asphalt, a five percent tax on the asphalt content and the asphalt content is five percent of the product."

Dunn: "I was...I'm aware of that. I was kind of concerned about

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

these counties and..."

Yarbarough: "Yes, Sir. I understand.."

Dunn: "...And the road districts that use road oil and how inflationary this is going to be and with the increase that Secretary Kramer talked about they were going to get under the new formula, I was afraid they'd use it all up in the cost of the asphalt. Asphalt has gone up from 14 or 15 cents a gallon to about 80 or 90 cents a gallon in the last 8 or 10 years. While gasoline has gone up approximately 100 percent, asphalt has gone up probably 500 percent. Is that about correct? And do you know why?..."

Yarbarough: "I didn't follow all your figures, Sir. But you're about right, yes."

Dunn: "Okay. Thank you and that's all I have. Thank you very much."

Chairman Neff: "If there isn't anything...other questions, thank you, Mr. Yarbarough."

Yarbarough: "Thank you."

Chairman Neff: "...For your appearance. Mr. Angelo DiPaolo, President of the ...he's left us. Mr. Harry Remby, President of the Calhoun County Contractors Association. I want to make this announcement. We will stay here as long as I mentioned that we have to. We won't break for lunch. We hope we won't be too long. And then we will recess until 9:00 o'clock in the morning. Go right ahead. I'm sorry."

Remby: "Thank you, Mr. Speaker (sic), Members of the House. Time is at a premium and therefore I want to add only a few additional comments to what Mr. Yarbarough has already said. The greatest obstacle for meeting the needs of a quality road system in the '80's is a source of funding to accomplish this purpose. We, in the highway industry, in the past have argued over the retention of the Highway

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Trust Fund and a continuation of the federal gas tax. However, this funding has not kept up with the inflation. Therefore, we of late have gone to Washington and argued over increase in the federal gas tax and a retention of the Highway Trust Fund. However, when we arrived in Washington, we are quickly told that the future will be, see the federal responsibilities phased out and the state and local level...at the state and local level. The case in point is a budget cut that would eliminate federal aid secondary and federal aid urban. Also priority primary is on the way out. These funds as you know have been the backbone of FAP-4-12, 409 and other interstate freeways...or freeways which we all need. In short, the federal responsibility is phasing out and the surface transportation will be transferred to the states. Mr. Stockman, Director of the Bureau of the Budget, brought this point home hard to our industry at our recent national convention in Washington when he pointed out that of the approximately 40 billion dollars cut in the proposed budget, 18.6 billion is in public works. To summarize, the problem we are faced with is existing revenues from existing federal and state sources are inadequate to meet the needs of our steadily declining highway system. We no longer have the luxury of waiting for what might be most correct. We must take what is most political expedient if Illinois is to continue to be a strong self-sufficient economic entity in today's world. Thank you."

Chairman Neff: "Any questions? Next witness we will hear from is Robert Weidling, representing the citizens of southwest Will County. Mr. Weidling, will you come down? Robert Weidling, Mayor of Willmington. Also I'd like to have Mr. Ted...Ned P. Becker, city of Naperville. Also, Cyril Williams, will you come down also? Mr. Bill Tindall, Vice

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

President, H.H.Hall Construction Company, I'd like to have all you folks come down and we'll try to hear you right away. Mr. Ned Becker, city of Naperville, Ned, will you step right up here and we'll hear you real quick."

Becker: "Mr. Chairman and Members of the House, thank you. My name is Ned Becker, Director of the Department of Transportation in the city of Naperville, Illinois, located approximately 30 miles west of Chicago. We have a long history that dates back to 1831 and this year we're celebrating our sesquicentennial and you're all invited. We are a community with the population in excess of 40,000 people. We are typically suburban, depending to some extent on the central city. Presently we are witnessing the development of a great number of commercial and industrial projects in our community. We expect these developments will improve a tax base and generate a number of new jobs opportunities. We hope that many of these will be available to Naperville residents. An obvious additional benefit to our residents would be a reduction in the work trip. At the present time there are a number of Naperville residents who are employed in Naperville and those ...and benefit from that now. However, a large number of Naperville residents must travel outside Naperville in order to reach their place of work. In excess of 50 percent, the work force must leave the city to work. By virtue of that fact they must depend on an intact transportation system. For some, that is a highway network. For others that is a transit network. And for many, a work trip of 20 to 30 miles a day is not uncommon. And that translates into about two hours out of their work...out of their day that they're on the road. Much of the development of the entire region has been the result of increasing number of people who have chosen the suburban

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

lifestyle. Living in a suburb of Chicago is obviously much different than living in Chicago or living in downstate Illinois. Because of these differing lifestyles the divisions have grown between suburb versus city versus downstate residents. We do recognize however, that even though we have these differences, we all have contributions to make to this state. They are simply made in different ways. We must find a way to minimize those differences that have grown among all of us. In order to realize we are all a part of the transportation problem, whether it's the RTA crisis in northeastern Illinois or a highway funding problem in southeastern Illinois. Whether or not we are willing to admit it, each and every one of us is very transportation dependent. There is no one who can claim independence on the transportation system. Even though one might not be using the highway or transit system, they are dependent on people who are serving them who do have to use those systems. Now, we recognize that Naperville is only one community in this state. However, we are suggesting that we typify the transportation depend individual who lives in the region. And therefore, our concerns are common to the people of the suburban area. As such, we further suggest there are three basic issues that hopefully you will be aware of and understand. The first issue is that we are transportation dependent. We must have an adequate highway transportation system, mass transportation system and they must compliment each other. Mass transportation does have its place in Naperville. We have been operating a mass transportation system since 1973 and have grown from a ridership of 200 people per day to over 2,000 people per day. We are located on the Burlington-Northern commuter line and at the present time, we're the largest loading station on that line.

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Approximately 3600 people depend on the BN as their primary means of transportation to and from their work place. At the same time, it's recognized that mass transportation cannot service all of our....all of the needs of our community and therefore, we need a highway system in order to round it out. A breakdown in either of those systems would have a damaging affect on the local and regional fabric. The second issue is that we feel there needs to be some kind of a unifying mechanism for coordinating all the transportation elements in the region. That function is presently with 'CATS', Chicago Area Transportation Study, which general functions as a metropolitan planning organization for this region. Their authority, however, is generally limited to overall planning of capital projects. There is also a need to have some kind of overall coordination of the mass transportation elements in the region. Prior to the formation of the RTA, and by the way, we developed our system in Naperville prior to the time there was an RTA, there was no coordination possible except that that was done on a very informal basis. We recognize it would not be necessary for our community's transit system to be coordinate by a regional agency. We generally operate our system within our community and do not really depend on a coordinating effort. There are systems however, that run beyond our community, but within the county. Those systems could probably be coordinated by a county agency. Beyond that, there are systems that run between counties. Those are the systems that we feel would require some kind of a coordinating agency. Existing legislation under which the RTA is operating mandates that we be a part of the RTA for basically one reason and that is for funding, to make up the deficit between the farebox and the expenses. Since these operating funds are

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

generally either from federal subsidy or region-wide sales taxes, we have no access to those funds except through the RTA. Now the Governor has proposed in his statement that the present RTA Board be abolished and a different type of agency be created to fill the transportation coordination function. The city of Naperville has a problem with that proposal. The basic problem is that we would have no representation on the proposed TFA since four of its members are chosen from the city of Chicago and suburban Cook County, with the Chairman chosen from the six county region. The only way coordination can be made is if the city through DuPage County would opt to join the TFA. At least at the present time, we do have representation on the RTA Board. And I will have to say that our suburban representatives have done a creditable job. Our basic difficulties have been in working with the other members of the Board. The division that I spoke about before between the city and the suburbs comes up in this and has been the root cause of many of the problems that we have experienced. Perhaps one of the reasons for the Governor's proposal is he feels there is no way to adequately put together a structure that will be able to work within this city-suburban division. If we accept the fact that there is not going to be any kind of a county to county transportation system beyond the rail system, which is provided for in the Governor's proposal, then perhaps that would have a chance to work. I am not prepared however to accept the fact that we can adequately serve the transit needs of the region only with existing county to county rail. In summing up those concerns, I think it's important to note that in the six county region, the suburban area has 57 percent of the population with the city having 43 percent of the population. However, we are not represented



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

that way on the Board. I understand that will be changed. The third issue is that we need to devise a plan for financing all transportation improvements in the state. In previous testimony to the Select Committee, we appeared before in Chicago, we confined our remarks to the financing of transit operations. However, because of the fact that the Governor's proposal has addressed the entire question of transportation funding, we think it's appropriate to expand our remarks at this time. As you Legislators know full well, besides the problems of division between city, suburb and downstate, there is also a problem that's not only confined to Illinois. That problem is the difficulty of developing some kind of funding mechanism for all transportation that is equitable and reflects that a lot of people who drive cars do not use transit. The federal basis and the state basis at the present time for funding transportation has been to the gas tax and other vehicle related charges. As a result, many of those who use their car feel it's not appropriate for them to fund transit operations. The problem up to this point has been that the broadest base tax designed for any kind of transportation funding is the motor fuel tax. There is no tax directly related to transit use except the sales tax which is used in the RTA region and as a result much of the subsidy from the Federal and State Government has a base on revenues derived from the general fund and not from any specific transportation related revenue. There is a recognition therefore, that gasoline and vehicle related taxes are not broad enough to appropriately and equitably distribute the burden of providing transportation services. The fact that everyone, and I emphasize that everyone, benefits from an in-tax transportation system, means that there needs to be a broader base of generating the revenue needed to provide

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

the essential transportation services. The definition of what is essential is not something that can be handed down from Washington. That determination will have to be made on the state or local level. However I think that there is a base for developing a system that is common to the entire state. I think that the kind of approach that's suggested by the Governor in the five percent oil tax is a step in the right direction. That kind of approach provides for a broader base of support than does existing gasoline tax, even though that would still be retained. By taxing what is basically the entire transportation industry, we will be cutting across all lines and effectively generating revenue on a much broader basis in order to reflect the fact that a lot more people than those who drive cars are involved in the transportation problem. I think the plan needs to go a step further in providing specific controls on where the revenues would go, to provide highway and transit funding. In other words, we have to somehow develop this common level of transportation service that can be applied throughout the state. It's further recognized that the Governor's proposal would not totally fund every transportation desire of every group or area throughout the state. The burden would then fall to those individuals, groups, communities, regions or whatever to determine the appropriate level of funding for them. Anything above that then would have to be generated on a very localized basis. In other words, what I could see as a certain level of funding, applied equally, to the extent possible throughout the state, a second level of funding generated on a more region-wide basis and a final layer of funding generated on a very local basis. Let me emphasize that in terms of regional or local funding, I am not suggesting that the total funding come from some kind of a general tax. All or

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

part of that regional or local requirement could be based on what's received in the farebox. In other words, the Chicago region may determine it would be appropriate to develop a funding level that would cover anything up to 25 percent of the cost of providing a transit ride. Another community in some other part of the state may decide that they are going to generate a broad base, 100 percent of the funds needed for transit and allow everyone to ride for free. I do feel rather strongly however that the operation of an efficient and effective transportation system is in many ways similar to providing other kinds of public services. For example, it's not really possible for every individual to buy his own fire truck or build his own library. Our basic problem is that we have become too carried away with the overall funding of transportation projects and have not tried to appropriately place the burden of generating the required revenues. I recognize that by this time you Legislators will have been bombarded with all kinds of information. However, I'd like to add one additional bit that I think might be helpful in your deliberations. In a recent publication of the Transportation Research Board, Critical Issues in Urban Transit, Finance and Management, a report is given on a study recently completed on the experiences of agencies similar to the RTA with similar kinds of funding problems. The observations from those experiences is that increased attention must be given to insuring that the revenue sources for public transportation, from whatever origin, has to have the following characteristics: #1: it's got to expand with inflation, #2: it's got to expand with the increased demand for transit, (#3) it's got to have built-in incentives for cost control and it restricts service on nonproductive roads and #4: it's got to restrict

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

the number of decision makers who must approve the pass through of funds. I'm convinced that if all of those principles had been followed in developing the funding for the RTA, we would not have the problems we're experiencing today. These kinds of controls could be imposed on regions and localities by the state, taking the position of only funding to a certain level and any remainder would be the responsibility of the local area. This kind of approach recognizes and preserves two very fundamental issues. #1, The state has a responsibility to ensure the health, welfare and safety of all residents in statewide matters. Obviously the issue of transportation is a statewide issue and cannot be confined to local jurisdiction. And secondly, local self-determination would be preserved and encouraged to a great extent by this approach. In conclusion, I would submit that we are at least moving in a positive direction in attempting to resolve the issues of transportation development in Illinois. I think that a little more work will get us over the hump. I recognize there are a lot of interests and concerns that need to be served in order to develop the final resolution. I hope that I have been successful in relating to you the concerns, not only of myself, but of our Mayor and our council and our community, that we have, as typical of the suburban populations of the state. We would hope these comments will assist you in your deliberations. On behalf of our community I would offer our assistance, either as representatives of Naperville, or simply as residents of the region. We are prepared to continue to work with you to whatever extent required in order to meet the challenges facing us today. Thank you."

