

## Note to the Reader

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## Executive Summary

Traditionally, mass transit has not been of much interest to conservatives. Their disinterest stems from three perceptions: mass transit is a government creation that would quickly cease to exist in a free market; no conservative constituencies use mass transit; and mass transit does not serve any important conservative goals.

Each of these perceptions has some reasons behind it, and each is true in some situations. But all are also open to question, on conservative grounds. The dominance of the automobile is not a free-market outcome, but the result of massive government intervention on behalf of the automobile. That intervention came at the expense of privately owned, privately funded, tax paying public transit systems. Without government intervention, public transit might have a substantially higher market share than it now enjoys.

A growing conservative constituency does use mass transit, when transit is high quality. That usually means rail transit or bus on high speed busways. As high quality commuter rail, light rail and busway systems reach out into suburbia, they carry a growing number of people whose demographics indicate they vote conservative. Conservative policy-makers who ignore these constituents are neglecting part of their base. Mass transit can serve some important conservative goals, including economic development, moving people off welfare and into productive employment, and strengthening feelings of community. Again, the quality of transit strongly affects its ability to serve conservative goals.

All these factors suggest there are reasons for conservatives to take an interest in transit policy. At the same time, there are equally valid reasons for transit authorities and advocates to listen

to conservatives' ideas about transit. Government subsidy has resulted in inefficiencies in transit operations, and conservative ideas such as regulatory reform and public-private partnerships have the potential to provide better transit at less cost to the taxpayer.

It is time for an informed dialogue between conservatives and transit authorities and advocates. Each can learn from such a dialogue, and together they may find ways to provide better transit service that is also more efficient.

Conservatives and Mass Transit: Is It Time for a New Look?

A Study Prepared by the Free Congress Research and Education Foundation

I often think it's comical  
How Nature always does contrive  
That ev'ry boy and ev'ry gal  
That's born into the world alive  
Is either a little Liberal  
Or else a little Conservative

--Gilbert and Sullivan, Iolanthe

Just as it is with people, so it also is with issues. It is not merely that liberals and conservatives have different views about issues. Rather, some whole issues are of interest mainly to liberals, and others to conservatives. For example, environmental policy is largely a liberal issue, while it is primarily conservatives who are interested in the issue of defense.

Since policies in each of these areas, and many more, affect liberals and conservatives alike, this situation is rather strange. Yet, as anyone who has worked in government can attest, it is quite real. A liberal who was passionately interested in defense policy, or a conservative who devoted himself night and day to environmental issues, would be looked on as something of an eccentric, if occasionally a useful one.

Mass transit, as an area of public policy, has traditionally not been of interest to conservatives. When conservatives have considered it, they usually have done so to prepare to oppose the whole thing. Beyond that, most conservatives have given the subject little thought. It simply has not been one of “their issues.”

Why has this been the case? A survey of conservative commentaries on mass transit reveals some underlying reasons.

First, conservatives believe mass transit is a government creation. In a pure free market, virtually all public transit would vanish as people turned to an inherently superior mode of travel, the private automobile. Further, dependence on public funds has made transit systems inefficient.

This view is expressed clearly in a policy paper, Myths and Facts of Nation’s Transit Policy by Peter Gordon, published in 1991 by the conservative Reason Foundation. At its outset, the paper states:

Discussions among urban transportation researchers are probably less contentious than in other domestic policy fields. Most analysts agree on the basics. These include the following observations:

The long-term growth of incomes has spawned demands for low-density living. The auto-highway system has facilitated these lifestyles, causing the demand for conventional transit (defined as traditional fixed-route, fixed schedule, most often bus service) to decline . . .

Publicly run transit monopolies are inefficient and rarely responsive to demand. As a result, they serve ever smaller markets at ever higher costs. Their subsidization has, therefore, increased considerably.<sup>1</sup>

Similarly, a recent study from the CATO Institute, Highway Aggravation: The Case for Privatizing the Highways by Peter Samuel, states:

In a hydra-headed urban area, single-center-oriented mass transit works only for a small proportion of journeys; there is really no alternative to the highway system for

most intraurban journeys . . . A car goes door to door and leaves when you want to leave, not according to a printed timetable produced by a transit company. A car offers a degree of privacy and personal security that mass transit cannot match.<sup>2</sup>

Charles Lave, in an article titled “It Wasn’t Supposed to Turn Out Like This: Federal Subsidies and Declining Transit Productivity,” published in the Public Transit Innovation Journal, states the conservative case that government funding has made mass transit inefficient:

The subsidies sent the wrong signals to management and labor. Management interpreted the message to mean: efficiency was no longer primary; rather, it was more important to focus on satisfying federal mandates . . . Routes were extended into inherently unprofitable areas and fares were lowered to the point where no one would find them burdensome. Labor interpreted the message to mean: we were given veto power over the grant process, management can pay for salary increases and improvements in working conditions, we should use that power.<sup>3</sup>

Another reason for conservatives’ disinterest in public transit is a widespread perception that most transit users have demographic characteristics that make them highly unlikely to vote for conservatives. Like other politicians, conservatives respond most readily to their own constituencies. If most transit users, by virtue of their income and race, tend to vote for conservatives’ opponents, then it is logical for conservatives to look on transit as an issue for liberals and not to waste time on it themselves.

