

Testimony of Tommy Mack, Chairman, Tourmobile Sightseeing
Before the House Subcommittee
On Energy Policy, Natural Resources and Regulatory Affairs
September 30, 2004

Chairman Ose and Members of the Subcommittee. Thank you for this opportunity to present the views of my company, Tourmobile, in connection with your hearing on private sector participation in mass transportation.

Tourmobile is a privately owned company, which, for more than 30 years has operated as a concessionaire of the National Park Service to provide interpretive transportation services to visitors to our Nation's Capital along the National Mall and other Federal properties in the area. Based on my years of experience and knowledge of this City and its visitors, I am here to voice my concerns with what appears to be a misguided plan to spend Federal tax dollars on an ill-conceived transportation proposal to fund a government operated local transportation service to compete with existing private companies.

This is a proposal generally known as the DC Downtown Circulator Project. It envisions Washington Metropolitan Area Transit Authority ("WMATA"), the region's quasi-governmental transit authority, using Federal funding to operate a series of bus routes throughout the City, including the National Mall. From what little is known of the proposal, it appears the initial plan is to operate two distinct routes throughout the downtown and Mall areas with a fleet of 29 full size buses. WMATA has apparently budgeted at least \$16

million dollars for the first phase of the project, although some estimates suggest the actual cost may be four times that amount, for which additional Federal funding would no doubt be requested.

From what I know of the proposal, it will likely squander scarce resources, it will likely worsen the already intolerable traffic congestion problems of the downtown area, and it will certainly stand as a slap in the face to the private transportation community.

I will explain my reasons for opposing this plan, but first may I offer some background about Tourmobile.

Tourmobile Sightseeing

Tourmobile Sightseeing has been for more than 30 years the exclusive provider of interpretative transportation services on the National Mall and Arlington National Cemetery under a concession agreement with the National Park Service (“NPS”), which includes a Memorandum of Understanding with the Department of the Army. I have owned Tourmobile since 1981. Tourmobile is certainly well known to the Members on the Subcommittee. Our distinctive trams are an everyday sight along the Mall and other Park Service land, filled with tourists, attentively listening to our guides while riding along and viewing our national monuments, memorials, and government buildings and who board and alight as they choose numerous stops along our route.

The National Mall is a special place, and Tourmobile takes seriously its own role as a steward of the area which the U.S. Supreme Court has described as

“an expansive, open sanctuary in the midst of a metropolis; a spot suitable for Americans to visit to examine the historical artifacts of their country and to reflect on monuments to the people and events of its history.” In today’s world, it is a spot suitable not only for Americans, but also for those visitors from throughout the world who wish to view these many monuments to democracy.

With perhaps a touch of immodesty, by reason of our dedication to our mission, I believe Tourmobile is known as the sightseeing and interpretive transportation of choice for those who come to visit the Mall and surrounding areas, and the many attractions which line it.

Tourmobile’s status on the Mall is one established and protected by law. Tourmobile has a unique concession agreement with the National Park Service to provide interpretive transportation services. Under that agreement, Tourmobile has invested heavily in equipment and facilities, including not only our fleet of trams, but also additional vehicles better suited to the transportation of persons with disabilities who require wheelchairs. Perhaps most of all, Tourmobile is an important private employer in the Washington tourism industry, employing as many as 250 employees during the height of the tourist season.

By way of background, years ago, the Secretary of the Interior, acting through the National Park Service, decided that the National Mall was best presented through the services of a single concessionaire, providing interpretive services carefully monitored and approved by NPS. The exclusive power of the Secretary of the Interior over the Mall area, including transportation services sold

and offered on Federal lands has been affirmed by the U.S. Supreme Court in its decision titled *Universal Interpretive Shuttle Corp. v. Washington Metropolitan Area Transit Commission*, 393 U.S. 186 (1968).

Since that time, the Park Service has been fully involved in overseeing Tourmobile's operations, while at the same time maintaining our exclusive role on the Mall, consistent with the Supreme Court's view of its authority to do so.

The Downtown Circulator Project

Tourmobile vigorously opposes the Downtown Circulator Project as it has been described, to the extent the Project will be operated by WMATA, a public entity, and financed – at least in part – through Federal funding, presumably through the Federal Transit Administration.

No matter who was to operate it, the proposed service as we now know it is simply ill-conceived. As I understand it, the Circulator is designed to operate full size buses on a very short headway at free or greatly reduced fare through the core of the Central Business District. One proposed route mentioned appears to be along K Street NorthWest; another is from the Convention Center area across the Mall to Southwest. Anyone who has spent time standing along any of the routes mentioned can readily see that midday traffic in Washington is a major impediment to transportation throughout the City. As but one example, to stand along K Street and imagine even more full size buses – stopping to board and alight passengers at every corner - would cause one to realize the result of such service would be more congestion and more traffic delays. Indeed, one of the

selling points for the original Metrorail concept was to have Metrorail carry passengers away from the city core so they could board buses at less congested, satellite locations, thereby freeing downtown streets from so many buses. Setting up a new downtown city bus system only defeats that purpose.