Chairman Steele: "The Gentleman from Cook, Mr. Madigan, please."

Madigan: "Mr. Witness, I didn't catch your name."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Becker: "Ned Becker, Sir."

Madigan: "Becker?"

Becker: "Yes, Sir."

Madigan: "And you're somehow associated with the village of Naperville?"

Becker: "Yes, Sir. I'm Director of Transportation."

Madigan: "Okay. Does the village maintain any bus system?"

Becker: "We contract with a private carrier. However, we are the operating agency and we are funded directly by the RTA."

Madigan: "How many buses do you operate?"

Becker: "We operate approximately 13 buses in the rush hour and four buses during what we call mid-day system, mid-day route."

Madigan: "Could you develop for us a percentage breakdown that would indicate what percentage of your bus riders are simply being transported to the Burlington station, and which percentage of your riders are actually traveling about the town?"

Becker: "We have about 2,000 per day using the rush hour system."

Madigan: "To the train station?"

Becker: "Yes, Sir."

Madigan: "How many would be just riding around the town?"

Becker: "I don't have that figure available at the present time. I could find it and I could give that information to you."

Madigan: "Is there any local contribution from either the city of Naperville or the taxpayers of Naperville?"

Becker: "Well..."

Madigan: "To support the bus company.."

Becker: "There is in terms of the sales tax generated in Naperville, but beyond that, no there is not. Any difference between the farebox and the cost of the ..to our..for our contractor is paid for from an RTA subsidy."

Madigan: "Okay. In the event that the Legislature would create a

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

new regional agency, something like the RTA, or a reformed RTA, and at the time of initial creation this new agency did not include DuPage County, but did provide that a municipality in DuPage County could opt in to the regional agency and then of course receive subsidy from the regional agency, do you think that the city would be interested, the town of Naperville would be interested in opting in?"

Becker: "Sir, the problem that we have with the existing legislation is that we could opt to stay in. But we wouldn't have representation, at least we don't feel we would have the representation that we have today because of the proposed make-up of the TFA."

Madigan: "Let me go back to my question. Let's not just look at the Governor's legislation. Let's talk conceptually and let's presume for sake of discussion that a regional agency is either created or kept in existence. But at the time of initiation DuPage County is not automatically within the jurisdiction of the agency, but municipalities within DuPage can vote to opt in. Do you think that Naperville would vote to opt in?"

Becker: "If..If we were going to be assured of representation, I could recommend that. What our city council might do I would not be prepared to make a statement regarding that."

Madigan: "Now, taking my model that I've explained to you..."

Becker: "Yes, Sir..."

Madigan: "...And..would you think that Naperville would feel comfortable with a situation where on the Board of the newly created agency there would be a set number of appointments by the Mayor of Chicago and then another number of appointments made by the Governor with a geographical requirement that they come from the areas outside the city of Chicago? So, there would be a certain number of people on the Board by Statutory provision to

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

represent your town, maybe not right from your town, maybe not even from your county. But their charge from the Governor would be to represent the areas outside the city of Chicago within the regional agency. Would you feel comfortable under that arrangement?"

Becker: "That's what we have now."

Madigan: "No. Don't your people come directly from your county?"

Becker: "We have a representative from DuPage County..."

Madigan: "...Selected by your local DuPage officials?"

Becker: "Yes, Sir."

Madigan: "Under this scheme there would be no participation by your local DuPage officials. It would be an appointment by the Governor."

Becker: "I feel that the suburban members have generally represented our interests. The problem has been the city-suburban division..."

Madigan: "Right. I understand that..."

Becker: "...On the RTA Board."

Madigan: "I understand that."

Becker: "I think we have it. I do not feel that the suburban members as a group have been very representative of our concerns."

Madigan: "In the event that a situation developed such as I described, and the bulk of DuPage County decided to stay out of the agency, the majority of the county decided to stay out of the agency, but a sizable minority of the county like Naperville wanted in to the agency, under those conditions do you feel that you or the Mayor of your town or the village manager of your town, is better able to represent the transit concerns of the people of Naperville, better able than the county officials?"

Becker: "I think we've developed a relationship between our community and the county to where they represent us very

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

well at this time. So I don't have a problem in that regard."

Madigan: "Would you like to express a preference for ...?"

Becker: "That we would run it or the county would run it?"

Madigan: "Well, who would be better equipped to represent the interests of the town of Naperville? A municipal official or a county official? Or would you rather not comment..."

Becker: "I think the municipal officials. Obviously they're closest to the people."

Madigan: "Okay. Thank you."

Chairman Steele: "Thank you, Sir, for your testimony. Hold just a moment. Yes. The Gentleman...Jack Davis, please."

Davis: "Well, Mr. Chairman, I don't wish to question the witness. I wish to ask you a question. I understand the gravity of the matters with which we are hearing testimony today, but as in any other Committee, I think there should be time constraints put on the testimony of the witness and allow the most possible time for questions from the Member. I would not seek to gag the Members' questioning power nor to establish even a dialog from Member to witness. But the witnesses have been running well over even normal ten minute generous limit which those of us who are Members are allowed to debate. I would suggest to you, Mr. Chairman, that you caution the witnesses further, that a ten minute presentation at best should cover the cogent points which many have already been covered today and allow time for questions on a regional or self-interest basis."

Chairman Steele: "Thank you, Representative Davis. I think those comments are well taken and I would ask that the remaining witnesses make their remarks as brief as possible, realizing that many of the points perhaps they are going to cover may have been already stated by our witnesses here today. The Gentleman from Sangamon, Representative Kane."



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Kane: "If the village of Naperville was running its own mass transit system and was able to get...and depended on the farebox and say an amount of revenue equivalent to a quarter cent sales tax generated from sales within the city of Naperville, would that be sufficient to run your mass transit system?"

Becker: "Yes, Sir."

Kane: "Would you be happy with that kind of a system?"

Becker: "As I explained in my testimony, we have a problem with coordination. I'm not convinced that rail alone is the only way to provide mass transportation between counties. But, as I said, the reason that we're in basically is for funding and that a lot of things could be done on a county basis. The problem is the county to county systems.."

Kane: "Okay. I'm just talking about the transportation within your ...within your city."

Becker: "We generate a very significant amount of sales tax from our community that would be more than enough to cover any operating deficits. Indeed, we could probably run for free."

Kane: "Do you feel that the city council would feel comfortable with imposing its own quarter cent sales tax if it was given that permission to do so and there was no other regional tax involved?"

Becker: "Our council has expressed concerns about the ...about the level of funding and the fact that at the present time we're being funded like 60 percent. They have a concern with that. So, I would suggest that if they're faced with having to impose a certain amount of tax to pick up the deficit that they would increase fares and establish a different base for ..for developing that payment."

Kane: "If the quarter cent regional tax was eliminated and city councils were given the opportunity to impose that quarter

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

cent within their own areas or increase fares or box fares or whatever, would you be happy with that kind of a system? Just within the city of Naperville for transportation within the city..."

Becker: "To the extent of simply the financing end of it, I think that something could be worked out in that regard."

Chairman Steele: "Thank you, Representative. The Gentleman from Rock Island, Representative Polk."

Polk: "At the conclusion of the present witness, Mr. Chairman, would it be possible for you to call upon your staff to indicate to the Members approximately, in between the next ..indicate approximately how many people more are going to testify who feel it's imperative that they must testify this evening because there are some who may wish to prepare...make some orders out for dinner if necessary. So, if we just have some idea of how many more are going to speak, we'd appreciate it."

Chairman Steele: "Will do as soon as Zale returns here we'll have a better feel for that..."

Polk: "Thank you."

Chairman Steele: "We have one more ..two more questioners I think of our present witness and then we'd like to move on please to our next witness. The Lady from DuPage, Mrs. Fawell, please."

Fawell: "Fawell. Are you aware of the fact that the oil companies have been telling us that this tax will not be two or two and half cents per gallon on the gas, but rather six...as high as six cents a gallon for gas? And will our people from Naperville that I represent be very happy with this?"

Becker: "Probably not and I'm not prepared to debate or even discuss what may or may not happen with that because I'm not that familiar with how that will work. My testimony

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

was limited to the extent that we need to have a broader base. You know, some people have suggested there ought to be property tax, that everyone ought to pay some kind of a tax period for the fact that there's a transportation system that they're benefiting from, because not everyone does that now. And if we can find some way to do it on the basis of a transportation industry like the oil industry, then fine. But if it's simply pass through totally and we end up with where we were before and we haven't gained anything then 'no', I don't think we could support that."

Fawell: "That's the proposition so far."

Chairman Steele: "Thank you, Representative and Sir, we do appreciate your being with us here today. Mr. Bill Tindall is our next witness. Mr. Tindall is from Granite City, Illinois, Vice President of H.H. Hall Construction Company representing the Illinois Branch American Concrete Paving Association. Mr. Tindall, we would ask you to keep your remarks as brief as you might and still cover the subject matter."

Tindall: "Thank you, Mr. Speaker (sic) and Members of the House. Most of the comments I have for you today you've already heard. I came up here to speak for the Paving Association on the condition of our highways in District 8. I have three pages of testimonial to back this up. I think I'll condense that to one paragraph. It says if additional funding is not obtained a total of approximately 115 million dollars in construction projects in District 8 will have to be deferred. Many of these projects listed are in need of immediate repairs. If these projects are deferred for five years their condition will become deplorable. I think it says it all. In the questioning session I do have back up for that statement. So on behalf of the Illinois Branch of the American Concrete Pavement Association we ask

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

you to support and vote for passage of this Bill as presented. I thank you."

Chairman Steele: "Thank you very much, Mr. Tindall, for being here with us this evening. No questions appearing I'd like to ask for our next witness Dean Sears. Dean Sears represents the Illinois Farm Bureau and would like to give the views of that organization relating to this legislation. Mr. Sears?"

Sears: "Thank you, Mr. Chairman and Members of the Committee. I will keep my remarks very brief. We appreciate this opportunity to express some of our views as a general farm organization as to this particular package and how it will impact on the agricultural community. We recognize of course the need for a sound transportation program here in the State of Illinois, particularly as it relates to farm to market roads which are so important to us in getting our products to market. We commend the Governor on recognizing the fact that we do have a serious problem and to propose some ideas to resolve it. However, we do have some serious concerns regarding this particular proposal as it relates to agriculture. Let me say at the outset, we are willing to support tax increases on transportation users of which we are certainly a part. But we must oppose this plan which is a tax on all oil users. Only about half of the oil in Illinois is used for transportation. The rest goes to heat homes, generate power and make chemicals, many of which are used by farmers in producing food. This proposal we feel places a disproportionate share of the tax burden on farmers who could have to pick up, at least the figures we've been able to come up with, in the area of 45 to 55 million dollars in increased costs each year. This of course would depend on how the tax would pass through the marketing chain and how such a tax would impact the

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

fertilizer and chemicals industry..."

Chairman Steele: "Excuse me, Dean. Ladies and Gentlemen, if we give our attention please to Mr. Sears who's representing an important organization in Illinois, if you could hold it down just a little bit we'd appreciate it. Thank you."

Sears: "Thank you, Mr. Chairman. We realize there's some confusion here appears to be as to the product that would be taxed and we feel at this point in time that until there's absolute clarity here, we're going to have to consider the worst case and consider that all of these chemicals and fertilizer, petroleum based fertilizers are going to be taxed and that the five percent would be passed right on through to the farmers. This could amount to a tax of as much as two dollars and 25 cents per acre of Illinois crop land. And the farmers we feel simply cannot bear this heavy burden. We feel that it is a discriminatory tax and we're asking farmers to bear an unfairly large portion of this tax burden. Farmers cannot pass on these increased costs to consumers as other businesses can or many businesses can and we are in a rather difficult situation right now as far as the farm economy is concerned. Let me again reiterate, we would favor a users tax as opposed to this type of gross receipts tax by...and we would favor increasing motor fuel taxes and license fees to come up with the necessary funds that are needed for our highways. Finally let me say that we see little evidence in this proposal that has been brought forward that the rural farm to market roads will receive a significant portion of any new monies. In conclusion, just let me reiterate, that we continue to support the concept of a highway user tax as the most fair and equitable approach to financing transportation in Illinois. Thank you."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Chairman Steele: "We have a question from the Gentleman from DeWitt, Representative Vinson."

Vinson: "Thank you very much, Mr. Chairman. Mr. Sears, a fact sheet has been passed out by ..under the label Illinois Farm Bureau. I'm not sure if that in fact is your fact sheet or not Dean."

