

Urban Transit Myths: Misperceptions About Transit and American Mobility

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Executive Summary

Public transit plays an important role in providing mobility to those without access to automobiles as well as those who prefer not to drive. Unfortunately, America's public transit policies suffer from numerous myths that are harmful to both transit and to American cities. This report discusses ten of the most dangerous and widely believed transit myths:

The Subsidy Myth:

Transportation subsidies are unfairly biased towards autos and highways, so we must increase transit funding to provide balanced transportation.

The Reality:

At least since 1975, transit subsidies have been tens to hundreds of times greater than highway subsidies. Moreover, a quarter of the transit subsidies have been paid directly by auto drivers.

The Decline Myth:

America's urban transit systems have been steadily declining for decades, and only more funding can reverse that decline.

The Reality:

Both transit funding and the facilities provided by transit agencies have been steadily increasing for decades.

The Funding Myth:

More money for transit will boost ridership; we need to transfer highway dollars to transit and increase state and local taxes for transit agencies.

The Reality:

There has been no relationship between transit funding and transit ridership; despite huge increases in transit funding over the past two decades, ridership is stagnant or falling.

The Federal Myth:

Federal funding of urban freeways must be balanced by federal funding of urban mass transit.

The Reality:

The federal share of the Interstate Highway System was completely paid for out of federal highway user fees, while the federal government collects no transit user fees.

The Congestion Relief Myth:

We can't build our way out of congestion through highway construction; instead, we can mitigate congestion by diverting more highway funds into mass transit.

The Reality:

Transit's effect on congestion is insignificant in most American cities. Spending dollars on transit to reduce congestion is more likely to increase because it diverts funds from activities that have a more significant effect on congestion.

The Traditional Transit Myth:

Transit agencies should continue to focus on 19th-century fixed-route transit lines radiating from downtown hubs.

The Reality:

American cities have evolved, and modern travel patterns are too complex to be served by traditional transit. Transit agencies must adapt by providing new kinds of transit.

The Monopoly Myth:

Public monopolies are essential for transit to work.

The Reality:

Competition is one of the best ways to improve transit services.

The Nostalgia Myth:

Turn-of-the-century transit systems offered Americans greater mobility and livability than the transit and highway systems of today.

The Reality:

The automobile has made Americans the most mobile people in the history of the world. That mobility has significantly improved urban livability in many ways.

The New Urban Myth:

It makes more sense to rebuild our cities to serve transit than to redesign transit systems to serve modern cities.

The Reality:

Attempts to redesign cities to improve transit ridership would be expensive and ultimately unsuccessful. It is far more effective to modernize the transit system to serve contemporary needs.

The Morality Myth:

Public transit is morally superior to private automobiles.

The Reality:

Most of transit's supposed advantages over the automobile are based on aesthetic judgements not shared by a majority of Americans.

Sound transit policy requires that policymakers understand the reality behind these myths. Funds available for transit will always be limited. It is therefore incumbent on policymakers to invest these limited funds in ways that produce the greatest value for the taxpayer's dollars.

Part 1

Introduction

“Americans are individualists” notes Washington Post writer Joel Garreau in his landmark book, *Edge City*. “The automobile,” he continues, “is the finest expression of transportation-individualism ever devised.”

Garreau may be correct. But due to age, disability, or poverty, many Americans have little access to automobiles. Public transit plays an important role of providing mobility to these people, as well as to those who choose not to use an automobile.¹

Unfortunately, America's public transit policies suffer from numerous myths about transit and our cities. Catering to these myths does a disservice to both the people who need transit and the people who pay for it. The ten myths described here have led transit agencies to spend enormous resources providing the wrong kind of transit services, while they neglect the transit services needed by those unable to drive.

¹. Joel Garreau, *Edge City: Life on the New Frontier* (New York: Doubleday, 1991), p. 242.

Part 2

Myth 1: The Subsidy Myth

The Myth: Transportation subsidies are unfairly biased towards autos and highways, so we must increase transit funding to provide balanced transportation.

The Reality: Since at least 1975, the subsidy per passenger mile has been tens to hundreds of times greater for transit than for highways, and since at least 1987, the total annual subsidy for transit has been billions of dollars greater than the total annual subsidy for highways. Moreover, about a quarter of these subsidies come directly from highway user fees.

The Subsidy Myth may have been valid in 1962, when the U.S. transit industry was still earning a profit² and total highway subsidies amounted to around \$7 billion per year³ (all dollar figures are in 1998 dollars unless otherwise noted). But this imbalance was soon redressed by federal, state, and local subsidies to transit.

During the 1960s, states and cities purchased most transit companies. In 1960, 95 percent of all transit systems were privately owned.⁴ By 1970, three out of four transit riders rode government-owned buses or railcars.⁵ As government took over transit, it provided increasing levels of operating assistance and capital funding.

By 1975, taxpayers were paying half the costs of transit operations and capital improvements, or more than \$4 billion per year.⁶ Although highway subsidies had increased to \$14 billion per year,⁷ subsidies per passenger mile were much greater for transit than for highways.

2. American Public Transit Association (APTA), *Transit Fact Book 1964* (Washington, D.C.: APTA, 1964).

3. U.S. Department of Transportation (DOT), Federal Highway Administration, *Highway Statistics Summary to 1995*, Washington, D.C., 1997.

