

5 Reasons to "Neglect" Transit

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The American Public Transportation Association (APTA) has just published a paper on the economic cost of failing to modernize transit, referring to the roughly \$100 billion maintenance backlog built up by U.S. transit agencies, mostly for rail transit. In fact, a strong case can be made that—with the possible exception of New York—American cities shouldn't restore deteriorating rail transit systems and instead should shut them down as they wear out and replace them with buses where demand for transit still exists.

The best policy towards transit systems is benign neglect.

APTA claims that not restoring older rail systems will reduce "business sales" by \$57 billion a year and reduce gross national product by \$30 billion a year over the next six years. Reaching this conclusion requires APTA to make all sorts of wild assumptions about transit. For example, it states that a recent New Orleans streetcar line stimulated \$2.7 billion in new infrastructure. In fact, that new infrastructure received hundreds of millions of dollars of subsidies and low-interest loans from Louisiana and New Orleans. In any case, APTA fails to make clear how rehabilitation of existing infrastructure could generate the same economic development benefits as building new infrastructure.

American taxpayers already pay more than \$50 billion a year to subsidize transit. Essentially, APTA wants taxpayers to give transit agencies an additional \$100 billion to keep transit systems running. I would argue that federal, state, and local governments should provide none of that money. Instead, the best policy towards them is benign neglect.

Expensive and Obsolete

First, restoring obsolete transit is not the same as modernizing transit. Electric rail transit was developed in the 1880s and 1890s and was largely superseded by buses in the 1920s. APTA doesn't propose to modernize rail systems by replacing them with buses; it wants to restore the obsolete systems. Outside of New York City, which (as I've shown elsewhere) may be the only place in America where rail cannot easily be replaced by buses, this is a waste of money.

The real reason transit ridership is declining is that alternatives to transit are faster, more convenient, and increasingly less expensive.

Second, the transit backlog is due to bad transit management. Rather than spend money maintaining existing infrastructure, politicians and transit agencies have built new infrastructure. New York built, or is building, the Second Avenue Subway and East Side Access projects; Washington the Silver and Purple lines; Boston the Green Line extension to Medford; San

Francisco built BART to the airport; and so forth. Rewarding badly managed agencies by giving them more money sends the wrong signal to other transportation and infrastructure agencies.

Third, transit ridership is declining nationwide and may soon disappear in many places with the advent of driverless ride-hailing. It may be declining in New York and Washington because deteriorating infrastructure has led to unreliable and unsafe conditions. But it is also declining in places with crisp, new infrastructure such as Norfolk-Virginia Beach and Charlotte. The real reason transit ridership is declining is that alternatives to transit are faster, more convenient, and increasingly less expensive. It makes no sense to dump \$100 billion on an industry that is losing both money and customers.

Low Usage, No Economic Gain, and Bad Management

Fourth, contrary to APTA's claims, transit is irrelevant in most urban areas. New York is the obvious exception: a majority of commuters who live in New York City take transit to work. Transit is somewhat relevant in a few other central cities: Washington, where 38 percent take transit to work; San Francisco, 37 percent; Boston, 34 percent; Chicago, 29 percent; Philadelphia, 25 percent; and Seattle, 23 percent. When counting urban areas as a whole, however, transit is much less relevant: 35 percent in New York, but only 21 percent in San Francisco-Oakland; 17 percent in DC; 15 percent in Boston; 14 percent in Chicago; 11 percent in Seattle and Philadelphia; 10 percent in Honolulu; and under 9 percent almost everywhere else.

There is no clear connection between spending money on transit and transit's actual importance to an urban area.

Many regions have spent enormous amounts on transit systems that carry few people to work. Despite having spent some \$3 billion on light rail and commuter rail, transit in Salt Lake City carries just 5 percent of commuters to work. Denver spent more than \$6 billion, yet transit carries under 5 percent; Dallas-Ft Worth spent nearly \$5 billion, yet transit carries under 2 percent. There is no clear connection between spending money on transit and transit's actual importance to an urban area.

As for economic development, transit is, at best, a zero-sum game for urban areas: even if proximity to transit increases local property values (a proposition that is increasingly dubious), it doesn't increase regional values, meaning some other property owners must lose for owners near transit to gain. At worst, the high cost of supporting transit may be part of the reason why the urban areas that have spent the most on transit are the slowest growing.

Fifth, the transit industry notoriously spends money in the wrong places. Not only does it spend money on new infrastructure when the existing transit infrastructure is falling apart, the infrastructure it spends money on, whether new or rebuilt, is almost entirely a waste. That's because the most efficient form of transit, which is buses, doesn't need dedicated infrastructure except for storage and maintenance facilities.

Just Let It Die

Failing to provide the funds needed to restore rail transit lines will force transit agencies to replace those lines with buses.

APTA's demand for subsidies to "modernize" transit is the last gasp of a dying industry that has become utterly dependent on subsidies for everything it does. In fact, truly modern transit

wouldn't use infrastructure that is so prone to deterioration. No urban area in America other than New York truly needs rail transit, and New York's problems are due to a local failure to spend money on maintenance and shouldn't be the responsibility of state or federal taxpayers.

Failing to provide the funds needed to restore rail transit lines will force transit agencies to replace those lines with buses. That will be a victory for taxpayers and a victory for transit riders.

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