The perception that most transit users have low incomes and are members of racial and ethnic minority groups is widespread in the literature. One APTA study states; “Public transit disproportionately serves low income workers.”<sup>4</sup>

Peter Gordon, in the study cited above from the Reason Foundation, offers as another generally-agreed basic that “User-side subsidies (like food stamps) are the most efficient way to improve the mobility of the poor and the disabled.”<sup>5</sup> The implicit presumption is that these comprise a substantial part of transit users.

Another CATO study, False Dreams and Broken Promises: The Wasteful Federal Investment in Urban Mass Transit by Jean Love and Wendell Cox, notes that, “The alleged virtues of public transit are by now familiar . . . for the poor, inexpensive access to efficient transportation . . .”<sup>6</sup>

The presumption that a major reason to support public transit is the necessary service it provides to poor inner-city residents is in fact common to both conservatives and liberals. It is one of the major arguments usually used by liberals in favor of transit, which deepens the conservative perception that mass transit is something for others to worry about.

Finally, conservatives seldom see any connection between mass transit and issues they do care about, such as economic development. They assume that most development now occurs in suburban areas, which are difficult to serve with transit. Again, this assumption is common in conservative literature. The CATO study by Love and Cox states:

Transit use in the United States has been declining for at least the past five decades as a result of changing lifestyles and economic conditions, including low-density land use patterns inside and outside of cities . . . the dominant commuting pattern is no longer from the suburbs to downtown but from low-density suburb to low-density suburb.<sup>7</sup>

Peter Gordon’s Reason Foundation report takes a similar view:

The range and mobility afforded by the auto-highway system have caused cities to grow by suburbanizing. Roughly speaking, suburbanization takes place in two major waves of development. First, households seek low-cost land that allows them to consume more space; and, soon thereafter, large numbers of job opportunities arrive as industry follows the labor force into the suburbs.<sup>8</sup>

Each of these conservative critiques has merit. All have validity in some cases. And, taken together and assumed to apply universally, they explain quite clearly why conservatives do not look upon mass transit as one of their issues.

However, each assumption is also something conservatives should re-examine. As this report will demonstrate, each is incorrect when applied too broadly, to all transit systems. There are in fact some important reasons why conservatives should be interested in transit policy.

At the same time, transit proponents and transit authorities should be interested in what conservatives have to say on the subject. At the Federal level, conservatives are now in control in both Houses of Congress, and they are likely to remain so or at least to return to power regularly. Transit advocates should not assume that the “normal” state of affairs is for liberals to be in power in Washington. Further, conservatives are now in power in a majority of states, both as governors and in legislatures. Political trends at the state level suggest that this, too, will remain a common situation for the foreseeable future. Therefore, transit advocates need to understand what conservative concerns are in this field, and they need to address those concerns. And, it just may be that conservatives have some ideas that can improve the quality of transit service while reducing its cost.

In sum, it is time for an informed dialogue between conservatives and mass transit. To begin that dialogue, let’s look at the traditional conservative assumptions about transit and see where they apply and where they do not.

#### Government Intervention in the Transportation Market

First assumption: In a pure free market environment, virtually all public transit would disappear as people turned to an inherently superior mode of travel, the automobile.

Wisely, most conservatives believe in looking at history in order to understand the present. When we look at the history of the fight for market share between automobiles and public transit, we



quickly learn that the rise of the automobile is not a free market outcome. Rather, it is the result of massive government intervention on the automobile's behalf.

By 1921, the first year for which data is available, government – federal, state and local – was pouring \$1.4 billion into highways. In contrast, the vast majority of transit systems were privately owned, received no government assistance, and paid taxes. Further, their fares were often controlled by local governments and, despite wartime and post-war inflation (especially of wages), were not allowed to rise. As a result, by 1919 one-third of the country's streetcar companies were bankrupt. Throughout the inter-war period, the problem of low fares set by government left the transit industry (especially electric railways) short on capital to fund improved equipment and service. Meanwhile, government largess to the highways grew. By 1940, it was \$2.7 billion. In contrast, in 1940 the total operating costs of all transit systems (except commuter rail) were \$661 million – again, virtually all of it private, not government, money.

In the post-war years, government intervention on behalf of highways soared. In 1950, government put \$4.6 billion into highways, virtually nothing into transit. By 1960, the National Defense Highway Act pushed the highway total to \$11.5 billion. That Act was the death-blow to the nation's passenger trains – then still run by private, tax-paying companies. While the operation of many local transit services was assumed by government in the post-war years, most were still expected to meet their expenses from the farebox, and political control of fares was, if anything, increased.

Considered by decades, it was not until 1980 that government assistance to transit could even be accurately compiled. In that year, it amounted to \$5.8 billion. In contrast, government provided

\$39.7 billion to highways in 1980. By 1990, government transit assistance was up to \$14.2 billion, but highways got almost \$74 billion.

The fact that much, though not all, highway funding came from the gasoline tax is not relevant to this comparison. It does not change the fact that government made vast sums available for investment in facilities used by automobiles. Transit systems had no government source of capital until recently. Further, privately-owned transit systems could not raise the capital they needed privately because in most cases government limited their fares.

Thus, the current division of market share between the automobile and mass transit is in no way the product of a free market. On the contrary, it reflects massive and sustained government intervention on behalf of automobiles. The intervention was especially severe in terms of its effects on rail transit, which is better able than bus to offer a quality of service competitive with automobiles. While buses shared the public roads with autos, trains and streetcars had to provide their own infrastructure privately.