4. APTA, *Transit Factbook 1964*.

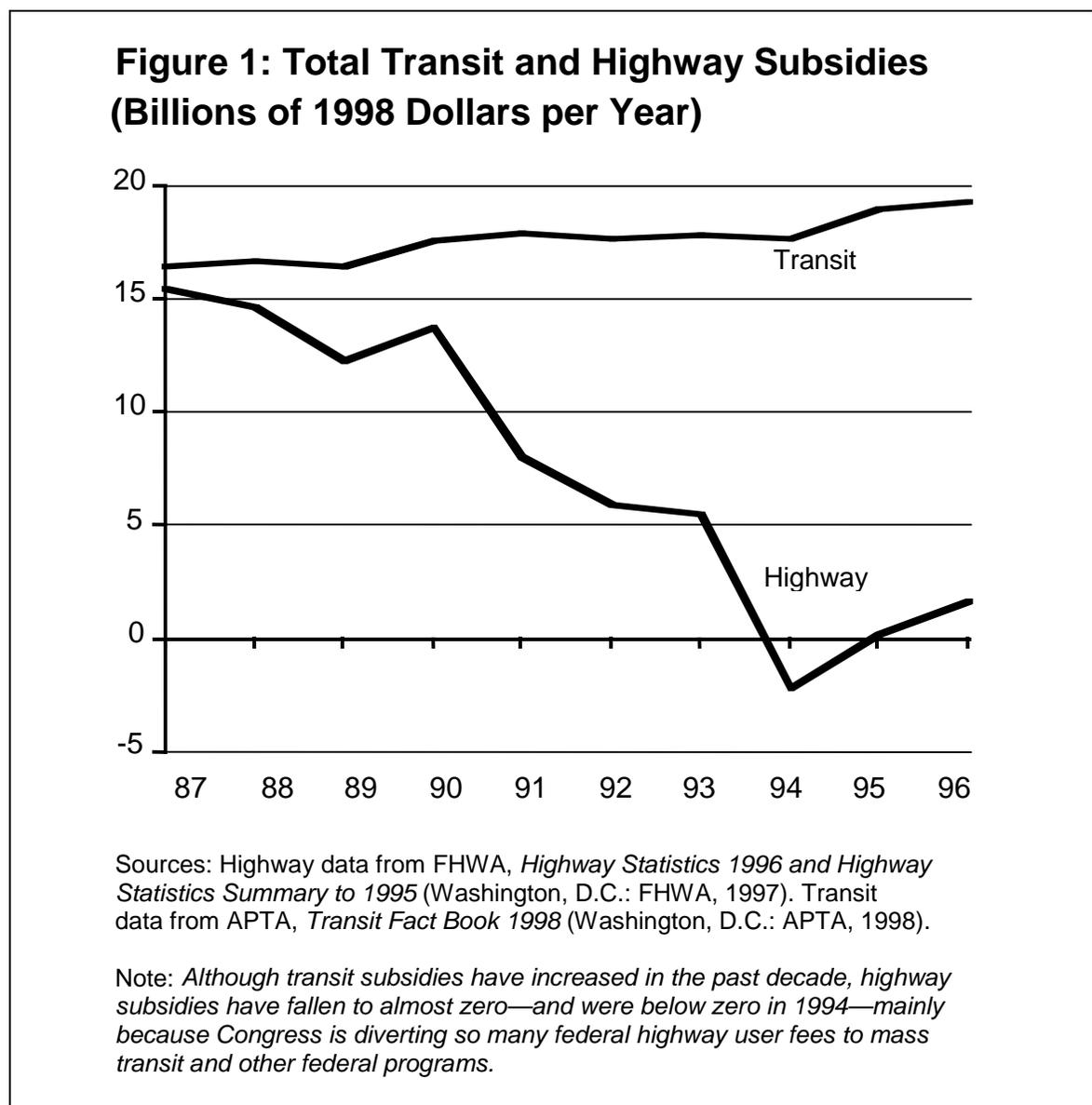
5. American Public Transit Association, *Transit Factbook 1998* (Washington, D.C.: APTA, 1998).

6. APTA, *Transit Factbook 1998*.

7. U.S. DOT, *Highway Statistics Summary to 1995*, table HF-10.

State and local governments traditionally have augmented highway user fees by dedicating property taxes and other general funds to highways. Over the past 75 years, these funds averaged \$14 billion per year, and in the past decade, they averaged \$22 billion per year.⁸ However, since 1990 the augmentations have been mostly offset by diversions of highway user fees, such as fuel taxes, highway tolls, vehicle registration fees, and weight/mile taxes, to mass transit and other activities.

As used here, *highway subsidies* equal the augmentations to highway funds minus the diversions of highway user fees to non-highway purposes. In 1994, the diversions actually exceeded the augmentations by \$2 billion, so the subsidy was negative.⁹ (See Figure 1.)



⁸ U.S. DOT, *Highway Statistics Summary to 1995*.

⁹ U.S. DOT, *Highway Statistics Summary to 1995*.

Transit subsidies include federal, state, and local taxpayer assistance to transit. About a quarter of these subsidies come directly from highway user fees.¹⁰ Because transit produces less than 5 percent of urban transport, while autos produce more than 90 percent, it is safe to say that most of the taxes supporting transit are subsidies from auto users to transit riders.¹¹

Highway subsidies were less than a penny per passenger mile in 1962.¹² The total subsidy doubled by 1975, but passenger miles also doubled, so the subsidy remained about a penny per mile. Meanwhile, transit subsidies had increased from nearly zero in 1962 to more than 12 cents per passenger mile in 1975.¹³

Highways carry freight and buses in addition to autos, so cost per passenger mile overestimates the subsidy to autos. Even with this overestimate, 1975 transit subsidies per passenger mile were more than 12 times as great as highway subsidies.

Since 1975, transit subsidies have increased still more, while highway subsidies have declined. By 1996, operating and capital subsidies to transit reached 47 cents per passenger mile.¹⁴ Meanwhile, highway subsidies had fallen below seven-hundredths of a penny per passenger mile.¹⁵ Transit riders received nearly 700 times more subsidy per passenger mile than highway users. (See Figure 2.)

A major reason for this change is that the federal government and many states divert an increasing share of highway user fees to nonhighway programs. Diversions from fuel taxes, highway tolls, vehicle registration fees, and weight/mile taxes to nonhighway purposes increased from \$4 billion per year in the early 1980s to more than \$20 billion per year in the mid 1990s.¹⁶

Transit is the largest single beneficiary of these diversions. Over the past decade, some \$50 billion was siphoned from federal and state highway user fees into mass transit. Another \$96 billion in highway user fees was spent on programs unrelated to transportation.¹⁷

Despite the so-called federal highway trust fund, Congress has diverted a large share of federal fuel taxes to other purposes for many years. In 1996, 4.3 cents of the 18.3-cent federal fuel tax went to nontransportation federal programs. A minimum of 2 cents was dedicated to mass transit, and another 5 cents was flexible—states could spend it on either transit or highways.¹⁸

Proponents of the Subsidy Myth also claim that highway users enjoy subsidies in the form of having social costs paid by others. With the exception of air pollution, however, nearly all of the so-called social costs identified by highway opponents are actually paid by auto drivers. Typical accountings of these social costs include insurance (paid by motorists), congestion costs (paid by motorists), and the costs of highway law enforcement (funded by most states out of highway user fees).

¹⁰. U.S. DOT, *Highway Statistics Summary to 1995*.

