

## PROGRAM STATUS DEMONSTRATIONS

Section 2 of the High Speed Ground Transportation Act authorizes the Secretary of Commerce (now Transportation) "to contract for demonstrations, to determine the contributions that high-speed ground transportation could make to more efficient and economical intercity transportation systems."

The purpose of demonstrations, carried out under the Act, is "to measure and evaluate, such factors as the public response to new equipment, higher speeds, variations in fares, improved comfort and convenience, and more frequent service." In connection with contracts for demonstrations under the section, the Secretary shall "provide for financial participation by private industry to the maximum extent practicable."

*Purpose of the demonstration project*

President Johnson emphasized the need for demonstration in his letter of March 4, 1965, which proposed the High Speed Ground Transportation Act to the Congress—namely, that "... we must learn about travel needs and preferences, in part through the use of large-scale demonstration projects."

Congress authorized the demonstrations on the finding that there is insufficient information about traveler needs and desires, particularly in intercity movements, to provide a sound basis for public and private investment policies. Within this broad context there may be cited two specific and immediate end uses for the data generated by the demonstrations.

One is input for the Northeast Corridor Transportation Project. The information on public response to improvements in railroad intercity passenger service will shed light on the contribution that rail transportation can make toward meeting the need for additional transportation facilities in densely populated urbanized corridor-type areas around the country. In addition, by providing detailed analysis of public preference, shown by actual use and by payment for varying combinations of service, the demonstrations will indicate the relative weight of individual service components in attracting public patronage.

The demonstrations will evaluate the influence of speed, schedule frequency, terminal convenience, comfort levels, and fare structure and will identify the relative impact of each on public acceptance. Since these basic elements of service are common to all modes of passenger transportation, the results of the Corridor rail passenger demonstrations will be important in determining passenger preferences for all modes.

The second immediate application of information produced by the demonstrations is to indicate the limits of economic viability and customer acceptance of improved railroad passenger service over the country as a whole. The findings would provide a more up-to-date and realistic determination of the capacity of the present railroad network to meet new needs by testing, under revenue service conditions, the reliability and traveler reaction to equipment improved to the limit of existing railroad technology.

The demonstrations now planned will produce information about public response to improvements in the quality and range of railroad service which can be obtained with relatively modest expenditures and without significant developmental lead time. The demonstration between Washington and New York, for example, costing the Government about \$12 million, will help decide whether investments ranging from one-quarter to five billion dollars in new rail facilities between these points would be worthwhile.

A by-product of the demonstrations is the physical improvement of the railroad properties selected for the experiments. Although these improvements are related directly to requirements for data-gathering and evaluation, they will produce measurable long-term benefits for passengers using other trains on the demonstration routes, including commuters, and shippers and receivers of railroad freight. In the Washington-New York demonstration program, the contribution by the Federal Government of \$12 million has encouraged the railroad to invest more than \$45 million in upgraded facilities and in new equipment.

The two demonstration projects in the Northeast Corridor at the time of completion will have cost the Government approximately \$21.4 million. In addition to information for decision-making by both the railroad industry and Government the demonstrations will provide seed money for immediate improvements in railroad passenger equipment, track and station facilities. The railroad and equipment manufacturers involved have greatly exceeded the Government's contribution to the demonstration cost.