Sears: "We had put together a fact sheet and one of the Representatives had asked for a copy of it. Possibly he made some more copies and you have one of those."

Vinson: "Okay. It lists the cost that you estimate in five different categories."

Sears: "Correct."

Vinson: "The last two categories are pesticides and petroleum based herbicides. Is that.. Does that sound like your fact sheet?"

Sears: "That's right. That's the sheet I have in front of me here. Yes."

Vinson: "Okay. On the pesticides, it estimates the cost at 11.5 million dollars. Now, can you tell me how you came to that figure? What.. that 230 million figure that you used to derive it with come from?"

Sears: "Alright. This is the total cost of herbicides, insecticides and rodenticides that are used for agricultural purposes on an annual basis here in Illinois and applying then the five percent tax to that figure, we come up with the 11.5 million dollars."

Vinson: "Okay. Now in, pursuant to some discussions we had outside the chamber earlier today, if I am correct, in the figure that was supplied to me by the Illinois Department of Agriculture that only about 11 percent of those are produced in Illinois and only that 11 percent would be taxed under this Statute, you would then reduce that cost to about a million and a half dollars. Is that roughly

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

correct?"

Sears: "Well, let me say, Representative Vinson, we would be happy to sit down with the Department of Transportation, Department of Revenue to discuss these figures and to discuss their interpretation of how this tax impacts these types of products. I think there's been quite a bit of confusion here. We were not apprised of this information until just today. So, I guess what I'd have to say is we're going to have to stick with these figures until we're shown otherwise."

Vinson: "No, I understand that. And I understand the need for there to be absolute understanding before any figure, accurate figures are devised. But, if that ..those assumptions are correct, would I be accurate in estimating about a million five for that particular category?"

Sears: "On the basis of 11 percent?"

Vinson: "Yes."

Sears: "Yes, that appears to be about right."

Vinson: "And in category number five, petroleum based fertilizers, what is included in that \$290 million figure?"

Sears: "That \$290 million figure I believe represents the ammonia based fertilizers, basically the anhydrous ammonia fertilizer."

Vinson: "That is the only fertilizer in there?"

Sears: "Yes, I'm quite sure it is."

Vinson: "Okay, now according to what Secretary Kramer said earlier, if those are exempt, then that 14.5 million would also not be passed on to Illinois farmers."

Sears: "If that's the correct interpretation, I suppose that's right, yes."

Vinson: "Okay. Now there's one other question which I'm not sure of which I wish ..you may know personally. If not, I wish you'd consult with your experts on it. I am told that some

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

superphosphate fertilizers have petroleum ingredients in their constitution where they're made from phosphates into superphosphates, the petroleum is involved in that. Do you have any idea if that's correct?"

Sears: "I'd better say I'd need to consult some of our experts in that area. But that could very well be the case."

Vinson: "What I would be interested in is if that is the case and #2, if we produce superphosphates in Illinois, because both things would have to occur for that to be a taxable cost, and if we're ever going to get to the bottom of what this exact figure is we've got to get to the bottom on #4 and #5 and the possibility of superphosphates being involved. Final question deals with the problem of transportation in general for Illinois farmers. Back some years past, 1975 or well maybe even '74, the Department of Transportation, Federal Department conducted a riot of ...a variety of hearings at the time the Conrail Corporation was created. And they proposed at that point the abandonment of a huge list of railroad lines in the Midwest. Do you recall that?"

Sears: "Yes, I believe I recall what you're speaking about."

Vinson: "And they proposed those not just for the Pencentral, but also for a variety of other Midwestern railroads. They said that that represented the appropriate railroad line for the Midwest. Now, what my question really goes to, the viability of a lot of railroads--the Illinois Central, certainly the Rock Island, certainly the Milwaukee Road--have really come under increasing pressure since that time. And, you've dealt with a number of proposed abandonments."

Sears: "Yes."

Vinson: "As those proposed abandonments move forward and as we see a less and less viable rural railroad network, aren't we really going to have to put an awful of money into the



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

farm to market road system?"

Sears: "Well, I'm certain that we will have to put a considerable amount of money into this road system. Let me say in speaking to this, that we do of course contribute a substantial amount of money now toward this system through the property tax. But I'm sure we're going to have to put considerable additional money in here too, particularly as it relates to many bridges that are in bad condition around the state in rural areas."

Vinson: "What your objection really deals with is the concept of the gross receipts tax. You would prefer to tax the user if you had your druthers."

Sears: "Yes, that's correct. That concept we feel is the most fair and equitable way of raising funds for highway improvements."

Vinson: "At this particular point, and I understand we're dealing in a crisis atmosphere for a variety of reasons and I understand that the Agricultural Association Board may not have had the opportunity to take a position on particular issues, but at this particular point do you think the Illinois Agricultural Association could or would support the Governor's earlier suggestion of a ten percent tax on motor fuel?"

Sears: "I believe that-- and again, as you say, our Board may ..hasn't specifically given us direction in this regard--but we have discussed this issue in a broad perspective and I really feel sincerely that they would support certainly an increase in the flat rate tax and probably a percentage type of tax if there were some type of protective limitations placed upon it based upon a certain percentage increase per year, for example, a cap on in other words. But that concept of a percentage tax I think they could look favorably on it."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Vinson: "Would you anticipate that they would also prefer had they had their druthers that in some sense that taxes raised in the rural part of Illinois be reserved, segregated for the rural part of Illinois?"

Sears: "Well, certainly I think they would, yes. Now, I know one of...that's one of their big concerns that we maintain a fair and equitable share of these revenues for the rural roads."

Vinson: "Well I think the..just the last point that I would make is that I would commend the Agricultural Association for being willing, not just to criticize this, but to propose and step forward with some constructive suggestions. And I appreciate your willingness to review the figures in the event that the legislation has not been made adequately clear at this point. Thank you."

Chairman Neff: "Thank you, Mr. Sears. The next witness, Mr. William D. Ambrose. Is Mr. Ambrose here? The next one will be Ronald Smith, Ridgeway Petroleum. Ron Smith here? Will you step right up, Sir? Before you start, it looks like we've got about ten more people to hear and hopefully we can get out of here about ...and within another hour or hour and fifteen minutes and then we will recess until 9:00 o'clock in the morning. Nine in the morning."

Ron Smith: "Mr. Chairman and Distinguished Members of the Illinois House, I want to thank you for the opportunity to appear here today. I will be happy to answer any questions you might have later. My name is Ronald Smith and I own Ridgeway Petroleum of Lansing, Illinois, a 45 year old small family business. I am primarily a wholesaler...wholesale distributor of gasoline to service stations in the south suburbs of Chicago. We currently supply 11 service stations in Cook County and two in Will County. Flying down on the plane this morning from

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Chicago, I was very dishearted (sic) and down until I read Bob 'Wiedrick's' column in the Chicago Tribune. He relates a conversation he had with Mrs. 'Carl' of Havana, Illinois. That conversation I think extremely...is extremely fitting to today's situation that we find ourselves in. Mrs. Carl quotes Mason County Democrat of 90 years ago. 'It's the best Legislator (sic) Illinois has ever had. In two months it has not passed a Bill or done anything except collect its pay'. I guess that pretty well sums up how I feel. The thought also occurs to me that you Legislators and I have quite a bit in common because our concerns...because of our concern for boundary lines and taxes. Governor Thompson continues to use 1969 as a year of comparison because supposedly that was the last time the state gasoline taxes were raised. He is only 50 percent right. There are two distinct state gasoline taxes - One, a seven and a half cent road tax, two, sales tax which average almost five cents a gallon. That five cents tax was only one and a half cents tax in 1969 because the gasoline was only 38 cents a gallon. Today gasoline averages \$1.35 a gallon. The increases in sales tax is therefore 3.2 cents per gallon. This represents a huge boom to the State of Illinois of \$178 million dollars. We have also increased revenues in gasoline road tax of \$109 million and 21 million for diesel tax because of increased sales in that period of time. Altogether the increased revenue to the State of Illinois from 1969 to 1979 amounts to \$308 million, total taxes on ...taxes collected on petroleum products in 1979 that went directly to the State of Illinois amount to \$697 million and furthermore, every time the price of gasoline goes up 25 cents, the state gets an additional \$55 million in sales tax. Today the price of self-serve regular in Munster, Indiana is \$1.30.9, the

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

price of self-serve regular in Lansing, Illinois is \$1.35.9. The reason for the difference is the five cents more tax in Cook County, Illinois than in Lake County, Indiana. It is estimated that 50% of the people living in villages bordering the state line go across that state line and buy their gasoline. The dealer I supply in Lansing has indeed lost 70% of his gallonage in the last year as I have and he reports to me a net loss in profits every month for the last six months. Would our Legislators have all of us go out of business and force all of the people in Illinois bordering villages to travel to Indiana to buy their gasoline? A typical station in Illinois sells 30 to 40,000 gallons a month and there are many in Indiana that sell 100 to 300,000 gallons a month, all because of that nickel difference. Recently a station was erected in Dyer, Indiana, six months ago, is today doing 350,000 gallons a month all because of the five cents a gallon difference. I believe in the American free enterprise system and good wholesome competition but a five cent disadvantage is not fair nor is it something that we in the bordering communities can live with much longer. With the economy the way it is I would think really concerned Legislators would be proposing Legislation to cut taxes not raise them in these days of double digit inflation and interest rates. By far the majority of gasoline used today is of necessity not a luxury and as such should be considered as a product to have the sales tax eliminated on, not automatically increased the way it is happening now. Cook County, Illinois already has the dubious distinction of having the highest gasoline tax in the nation and still some would propose more. The farm implement dealers cannot exist with unfair tax disadvantages. The food merchant cannot exist with unfair tax disadvantages nor can the gasoline

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

merchant. Recently, Governor Thompson described this state as not in a crisis but at the crossroads. I've got news for him, I'm in a crisis many of my dealers are and I know a lot of Illinois' taxpayers and voters that are. The income loss to some Illinois governmental body for every car that fills up in Indiana is \$2.75. Washington, D.C., recently enacted a six percent tax but quickly repealed it because the consumer bought where he could save some money across the line. My state Representative recently polled his constituents on how revenue should be raised for the RTA. Eighty-nine percent said raise the fares. We don't need more taxes. We need relief and we need it soon."

Chairman Neff: "Pardon me. Can you bring your remarks to a close in a pretty reasonable time?"

Ron Smith: "As I said earlier the difference in tax is five cents a gallon with the proposed Bill that's before us now, it would increase that another five cents which would make the disparity ten cents a gallon and I can't believe that anybody within a ten mile radius or ten mile distance of the state line is not going to pass up an opportunity to save \$2.00 every time they fill up their car and I propose to you that every station within an eight mile limit of the state line will go out of business within three months if this tax is passed. Thank you very much."

Chairman Neff: "The Gentleman from DeWitt, Mr. Vinson."

Vinson: "Thank you Mr. Chairman, Members of the Committee. What was your name, Sir?"

Ron Smith: "Ronald Smith."

Vinson: "Now, one of the things that a lot of us have campaigned on is the need to reinvigorate the business climate in Illinois and I certainly understand why...where you're coming from on that issue. But it would seem to me that one of the things which has probably in the long run

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

furthered your business has been the fact that roads have been built in this state."

Ron Smith: "Correct."

Vinson: "Would you agree with that?"

Ron Smith: "Correct."

Vinson: "Now, would you agree that we have to pay for those roads?"

Ron Smith: "Absolutely."

Vinson: "In paying for those roads would it be your preference that we levy a tax on motor fuel that was related only to motor fuel or a tax that was a gross receipt tax and passed through to all petroleum products?"

Ron Smith: "I sincerely feel gasoline tax is at its limit. Gasoline is one particular product in the whole state and for whatever reason, I don't know, everybody seems like they're going to get back at the big oil if they tax gasoline. I can't sell the stuff in the state if there is too much tax on it. It's at its limit."

Vinson: "I understand what you're saying but we can't abolish the gasoline tax and build roads. My question is, would you prefer a gasoline tax or gross receipts tax, Sir?"

Ron Smith: "Gasoline tax, yes."

Vinson: "So that the full price...so that instead of a two and a half cent increase on your gasoline, you had a five or six cent increase on your gasoline?"

Ron Smith: "Oh, you're speaking of specific Bills? Are you speaking of one form or the other?"

Vinson: "The Bill that we have before us would have a two and a half or three cent tax on gasoline."

Ron Smith: "Well, I think it would be six, closer to six if I might disagree with you."

Vinson: "Well, if we raised the same amount of tax from a motor fuel tax alone, it would be double that. Now, which would

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

you really prefer?"

Ron Smith: "The lesser tax, obviously."

Vinson: "So, you'd prefer the gross receipts to a motor fuel tax?"

Ron Smith: "Whatever the lesser tax would be, I would prefer that."

Vinson: "Thank you."