¹¹. U.S. Department of Commerce (DOC), Bureau of the Census, *Census of Population and Housing, 1990*, Washington, D.C., 1992.

¹². U.S. DOT, *Highway Statistics Summary to 1995*, table HF-10.

¹³. American Public Transit Association, *Transit Factbook 1976* (Washington, D.C.: APTA, 1976).

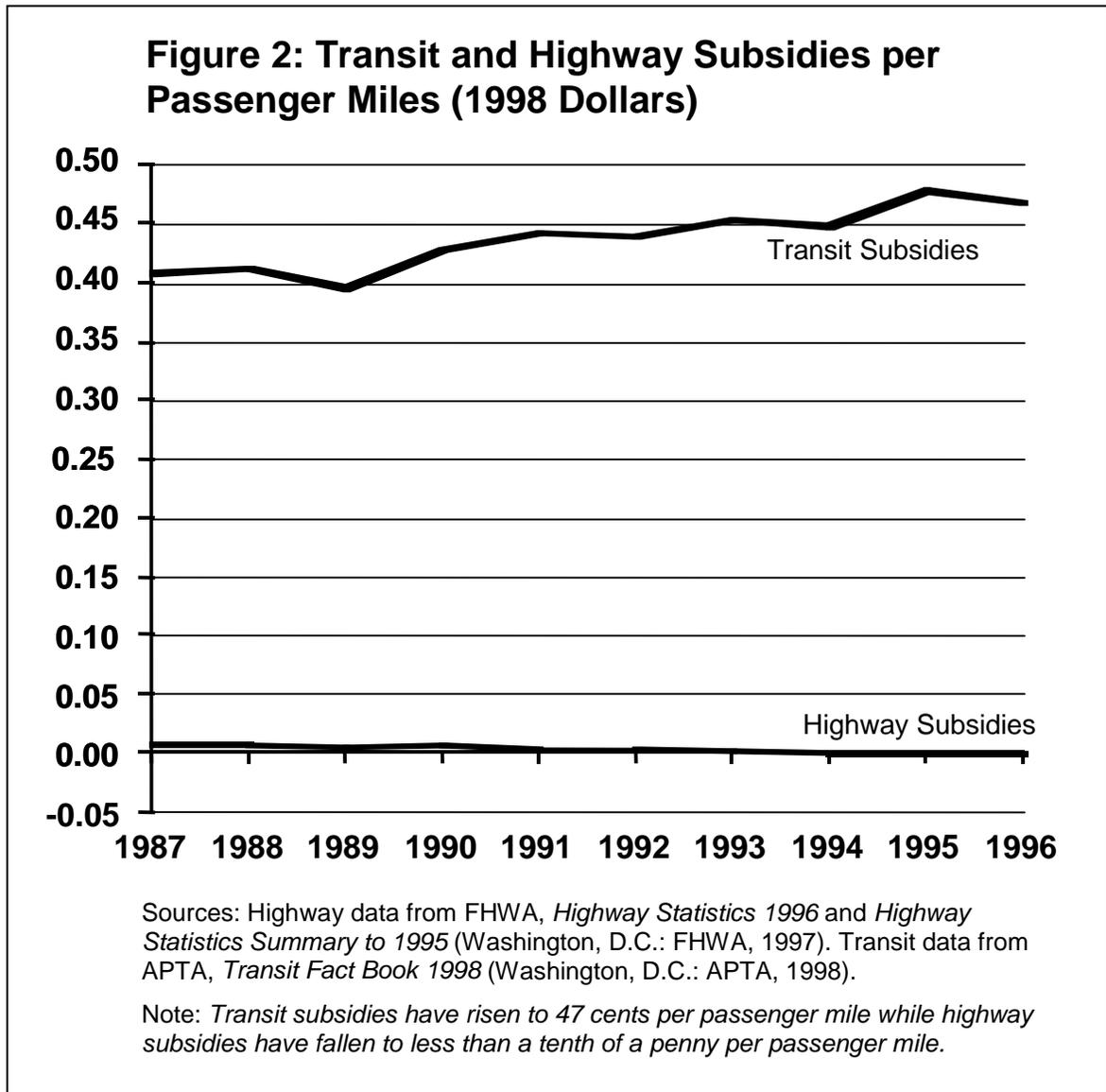
¹⁴. APTA, *Transit Factbook 1998*.

¹⁵. U.S. Department of Transportation, Federal Highway Administration, *Highway Statistics 1996*, Washington, D.C., 1997, table HF-10.

¹⁶. U.S. DOT, *Highway Statistics 1996* and *Highway Statistics Summary to 1995*.

¹⁷. U.S. DOT, *Highway Statistics Summary to 1995*.

¹⁸. U.S. DOT, *Highway Statistics 1996*.



Air pollution is a social cost of automobiles. But diesel buses and coal-fired plants generating power for electric railways also pollute the air. Rather than huge subsidies to transit that most people won't use, the best way to deal with pollution is an emissions fee that encourages people to use cleaner transportation of all types.

Far from being unfairly subsidized, highways are one of the most-successful government programs ever. They provide trillions of passenger miles of transportation per year and help move billions of ton-miles of freight per year. Yet the taxpayer subsidy for highways has been less than a penny per passenger mile. Since at least 1975, transit subsidies per passenger mile have been tens to hundreds of times greater.

Part 3

Myth 2: The Decline Myth

The Myth: America's urban-transit systems have been steadily declining for decades, and only more funding can reverse that decline.

The Reality: Both transit funding and the facilities provided by transit agencies have been steadily increasing for decades.

As with the Subsidy Myth, the Decline Myth may have been true in the mid 1960s, but it has not been true since then. As already noted, government funding for transit has dramatically increased since about 1965. Most transit agencies used this funding to improve and update transit services. Agencies purchased new equipment, increased frequencies on many routes, updated routings to present-day needs, built special lanes on highways for buses and high-occupancy vehicles, and in some cases constructed rail lines or bus malls in downtowns.