What might the transit-automobile balance have looked like today without such massive government intervention on behalf of cars? Since highways have been funded by government world-wide, there is no pure free market situation we can compare. But Switzerland provides some idea of where we might be, had government intervention been less, or less one-sided. Like the United States, Switzerland is a wealthy country with high automobile ownership. Yet, while in 1978 82% of American urban transport was by car and only 3.4% by public transit, in 1980 in Switzerland 38.2% was by automobile and a respectable 19.8% by transit.

This is not because the Swiss tolerate greater inefficiency in public transit systems; on the contrary, government subsidies cover about one-third of the cost of transit in Switzerland, compared to 63% in the U.S. Rather, it reflects the fact that from the early 1900s onward, the Swiss had a balanced policy, providing government support to both transit and highways. That enabled consumers to make something approaching a free-market choice of travel modes.

As one study of urban transport in America and Europe notes, the current dominance by the automobile in the U.S. would not have arisen without public policies that both directly and indirectly encouraged Americans to use the automobile. Large subsidies to suburbanization and auto use over many decades in the United States have made auto use very appealing if not irresistible. Since the same policies contributed to the decline of mass transit, that alternative was eliminated for most Americans anyway.<sup>9</sup> Thus, we see that the first conservative assumption is open to question, on legitimate conservative grounds. The current domination by the automobile does not reflect a free market in action. Massive government intervention has so skewed the market toward the automobile that many consumers do not have the option of a high-quality transit system – or, frequently, of any transit at all. In a situation where government policy has been more balanced – as it would have been without government intervention – transit is chosen much more often by consumers.

### Demographics of the Transit User

Second assumption: because most transit users have low incomes, are members of minority groups, or both, transit users are not a conservative constituency.

Despite the fact that both liberals and conservatives think most transit users have these characteristics, that is not the case. As the CATO Institute study cited earlier, False Dreams and

Broken Promises, states:

Transit provides essential mobility to many of the poor, but transit accounted for less than 7 percent of trips made by low-income people in 1983. . . . If public transit subsidies benefit anyone, they benefit affluent suburbanites, not the poor. A Los Angeles study determined that inner-city service, patronized largely by the poor, received less than 22 cents in total operating subsidy per passenger boarding, while express service, patronized largely by the affluent, received more than \$1.18 per boarding. A 1986 study showed that riders with incomes exceeding \$50,000 per year received 50 percent more in federal operating subsidies per transit trip than did low-income users of transit.<sup>10</sup>

From some perspectives, these findings might be deplorable. From a conservative perspective, they testify to the fact that public transit is not an income transfer or entitlement program. Anyone can ride public transit. You do not have to meet some economic or “affirmative action” category or quota in order to use the service. Thus, middle and upper-income taxpayers, who provide most of government’s tax revenue, may receive some benefit for their money in the form of a service they can use.

Because mass transit may be used by everyone, it rightfully counts as infrastructure. Just as rich and poor alike may get their drinking water from city pipes, have their trash collected by the municipal garbage truck, and drive on government-built and maintained highways, so they may board a train, trolley or bus. In fact, a good definition of “infrastructure” might be “those government-provided or subsidized services which may be used by all.” This is not to say that some infrastructure may not be usefully provided by private sources, only that if the provider is government, the service must be available to everyone to count as infrastructure.

Do conservative constituencies use the transit infrastructure? Statistics suggest that they do. A December 1992 American Public Transit Association report, Americans in Transit: A Profile of Public Transit Passengers said, “minorities and low-income workers constitute a larger proportion of public transit passengers; public transit is part of our nation’s ‘social safety net;’” etc. But a more careful examination of the numbers in the report leads to some different observations:

- Whites ride transit more than any other racial group. Nationally, whites and “others” (including Asians) constitute a majority of transit riders. Only 30.8% of transit riders are black – less than one-third.
- In cities of 1,000,000 or more inhabitants, where the major transit systems are located, almost 20% of riders have incomes in excess of \$50,000. Nationally, only about a quarter -- 27.5% -- of riders have family incomes below \$15,000. The report states, . . . “there are high income passengers in every population group. Commuter rail service exhibits an especially large ratio of high income riders.”<sup>11</sup>

Another study, which examines transit ridership by age group, notes that the only group where the transit share of all travel rose in the 1980s was people aged 20-29. These “twentysomethings” are the Reagan generation – young people with voting patterns much more conservative than the “baby boomers.”<sup>12</sup>

Why is it, then, that if one boards the typical city bus, one does not see many people who

fit the demographic profile of conservative voters? The answer is that middle and upper income people do not use all transit equally. Fewer people who have the option of driving will choose to take a bus that is held to slow speeds on congested city streets. However, a significant number of the same people will take high-quality transit: a rail system or a bus operating on a high speed busway.

The six-county area surrounding (and including) Chicago provides a useful case study. This area is served by one of the nation's most respected commuter rail systems: METRA. METRA is well known for its clean, punctual trains, courteous personnel and careful attention to the customer. Recent statistics show the result: middle and upper-income people make extensive use of this transit system.

- In the whole six-county area, 11% of commuters with incomes of \$75,000 or more commuted by train. 8.5% of those with incomes of \$50,000 to \$75,000 took the train. Each day, more than 60,000 people with incomes over \$35,000 were riding commuter trains in the six-county area.
- Some suburban counties show even higher rates of commuter train use by upper-income people. In DuPage county, more than 15% of commuters with incomes over \$75,000 took the train. In Lake county, the figure was 13%. In the same counties, less than one-tenth of one percent of people with incomes over \$75,000 rode the bus.
- In Lake county, the mean earnings of rail commuters were more than \$76,000; the figure for bus riders was less than \$14,000. The mean earnings of rail commuters were more than double those of people driving to work alone.<sup>13</sup>

Clearly, in METRA's service area, quality rail transit is the preferred way to get to work for a significant number of people who might vote conservative.