Chairman Neff: "Wait a minute, the Gentleman from Cook, Mr. Beatty."

Beatty: "Mr. Smith, do you have any alternative or any program where you...If the tax is increased in any form, do you know of any way to protect those stations that are near the state line?"

Ron Smith: "They're going to go. Protect the service station dealer along the state line if the current conditions continue, how to protect them? I have no way."

Beatty: "I think your estimate is conservative. I think that those that are further than eight miles are going to close down. I think that there are some in Chicago...and one of them who happens to be the man next door to me, who owns a gas station and I'm going out tomorrow night to a social affair and he's going to be sitting at the same table with me and he's got a station in Chicago and he's been affected. He services trucks and he's already been affected with this differential. It's very difficult. Do you know...do you have any suggestions, assuming that the State does need some funds to keep the RTA going, do you have any suggestions as an alternate to the taxes that have been suggested on petroleum companies or products?"

Ron Smith: "I'm glad you asked. As far as mass transportation funding, I think it should be funded by the secondary beneficiary and in a city as Chicago, the secondary beneficiary is the employer and/or the real estate owner."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Beatty: "So, you're proposing an increase in the real estate tax to cover this?"

Ron Smith: "If mass transit is going to be subsidized I think that is the logical thing to do, yes."

Beatty: "Well, since...since Chicago has had a public transportation, it's always been a...the companies that ran it were never able to make any money on it and early in Chicago there were private companies and they all went bankrupt and then we had the Chicago Railway Company, the Chicago Surface Lines and finally we end up with the Chicago Transit Authority and now the RTA and they've all...there's been a history of failure to make money or to be able to run without a public subsidy so the fact of the matter is this is nothing new. It's been going on for over a hundred years. What do you think about increasing state income tax?"

Ron Smith: "Is...I don't...personally I don't think it's necessary. As far as increased funds for the Road Program, I think we ought to continue the program that we started a few years ago and that is to take a couple of more...some more money from the sales tax collected on gasoline and use it for roads. The tax is already there. Very few states collect sales tax on gasoline. Illinois is one of the few. As long as we're collecting it on that product, it ought to go for roads. The money is already being collected."

Beatty: "Well now, we have the other problem, where we need funds for the RTA and if we don't...you're suggesting we raise it through income tax...would you limit it to the RTA area?"

Ron Smith: "As far as mass transit outside of the city of Chicago, I'm sure the people would probably be more than happy to pay a quarter or a half percent sales tax...continue the quarter percent and reduce the one percent to a half or a quarter."



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Beatty: "Thank you."

Ron Smith: "More than adequate money to fund that program."

Chairman Neff: "Walter Flintrup...Walter Flintrup? Up on the stage and give us who you're representing, Walter."

Flintrup: "I'm as anxious as you are. I represent the North Suburban Mass Transit District. The North Suburban Mass Transit District, NORTRAN is comprised of 23 communities in North and Northwest Suburban Cook County. The district operates virtually all the bus operations in this area and carries ten million passengers per year. The North Suburban Mass Transit District supports the concept of regional integration in mass transit. This idea perpetuates the users concept of mass transit as reliable and useable. When this operation is implemented however, care must be taken so as not to upset the sensitive balance between local autonomy and regional coordination. The different modes of transportation need each other for support throughout our region. A large percent of bus trips have rail destinations and vice-versa. It is with these coordinated concepts that local administrators and operators adjust, review and act to facilitate their passengers. This can only be done on a local operation basis. The local operators and especially mass transit districts are extremely responsive to..."

Chairman Neff: "Pardon me. Will you cut your remarks a little bit short? We can't read everything here because we just don't have the time. We've got ten more people that want to testify and I know you've waited a long time. So, can't you hit the highlights of it?"

Flintrup: "Mass transit, more than many government or private services, is sensitive to the individual passenger. The passenger's sense of security and reliability will eventually promote or hinder the ultimate success of mass

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

transit. Once again the district supports regional integration but emphasizes more self-determination in operations and capital expansion. The following report will outline the districts position regarding some of these basic restructuring needs. Very simply, the composition of regional agency board should be representative and accountable to, to the geographical area it serves. The operation of the regional agency: The role of any regional agency should be limited to the following, long term goal setting, financing, strategic planning and coordination, performance and evaluation. All of this should be done with consultation and consideration of the local operator. Regional agency funding: The current RTA funding formula is inadequate. The district subscribes to a concept of full funding of deficits for mass transportation. New and existing sources of funding should reflect equity in the relation to the amount of services received. Taxes collected in the North Suburban Mass Transit District area should be proportionate to the service, for the levels of service of that area. The Regional Transportation Authority as it now exists has a multitude of duties that are in many cases performed in an efficient manner by local operators. Unnecessary administrative costs are being promulgated by this duplication of duties."

Chairman Neff: "The Gentleman from Sangamon, Mr. Kane."

Kane: "What did you say your name was, Sir?"

Flintrup: "Flintrup. F-l-i-n-t-r-u-p."

Kane: "From NORTRAN?"

Flintrup: "Yes, Sir. I represent the village of Skokie."

Kane: "If there was a system created in which we had some kind of a regional transit system in which areas could opt in or opt out, would your area, the municipalities in those areas opt in?"

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Flintrup: " It would be my considered judgement that they would opt in. NORTRAN was formed before RTA. The municipalities that participate banded together with the object of raising taxes to save mass transit in that area and I speak specifically of certain...of the major railroads. The Milwaukee is a case in point. We... and we did buy several private enterprise bus companies with the object of running them."

Kane: "So, you're running both trains and buses in those areas?"

Flintrup: "Yes, Sir."

Kane: "What kind of a funding system would be sufficient to subsidize your system in your area other than the farebox? What percentage does the farebox contribute?"

Flintrup: "On our bus operations, we currently are at a 45% level. Farebox takes care of 45%. As to the method of taxation, the sales tax, as it is collected presently, with no change, and speaking of the one cent in Cook County, generates in our municipal area some 35,000,000 and our deficit runs roughly about 5.5. So we could very easily exist within the present structure."

Kane: "And that provides sufficient mass transportation in your area?"

Flintrup: "Yes, Sir. I think that there could be some improvements but because of restraints and constrictions and the method of dealing with RTA we can not implement those as quickly as we would like. There are some things that we would like to do."

Kane: "What kind of a regional structure would you prefer if you had your choice?"

Flintrup: "I think our board would be willing to operate with any type of funding agency as long as we had a degree of autonomy. We feel that we know best where the routes should be and what kind of service we should be putting on

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

those routes and the frequency of them. All of the things that are grass roots are what we are concerned with and I think that the type of agency, if you're referring only to funding, if they will give us input into route structuring and even parameters on a budget we could live with that."

Kane: "If you had complete control over your routing and service, how much of your present service would you retain and how much would you change? Would you expand or reduce services?"

Flintrup: "I think ultimately we would expand but in that process of expansion that would be perhaps in applying the rolling stock to more used routes than some of those that we have that are not used. I'm not certain whether it would be a total expansion in that respect."

Kane: "Would you keep what, 80% of your service and change 20 or round figures?"

Flintrup: "I would say that, yes. I would say that would be reasonable."

Kane: "Do you have anything in your territory outside of Cook County?"

Flintrup: "Yes, Sir. Lake County."

Kane: "How much of Lake County... What kind of services do you provide to Lake?"

Flintrup: "We provide services to Deerfield, to Highland Park, Libertyville and four bus routes, if you prefer it that way."

Kane: "Would you maintain the bus routes in those communities or do you feel that the municipal officials in those communities would maintain the mass transportation services there if they had the opportunity to opt in or opt out?"

Flintrup: "It would be difficult to speak for the municipalities. The municipalities opted in to the district prior to RTA's as I have indicated. My guess is that they would stay in

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

and we would keep them in."

Kane: "Would you be able to maintain the service that you maintain now in Lake County with a farebox system plus revenue from a quarter cent sales tax if there was no regional tax but those communities could levy a quarter cent if they had that authority?"

Flintrup: "It's a guess. I don't know what the quarter cent would generate. The penny generates 35,000,000 as I told you. I would think that we would be able to operate within those parameters, yes I do."

Kane: "Thank you."

Chairman Neff: "There isn't anymore questions? Yes, Sir. The honorable Gentleman from Cook."

Flintrup: "Thank you, Mr. Chairman. Batter up."

Chairman Neff: "Mr. Herbert Aigner, village president of Schaumburg. Continue, Mr. Aigner."

Aigner: "Thank you. My name is Herbert Aigner. I'm the village president of Schaumburg, a community located on Northwest Cook County, distinguished by having the world's largest indoor shopping mall and for the last two years leading the Chicago Metropolitan Area, exclusive of Chicago, in new construction. Ladies and Gentlemen of the House, we thank you for allowing me to testify, I appreciate the fact the General Assembly finally realizes there are other communities using mass transportation in Northern Illinois besides Chicago. We suburbanites get very discouraged when we hear of the Bryne-Thompson summit and find that we have been saluted and our faith decided. I would like to provide you with some facts and figures. Population in 1980 census: Chicago 2,986,000 people, the village of Schaumburg, 52,200, suburban Cook County 2,236,000. The community contribution exclusive of sales tax to the RTA: the city of Chicago \$2,000,000, the village of Schaumburg,

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

\$196,000. The per capita contribution to the RTA: the city of Chicago 66 cents, the village of Schaumburg, \$3.77, six times as much. Sales tax contribution: the city of Chicago, \$93,550,000, the village of Schaumburg \$6,000,000, suburban Cook County \$114,340,000. This is for the RTA operating results, fiscal period ending September 30th, 1980. Per capita: the city of Chicago sales tax, \$31.00, the village of Schaumburg, \$110.00, suburban Cook County, \$51.00. Cost of service: the CTA, \$359,000,000, Schaumburg, \$324,000, suburban Cook County, \$102,546,000. Per capita: the city of Chicago \$120.00, Schaumburg, \$62.00, suburban Cook County, \$46.00. Service provided: the CTA, 24 hours per day, 365 days a year. The CTA is presently one of the few major transit systems to provide 24 hour a day service. The RTA funded dial-a-ride for the village of Schaumburg is eight hours a day, five days a week. The village of Schaumburg pays to extend that service, four additional hours each day and eight hours on Saturday. The fare for the CTA is 80 cents. The fare for the dial-a-ride is \$1.00. Operating restrictions, the RTA has strict control in respect to funding of the dial-a-ride service in the village of Schaumburg. For example, the RTA only funds 75% of the deficit. The community or the village of Schaumburg must fund 25% or any balance. No funding restrictions on the CTA or requirements on Chicago. The maximum for the fiscal period that the RTA will fund is \$100,000. No such restriction on the CTA. RTA is the total authority on suburban affairs and commuter railroad, not the final authority on the CTA. When suburban fares increased January the 1st including rail passes, the CTA did not increase the January pass and refused to adopt the RTA recommendation and only adopted 50% of the RTA recommendation. I feel like I could continue for sometime

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

and point out inequities but I wish to add to...and offer some suggestions. The only final point that I wish to make is that there are more jobs in the suburban area than there is in the city of Chicago. There is 52% of the jobs in Chicago Metropolitan Area in the suburbs and 48% in the city of Chicago per 'Pierre Devis' of the University of Illinois Urbanologist. Yet there is practically no rush hour transportation in the suburbs and our roadways are clogged with reverse commuters creating intense air pollution in the suburbs. I would also like to read very briefly a few comments that the city of Chicago has advertised regarding transportation. It says employers will want a good job in a good location. When you locate your company in the city instead of the suburbs you are where the large work force is. Your employees won't have to rely on expensive personal transportation. They can rely on public transportation. You see, Chicago is the best transportation system in the country. Its huge network of buses elevated in subway lines with easy access to all parts to the city. For the price for a gallon of a gas or less, they can get to work and back home again. There is no worry about the high cost of gas, maintenance and wear and tear on the car or parking. The fact is that 97% of all the people in the city live within a block and a half of the CTA line and CTA services are backed up by RTA lines and commuter railroads that funnel into the city. The low cost of public transportation is one of the reasons wages for comparable jobs are usually lower in the city. Now, to some solutions. For one, Representative Stanley earlier this day spoke about an arrangement whereby the CTA could be separated from the RTA and operate only within the city of Chicago and the suburbs could create a specific transportation agency for suburban Cook County. I feel