Increases in transit funding and service have continued through the present day. As Figure 3 shows, between 1984 and 1996:

- The total number of transit vehicles in service increased by 24 percent, from 97,000 to 120,000.¹⁹
- The number of new buses purchased each year increased by 46 percent, from 3,900 to nearly 5,700.²⁰
- The annual number of vehicle miles of transit service increased by 32 percent, from 2.8 billion to 3.7 billion.²¹
- The number of hours that transit vehicles operated in service increased by 17 percent, from 211 million to 246 million.²²

In addition, transit agencies are providing riders with more-comfortable vehicles. Air-conditioned buses, for example, increased from 77 percent of the transit fleet in 1980 to 88 percent in 1996.²³ These numbers show that

^{19.} APTA, *Transit Factbook 1998*.

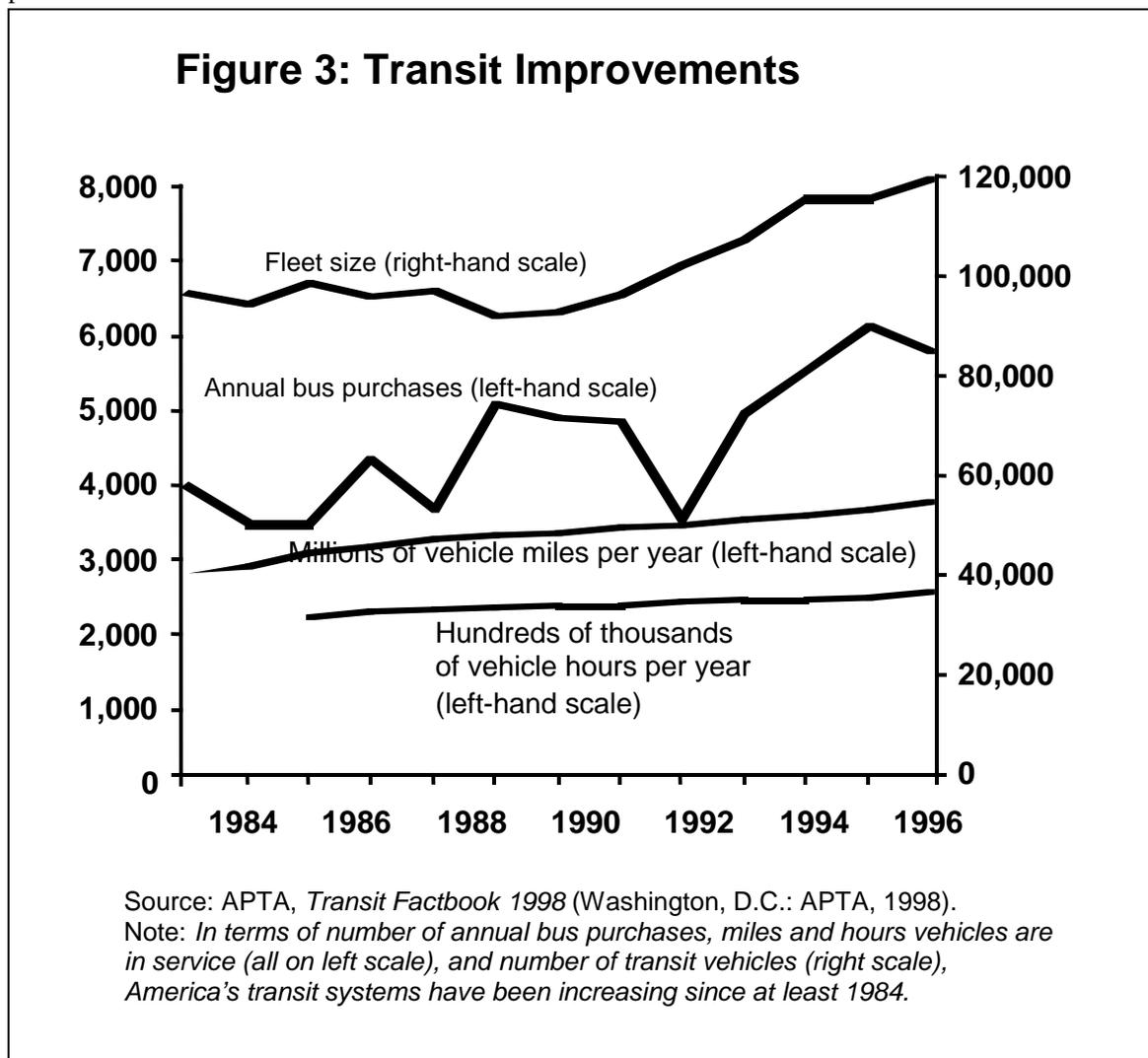
^{20.} APTA, *Transit Factbook 1998*.

^{21.} APTA, *Transit Factbook 1998*.

^{22.} APTA, *Transit Factbook 1998*.

^{23.} APTA, *Transit Factbook 1998*.

if there is a problem with transit, it is not caused by a lack of funding or a decline of the industry's physical plant.



Part 4

Myth 3: The Funding Myth

The Myth: More money for transit will boost ridership. We need to transfer high-way dollars to transit and increase state and local taxes for transit agencies.

The Reality: There has been no relationship between transit funding and transit ridership. Despite huge increases in transit funding over the past two decades, ridership is stagnant or falling.

A comparison of ridership trends with funding levels suggests that there is little relation between the two. (See Figure 4.) Although transit received \$180 billion in government funds in the past 10 years—considerably more than in the previous decade—ridership has been declining since 1989.²⁴ Between 1989 and 1996, transit funding increased by 42 percent but ridership fell by 11 percent.²⁵

Even in cities where transit ridership is increasing, it generally is not increasing fast enough to keep up with population growth or urban mobility, and transit’s share of total urban travel has generally declined. During the period 1990–1995, in the nation’s 39 urban areas with populations greater than one-million people:

- Total transit ridership declined in 20 of the 39 areas.²⁶
- Transit ridership per capita declined—meaning that it did not keep up with population growth—in 30 of the 39 areas.²⁷
- Transit ridership as a share of total urban travel declined—meaning that auto traffic grew faster than transit—in 36 of the 39 areas.²⁸

^{24.} APTA, *Transit Factbook 1998*.

^{25.} APTA, *Transit Factbook 1998*.

^{26.} Wendell Cox Consultancy, “U.S. Urban Public Transport: 1990–1995 Ridership by Metropolitan Area,” available at www.publicpurpose.com/ut-met95.htm.

^{27.} Wendell Cox Consultancy, “U.S. Urban Public Transport.”

^{28.} Wendell Cox Consultancy, “U.S. Urban Public Transport.”