As, indeed, they do. Lake and DuPage counties are represented in the U.S. House of Representatives by Members from the 6<sup>th</sup>, 8<sup>th</sup>, 10<sup>th</sup>, 13<sup>th</sup> and 14<sup>th</sup> districts of Illinois. The incumbents in those districts are all Republicans. A closer look at each quickly tells of the politics of the district:

- 6<sup>th</sup> district: The incumbent is Henry Hyde, who won the last (1994) election with 73% of the vote. His American Conservative Union rating is 90; his Americans for Democratic Action rating is 5.
- 8<sup>th</sup> district: The incumbent is Philip M. Crane, one of the most conservative members of Congress. He was last elected with 65% of the vote. His ACU rating is 100, his ADA rating is 5.
- 10<sup>th</sup> district: The incumbent is John Porter, who was last elected with 75% of the vote. He has an ACU rating of 52 and an ADA rating of 30.
- 13<sup>th</sup> district: The incumbent is Harris Fawell. He has an ACU rating of 81, an ADA rating of 25 and received 73% of the vote in 1994.
- 14<sup>th</sup> district: The incumbent is Dennis Hastert. He received 76% of the vote in the last election, and has an ACU rating of 95 and an ADA rating of 5.

Here, then, are five conservative members of Congress whose constituents use public transit to a significant degree. They are not alone. Around the country, high quality transit is reaching out into the far suburbs in a growing number of urban areas. Commuter rail systems are

up and running in greater Los Angeles, Miami, the Virginia and Maryland suburbs of Washington, D.C., and the upper-income enclaves of rural Connecticut, among other locations. More are in the planning stage. Similarly, electric railways, primarily Light Rail systems, are serving upper and middle income suburban residents of Baltimore, St. Louis, San Diego, and Portland, Oregon, to mention a few examples.

The trend is clear: as more and more politically conservative, middle and upper income suburbanites are offered, and begin to use, high quality mass transit, the conservative constituency interested in maintaining and increasing such transit service will grow. Conservative representatives of such areas, at both the federal and state levels, will be ignoring their constituents if they have no interest in the subject of public transit.

The trend is also understandable, if we examine what quality transit offers middle and even upper income people. The first thing it provides is an alternative to an automobile stuck in traffic. Not even a Mercedes Benz is a particularly nice way to get around when it can't move. In more and more of our cities, traffic crawling bumper-to-bumper or stopping altogether for extended periods has become part of the normal rush-hour experience. And rush-hour itself grows ever longer, to the point where some places face "permanent rush hour."

The business executive who glances up from his Wall Street Journal to look at the unmoving blocks of cars on a parallel highway while he relaxes on a commuter train doing 79 miles per hour appreciates public transit. He may have the same experience on a light rail line, a heavy rail system like Washington's Metro, or a bus on a dedicated busway or HOV-only highway lane. For him, time is money, sometimes quite a lot of money. The car phone is helpful if he's stuck in traffic, but it is not the same as being in his office, on time. Often, he will be grateful that he has an alternative to his car, and he will expect his political representatives to keep that alternative available.

Quality transit becomes doubly valuable to people with important jobs when weather, highway reconstruction, major traffic accidents or other emergencies bring auto traffic to a halt. Many is the executive who has made an important meeting in St. Louis or Chicago, Cleveland or Philadelphia in the wintertime only because an electric rail transit line runs directly from the airport to the downtown. In severe weather, if anything runs, it will be the railway. In Miami, commuter rail service was begun to provide an alternative during major highway reconstruction. It was so successful that it was continued, and expanded, even after the highway work was completed.

For the middle class, high quality mass transit offers another important benefit. It reduces the need to buy a new car.

Thirty years ago, when a good new car could be purchased for between \$2000 and \$3000, middle class families often bought one every two or three years. Now, with the average price about \$20,000, buying a new car is a major burden for many middle class people. Just between 1980 and 1993, while the number of cars in use rose from 104.6 million to 121.1 million, the number under five years old fell from 52.3 million to 48.5 million, while the number 12 years old or older rose from 12.5 million to 26.6 million. Between 1966 and 1993, the mean average age of passenger cars in the U.S. rose from 5.7 years to 8.3 years. These numbers attest to the fact that, for growing numbers of middle class people, new cars are very difficult to afford.<sup>14</sup>

Public transit helps the middle class reduce automobile purchases in two ways. If the

wage earners can commute on public transit, they can avoid a great deal of wear and tear on their car, helping it to last longer. Also, the family member who can get to work or school on transit may not need a car of his or her own. In either case (or both together), the savings to a family can easily mount into the tens of thousands of dollars.

All these factors come together to qualify heavily the perception that there is no conservative constituency for public transit. When mass transit is of high quality, as is the case with most rail systems and some buses operating on busways or reserved highway lanes, it is not valid. People with conservative political outlooks do use such transit, and they expect their representatives to work to ensure that it is available to them. Conservative office holders who have no interest in the subject of public transit are neglecting an important concern of the people whose votes they seek and need.

### Transit Serving Conservative Goals

Third assumption: mass transit is not important to any conservative goals.

Very often, the most important conservative goal is defined as economic growth and development. While others often are concerned primarily with “dividing the pie” – income redistribution – conservatives have traditionally argued for expanding the size of the pie, which benefits everyone. Over the last several decades, public opinion appears to have swung markedly toward the conservative view on this question.