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

such an arrangement can follow the current IDOT arrangements of the allocation of funds similiar to how IDOT handles the allocation of false funding whereby funding is allocated to the local council of governments and they in turn provide for the needs of the area. To give you an example, in the Northwest Municipal Conference there are some communities which are bedroom communities and some communities which are commercial industrial centers. Working through the Northwest Municipal Conference we can provide for fixed routes who transport those from the bedroom communities to the commercial and industrial areas. This will provide for true local input by those who know the needs best. We, in the suburban area, also recognize the importance of the CTA to Chicago, to the Chicago suburban area and to the State of Illinois. We are not asking you to dismantle the CTA. We also recognize that all three areas of government should contribute to the CTA. What we do ask is that such contributions be more equitable than in the past. Why should Chicago, look to the other government bodies to be the only source to bail out the CTA? And they do not have to worry about the deficits. What are their incentives to see that it operates efficiently and economically? If it can be used as a patron's basis for Chicago politicians, I'll let Mayor Bryne's daughter's public relations job with the CTA is in the city's best interest to keep salaries high and jobs lucrative. Let Chicago's taxpayers participate and perhaps the voters may see differently. Perhaps if Chicago had to fund 25% of the CTA deficit as Schaumburg has to do with the dial-a-ride then they may think twice about night owl service, cost of living increases. Perhaps Mayor Bryne could use her good office to job own raise negotiations with the CTA union. Perhaps



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

she would handle them as she also handled the firemen who she now funds 100%. Finally, I believe there should be three sources of funds: statewide contributions such as is suggested; oil tax area-wide as a sales tax and local government contribution. Distribution of funds also should be three ways. Funds should go to the CTA. Funds should be used for the commuter services out of the commuter railroads and commuter buses which cover more than one district and funds should also go for local government transportation services. A formula can be developed whereby local government contribution picks up a portion of a deficit of services in the local area. Commuter services would be funded 100% from the statewide area sales tax revenues. These are services that encompass more than one district. CTA would be funded from state and area sales tax funds to a certain percentage of the deficit and Chicago would be required to fund the difference. As the deficit diminishes through fare increases or efficient services their share would diminish. The same proposal would hold true for local council government funding for their local transportation. Such a proposal would follow the theme of IDOT, matching funds on highway improvements. To summarize my comments, there has been no equitability in the RTA to date. The suburbs put in more and get less. Further, they have no local control, similar to the CTA. Therefore whatever you decide, we ask that it be equitable. Do not discriminate against suburbia. Finally, separate the CTA from suburbia transportation needs and allow local input into local transportation. Thank you very, very much."

Chairman Neff: "Would you stay here? There might be a question or two, Mayor. The Honorable Gentleman from DeWitt, Mr. Vinson."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Vinson: "As I understand, Mr. Mayor, your only critica of the program is that you would prefer to see a suburban and collar county transit system put together rather than being combined with the CTA?"

Aigner: "Yes, so we could have local input, yes, Sir."

Vinson: "Thank you."

Chairman Neff: "Mr. Haney, Chairman of the Chicago South Suburban Mass Transit. Continue, Mr. Haney."

Haney: "Thank you, my name is Ronald Haney. I'm a trustee of the Chicago South Suburban Mass Transit District. I am the PAC chairman, the Political Action Chairman. I am representing Mr. Dalton, our chairman, and I'd like to briefly say the remarks that I will make today before you were made up very briefly, after receiving the telegram from the Speaker at 3:00 p.m. yesterday and also obtaining a copy of the Governor's memorandum at 6:00 p.m. yesterday evening. Briefly, Chicago's South Suburban Mass Transit District was formed in 1967 as of an action of this Assembly. Since then we have had...supported transportation and the Illinois Central Gulf Railroad and built that fleet. Plus we have supported the South Suburban Bus Lines and built that fleet. Basically, our testimony today is in regards to the Governor's proposal on the state's transportation crisis. Number one, we support the abolishment of the RTA. However, however, the transit finance authority structure indicated may not be adequate to provide the management needed to allocate resources effectively and control cost. Number two, the program does not appear to give the FTA enough power to control the financial excesses of the CTA. Fiscal oversight and labor contract review seems to be indirect control. The CTA is the biggest part of the transit problem and needs to be dealt with more directly. Number three, the FTA (sic) would seem to lack a position

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

in the six county region that would permit it to discharge effectively its responsibilities to provide coordinated transit services on a region wide basis. The result would be a fragmented effort that may not satisfy federal requirements for planning and thus may impair capital grant applications. Number four, the collar counties do not appear to be adequately represented on the FTA (sic) and the proposal does not make it clear that they fit into the regional picture. More detail is necessary to understand this position. Fifth, the oil company receipts tax has some appeal because it's broadly based. Adequate in size and self adjusting it also has a relationship to the transportation markets the oil companies serve. However, the district cannot resolve the social and political issues as to where the tax should fall. Sixth, keeping the one half percent sales tax in Cook County is unfair. The citizens there would be taxed higher than those in the rest of the state because the oil company tax is not a single tax as represented. Seventh, we favor financial support for both roads and transit but do not have the information necessary to have a judgement as to how the tax funds should be allocated between the two needs and between the Northeast part of Illinois and downstate. Thank you."

Chairman Neff: "The Gentleman from Cook, Frank Giglio."

Giglio: "Thank you, Mr. Chairman. Mr. Haney, you said in your opening remarks that you would support the abolishment of the RTA and then in the next statement you said that the TFA would not be adequate to serve the management need. In your past history, you as the transit district have served the South Cook County area very well. You've acted in my view as somewhat of a mini RTA board by providing the transportation on the Illinois Central Gulf, the buses and the service of the south shore. If you abolish the board,

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

what would you suggest to be a functional group to coordinate the system in our area that you so adequately have in the past before but now the RTA is doing it?"

Haney: "Well, Representative Giglio, I believe that the district that I represent did before the job and we can do the job now. We've got the expertise. We've got the know how that helped acquire these services. We feel in the region that we represent, we can continue to give service to the South Suburban Area and into the city of Chicago that we've done in the past without having the problems that we have dealt with under the new jurisdiction of the RTA."

Giglio: "Could you function then as say somewhat mini RTA unit, right in the district now? In other words, could you make the Chicago South Suburban Mass Transit District a district like they have like NORTRAN is running or they have out in Schaumburg as the Mayor before you just stated?"

Haney: "That is correct."

Giglio: "Thank you."

Chairman Neff: "Thank you. The next person we will hear from, the honorable Virginia B. Hayter, Mayor of the Hoffman Estates."

Hayter: "Mr. Chairman, Honorable Ladies and Gentlemen of the House, I want to thank the Speaker of the House for recognizing, as did his predecessor, that we need input from the local municipalities. I would like to say at this time that I will not presume to tell you anything about 0738 or 0742 since I don't know very much about the downstate needs and you in your wisdom certainly can tell the Governor how much money he should bond with the state in its present condition. I would like to say that I am a proponent of '39 and '40. I would like to speak however, to the three Bills 37, 41 and 43. While I did not have sufficient time to do my homework as I usually prefer to

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

do, I would say to you that I have some serious reservations and I stand before you acknowledging that I was one of whatever kind of a pack you want a call it, that declared to many of the suburban Cook County people that while we were in support of the RTA legislation in its need, we were not in support of that particular piece of legislation and I suggest to you, Ladies and Gentlemen, that you are now reaping the rewards of that piece of legislation in that it corrupted the relationship between the citizen taxpayer and the responsibility for that tax. And so you find yourselves as a sort of wet nurse to the RTA and I will tell you that I do not believe that the Governor's new Bill even though he tells us that there will be five people now, will be anything more than a wet nurse. I would suggest to you that while I respectfully appreciate the fact that the county members of Cook did appoint to the RTA people who were involved in their communities, I am not so sure that those county board members understood the local needs for mass transit. I think there needs to be a really good look at relationships and responsibilities and I suggest to you that a five member board may not be large enough and may not have the management expertise. You cannot divorce in a knee jerk operation and I would suggest to you just because those of us who were in school business knew for years that interfund transfers were being done in Chicago and we did not do them, that there is a reason to suspect that all units of government need to have some fiscal super power resting on their shoulders. I suggest to you that there was in that legislation which we fought hard for a certain part that has never been implemented. There was a part that spoke to mayor's groups who would be convened as advisory to the RTA. That was stalemated. The city of Chicago and Mr. Balandic never made those

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

appointments. The pressure was put on again legislatively and the Mayor finally made those appointments and yet those groups have not effectively been used. We would not be here, I suggest, if the Mayor's groups had been used because the educational process probably would have been speeded up much more than it is right now. I am not so sure the semantics of a petroleum tax are going to fool anyone. There is no free lunch. Sooner or later we all pay and we pay indirectly or directly as the case may be and the consumer is not that unwise to see through the semantics of this situation. Most consumers as well as most local municipalities are well aware of the cost of doing business as are you. I would suggest to you however that in the county of Cook, the last gasoline tax that was placed upon our people was placed because they needed new jailers for a new jail and I can scarcely say to you that there was chagrin, at least in some of our ranks that we could not see a relationship between a gas tax and new bailiffs. I suggest that...those of you who are concerned about the road system, that I would like very much to suggest to you that you call up your local mayors and ask them in reality what share they are currently getting of the MST allotment and what do their local roads really need. We have experienced in the last three years a 40% increase in the cost of repair and maintenance of roads, all of which are getting older. The current proposition with a 75-25 split is not enough and if we are going to have only one shot at getting anything for local roadway systems, I suggest to you this is not our best shot. I would only relate to you that I sit on a regional council and I also sit on a national transportation committee and one of the things that happened a few years ago was a proposition by President Carter to relate two things, one,

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

mass transit and two, the highways and for economy's sake, to merge the two because one seemed to be growing administratively out of proportion. And I think that the most relevant testimony was given that day when somebody said, 'You would be surprised overnight how many engineers and people who were roadway people all of sudden became mass transit experts,'. And I would suggest to you that the training and expertise are not the same and I am not so sure that wedding the two now, in the way they are wedded, is anything but a political gesture. I am implore you, please, to take a look and ask those of us who are in the business of roads as well as mass transportation and I stand before you and I am a recipient of the RTA legislation in only one area, commuter lines. I have a population of 38,000. I have less than 500 people going to two train stations, one at south at the Burlington, and the other one at the Northwestern. I can scarcely say to my constituency that they need to dip deeper into their pockets unless they are going to get more parity. Thank you."

Chairman Neff: "Thank you very much...Honorable, Mayor. The next witness we will hear is Wilford Spears. Mr. Spears is with the International Representative of Amalgamated Transit Union. Mr. Spears."

Spears: "Thank you, Mr. Speaker. Honorable Members of the House, my statement will be on House Bill 743. My name is Wilford C. Spears and I'm a National Representative of the Amalgamated Transit Union. The union I represent is unique among American labor organizations in the extent to which it relies upon the arbitration of labor management disputes. It has been the policy of our union to submit disputes to arbitration instead of striking for almost 100 years. The legislation prior to our Illinois General

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Assembly establishes a CTA in 1947, placed its stamp of approval on the process. This specifically provided for the continuation of free collective bargaining and authorized the summit of disputes including negotiation impasses by arbitration. The Congress of the United States has also confirmed the importance of collective bargaining in the transportation industry by enacting a U.S. Mass Transportation Act. Where management has accepted collective bargaining and the arbitration process, the results have been a high degree of peace and stability in an industry where the stoppage caused great public inconvenience. This is so because the workers can depend on some justice and due process in the arbitration process. The results in times of waste and benefits have sometimes been less than in collective bargaining without arbitration, sometimes more. Over the years our union has been consistently in favor of arbitration in good times and bad. When the industries change from private to public ownership we supported the change because of guarantees of collective bargaining in arbitration and state legislation such as that which created the CTA and RTA and in the Urban Mass Transportation Act. They are transit systems represented by other unions where there is no commitment to arbitration. Sometimes they are ahead of us in wages, sometimes behind. But they do have more strikes...more strikes both union sanctioned and wildcat. In this House Bill 743 whether this is the intention or not, you are zeroing it in on arbitration. If the Bill is enacted, collective bargaining as we know it will be destroyed and along with it the labor relations stability and freedom from stike, strikes that we have enjoyed. Productivity: Productivity for Chicago Transit workers has increased. The CTA is in the business of transporting passengers. The



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

unit of measure for productivity is passengers carried. Passengers carried by the CTA have increased while the number of bus drivers, motormen, conductors and conductors have declined. Fewer employees are carrying more riders which means greater productivity. Therefore on behalf of our union and riding public we ask you to reject House Bill 743. Thank you."

Chairman Neff: "Thank you, Mr. Rauscher (sic). I'm sorry. The Lady from Fawell (sic)... yes. Put your buttons on, if you will please?"

Fawell: "It is on, Sir."

Chairman Neff: "I'm sorry."

Fawell: "Sir, you say that you have been negotiating in both bad times and good, is that right?"

Spears: "The union, my union."

Fawell: "Your union, right. During the bad times, did you ever take a decrease in pay as far as your union members are concerned? Has there been a time since this negotiations have started...have you ever gone down in wages?"

Spears: "You mean since the negotiation process started with my union?"

Fawell: "Yes."

Spears: "Yes, we did."

Fawell: "So, if times are bad as they are now, you would be willing to go down again?"