- In 1970, transit carried 8.5 percent of all urban commuters. Although total ridership increased in the 1970s, transit's share of commuter traffic fell to 6.2 percent in 1980 and to 5.1 percent in 1990.²⁹
- During the 1970s, transit's share of commuter traffic increased in only 8 of the nation's 33 largest cities.³⁰
- During the 1980s, it increased in just 2 of them.³¹
- During the first half of the 1990s, transit's market share increased in none of those cities.³²

This doesn't mean that transit agencies can't attract new riders. How they spend transit dollars is more important than how many dollars they spend. In fact, much transit spending has been highly ineffective, including the billions of dollars spent on rail projects that carry few new riders.

In the 1970s, the transit agency for Portland, Oregon, attracted people out of their cars and onto transit at a cost of about \$1 per new weekday ride, or about \$450 per rider per year. The agency relied on inexpensive devices such as park-and-ride stations, increased bus frequencies, and free bus service in the downtown area. Between 1970 and 1980, these inexpensive actions increased Portland transit's share of commuter traffic by 43 percent, one of the largest increases of any city in the nation.³³

Then, in the 1980s, Portland began construction of an expensive light-rail system. Ridership nose-dived from 40,000 riders per weekday in 1980 to 34,000 per weekday in 1986. Although ridership numbers later recovered, transit's market share of commuter trips fell by 36 percent. Yet the agency wants to build more light-rail lines, even though it calculates that attracting new riders to light-rail will cost \$9 to \$22 per ride—and in some cases, far more. Meanwhile, the agency has had to reduce frequencies on some of its most-popular bus routes in the urban core.³⁴

Like Portland, Sacramento relied on inexpensive service improvements to score a 58 percent increase in transit's share of commuter traffic in the 1970s. Then it built a light-rail line that opened in 1987. The result was a 33 percent decrease in market share in the 1980s.³⁵ In 1994, a California state transportation planner noted:

“We have spent over \$200 million on a light rail system and lost more than a million passengers a year. Reports on passenger mileage suggest that virtually all of the ridership on light rail has been drawn from the pre-existing bus system. There's no evidence that the trolleys have taken any vehicles off those highways.”³⁶

Similar stories can be told about rail projects in San Diego, Los Angeles, and elsewhere. Even San Francisco's Bay Area Rapid Transit and Washington's Metro systems had insignificant effects on transit's market share of commuters.

²⁹. Wendell Cox Consultancy, “Metropolitan Areas Ranked by 1960–1990 Change in Public Transport Market Share,” available at www.publicpurpose.com/ut-jtw60.htm#t6.

³⁰. Wendell Cox Consultancy, “Metropolitan Areas Ranked.”

³¹. Wendell Cox Consultancy, “Metropolitan Areas Ranked.”

³². Wendell Cox Consultancy, “U.S. Urban Public Transport.”

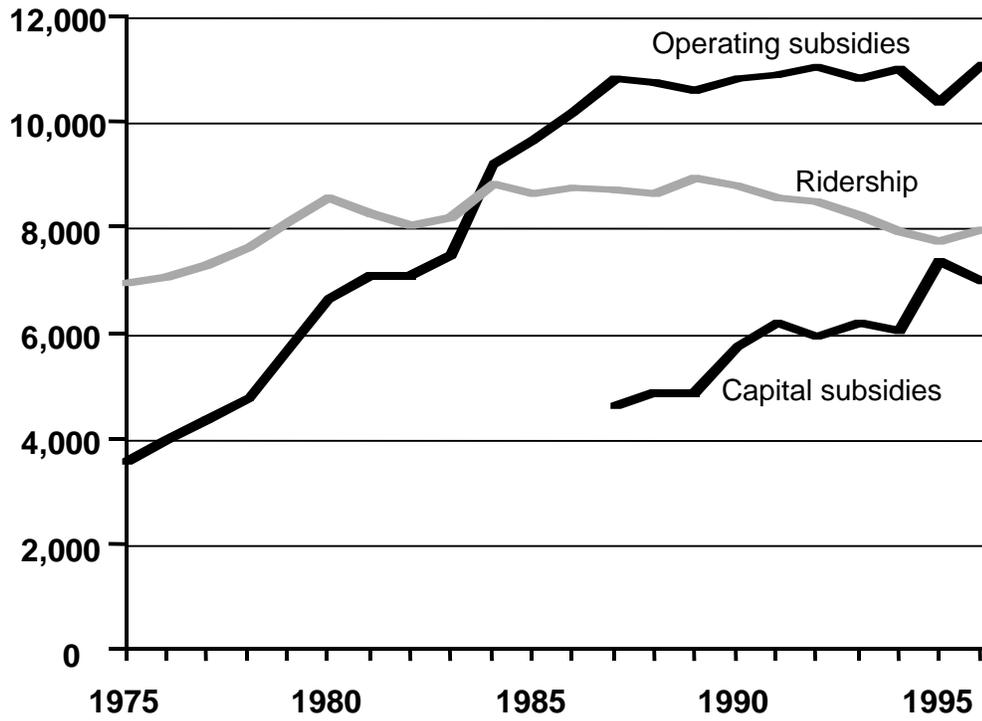
³³. Don Pickrell, *Urban Rail Transit Projects: Forecast vs. Actual Ridership and Costs*, U.S. Department of Transportation, Cambridge, Mass., 1989.

³⁴. Tri-Met, “Ridership,” internal memorandum on file at Tri-Met offices in Portland, Oregon.

³⁵. Pickrell, *Urban Rail Transit Projects*.

³⁶. Gene Berthelson, “How Far Can the Trolley Take Us?” *Sacramento Bee*, March 6, 1994, forum section.

**Figure 4: Transit Subsidies and Ridership
(Subsidies in \$Millions, Ridership in \$Millions)**



Sources: APTA, *Transit Fact Book 1998* (Washington, D.C.: APTA, 1998).
 Note: *Despite increases in operating and capital subsidies, transit ridership has been relatively stagnant for nearly two decades.*

Part 5

Myth 4: The Federal Myth

The Myth: Federal funding of urban freeways must be balanced by federal funding of urban mass transit.

The Reality: The federal share of the interstate highway system was completely paid for out of federal highway user fees, and the federal government collects no urban-transit user fees.

The interstate highway system was originally conceived to link cities, not to serve urban commuters. But by the time Congress passed the program in 1956, urban leaders had successfully changed it into a system that would serve cities with numerous ring roads and commuter highways.

