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Finding truth among rail transit myths: Interview with Randal O'Toole

Daniel de Gracia

WASHINGTON D.C., July 27, 2012 – With billions of taxpayer dollars at stake, urban transit planning and construction of rail are often the most hotly debated topics in city councils and state legislatures across the nation. Political careers are forged and broken in the crucible of rail debate, while the obscuring smoke of taxpayer-funded public relations firms and powerful special interest groups all too often deceives voters into giving mandate to bad policy.

Making sense out of the agenda setting spin cycle and exposing the bloated myths of rail is Randal O'Toole, one of the nation's leading experts on public policy and author of numerous books including [*The American Nightmare: How Government Undermines The Dream of Home Ownership*](#). I had the opportunity to ask O'Toole a few questions on transit policy to find out just what drives the municipal obsession with rail and what it means for the taxpayer.

Danny de Gracia: *It seems like almost every major city has municipal elected officials who want to push agendas for taxpayer funded rail systems, in spite of the fact that independent research often shows these systems routinely go over budget and far below projected ridership. Is there a reason why rail always seems to attract politicians?*

Randal O'Toole: The hunt for federal dollars plays a major role. Federal highway dollars are distributed using formulas that consider such things as population and land area, so politicians can do little to influence the formulas. Rail dollars in the "New Starts" fund are distributed on a first-come, first-served basis, and cities that propose the most expensive rail projects get the most money. This encourages transit agencies to find the most expensive, rather than the most efficient, transit alternatives.

DDG: *Why are we still stuck on rail technology? Isn't there a better technology alternative to rail?*

O'Toole: Yes, it is called buses. By sharing roads with other users, buses avoid the high infrastructure costs of rail. Because roads go almost everywhere, buses can too. Because buses can safely operate several times a minute, they can actually move far more people per hour than light rail, streetcars, or commuter rail.

Buses can get stuck in traffic, but the solution to that is to relieve congestion, which helps everyone. HOV and HOT lanes, for example, offer buses a congestion-free alternative. My recent Cato paper on intercity buses shows that, even as governments focus on transport systems that require huge amounts of new infrastructure, the private sector is successfully expanding intercity bus service by shedding infrastructure such as stations.

DDG: *Rail proponents often say things like "rail is good for the environment, rail reduces fuel consumption, rail produces jobs" and some even go so far as to say rail reduces health problems and makes people happier. The last two in particular sound like a serious stretch. But is there any truth to these assertions?*

O'Toole: As I show in a Cato paper titled, ["Does Rail Transit Save Energy or Reduce Greenhouse Gas Emissions?"](#) there is little truth to claims that rail is good for the environment. The environmental claims are often based on comparisons of full trains with autos at average or below-average occupancies.

The average car has five seats, so even if only 1 person is in it, it is 20 percent full. By comparison, the average light-rail, heavy-rail, or streetcar operates only about 15 percent full, which means it has even lower occupancy rates than cars. While steel wheels are a little more efficient than rubber tires, railcars are so heavy that the weight per rider is much higher than for cars, offsetting the advantages of steel wheels. In addition, the energy and pollution from constructing rail is far greater, per passenger mile, than highway construction because urban highways tend to be much more heavily used than rail lines. The result is that, with rare exceptions, rail uses more energy and emits more pollution per passenger mile than cars.

My Cato paper titled, ["The Great Streetcar Conspiracy"](#) addresses the jobs issue by showing that new transportation technologies increase mobility when those technologies are faster, more convenient, and less expensive than the technologies they replace. That increased mobility leads to more jobs, economic development, and so forth. But rails are slower, less convenient, and far

more expensive than cars, so they cannot possibly increase mobility or produce long-run jobs. All they do is substitute one form of travel for another.

DDG: *Is there any city in the United States where rail is a "success" in the sense of high ridership, low cost to taxpayers?*

O'Toole: No. My Cato paper titled, "[How Do You Define Success?](#)" shows that almost all urban rail systems built since 1960 are failures in that they diverted resources from the region's buses and thus led to a reduction in transit's share of travel.

In Portland, Oregon, for example, 9.8 percent of commuters took transit to work before they built rail; today, after opening seven rail lines, only 7.1 percent of commuters take transit to work. There are a couple of exceptions, but even in those cases a much smaller investment in improving bus transit would have gained far more transit riders than the large investments made in rail.

DDG: *What do you think about the practice of municipal governments using taxpayer funded public relations firms to advocate for rail?*

O'Toole: This is all too common and has turned around rail politics. In the 1990s, voters rejected the vast majority of rail measures that reached the ballot. In the 2000s, most measures have passed, and the difference has clearly been all the money spent by transit agencies and other local governments boosting rail. This practice of using tax dollars to propagandize the public is unethical and raises serious questions about the legitimacy of democracy.

DDG: *What would be your advice to legislators who are considering starting a rail project in their city? What are some of the questions that should be asked before committing to rail?*

O'Toole: I agree with Federal Transit Administration Administrator Peter Rogoff, [who said in a May 2010 speech](#), "Paint is cheap, rails systems are extremely expensive ... You can entice even diehard rail riders onto a bus, if you call it a 'special' bus and just paint it a different color than the rest of the fleet ... Bus Rapid Transit is a fine fit for a lot more communities than are seriously considering it."

DDG: *Let's talk for a moment about transit oriented development and another buzzword a lot of politicians like to use, "Smart Growth." For lack of a better explanation, aren't these just pretty ways of saying "command economy"? Is it even possible to "plan" private success?*

O'Toole: "Smart growth" is a buzzword for policies in which urban planners attempt to impose their preferences for how people should live on others. In Portland, Oregon, for example, planners have set a target for reducing the share of households living in single-family homes from 65 percent to 41 percent.

The Washington legislature has passed a law mandating a 50 percent reduction in per capita driving by 2050. Of course, the people who propose and pass these rules nearly all plan to continue living in single-family homes and driving wherever they go; they just want to impose apartments and transit on others. In the long run, regions that use these policies will be economically less competitive than others, although they may temporarily appear successful because of high average per capita incomes simply because they drive out low- and middle-income families.

DDG: *Last but not least, is there anything you would like to tell our readers in D.C.?*

O'Toole: The Washington Metro system is classic example of what is wrong with rail. When first proposed, planners projected fares would cover 80 percent of capital costs and all of the operating costs. In fact, they cover only half the operating costs and no capital costs.

When first built, it seemed a marvel of engineering, but planners forgot to account for maintenance costs. While the feds paid the capital costs and local governments are covering the operating subsidies, no one is paying for maintenance, so today broken rails, smoke in the tunnels, defunct escalators and elevators are all routine.

Problems like this take place when we rely on subsidies to transportation.

Transportation works best when it is paid for by users. I strongly advocate ending all subsidies to all forms of transportation and letting people choose what works best for them while they pay the full costs of the transportation they use.