Is mass transit important for economic development? If it is, then conservatives logically should have an interest in the subject of transit. Strong evidence suggests that there is in fact a connection between the availability of transit and economic development – though here again, the quality of the transit has a great deal of influence on its importance.

The Winter 1994 issue of the Journal of the American Planning Association includes an article by Robert Cervero titled, “Rail Transit and Joint Development: Land Market Impacts in Washington, D.C. and Atlanta.” In the summary, the author states:

Average office rents near stations rose with systemwide ridership; joint development projects added more than three dollars per gross square foot to annual office rents. Office vacancy rates were lower, average building densities higher, and shares of regional growth larger in station areas with joint development projects. . . Combining transit investments with private real estate projects appears to strengthen these effects.<sup>15</sup>

Another study by KMPG Peat Marwick, Fiscal Impact of Metrorail On the Commonwealth of Virginia, examines the economic impact of Metro’s subway system in detail. The study states:

Would development have occurred in Northern Virginia without Metrorail? Yes, but it would have occurred on a much smaller scale and been of lower quality.

Transportation is one of the most critical elements of development capacity. Metrorail service in Virginia created additional development capacity far beyond that which previously existed. Because of this additional capacity, Metrorail station areas have become major centers of economic activity. They attract and accommodate high density development.

The study specifically noted that:

Since 1977, when the first Metrorail station opened in Virginia, Metrorail has generated substantial economic benefits for the Commonwealth. By 2010, Metrorail will generate:

- \$2.1 billion in additional Commonwealth tax revenues
- Development projects totaling:
  - 25 million additional square feet of office space
  - 1.8 million additional square feet of retail space
  - 4,000 additional hotel rooms
  - 31,000 additional residential units
- Permanent employment in the Commonwealth totaling:
  - 86,000 additional office jobs
  - 1,500 additional retail jobs
  - 3,500 additional hotel jobs
- Net revenues of \$1.2 billion (revenues in excess of Commonwealth contributions to Metrorail)
- Annual additional Commonwealth tax revenues amounting to three times the annual Commonwealth contribution

It is worth noting that these projections may be an understatement. In a similar study in 1985, Peat Marwick projected commercial development attributable to Metrorail in 1995 to be 24 million square feet. The actual development for 1995 was 26 million square feet.

The Peat Marwick study quotes several northern Virginia businessmen about the impact of the Metro on their undertakings. Giuseppe Cecchi, President of IDI Group Companies, a developer, said, “The Rosslyn Center and the Ballston Metro Center’s mixed use projects, both in Arlington, sit atop two of Metro’s busiest subway stations which have been an important ingredient in making these projects successful.... We simply would not have developed the Montebello community of over 1000 units on Route 1 had it not been for the adjacent Metrorail station.”

James C. Cleveland, President of Mobil Land Development Corporation, said, “One of the primary factors in our decision to invest substantial capital in the development of Colonial Place was the commitment of the state and local governments to Metro. The proximity of Metro has enhanced our ability to consistently attract and retain quality tenants and maintain full occupancy in our buildings.

James P. Lee, Senior Vice President of the Simon Property Group, stated that “The ability of both daytime travelers and weekend shoppers to use Metrorail to get to the Fashion Centre at Pentagon City has had a dramatic impact on our success.”

Recently, RF&P Corporation offered compelling testimony to Metro’s importance for development. It offered to underwrite the full cost of building a new Metrorail station for its

Potomac Yard development – the first time this has happened anywhere in the nation. The station will serve not only Metrorail but other forms of transit as well, including Amtrak, VRE commuter trains and local buses. Denton U. Kent, Senior Vice President of the RF&P Corporation said, “Without Metrorail, the projected development would not be possible.”<sup>16</sup>

Washington D.C.’s Metrorail is a high quality, heavy rail transit system. St. Louis’ new MetroLink rail system is light rail, which is much less expensive to construct. Yet it also offers high quality transit, as is evidenced by its ridership. Almost 30% earn \$45,000 or more per year; 45% own two automobiles; and almost 25% own three or more cars.

Though MetroLink has only been open since July, 1993, it has already had a positive influence on development and business. A study by the Bi-State Development Agency states: Fueled by high ridership and touted for its convenience and accessibility to premier attractions, employment, educational, medical and recreational centers in the area, MetroLink, the St. Louis region’s light rail system has been lauded as a catalyst for economic development...

Locations within walking distance of MetroLink stations have become hot commodities for potential businesses. Local real estate managers report potential renters and buyers are showing more interest in property within the vicinity of MetroLink. Additional occupancy rates in apartments near MetroLink stations have grown.

Existing businesses are benefiting from the new transportation system too. St. Louis’ downtown shopping malls report increased pedestrian traffic since MetroLink opened in July, 1993. Shops and restaurant managers within these malls have also reported an increase in sales.

Economic development planners say solid change near MetroLink stations is imminent. In years to come, abandoned land will sport new shops, convenience stores and office buildings.<sup>17</sup>

Nor is it only large-scale transit systems that have economic impact. Memphis, Tennessee, built an old-fashioned trolley line, using historic streetcars, in the central city. The line serves both as a tourist draw and as a local transportation system. A study of public transit in Tennessee states, “in Memphis an economic analysis estimated that the Main Street Trolley is already generating another \$1.7 million in economic benefits annually.”<sup>18</sup> Similar success stories may be found in a number of mid-sized cities where joint development projects that include bus transfer centers have joined transit riders with private enterprise in ways that benefit both.