Today, successors to those same urban leaders blame the interstates for destroying cities. “Since 1956, the federal government has spent hundreds of billions of dollars to gouge our urban centers with six- and eight-lane freeways,” says Milwaukee mayor John Norquist. “The freeways dispersed the economy, destroyed thousands of homes and businesses, and sucked millions of middle-class residents and businesses out to the suburbs.”³⁷

To redress this grievance, advocates of transit subsidies demand that the federal government devote an increasing share of highway taxes to urban transit. The result is exactly the same as in 1956: a good idea turns into pork-barrel spending on projects that serve neither transit riders nor urban residents.

The emphasis on federal funding of transit has led to serious distortions in many urban transit systems. Partly because Congress requires that most federal dollars be used for capital improvements, not operating expenses, many cities use federal funds to build transit monuments, such as heavy- or light-rail systems. Much of the federal money could be used for improved bus systems, which could carry more people for far less money than new rail systems. But many local officials and powerful interest groups prefer rail projects.

The biggest debate in Congress over federal highway spending is between representatives of *donor* and *recipient* states. Due to the layout of the federal highway system, residents of some states pay more into the

³⁷. Quoted in Stephen Goldsmith, *The Twenty-First-Century City: Resurrecting Urban America* (Washington, D.C.: Regnery, 1997).

federal highway fund than their states receive, while residents of other states pay less than their states receive. Auto drivers in donor states are effectively subsidizing drivers in recipient states.

Such inequities are even more serious in federal transit funding, which comes mostly from the same highway user fees as federal highway funds. From 1992 to 1997, only 12 states plus the District of Columbia were net recipients of mass-transit funds, while most other states were heavy donors.³⁸ Most of the recipient states used their federal funds to build rail transit lines.

This pattern has led other cities and states to conclude that they, too, must build rail lines to get what they consider to be “their share” of federal funds. As one Portland, Oregon, official wrote in a 1996 memo advocating more rail construction, “The region must take action to bring Oregon’s fair share of federal transportation dollars back home or they will be lost to other regions of the country.”³⁹

By encouraging high-cost transit rather than effective transit, federal funding often does more harm than good to transit systems. The high costs of construction and operation of rail lines ends up placing such a burden on local transit systems that their overall transit levels suffer. In Washington, D.C., Los Angeles, and other cities, transit agencies have ended up cutting bus service to poor areas in order to pay for rail service to middle-class areas.

To the extent that federal funding of interstate highways harmed cities, the harm came from that fact that it was federal funding that was easily converted into pork. Urban and transit advocates should oppose federal transit funding to ensure that transit pork does not have similar negative consequences.

³⁸. Federal Transit Administration, “Comparison of Projected Federal Highway Trust Fund Receipts for the Mass Transit Account to Federal Apportionments and Allocations for Transit, FY 1992–1997,” Washington, D.C., 1997, page 1.

³⁹. Mike Burton to JPACT, memorandum regarding South/North LRT Proposal, Portland, Oregon, December 11, 1996.

Part 6

Myth 5: The Congestion-Relief Myth

The Myth: We can't "build our way out of congestion" through highway construction. Instead, we can mitigate highway congestion by diverting more highway funds into mass transit.

The Reality: Transit's effect on highway congestion is insignificant in most American cities.

Of the many things that can be done to reduce congestion, expanding transit capacity is one of the least effective. The Congestion Myth is based on the observation that new urban highways quickly fill up with cars. Economist Anthony Downs explains this by saying that most urban areas have a "latent" demand for transportation.⁴⁰ When new capacity is opened, that latent demand quickly turns into real demand.

Many cities have concluded that if they can't build enough highways to keep up with demand, they should stop trying. Instead, they are funneling transportation dollars into rail transit. This is the same as if Ford decided to make Edsels instead of Tauruses because Tauruses sell so fast.

If Downs's theory of latent demand is correct, then transit can't reduce congestion any better than highways. Any cars taken off the road by new transit services will simply be replaced by other cars.

But the premise that we can't keep up with congestion—and therefore shouldn't try—is absurd in the first place. The cities with the worst congestion tend to be the cities with the fewest miles of freeway.

The average American urban area has 114 miles of freeway per million residents.⁴¹ At just 53 miles per million, Los Angeles has the fewest freeway miles per capita of any major U.S. urban area.⁴² This goes far toward explaining why Los Angeles is also one of the most-congested urban areas in the nation.

^{40.} Anthony Downs, *Stuck in Traffic: Coping with Peak-Hour Traffic Congestion* (Washington, D.C.: Brookings Institute, 1992).

^{41.} U.S. Department of Transportation, Federal Highway Administration, *Highway Statistics 1995*, Washington, D.C., 1996, table HM-72.

^{42.} U.S. DOT, *Highway Statistics 1995*, table HM-72.

The Texas Transportation Institute’s annual survey of urban congestion shows the fastest-rising levels of congestion in cities such as Portland, Oregon, which has installed no major new highway capacity in over a decade.⁴³ Meanwhile, cities such as Phoenix and Houston, which are building roads to keep up with urban growth, enjoy reduced levels of congestion.

Can transit substitute for new roads as a way of reducing congestion? Outside of a handful of urban areas, the answer is no. In 1990, New York City was the only U.S. urban area where transit carried more than 14 percent of commuters. Transit carried more than 10 percent of commuters in just four more urban areas—Washington, D.C., Chicago, Boston, and Philadelphia. And it carried more than 5 percent in just 11 other areas. The average transit usage in all other U.S. urban areas was 2.2 percent. (See Table 1.)

Urban Area	Transit Commuters
New York	26.5%
Washington	13.7%
Chicago	13.7%
Boston	10.7%
Philadelphia	10.3%
San Francisco	9.5%
Honolulu	9.4%
Bremerton	8.8%
Pittsburgh	8.0%
Iowa City	7.9%
Baltimore	7.6%
New Orleans	7.1%
Seattle	6.5%
Atlantic City	5.6%
Portland	5.6%
Twin Cities	5.4%
All other	2.2%

In 1990, transit carried less than 3 percent of commuters in Columbus, Dallas, Detroit, Phoenix, Sacramento, and St. Louis. It carried less than 4 percent in Cincinnati, Houston, San Antonio, and San Diego. And it carried less than 5 percent in Atlanta, Cleveland, Denver, Los Angeles, Miami, and Milwaukee.