Spears: "No, I haven't said that but let me clarify that. That goes back to the depression years and that was before my time, before I was born even. But I understand at that time there was a pay reduction."

Fawell: "How far did the economy have to go down before you are willing to consider a pay reduction?"

Spears: "I don't think I'm prepared to answer that question at this time. But I have no idea. I don't know."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Fawell: "Do you feel that there should be any restraints whatsoever on your union?"

Spears: "What kind of restraints are you referring to?"

Fawell: "So that your wages are more in line with, say for instance, New York?"

Spears: "No, because see, when I say we're doing what we believe in, we believe in the arbitration process. Of course we believe in negotiation. We go to the table. You negotiate. You bargain collectively. You bargain hard and if you reach a true impasse you submit it to an unbiased party, a third party and when you go to arbitration the union takes their chance just like Madigan does."

Fawell: "But the unions always seem to come out in the better end of it, don't they?"

Spears: "No way. We win sometimes, and we lose sometimes."

Fawell: "Alright, Sir, I would like the name of the arbitrators that you dealt with in the June 30...the June contract. I would like their names and who they were because frankly, I think they did a very lousy job and I mean that, Sir."

Spears: "Okay, well that's from your point of view, Madam, because what the arbitrator's name is ...the Chairman of the panel is 'Harry Juakinow' of Cleveland. I don't have his address but his name is 'Harry Juakinow' of Cleveland."

Fawell: "I would like it, Sir, in writing, please, all three of the names."

Spears: "You want his...I can give you the names...in writing but I can't give you his address because I don't know his address."

Chairman Neff: "Can't you get it, Sir?"

Fawell: "We can get it, thank you."

Chairman Neff: "If there's anymore questions, thanks, Mr.....I'm sorry the Gentleman from DeWitt."

Vinson: "Thank you, Mr. Chairman, Members of the Committee. You

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

represent the union that organizes the CTA, Sir?"

Spears: "Yes, I'm here to act as a representative of the Amalgamated Transit Union."

Vinson: "Now, earlier we questioned Mr. Barnes and one of the things that we attempted to ascertain in the event that adequate revenues are not forthcoming from the state from other sources to keep the full CTA up so that it does not close down, would you be willing to work out a schedule so that the CTA could continue to operate a core system and not completely tie the city up?"

Spears: "So, let me clarify something here, Representative. When I say I work for the International...I'm International representative and in my union the local unions have a lot of autonomy and it would be up to them...if you want to talk to them about something like that. As a matter of fact I've been working in the Chicago area and where most of them work outside of the Chicago area, so I'm not in a position to answer that question for you now."

Vinson: "Is one of their representatives going to speak here, address the Committee?"

Spears: "I don't think so, because what we tried to do was -the way it was originally was intended to speak- we tried to condense it down in the interest of saving time."

Vinson: "So you're unwilling to say whether you'd be willing to operate a core system?"

Spears: "Well, it's not in my contract, Sir."

Vinson: "Well, whether it's in the contract or not don't you think that your members have a very important vested interest in the city of Chicago, in its vitality?"

Spears: "Yes, I think they have a vested interest in the city of Chicago but as to answering the question what they all will do, of course I'm out of touch with them, the members, in that particular area now."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Vinson: "Would you advise them to be willing to operate a core system in the event that a shutdown is imminent?"

Spears: "I'm not prepared to answer that question at this time, Sir."

Vinson: "Why not, Sir?"

Spears: "I don't have all the information."

Vinson: "Well, the information is very simple. Let's just assume the premises. Let's assume the premises that the CTA with the revenue available cannot operate, that it is going to be a situation where either the whole systems close down or whether...or a situation where part of the systems close down. Now, which would you prefer?"

Spears: "Well, put it this way, Sir. When I was in the local situation there, my position always was if we got a problem there, CTA, whoever's got a problem there, put it on the table. Let's sit down and talk about it. Who knows? We may meet...we may reach an amicable solution."

Vinson: "So, you would try to reach out a situation to help keep part of the system up? You feel that that might be desirable?"

Spears: "I would sit down and talk about it."

Vinson: "Okay, now one last series of questions, Sir. Across America when we look at the business landscape, I get somewhat affronted by the size of some of these giant monopolies in the business situation, don't you?"

Spears: "Repeat that question, please, so I can get it clear?"

Vinson: "Well, doesn't the monopolistic character of certain segments of the American economy bother you?"

Spears: "I don't know if I have a...."

Vinson: "Sure, AT...let's take AT&T or let's take the oil companies. Doesn't their size bother you, Sir? Mr. Chairman, will you direct the witness to answer the question?"

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Chairman Neff: "State your point, Representative Kane."

Kane: "Point of order. I think these questions have nothing to do with the program in front of us and if the Gentleman would confine his questions to the subject at hand and the particular expertise of the witness, I think that we could get along much better. There's no point in badgering witnesses."

Chairman Neff: "Thank you, I think your point is well taken and I would hope you, Representative Vinson, you will confine your remarks to the Bills that we're discussing."

Vinson: "Yes, Sir, Mr. Chairman I certainly will. Doesn't it bother you that we have just this one union which can tie up the entire city of Chicago? Wouldn't it be better if we structured the system so that the whole city didn't go down in a single collapse?"

Chairman Neff: "Please, confine your remarks to the legislation before us, Representative Vinson."

Vinson: "Thank you, Mr. Chairman."

Chairman Neff: "The Gentleman from Marion, Mr. Friedrich."

Friedrich: "Mr. Spears, it has been suggested by some that we because of the timetable, we may need some bridge financing and even if we passed these Bills we might. Would your union be willing to use their Pension Fund as a loan for bridge financing? Mr. Chairman, I'm speaking to the witness not to the Gentleman on the other side. My question was..."

Chairman Neff: "I think..let's have one person at a time. Representative Friedrich has the floor."

Friedrich: "Well, my question was I think that even if we are able to pass these Bills that it's recognized we'll need some so called bridge financing, in other words, interim financing until we get the money coming in. Would you advocate or be willing to advocate that your union pension

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

fund be used for that bridge financing as a loan?"

Spears: "The first thing again, I'm out of touch with my local union and I don't know where it's Pension Fund is and I presume the money is already invested and I don't know if it is available for use anywhere else now or not."

Friedrich: "Well, I guess my question was would you oppose it if it were possible?"

Spears: "With the who?"

Friedrich: "I didn't...you don't choose to answer that or what is the status of it?"

Spears: "I thought I answered it. Repeat it again. Let's try it again."

Friedrich: "Well, my question was if we...if it is necessary for us to have interim financing until the money starts coming in, would you be willing to advocate, if it's possible to do it, use of your union pension funds for a loan?"

Spears: "Well, first I could not advocate it because I'm not on the Pension Committee now. There's a separate Pension Committee set up there for the local..the people that come under that particular pension fund."

Friedrich: "Okay, thank you."

Chairman Neff: "You have... there's another question back there. I'm sorry I didn't catch you. Representative Mautino."

Mulcahey: "Mulcahey."

Chairman Neff: "Mulcahey. I'm sorry. I apologize."

Mulcahey: "Mr. Speaker (sic), wants to get a point of order. This has nothing to do with the issue we're talking about right now. It's nitpicking. It's coming from one side of the aisle and we know where they stand on that side of the aisle about all of these issues. I think we ought to stay the business at hand."

Chairman Neff: "Thank you. Next witness, please. Steve Espreckinkle..preckinkle. Mr. Espreckinkle is Legislative

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Director of the American Federations of State, County and Municipalities."

Espreckinkle: "Thank you, Mr. Chairman and Members of the House. My name is Steve Espreckinkle. I am the Legislative Director for Council 31 of the American Federation of State, County and Municipal Employees better known to most of you as A.F.S.C.M.E. I appear before you today to speak in favor of House Bill 741 which is the oil tax. Let me assure you, I intend to be brief and will not try to be repetitive of those proponents of this Bill who have spoken before me. My union represents bargaining units of approximately 42,000 state employees including the clerical employees of the Illinois Department of Transportation. Some critics of this Bill have charged that this tax will be passed through to the consumers who will actually pay for this tax at the gasoline pump or through increased prices for home heating Bills. I would suggest that the experience we have to draw from in other states thus far suggest otherwise. Two other states have enacted a gross receipts tax to date, Connecticut, and New York. In New York the law is under court challenge due to a cause that prohibits pass through to the consumer. Unfortunately the law contains no severability clause which has resulted in a court order, which has resulted in a court order preventing any collection of this tax while the matter is under litigation. Connecticut, the other state with the a gross receipt tax, also has a no pass through Amendment but also a severability clause and the State of Connecticut began to collect that tax in May of 1980. Data collected since then has not shown any appreciable difference in oil price hikes to the consumer in Connecticut than in surrounding states. While I admit the data collected thus far is not necessarily conclusive, I am suggesting to you the early

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

evidence indicates the projections regarding the effect on the consumer may be greatly exaggerated. A.P.S.C.M.E. believes that a gross receipts tax on oil companies is the proper tax for problems facing roads and public transportation, that it is the simplest, most effective way to tax oil companies, that it is less vulnerable to accounting manipulations and other methods and we urge you to approve this Bill. Thank you."

Chairman Neff: "Thank you, Mr. Espreckinkle. Next witness is William Krick, K-R-I-C-K, representing Unit Oil of California...address is Chicago. Mr. Tim Doran, Assistant General Manager of North Suburban Mass Transit District. Tim Doran. Burness Melton, Manager of Illinois Trucking Association. Bernie, yes."

Melton: "My name is Bernie Melton. I'm manager of the Illinois Trucking Associations, a state trade association representing the highway transportation. We are the Illinois affiliate of the American Trucking Associations in Washington, D.C. We are a full service association with intercity bus operators also represented by us. Since we do represent all types of for-hire and private carriers or nearly 600 members operate in both Illinois and across the nation over 90,000 power units and 160,000 semi-trailors. Mr. Chairman, Members of the House, I thank you for the invitation to speak today concerning the Governor's proposal which addresses the solution to our transportation funding problem. The trucking industry is certainly very concerned about the condition of our network of highways and their upgrading and maintenance, not only for today but for the long term continuation of an adequate program. While our concerns are primarily highway directed, we appreciate and also recognize the need for people movement, ability in our state. We certainly would rather see each



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

addressed individually. However, we think that the subject proposal does to some extent point in that direction. Since we also represent the Illinois Intercity Bus Industry, we are aware of the needs of people movers as well as freight movers over our highways. While we believe that there is a need for new money to properly fund our road program due to the inflation that is biting into all of our pockets, we are not absolutely sure that the proposal, as little as we know about it, is the correct vehicle to furnish that new money. Until we are able to further study the actual legislation, we are hampered in our ability to comment in a very constructive manner. Conflicting views of the legislation have reached us, in example, the fact sheets furnished by the administration suggest that this legislation will result in a two and a half or three cent increase in the pump price of motor fuels. Oil industry spokesman have told us that the figure varies from one oil company to another and they project from a low figure, bottom end of three cents up to six cents a gallon at the pump. This is over 100% difference in opinion, as to the final cost our trucks and buses will incur as the result of this legislation. We certainly need to know with more certainty the bottom line cost. It seems to us that it is a crime that we, as businessmen and you, as Legislators, are being pressured into such a frenzied action to pass such an important piece of legislation without sufficient time to consider all the ramifications this could produce. We recognize the dollar needs. However we are unable to be constructive in our comments today beyond what we have said. We are neither, at this point, a proponent or opponent of this Bill. As this opportunity presents itself, we wish to add one other facet to the overall transportation picture and that deals with

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

the intercity bus industry. They furnish transportation to the public between virtually every hamlet in our state. They have been going it alone in this service to our citizens without the umbrella of an RTA or a TPA to pay the bills. In many states privately owned intercity buses, operators are exempted from some portion of motor fuel taxes in recognition of the service they furnish and in competition with other people movers, such as the railroads who are subsidized in their operations. What we suggest today is that in any legislation that is finally agreed upon, some consideration is given to the privately owned intercity bus operators by exempting their regular route operations from any additional motor fuel tax over what they are paying today. We are not looking for any reduction in tax only holding the line at today's level. Certainly, those buses furnishing the needed service to the public, is deserving of that much consideration. Thank you again for the invitation to offer our views today."

Chairman Neff: "Thank you ..."

Kustra: "Thank you, Mr. Chairman. Sir, would you please comment on your opinion of weight distance taxes?"

Melton: "Of what?"

Kustra: "Weight distance taxes, taxes on trucks based per mile?"

Melton: "Ton mile taxes?"

Kustra: "Pardon?"

Melton: "You mean ton mile taxes? We are opposed to ton mile taxes."

Kustra: "Secondly, it's my understanding that somewhere in the neighborhood of six to eight states have a differential between gasoline and diesel fuel. Iowa, for example, one of our border states, taxes gasoline at 10 cents per gallon, diesel fuel at 11 1/2 cents a gallon. Are you familiar with that state's..?"