It is clear from these and similar case studies that quality mass transit can have a profound and positive effect on economic growth and development. Since promoting development is a major element in most conservatives’ agendas, it is logical that they should take an interest in transit. Indeed, it is not too much to suggest that they should be supportive of it, as they are supportive of other measures, including other aspects of providing infrastructure, that promote development.



Economic development and growth are not the only important conservative goals served by public transit. Another is moving welfare recipients into productive employment.

As we have noted, most transit riders are not poor. However, transit does play an important role in moving people who are poor from home to workplace. Many current welfare recipients do not own cars, or if they do have an automobile, it is not in a condition to provide reliable, on-time transportation to work every day. If welfare recipients are to work, many will need to use public transit to get to their jobs.

As conservatives have often argued – and as statistics prove – most job growth is now outside the central cities. A recent study of job decentralization and mobility problems in northern New Jersey shows this clearly:

In 1960, Newark itself contained 274,208 jobs or 20 percent of all the jobs within 30 miles. There were another 576,576 jobs outside Newark but within 10 miles of the center. Together, these jobs accounted for 62 percent of the jobs within 30 miles of the center of Newark. By 1988, the city of Newark and other MCDs (municipalities) within 10 miles accounted for only 40 percent of jobs within 30 miles. There were about 70,000 more jobs within 10 miles in 1988 than in 1960; but the number of jobs 10 to 30 miles from the center of Newark increased from 529,291 in 1960 to 1,386,469 in 1988.<sup>19</sup>

Can public transit help connect inner-city welfare recipients with new suburban jobs? Conservatives' argument that most transit services, which run from suburb to city, are increasingly irrelevant to this task is largely correct. But there are a number of innovative transit solutions to this problem.

Republican Governor Tommy Thompson of Wisconsin has helped foster a transportation plan for his state that includes one such innovative solution. A report by Thompson's Wisconsin Department of Transportation Economic Development Team states:

Mobility initiatives support economic development by enabling transportation-disadvantaged individuals to participate in labor markets from which they were previously excluded by a lack of transportation. In addition, mobility initiatives support economic development by enabling firms to increase employment ... The greater supply of workers enables businesses to more closely fill their labor needs and, in some instances, increase their production, sales, and profits...

In general, public transit serves as a labor mobility program. However, traditional fixed-route mass transit is sometimes unable to effectively reach all job destinations or workers. In Wisconsin, the Employment Transit Assistance Program or "Job Ride" was enacted in 1989 specifically to provide unemployed, underemployed, or discouraged workers temporary transportation assistance from the inner city to workplaces not adequately served by public transportation.<sup>20</sup>

In Milwaukee, "Job Ride" provides vanpool service to inner-city residents who can find employment in Milwaukee's suburbs but could not otherwise get to their jobs.

As to the program's effectiveness in reducing welfare dependence, Dixon Nuber, the program manager in Madison, Wisconsin said:

The program since 1989 has placed 2,822 inner city residents in permanent jobs providing opportunities for those who are able to work but unable to find employment close to home; JOB-RIDE has also reduced the AFDC/general assistance/ unemployment rolls.<sup>21</sup>

In a number of other cities, transit systems are providing regular bus or even rail service that connects inner-city residents with suburban jobs. Called “reverse commuting,” it is an idea that is spreading rapidly. A 1993 study by the American Public Transit Association surveyed a variety of transit systems that operate or plan reverse commuting programs. Of the 56 programs surveyed, 19 were linked directly to employment programs. Twenty-eight of the programs provided not only center city to suburb service but suburb to suburb service as well. Thirty-five programs were targeted specifically toward inner-city residents, and 16 focused on job trainees. As of the date of the survey, the 56 programs were carrying almost half a million riders.

Reverse commuting and other innovative transit programs clearly can help connect people currently on welfare with jobs. To the degree conservatives are interested in reducing the welfare rolls – and most are – it makes sense for them also to take an interest in the useful role public transit can play.

### A Sense of Community

Cultural conservatives have yet another reason to be interested in mass transit: its role in helping foster a sense of community.

Community is of significant value to most cultural conservatives, for very good reason. Without it, there are few mechanisms to uphold morals and maintain standards of behavior. Traditionally, when most people were part of a community, they behaved for fear of community sanctions. But where there is no community, community sanctions cannot exist. If you do not know your neighbor, why should he care if you disapprove of his misbehavior?

Historically, transit helped foster community, just as the automobile helps undermine it. The reason is that when most people took transit, they normally walked from their homes to the bus or streetcar stop. Other people from the neighborhood were doing the same, and as they walked and at the car stop they met face to face. Since commuters tend to be creatures of habit they saw many of the same people each day. They met, talked, and got to know each other. They found a shared interest in the well-being of the neighborhood. Transit itself was part of that well-being; people had a common interest in seeing that it offered good service. Often, shops and maybe a bar or cafe opened near the stop, and a mini-community developed around it. All these influences helped a neighborhood become a community.

In contrast, the automobile works to isolate neighbors. Today, the average commuter gets in his car in his garage, turns on the heat or air conditioning and radio, hits the bar on the garage door opener and sallies forth. He does not see any neighbors; at most he sees their cars. There is no meeting, no communication. Each driver is isolated in his car, which does nothing to build a sense of community. Indeed, it works against it.

The role of walking in creating community and driving in undermining it is well recognized by architects such as Andres Duany, who has pioneered the development of new towns as alternatives to suburbs. Duany’s developments, such as Seaside, Florida and Kentlands, Maryland (outside Washington D.C.), are extremely successful commercially. People want to

live there, and are willing to pay handsome prices to do so.