Doubling transit’s capacity to carry commuters would be hugely expensive in any major city and would not guarantee that ridership would double. And even if ridership could be doubled, doubling ridership in a city where transit carries less than 5 percent of commuters would have an insignificant effect on congestion.

Transit can do even less for congestion in the rapidly growing cities of the West and South. Many of these cities are growing at close to 2 percent per year, while their transit systems may carry only 2 to 4 percent of urban commuters. For transit alone to prevent congestion increases, transit ridership would

have to grow at impossible rates—by 50 to 100 percent per year. Yet planners often propose transit improvements in place of any increases in highway capacity.

Phoenix transit moves just 2.1 percent of commuters, while the region is growing at 1.5 to 2 percent per year. The local transit agency has proposed spending hundreds of millions on new transit facilities, money that could be spent on projects that would actually reduce highway congestion. This is a formula for significantly increasing, not reducing, congestion.

⁴³. Texas Transportation Institute, *Urban Roadway Congestion* (Austin: Texas Transportation Institute, 1997).

Part 7

Myth 6: The Traditional-Transit Myth

The Myth: Transit agencies should continue to focus on 19th-century fixed-route transit lines radiating from downtown hubs.

The Reality: American cities have evolved, and modern travel patterns are too complex to be served by traditional transit. Transit agencies must adapt by providing new kinds of transit.

Some of the most-pernicious transit myths are the ones that are unspoken. For more than a century, bus and rail transit systems have traditionally followed fixed routes radiating from an urban core. Advocates of increased transit subsidies rarely question this pattern.

When public transit was first developed in the late 19th century, American cities typically consisted of a core area, where manufacturing and commercial businesses were located, surrounded by high-density residential areas. The first streetcars followed lines radiating from the core to the residential areas.

American cities today are completely different from their 19th-century ancestors. Manufacturing techniques have become more land intensive, prompting factories to move away from the urban cores. Jobs are now widely distributed throughout the suburbs as well as the cities.

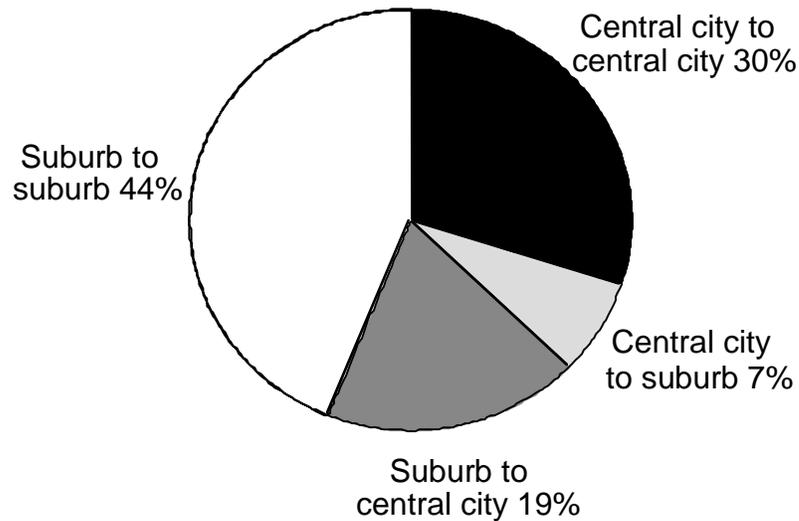
The original downtown areas typically employ just 5 to 15 percent of urban workers. Cities that have become large since 1920 or so, such as Phoenix and Los Angeles, have no strong downtown areas at all. Since 1980, most urban jobs have been located in the suburbs.⁴⁴

Suburb-to-suburb commuters—people who both live and work in the suburbs—have outnumbered suburb-to-city commuters for many years. About 44 percent of all urban workers both live and work in the suburbs, while only 37 percent live in the central cities and 49 percent work in the central cities.⁴⁵ (See Figure 5.)

^{44.} Alan Pisarski, *Commuting in America II* (Washington, D.C.: Eno Transportation Foundation, 1996).

^{45.} Pisarski, *Commuting in America II*.

Figure 5: Commuter Home to Work Locations in 1990



Sources: Alan Pisarski, *Commuting in America II* (Washington, D.C.: Eno Transportation Foundation, 1996).

Note: *More urban workers both live and work in the suburbs than live in the central cities. Not shown are people who work outside of the urban areas.*

Despite these changes, nearly all U.S. transit systems are still based on the old streetcar design. Even though buses have replaced most streetcars, they still follow fixed routes, almost always radiating from the downtown, as if they were tied to rails long since removed. New services, such as express buses or new rail construction, haven't altered this pattern. Transit's declining market share in urban traffic is due more to its failure to keep up with the times than to a lack of funding.

High-capacity railcars and buses serving fixed routes provide fast, convenient service to people only in very high-density urban areas, and then only when large numbers of people have a common destination. Traditional transit does little good running through low-density suburbs or even moderate-density urban areas that have no strong core.

Downtown businesses and central-city officials have a strong interest in maintaining a transit system that focuses on their areas while neglecting suburban businesses and residential areas. This helps explain why most transit agencies insist on applying the fixed-route, radial model throughout their systems.

Other transit models are better suited to the modern city. One is demand-responsive transit. Transit riders call the transit provider, who sends a bus to pick up riders at their door. The bus picks up other riders going in the same direction and drops them off at or near their destinations.

Despite the consumer benefits of demand-responsive service, public transit agencies carry less than 2 percent of their passengers on demand-responsive transit.⁴⁶ Many of these are disabled passengers whom transit agencies decided to serve through special transit rather than by modifying their entire bus fleets to accommodate wheelchairs. Private demand-responsive transit provides airport service in some urban areas, but it is illegal in most cities.

Another model is jitney service. Jitneys follow routes, similar to traditional transit, but freely deviate from those routes to meet market demand and serve customers. Private jitneys in New York and other cities offer rides for just \$1 to \$2, but they are usually illegal and subject to crackdown by transit authorities.

Demand-responsive transit and jitneys can provide fast, convenient service at costs competitive with autos even in low-density suburbs and cities that have no strong cores. When combined with high-occupancy-vehicle lanes, such services could even be faster than single-occupancy cars.

⁴⁶. APTA, *Transit Factbook 1998*.

Part 8

Myth 7: The Monopoly Myth

The Myth: Public monopolies are essential for transit to work.

The Reality: Competition is one of the best ways to improve transit services.