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Melton: "Yes, I certainly am and when that differential occurred the State of Iowa also passed legislation to upgrade the weight limits to the national standard of 20,000 on a single axle, 34 on a tandem and 80,000 pound gross weight. We have not done that here in Illinois."

Kustra: "Does that mean that when Iowa made that proposal then you supported the differential because of the...their willingness to go along with the increase in tonage?"

Melton: "I'm certain that the industry did do that in Iowa, yes that's correct."

Kustra: "Thank you."

Chairman Neff: "Thank you, Mr. Melton. Mr. Richard L. Bell of President of the 'Kanie and Conservation Incorporated.' Mr. Bell. Mr. Bell. Carl Accardo, Accardo. 1st National Bank and Trust Company at Rockford, Illinois. He left. Mr. William L. Volk, Manager and Director of Champaign Urbana Mass Transit System. Mr. Volk. Continue, Mr. Volk."

Volk: "Thank you, Mr. Chairman, Ladies and Gentlemen of the House, I'll attempt to be brief. My statement represents the position on the majority of the downstate public transit carriers in Illinois. We thought we'd change...shift gears here a little bit. These carriers have some of the same monetary problems that the Chicago area has been experiencing only on a smaller scale. Mr. Hill earlier talked about inequities in that the Chicago area was the only area that did not receive state funding. He conveniently forgets that up until a couple years ago he did receive three-thirty-seconds of the local sales tax collected in that area and he did receive a full three-thirty-seconds as does bi-state right now, receives a full two-thirty-seconds and it's only been within the last year that that area has had to collect local taxes to

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

support transit while the other downstate systems have been required by law to contribute local tax dollars provided by the decisions of local elected officials and property tax referendums for the last ten years. Those other downstate carriers would continue to receive less than the full one-thirty-second collected under the proposal before you now. We have some proposals and I'd like to quickly go over them. The Fiscal '81 base would be increased by 10% consistent with the expansion dollars that were included when the original Fiscal '81, Fiscal 1980 base was established. We would also propose that a performance tier be added that would increase funding to downstate systems above the one-third of expense level to those systems that meets...that meet certain operating criteria, that performance audits be performed on each of the downstate systems, once each three years to be funded from the revenue generated by whatever funding mechanism is established and lastly that assurances be made that the proposed program will not threaten the dedicated and consistent funding that the downstate systems are currently receiving. I believe that the proposals address the concern of a number of Representatives and contributes to the continued financial integrity of the downstate systems. Mr. Hill earlier today also talked about the differences in operating ratios or that ratio between revenues and expenses that were lower in the downstate areas than in the Chicago areas. I would point out that obviously the density is much different and the distances involved are quite different. People in Champaign-Urbana or Bloomington-Normal are not going to pay 80 cents to a dollar to travel two miles while the same fare is charged in the Chicago area for travel of twelve or fifteen miles. We appreciate the past support that the General Assembly

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

has given downstate transit and believe that the systems are providing a well used and well needed public service and I personally, in speaking in Champaign-Urbana's viewpoint recognize that the General Assembly and the mood of the country is changing from that of emphasis on increased ridership and low fares to an emphasis on fares and making sure that local contributions meet the necessary requirements to make those systems pay an adequate portion of the operating cost. Thank you for your consideration."

Chairman Neff: "The Gentleman from Sangamon, Representative Kane."

Kane: "Mr. Volk, on your second point when you're talking about a performance tier, what do you mean by that in terms of meeting certain operating requirements?"

Volk: "Well, there are some differences in opinion, I guess among the downstate operators. I personally propose, I would favor a criteria based primarily upon on operating ratio or revenues to expenses and would give an incentive in extra dollars to those systems that meet...for instance various levels, let's say between 20 and 25% you get X number percent more dollars, between 25 and 30 you get X percent more so that the higher your operating ratio, the more incentives an operator would have to perform or to make sure that expenses were being made judiciously and that farebox revenues were being collected to a level appropriate for the area."

Kane: "Are you saying that the present system of funding which is basically a deficit financing system or a system that finances deficits does not provide any kind of incentive to perform efficiently?"

Volk: "The current formula is really not deficit formula. It's an expense formula and because it..the state reimburses one-third of total expenses, it has provided incentives for

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

a number of the downstate systems to raise their fare and in fact over the last two years a great number of the systems have raised their fares. We, in Champaign- Urbana, by the end of this year will have raised our fares four times within the last two years and the fares in Bloomington, Decatur, Rock Island and other communities are being raised so the current formula has helped in that...in raising the fares by being one-third of expenses. But obviously a performance tier would...that would add more dollars may tend to increase those operating efficiencies more."

Kane: "Down...the downstate systems tend to be landlocked because they're....they're special districts. Have you given any thought...as these downstate metropolitan areas expand and grow, how can we bring mass transportation to these other areas or surrounding communities that may want transportation since private car transportation is getting so expensive?"

Volk: "Well, I don't know if the funding will be available much longer, but Section 18 of the Urban Mass Transportation Act does provide rural transportation money that counties can opt to apply for. Many of...the problem I think in many areas is that the county boards are...have a basic rural tendency and a rural nature and they as such are not great supporters of public transportation."

Kane: "Is this something we should be addressing ourselves to at this time or is it a problem that really isn't there yet, but may be there in another five years or so?"

Volk: "Well, I think an emphasis on van pooling and car pooling and possibly suburban service in some of the surrounding areas to some of the bedroom communities around some of the urban areas might be addressed."

Kane: "Thank you."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Chairman Neff: "The next witness that we will hear will be Thomas Lucek. Tom Lucek, Executive Director and General Manager of Rockford Mass Transit."

Lucek: "Mr. Speaker, (sic), Honorable Representatives, Ladies and Gentlemen, we're pleased to have the opportunity to present our concerns regarding the proposed transportation program. While we are graphically located northwest of Chicago, we're still considered a downstate transit system and therefore we're concerned only with that portion of the transportation program that deals with the downstate transit funding. Downstate systems are being threatened with the loss of Federal operating assistance over the next three years. It is essential that downstate systems obtain a guaranteed appropriation which can be identified and used in future budgeting. In Fiscal Year 1980 we received \$1,160,096.00 in federal operating assistance and only \$867,000 in State of Illinois operating assistance. We are confident that we can hold the line on our budgeted expenses to stay within the future cost of living increases. However, fare increases and increased local taxing dollars will likely fall short of providing us with a 1.1 million in federal subsidies which we will lose. Since the creation of Downstate Operating Assistance Fund in 1974 we have consistently been appropriated far less than the one-thirty-second of the sales tax revenue which is collected within our district's boundaries. In Fiscal Year 1981 we have an appropriation of only 953 thousand and 700 hundred dollars, yet we will be contributing over 1,380,000 to the fund from the sales tax collected within our area. We would suggest returning the full one-thirty-second of the sales taxes directly to the transit districts on a monthly basis and eliminate the burdensome paperwork which currently exists in applying for these

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

funds. We would return all decision making to the local level and the local transit districts would have to establish their own priorities and they would be accountable to their communities and to the local taxpayers. Should an incentive appropriation be considered which would reward those transit systems who are more efficient then we suggest using the performance indicators of riders per mile of service operated and riders per vehicle hour of service provided. We realize that the ratio of farebox revenue to total expenses has been discussed. However, we are concerned that this would only encourage fare increases and would provide no actual incentive to become more efficient or more effective. We're proud of our record of maintaining a consistent 35 cent exact fare system in Rockford since the creation of the district in 1971. We also provide free fares for the elderly from 9:00 a.m. to 3:00 o'clock p.m. and all day on Saturday, even though the State of Illinois reduced fare subsidy was dropped over a year ago. We do not think that we are inefficient and would not like to see the incentive appropriation specifically deny us any rewards because we choose to maintain a low fare. After all, the State of Illinois is funding up to one-third of the expense not the deficit and we still need to make up the other two-thirds of our expenses somehow. We simply feel that how we get the two-thirds should be rightfully be a local decision. The March 27, 1981 Chicago Sun-Times contained an article citing that 860 management and professional employees of the CTA receive an average salary of \$30,190 each. I have been the Executive Director of the Rockford Mass Transit District for over seven years. I am a registered, professional engineer. I'm the highest paid employee of our MTD and yet my 1981 salary is only \$27,319. My concern



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

is that if the state's incentive appropriation is only based on a percentage of farebox revenue, then a downstate transit system, with a \$1.00 per ride fare could end up being rewarded with the incentive appropriation and yet still be a very ineffective and inefficient transit system. In conclusion we would like to restate our concerns as needing a guaranteed appropriation which we can budget for and count on an incentive appropriation that would reward productivity and not just high fares."

Chairman Neff: "The Gentleman from Sangamon, Mr. Kane."

Kane: "There has been a considerable emphasis in the Legislature that people who use systems should pay for them and I think I understand what you're saying is that you don't believe that that should be the case that there shouldn't be a set percentage of cost that are covered by fareboxes."

Lucek: "That's correct. The Federal Government has said that they are going to eliminate transit subsidies within three years entirely so their option is pay for it locally either through farebox revenues or a tax referendum where the community would be willing to support that particular level of service without the farebox. And our point is, if you're going to pay a percentage of the expense, why should you care whether the fares are high or whether the local taxes are high to make up for that local deficit?"

Kane: "But doesn't that have some impact on the level of service and isn't that something that we should be concerned about?"

Lucek: "No, not necessarily. That's the point I'm trying to make with a system that we get way out of balance such as it may have \$2.00 a ride fares and have only a couple of buses on the road and yet still have extremely high paid management that's doing a lousy job but because their percentage of farebox for the sheer fact that they are not providing the

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

service, could be relatively high and yet another community who is looking at their transportation package more as a social program as well as transportation and trying to do something for the elderly in the community and the handicapped in the community would be penalized on that kind of incentive. I think everybody gets one-third of the expense and that is fair but if you're going to provide an incentive, why reward someone for high fares? In other words, why is that your goal to have high fares and not your goal to provide productive service?"

Kane: "No, what I think you're missing is that there is some relationship between the percentage being paid at the farebox and low cost and also the extent over which you provide the service. You could keep farebox revenue percentage wise very low and keep costs low and provide only services that apply only to your central business district for example, and that you would not be extending services to areas that ...or along routes that would be not quite so lucrative and I think that what the Legislature's interest is, is in providing services or at least some subsidy to services on routes that cannot pay for themselves."

Lucek: "Yes, but the State Legislature has already limited its participation to one-third of that expense and the local area still has to make up that two-thirds deficit. If those suburban operations are important enough to the local community that they wish to provide them even though the farebox return is so low, then it should be a local decision making. The decisions can't be made in this Body here as to which routes are effective and which routes are ineffective. The local transit districts have to be responsive to their local community and they pay the two-thirds. This Body has already limited and capped its

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

contribution as one-third of expense."

Kane: "I agree with you. We don't want anything at all to do with determining what routes are, but I'm not sure that we also do not want to say that riders should provide a certain amount of revenue."

Lucek: "Well, I'm not saying that. There...there should be no fare assistance. The only thing, that if you are going to reward transit systems that are doing a better job I would hate to see the definition of doing a good job being one that said only a percentage of farebox revenue and said nothing at all about how many passengers per mile or how many riders per hour of service. Those are where your costs are. For every hour that that driver is out there, for every mile that that bus runs, then that is where your productivity can be shown. That is certainly your option. This is simply, you know,...what we're saying, you know, that as an incentive you shouldn't reward higher fares. We don't care."

Chairman Neff: "The Gentleman from Winnebago, Representative Hallock."

Hallock: "Well, I think Representative Kane answered all my questions, and they were asked and answered very well. I would like to just commend Tom for coming down here and waiting so long to speak to this group today and let the Membership know he does a fine job in Rockford even though we disagree on a few issues. Thanks, Tom."

Lucek: "Thank you, Representative Hallock."

Chairman Neff: "The Gentleman from DeWitt, Mr. Vinson."

Vinson: "Is it a transit district or is it operated through the city of Rockford?"

Lucek: "We are a transit district. We are the only transit district created under Local Mass Transit District Act which has no taxing power. So we rely on the city of

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Rockford for general fund revenue."

Vinson: "Is the City of Rockford a home rule unit?"

Lucek: "Yes, it is."

Vinson: "So it does not have to go to referendum to raise that money."

Lucek: "That is correct. It has...it has chosen not to go to the referendum to date."

Vinson: "So we don't really know whether that is the will of the local people or whether that is the will of the city council."

Lucek: "That is true."

Vinson: "Thank you."

Lucek: "But when we lose a million dollars over the next three years, somebody is going to have to make that up. And at that time it is going to have to be the will of the local people, and I am just saying that the reward to the community should be for productivity as opposed by just farebox revenue as the only criteria."