As Duany himself says, if an alien visitor were to look at America's suburbs, he would conclude that the nation's first Constitutional principle is that cars must be happy. His towns, in contrast, are explicitly designed to encourage walking and discourage driving. That, in turn, leads more people to use transit. Duany argues, "Most people will not drive to a transit stop. Once in their cars, they will tend to continue driving to their destination. Transit, to be effective, must be embedded in the pedestrian environment of a traditional neighborhood design."

In each of these cases – economic development and growth, encouraging work instead of welfare, and helping build community – we see that conservative goals are served by mass transit. The conservative critique is correct in that transit serves somewhat different goals for conservatives than it does for others. Liberal goals for transit tend to be defined in terms of serving this or that specific interest group, e.g., the poor, racial minorities, the disabled, etc. Conservative goals tend to be broader and to relate to society as a whole, e.g., economic development and building a sense of community. But conservatives should be able to see that some of their goals are indeed served by public transit, and to the extent that they are, transit is a subject worthy of conservative attention and support.

### What Conservatives Have to Say

To this point, this paper has sought to make the case that mass transit, as an issue of public policy, ought to be of interest to conservatives. Now, we would like to turn the telescope around. There are equally good reasons why mass transit authorities and advocates ought to be interested in conservatives, and in what they have to say about mass transit.

As we noted at the outset, conservatives now wield substantial power both in Washington and in many state capitals, including authority over transit policy. If transit authorities and advocates will listen seriously to what conservatives have to say on the subject, there is all the more reason for conservatives to be interested in transit. Transit advocates and authorities should not expect conservatives merely to hand them a fat check at regular intervals, as others have been prone to do. Conservatives who support mass transit want reforms that promote the efficient use of limited government resources, as well they should. To encourage the other side of the dialogue – transit advocates listening to conservatives – it is useful to take a look at what some of those conservative reforms might be.

### The Efficiency Question

We noted earlier in this study that conservatives often see public transit as inefficient. The inefficiency is, in this view, largely a product of government financing. It is certainly no secret that, around the world, government subsidy tends to create inefficiency. To what degree is this conservative critique valid, and does it point to a conservative role in promoting reforms?

A useful measure of efficiency in a transit system is the percentage of costs covered out of the farebox. Of course, in the days when most transit systems were private, all expenses had to be covered by fares – and some systems regularly turned a profit. This provides a benchmark for comparison with today's government-owned and financed systems – providing we keep in mind that highways then received a smaller subsidy than they do now, which better allowed transit to compete.

Currently, no major transit system in the U.S. makes a profit or covers all expenses from the farebox. However, some do come close. METRA's line on the Burlington Northern covers 87.8% of its expenses from fares; privately-operated bus service in Las Vegas covers 62.7%.

In contrast, some systems cover barely 10-20% of their costs from fares – and this includes some modern light rail systems. Some systems also demonstrate other signs of inefficiency, such as outdated work rules that bloat labor forces, high salaries for routine tasks, and reputations as sources of political patronage jobs. Here, clearly, the conservative critique has validity; without government subsidies, systems with these problems would either have to resolve them or cease operation.

How can conservatives help promote greater efficiency in transit systems? First, they must take enough interest in public transit to be able to determine which systems are efficient and which are not. Those which are efficient may deserve conservative support when the question of funding arises; those which are not should probably be pressured by conservatives to change some of their policies.

Beyond this reasonable first principle, there are a number of conservative ideas which have potential to improve the efficiency of operating transit systems and new transit projects. They include:

- Support only those new rail systems which propose to begin with a short “starter” line, see how it works, and then build more if it succeeds. While light rail, heavy rail and commuter rail systems all “work” in a technical sense, each varies greatly location to location in terms of how well it increases transit patronage.

Traditionally, conservatives have been doubtful about grandiose projects – transit or any other kind. They have preferred to try things out, and then let them expand by building on success. Rail transit projects which begin with one relatively short line, succeed with that line, and only then expand have usually done well – San Diego and Portland, Oregon are examples. In contrast, huge projects to build new systems from the ground up, in areas that often have no recent experience with rail transit, have often suffered cost overruns and disappointing patronage.

Conservatives could help save both money and the credibility of rail transit by taking a strict “show me” attitude, supporting only “starter” lines until local success is proven.

- Favor those new transit projects which have shown a strong base of community support. An excellent example is MetroLink, the new light rail line in St. Louis. Rail transit advocates in St. Louis spent almost a decade building a strong and broad base of community interest and support before their first rail line opened.<sup>22</sup> The result was patronage which, from opening day onward, has substantially exceeded all projections, plus overwhelming support from local voters for raising taxes to fund expansions. By favoring transit projects that reflect strong community support, conservatives align themselves with the public and not merely with special interest groups,
- Support only those transit projects which have a secure source of local operating as well as construction funds. Federal capital grants for transit require a local share, but at present

they do not require a similar local commitment to provide operating funds. In several cases, the result has been the construction of systems which, after the expenditure of hundreds of millions of dollars, have been threatened with shut-down for lack of money to operate. By offering their support only to projects which have a secure local source of operating funds, conservatives help ensure that transit capital funding only goes to those communities which are serious about their desire for transit.