Whatever one might say about congestion in a perfect world, as the Members of the Subcommittee well know, those of us in Washington live in a City dominated by security concerns. One need only look outside this building to see how traffic is impacted by new security concerns. Street closures and barricades and rerouting are almost everyday occurrences, and according to the press, these changes are often implemented without notice. Contemplating a new downtown bus service like the Circulator in today's security-conscious environment is simply foolish.

Even if the proposal were not so poorly conceived, I believe it is not wise public policy to burden an already overburdened (financially and managerially) WMATA with another entirely new system for which it must obtain vehicles and hire employees and then operate. I understand WMATA has a difficult task and I am not here to engage in WMATA bashing, but at the same time, as a longtime Washingtonian, I think it is fair to say WMATA isn't doing a very good job in meeting its current responsibilities. I am confident that members of the Subcommittee, who live in Washington and see the local media, can understand my concern.

This is the same WMATA, which repeatedly states to the press that it has insufficient funding to operate its current services. This is the same WMATA, which has many well-publicized maintenance and service problems with the Metrorail system. I would point out the recent policy change of requiring so-called “Smart Cards” for all Metro parking and then discovering that there weren’t enough of the cards available for purchase as a good example of a system which is already so overburdened that management just doesn’t have the time to carefully consider the ramifications of all its new activities. How can we burden WMATA with all the burdens of an entirely new service and system?

It appears from the proposal that the Downtown Circulator may be organized as an entirely distinct transportation service, separate and apart from WMATA’s current Metrobus operation. If so, beyond the operating costs of the new service, this plan will result in needless expenditures to create an entirely new and surely very expensive administration to oversee this new service. I respectfully suggest it would be an obvious waste of Federal funds to create a new management layer just to oversee the operation of a new bus service by WMATA.

My observations about the likely ineffectiveness of the proposed Circulator raise another important issue. As a member of the local transportation community, I am aware that there are a number of other Tourmobile competitors, which provide local sightseeing and interpretive services. Two such companies are Old Town Trolley and Gray Line Trolley, both of which operate using somewhat distinctive trolley-bus vehicles. Both of these companies operate near the National

Mall, and each of them offers City tours, which include significant points of interest away from the Mall. The Washington National Cathedral in Northwest is one ready example.

These companies are good examples of the how the private sector operates. If and when their management identifies an attraction or area which they believe tourists would like to visit and which they also believe is not served or is underserved by existing services, they offer a new tour or new tour stop to include it. As to some degree a competitor of these companies, I know that over the years, each of these companies has modified its services to include different offerings to the public. If their assessment provoking change is correct, presumably they realize a profit from their foresight; if their assessment is incorrect, they suffer the loss and discontinue the service, while at the same time, looking for other unserved or underserved opportunities. To me, that's the way the private sector uses opportunities for reward to expand services, with resulting better choices for the public at no cost to the government.

This is in sharp contrast to a quasi-government proposal of a few years ago, which operated under the name "Museum Bus." This was in some ways a predecessor to the new Circulator concept. Museum Bus was created and operated using someone's funds to provide a special shuttle bus service to take visitors from the Mall area to various museums around the city. For a variety of reasons, which were apparent to any observer knowledgeable about transportation and tourism, the service was clearly doomed to be a commercial failure, and indeed it was. To

many people, there was never a question that the service could not be sustained without funds over and above fare box revenues. Yet, with additional funding, it operated for quite some time before the idea was ultimately abandoned.

This is the heart of the matter. When it comes to non-mass transit transportation services in the Downtown area, it has been shown time and time again that private sector companies are best able to identify and promptly take advantage of opportunities to serve markets these companies view as underserved, while at the same time providing high levels of responsive service. Most of all, these private companies do so putting their own resources at risk, not taxpayer funded monies. Private companies are not prone to operate services, which are so clearly infeasible as is the proposed Downtown Circulator, because without a reasonable likelihood of success, they don't want to risk their own money. If such a service is offered and operated using someone else's money, there is no incentive to not operate a foolish project; indeed, if there are Federal funds to be had, it is often financially advantageous to operate such a service, since the operator will be paid no matter how low the ridership.

I am aware of various Federal Transit Administration policies prohibiting Federally funded transit authorities from competing with private charter companies; I am aware of policies requiring publicly funded entities to reach out and include private entities when a new service is to be contemplated. To my best knowledge, none of those policies was ever considered when the Downtown Circulator project was undertaken. That this expensive, wasteful, infeasible

project has come so far along already is testimony enough to the importance of adhering to these policies meant to protect the public interest by making private companies an integral part of the planning process and operators of those services which are not directly related to the core transit business of the mass transportation of passengers.

Thank you for this opportunity to share my views. I shall be pleased to answer such questions the Subcommittee may have and provide whatever additional information the Subcommittee may request.