Chairman Neff: "Thank you. Mr. Lanich...Jack Lanich. Jack, are you here? Evidently he isn't here. Next one. Ray Stanness...Ray Stanness...okay. The next one is Richard Walsh. Is Dick Walsh here? ...Chalkie, you're next. Dean Stewart. Deanne Stewart, I'm sorry. Deanne Stewart here? Deanne, will you step up please? The Gentleman from Cook, Representative Madigan. Thank you. Do you have a comment?"

Madigan: "I have a question. Where is the Speaker?"

Chairman Neff: "Where is the Speaker? Well, I think he is back working in his office."

Madigan: "Where is the Speaker?"

Chairman Neff: "Representative Madigan, there was a couple of hours I couldn't find you. I was looking for you all over."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Madigan: "We've been here for 10 hours now, and we want to see the Speaker on the floor. We want to know what the schedule will be."

Chairman Neff: "He's coming..."

Madigan: "Ten hours of listening to testimony, and I don't want to hear from his #1 agent. I want to hear from him specifically. The attendance is down to practically nothing. We're coming back tomorrow. Anything that can be said tonight can be said tomorrow."

Chairman Neff: "We had a few people here that said they couldn't come back, and we've agreed to let them...here, and the Speaker will be out in just a minute."

Madigan: "Well, we hope he gets out here right away. If we're on the floor, he can be on the floor."

Vinson: "I would urge you to continue to restrain the Minority Leader from trying to delay the proceedings so that we can go ahead and work out a solution to this problem. He continually tries to delay the proceedings over the course of the past week, and I think that is a despicable thing for him to do."

Chairman Neff: "Yeah, you wouldn't do that, Sam. Continue, Mr. Stewart."

Stewart: "Mr. Chairman and Members of the House, my name is Deanne R. Stewart, and I am the past president of the Illinois Petroleum Marketer's Association. Our association has over 930 Members, independent businessmen operating as jobbers and marketers of petroleum products in every county in the State of Illinois. These jobbers and marketers own and operate their own businesses and their operations vary in size from as small as 300,000 gallons a year to some as large as 50,000,000 gallons a year. Many of these jobbers operate under branded names while others operate their own independent name, and therefore, you have the views of both

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

the branded and unbranded segment of the petroleum marketing industry. Our Members will feel the ultimate wrath of the public because we serve the consumer. Those jobers will be most adversely affected because the tax will increase our member costs of inventory and accounts receivable. Today's present income does not provide profits sufficient to carry the increased costs of inventory and accounts receivable. We feel that by attempting to force the Petroleum Product's Revenue Tax Act through, the Governor is guilty of perpetrating a cruel hoax on the citizens of this state. He declares emphatically that the people will not bear the costs of this tax, but rather that it will be borne by giant companies which can absorb such increases without strain. Not so. Obtaining funds through this tax program designed to bail out a floundering mismanaged public transportation system hurts the consuming public and does so at a time when they can least afford to be hit in the face with yet another tax. It will burden the ordinary citizen who will be paying five to six cents more per gallon for his gasoline. While masquerading as a tax that will hit big business, it is in reality a tax that will hit the consuming public. The farmer will suffer as he will be forced to pay costs from five to six dollars more per acre to farm his land. The public school system already is in deep financial stress, and it will be affected as the cost of transporting students will be increased. The airline industry already suffering because of escalating fuel costs will be dealt a devastating blow by this tax burdern. The inequity of this tax is further illustrated by the fact that the downstate worker will be paying more to commute to his job or place of employment by driving his automobile at higher costs while the city worker will be able to get

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

to work at the same cost or if fares are decreased, even at a lower cost. Attempts to ramrod this legislation through foster an already negative attitude towards those businessmen engaged in field of petroleum marketing. The proponents of this tax are playing to the public hostility generated towards the oil companies. When the fact of the matter is this attitude is unfair and destructive to the small segment...small independent businessman, and he cannot survive in such an atmosphere. More and more Illinois motorists are crossing state lines to purchase gasoline as has already been testified today. More gallons of gas are sold in Quincy, Illinois...west Quincy, Missouri than in the city of Quincy, Illinois, and the same situation exists in many other border cities. This is a loss to Illinois, Illinois businessmen, and further it deprives the State of Illinois of approximately \$2,000,000 in tax revenue. And this revenue enriches the treasuries of our neighboring states. The cavalier attitude of our State Government affects the entire business climate in the State of Illinois. Attempts to impose this five percent gross receipt...tax on all oil companies affects not only those engaged in selling petroleum products, but also all petro-chemical industries which are indeed an important part of the economic picture in Illinois. It will affect future efforts to attract industry to the state as well as discouraging those who might be contemplating change weighing the advantages of remaining in Illinois. This legislation supports the bad business climate theme promoted by our neighboring states to encourage businesses to leave the state. The proponents are encouraging public hostility against oil companies to pass this legislation under the guise that the consumer will not ultimately pay the bill. Nothing could be further from the truth. This

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

legislation does not address the solution to the real problem within the Department of Transportation and Regional Transit Administration which is waste, inefficiency, poor planning, and bad management. Raising taxes without accompanying reform will result ultimately in no solution whatsoever. Politics have ruled out an increase in the state's motor fuel tax since every seat in the Legislature will be up for election in the fall of 1982. Few Legislators want to be associated with such a direct tax hike apparently preferring the invisible taxes which will not be marked on the gasoline pump. This naive view will not be perceived because those businesses and individuals affected will do their very best to place the blame where it belongs. The Illinois petroleum marker Membership is opposed to this legislation and urge its defeat. Thank you, Mr. Chairman."

Chairman Steele: "Thank you, Mr. Stewart. We have just one question for Mr. Stewart and then we'd like to move to our next witness and we have just one or two left. I appreciate your indulgence here this evening. I call upon a Gentleman from Cook, Representative Zito."

Zito: "Well, Mr. Chairman, I rise to a point of information."

Chairman Steele: "Yes."

Zito: "A point of order. I'm sorry. It is obvious here by the attendance at this meeting that a Quorum isn't present, and under the rules of the House we must have a Quorum to conduct any business. And it seems pointless to continue with this testimony when nobody is paying attention in the first place."

Chairman Neff: "Well,..."

Zito: "There's not a Quorum present."

Chairman Steele: "We have a Committee of the Whole. We have just several witnesses as you can see on the front bench here."



STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

I think there is just one or two and then we'll conclude, and they would come back tomorrow except they have other commitments and are not able to do so. So with your indulgence we're going to call just the several remaining, and that will be it."

Zito: "Mr. Chairman...Mr. Chairman, I'm sorry, but I call for a Quorum."

Chairman Steele: "Just a moment. We'll consult our Parliamentarian."

Chairman Neff: "I'm sorry. You weren't recognized for that. We have a witness here now, and I know that you wouldn't want to interrupt him and so...is there any other questions? If not, we thank you very much for appearing. Now we have Mr. Harold Sandberg. As Representative Steele said, we've only got a few more minutes here. We're trying to roll just as fast as we can, and I know you folks want to get out and we do too. So Mr. Harold Sandberg, will you...Harold is the president of Consulting Engineers Council of Illinois."

Sandberg: "Thank you, Mr. Speaker (sic), Representatives. My name is Harold Sandberg, and I represent the Consulting Engineers Council of Illinois which consists of 108 independent engineering firms located in Illinois. I am appearing before you at this time to urge the support for a strong transportation system. A strong transportation system with an adequate and stable funding source is necessary in order to facilitate economic growth, energy conservation, and an improvement on our standard of living. You cannot have a sound economy without a sound transportation system. The State of Illinois has a tremendous investment in the transportation system that must be protected. Repair and rehabilitation of the existing system is imperative. The cost of maintaining the existing system is small when compared to the potential

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

cost to replace it. Structures properly maintained may last indefinitely. Structures neglected deteriorate so badly that they cannot be repaired. Highway safety is another reason to consider repair and rehabilitation of the existing system. The effect of potholes and rough-riding surfaces is relatively minimal on the heavy old old cars, however, the smaller cars can be seriously damaged going through potholes and swerve off and into the paths of other vehicles. In addition, the protection afforded passengers in a small car is significantly less. For this and for other reasons as you've heard today, Consulting Engineers Council of Illinois urgently request that you consider the full impact of our state's deteriorating transportation system. We have stressed the highway system because it is probably the most visible portion of our overall system. However, there are other parts of the system that are equally in need of maintenance and support. Therefore, we urge you to support this comprehensive funding package that will address transportation of the whole not as a series of unrelated entities. We believe that delay in obtaining new transportation funding sources will have a severe adverse economic impact on the State of Illinois and its citizens. We recognize that the proposed mechanism for obtaining revenues and allocating funds is subject to considerable debate. This is unavoidable for any proposed transportation funding program, inasmuch as the impact of the costs and benefits touched upon essentially all the citizens of this state. We hope that most of the imperfections in the proposed program will be clenched during the legislative process. We also hope that the baby isn't thrown out with the bath water."

Chairman Neff: "Any questions? Thanks...Mr. Kane."

Kane: "Just one question. If our education system was falling

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

apart as badly as our roads are falling apart, would the consulting engineers also be here asking for a tax increase?"

Sandberg: "Yes, Sir."

Kane: "Thank you."

Chairman Neff: "Is there anyone else that wishes to testify? We have...at this time we'll recess...Representative Telcser."

Telcser: "Mr. Chairman, I now move that the Committee of the Whole arise and we return to our regular Session."

Chairman Neff: "You've heard the Motion. All in favor say...signify by saying 'aye',..."

Telcser: "Mr. Speaker...Mr. Speaker, Members of the House, now that we are in regular Session it is our intent to adjourn the regular Session until 8:55 tomorrow morning and at 9:00 o'clock tomorrow morning to once again sit in the Committee of the Whole and continue to hear the witnesses who didn't have a chance to speak to us today."

Chairman Neff: "Representative Madigan."

Madigan: "Mr. Chairman, Mr. Telcser, our concern is that there was a statement made from the podium that...well, he's come back. Could you turn the water off in the shower? The part in your hair is right."

Telcser: "Representative, I know what your concerns are, Representative. You're concerned about the vote..."

Madigan: "Cut him off. Cut him off."

Telcser: "For those who haven't anticipated the Minority Leader's question, I am sure that it has to do with the question he asked earlier today regarding a vote on a Motion dealing with these Bills which I would imagine would come at some point in time after we hear the witnesses who want to talk to the Committee of the Whole. All I can say to you, Representative is that we want to reconvene tomorrow at 8:55 in a regular Session, take the Attendance Roll Call,

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

do what has to be done in the regular Session if anything, and at 9:00 o'clock go back into the Committee of the Whole, and then hear the witnesses who didn't have an opportunity to speak to us today, and then take any Motions which may be put to the Chair if at all."

Chairman Neff: "Representative Madigan."

Madigan: "Our concern is that a Motion to arise will not automatically report the Bill out of the Committee. We feel that you'll need a separate Motion to report the Bill out of the Committee. We want that very clear."

Telcser: "Well, Representative, I can understand how you feel."

Madigan: "Well now let's get a statement on the record because its on the record once."

Telcser: "My statement of record is I understand how you feel."

Madigan: "And I know you very well, so..."

Telcser: "I understand."

Madigan: "The record is already there..."

Telcser: "Who's talking now? I don't recognize the voice."

Madigan: "The record is very clear."

Telcser: "The record is clear."

Madigan: "...That...simply the Motion to arise will not result in a recommendation that the Bills leave the Committee of the Whole and be shown on the Calendar on the Order of Second Reading. We've already received a ruling from the Chair that in addition to the Motion to arise there will be a separate Motion to either report 'do pass' or 'do not pass'. Alright. I am told by my Parliamentarian that it is just a report with a recommendation, no 'do pass' or 'do not pass'."

Telcser: "Your Parilamentarian...did he clear up what...your mind?"

Madigan: "No..."

Telcser: "Alright so, Mr..."

STATE OF ILLINOIS  
82ND GENERAL ASSEMBLY  
HOUSE OF REPRESENTATIVES  
TRANSCRIPTION DEBATE

19th Legislative Day Legislative Day

March 27, 1981

Madigan: "...He's adding further amplification to what I am saying."

Telcser: "Is there something else you wanted me to say, Representative?"

Madigan: "Well, will the Membership receive some clarification from the Chair or are we just going to drop the gavel and turn the lights off again?"

Telcser: "No, that's not a bad idea, but I don't think we're going to do it."

Madigan: "Clarence, get your hand in the switch there. Now be ready."

Telcser: "Mr. Speaker, now that we're in regular Session, I move that the House stand adjourned until 8:55 tomorrow morning."

Chairman Neff: "You've heard the motion. All in favor why...arise...signify by saying 'aye'..."

Telcser: "...Arise 'aye', opposed 'no'. The House stands adjourned."