- Require a commitment to quality transit in exchange for conservative support. As noted repeatedly in this paper, middle income and upper-income people demand transit of higher quality. Generally, that should steer conservative support toward rail transit and buses on dedicated busways or reserved highway lanes. More specifically, conservatives should demand from local transit authorities guarantees of improvements in transit speed, on-time performance, and service frequencies in return for their support of capital grants. This is not an academic point; in several instances, transit systems which received millions of dollars in Federal capital funds for rebuilding ended up providing slower, less frequent service. Once the guarantees are received, conservatives should see if they are met. If they are not, the system in question should not get conservative support for further funding.
- Support those transit agencies which make the widest use of public/private partnerships. Because quality transit stimulates economic development in the areas it serves, it is reasonable to expect those who will benefit to help fund the transit system. This has already occurred in a number of cities. Public/private partnerships reflect conservative values both by reducing the demand on public funds and by expecting those who hope to receive a return to invest.
- Promote transit deregulation. In public transit as elsewhere, over-regulation leads to increased expense for doubtful returns. There are at least three areas where deregulation could make transit more efficient:
  - In the early years of electric rail transit, many street railway companies and interurban lines began selling surplus electric power to the communities they served. By the 1930's, the power business had in many cases become far larger than the electric railway from which it sprang, and the sale of power cross-subsidized the transit operation. Then, under the Roosevelt Administration, Congress passed the Public Utility Holding Company Act of 1935, which the Securities and Exchange Commission interpreted as requiring electric power companies to divest themselves of their transit operations. As one study notes, "This severely undercut the remaining financial base of the transit industry during the Depression, denying it both capital aid and management aid at a critical point when they were needed to support innovation and modernization."<sup>23</sup>

Today, new electric rail lines are garnering strong interest from electrical power companies, which could well translate into important public/private partnerships. Unfortunately, the 1935 Act is still in effect, and it prevents any such arrangements. By taking the lead in repealing that Act, conservatives could open the door to a major source of private funding for high quality public transit.

- The Americans with Disabilities Act (ADA) requires transit systems to make new buses and trains accessible to the disabled, and it mandates curb-to curb service for those unable to use regular vehicles. ADA included no direct funding and, as a result, transit agencies have been required to spend hundreds of millions of dollars a year to carry it out.

Yet, in many cases the number of disabled people using the modified system is extremely small. In terms of cost/benefit, ADA has been one of the most inefficient mandates ever laid on public transit. Conservatives should lead an effort to reconsider ADA on the basis of cost/benefit analysis with the goal of requiring only those modifications and services which have been shown to be used with reasonable frequency by the disabled.

Reform or repeal wasteful federal labor protection law. Both in its applicability and process, Section 13(c) of the Federal Transit Act drains money and time from government and local transit agencies by requiring organized labor to approve the conditions of federal grants. This requirement is a throwback to a bygone era, one conservatives do not remember fondly.

Some conservative members of Congress and some transit agencies have called for outright repeal of Section 13(c). The American Public Transit Association has recommended significant changes to the law that would weaken its hold, including restricting its applicability and reach and making the process considerably more efficient.

- Avoid expensive fascination with “hi-tech” solutions to transit needs that can be better met with less expensive, proven technology. By the 1930’s at the latest, with the advent of the PCC streetcar, transit technology had reached the point where it could provide a high quality service – smooth, quiet, fast and dependable. Yet the past two decades have seen hundreds of millions of tax dollars poured into “high technology transit,” including the disastrous attempt of the Federal government to design a “Standard Light Rail Vehicle,” “People Movers” using non-rail guideways, and, most recently, Magnetic Levitation (MAGLEV). Further, Federal capital grants have funded some system construction and reconstruction with grossly overbuilt and overpriced railbeds and catenary systems. The free market is quite capable of providing adequate transit technology, as it has for more than a century. Conservatives would be wise to oppose funding for government efforts in this field. Further, conservatives should seek to steer capital funds not to those systems which promise to use the “latest technology,” but to those which draw on established practices to keep costs down. Pioneering may be well and good, but there is no reason it should be undertaken at the public’s expense when the main beneficiaries are contractors and consultants.

Favor those transit systems which propose, not a government-owned and operated project, but a line or even a whole system that would be privately owned and would receive a government

subsidy set at a not-to-exceed level. This model is used in a number of foreign countries, including Switzerland. It appears to result in less expense to the public, greater efficiency and better service to riders. It is certainly worth attempting in the United States, at least as an experiment.

### A New Dialogue

All of these suggestions reflect what might be the most useful conservative attitude toward public transit: interest and informed involvement, leading to support or opposition on a case-by-case basis. Instead of offering blanket support of mass transit, conservatives should support what works, especially in providing the high quality transit their constituency requires; attempt to fix what does not work; and cut off funding when and where the responsible authorities refuse to make transit work or are unable to do so.

In summary, there are good reasons for conservatives to be interested in public transit – though they are somewhat different from the reasons liberals and others are interested in transit. Public transit does support some important conservative goals. Some significant conservative constituencies do use public transit, when the service is of high quality. And there is reason to think quality transit can compete with the private automobile in terms of consumer choice, so long as government does not tilt the playing field too strongly toward the automobile, as historically it has done in this country.

As we noted at the outset, our hope is that this paper encourages a growing dialogue between conservatives and transit authorities and advocates. Each has something to learn from the other. Conservatives will find that not all their assumptions about transit are wholly correct. Transit authorities and advocates will find that conservative critiques can lead to better service at less cost to the taxpayer. Each, we hope, may discover that the other has some good reasons to think as he does, and that by working together they might jointly create a transit product that all could justly take pride in.

Transit riders and taxpayers would both be grateful.

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