When cities and states took over most urban transit operations in the 1960s, they often passed laws giving public agencies legal monopolies on transit. Although there are exceptions, such as airport services, the law in most urban areas forbids most private operators from providing mass-transit services to the public.

Transit agencies join with taxi companies and transit unions to oppose any changes in these laws. “The quest for ‘efficiency’ through privatization is a menace, luring communities to sell off transit systems to private contractors,” claims Jane Holtz Kay in *Asphalt Nation*. “Dedicated to private gain, these profit-makers drain what is left of mass transit’s life by maintaining what they deem the profitable commuter runs while cutting back the ‘off-hour’ rides that link city neighborhoods.”⁴⁷

This is far from the experiences of American cities that have experimented with various forms of private transit. Indianapolis, San Diego, Denver, and other cities have contracted out transit to private operators. The city transit agency selects the routes, sets transit standards, and seeks bids. By contracting out routes, the agencies save money that can be used to expand service elsewhere. Houston, San Francisco, and other cities contract out express bus services, typically saving 25 percent over agency-provided express bus lines.⁴⁸

A few cities, such as Miami and Atlantic City, have legalized private jitney services. These jitney operators carry people at a reasonable cost with speeds and convenience approaching those of driving personal autos. And illegal jitneys in New York and other cities provide many poor people with better transportation service than public transit at competitive prices.

^{47.} Jane Holtz Kay, *Asphalt Nation: How the Automobile Took over America and How We Can Take It Back* (New York: Crown, 1997), p. 313.

^{48.} Wendell Cox Consultancy, “Competitively Tendered Bus Services: Superior Rapid Transport for the U.S. and Other Low-Density Nations,” available at www.publicpurpose.com/ut-ccrt.htm.

Another alternative is for cities to lease transferable curb rights—rights to bus stops and other pickup points—to private transit operators.⁴⁹ Entrepreneurs would be free to provide better services on schedules and routes that meet public demand.

Private monopolies result in reduced services at higher costs. There is no reason to expect that public monopolies are any different. Contracting out transit services, leasing curb rights, and opening up cities to innovative transit entrepreneurs could save taxpayers money and provide transit users with more choices and new services that better match their needs.

⁴⁹ Daniel B. Klein, Adrian T. Moore, and Binyam Reja, *Curb Rights: A Foundation for Free Enterprise in Urban Transit* (Washington, D.C.: Brookings Institute, 1997).

Part 9

Myth 8: The Nostalgia Myth

The Myth: Turn-of-the-century transit systems offered Americans greater mobility and livability than the transit-and-highway systems of today.

The Reality: The automobile has made Americans the most-mobile people in the history of the world, and that mobility has significantly improved urban livability in many ways.

The Nostalgia Myth claims that Americans lived in an urban paradise before the automobile clogged up our streets. In fact, the average American in 1900 traveled less than 2,000 miles per year, nearly all of which was within 50 miles of home. Today, the average American travels close to 18,000 miles per year, nearly half of which is more than 50 miles from home.⁵⁰ More than 80 percent of both intercity and intracity travel today is by automobile, meaning that our nonautomotive travel is only about twice the 2,000 miles per year we traveled in 1900. Clearly, autos have dramatically increased American mobility.

People nostalgic for pre-automotive American cities romanticize the dense residential areas, mixtures of residences and commercial uses, and convenience of streetcars and other early transit. These sentiments were not shared by residents of the time. Turn-of-the-century urban critics worried that high residential densities were unhealthy and provoked crime; that mixtures of commercial and industrial uses into residential areas reduced property values; and that early transit systems were inadequate, inconvenient, and too expensive for many people to use.

Urban mobility has given people much more freedom of choice, greater access to employers, retailers, and other businesses, and more opportunities to visit friends and participate in cultural and recreational activities. Employers, too, have access to a much larger labor pool, giving them the opportunity to improve their productivity, while retailers provide greater variety in response to a much larger consumer market.

Mobility has particularly transformed retailing. Americans take for granted the convenience of the supermarket, something that did not exist before autos were ubiquitous. Because supermarkets serve large numbers of people, they can offer customers more variety at lower prices than the corner grocery stores that preceded them. A

⁵⁰ U.S. Department of Transportation, Bureau of Transportation Statistics, *National Transportation Statistics 1997*, Washington, D.C., 1997, table 1-7.

typical American grocery store at the turn of the century sold around 2,000 different products.⁵¹ Today's supermarkets typically sell about 30,000 products, and some "hypermarkets" carry 100,000 to 200,000 or more products.

More-recent retail phenomena, such as club warehouses and "category killers"—stores such as Toys"R"Us and Circuit City—also depend on the automobile. Individual club warehouses typically serve regions with populations of 200,000 people or more. Automobility is essential for people to have the variety provided by the category killers and the price advantages provided by the club warehouses.

Life is more than working and shopping, of course, and automobiles are essential for many forms of recreation that Americans take for granted today. Many sports, hobbies, and other forms of entertainment owe their existence—or at least their variety and availability—to the automobile.

⁵¹. Michael Rothschild, *Bionomics: The Inevitability of Capitalism* (New York: H. Holt, 1990), pp. 372–373.

Part 10

Myth 9: The New Urban Myth

The Myth: It makes more sense to rebuild our cities to serve transit than to redesign transit systems to serve modern cities.

The Reality: Attempts to redesign cities to improve transit ridership will be expensive and ultimately unsuccessful. It is far more effective to modernize the transit system to serve contemporary urban needs.

Rather than redesign transit systems to meet the needs of modern cities, designers and planners who call themselves New Urbanists want to completely redesign our cities to meet the needs of 19th-century transit. They have used 19th-century urban patterns as the model for their plans, which is why they are sometimes called neotraditionalists.

New Urban, or neotraditional, cities would have much higher densities than most recent construction, with smaller home lots and more multifamily dwellings and row houses.⁵² New Urbanists want to encourage mixed-use developments, with stores and other businesses located within walking distance of residences. This means rebuilding low-density suburbs to higher densities, particularly along transit corridors. New Urbanists also want to narrow streets and reduce parking (to discourage autos) and discourage or forbid new shopping malls and other retailing that is dependent on autos. They would accomplish these goals through “prescriptive zoning.” Unlike older zoning systems that allowed any use that is not forbidden, prescriptive zoning follows the newer trend of forbidding any use that is not predetermined by planners.

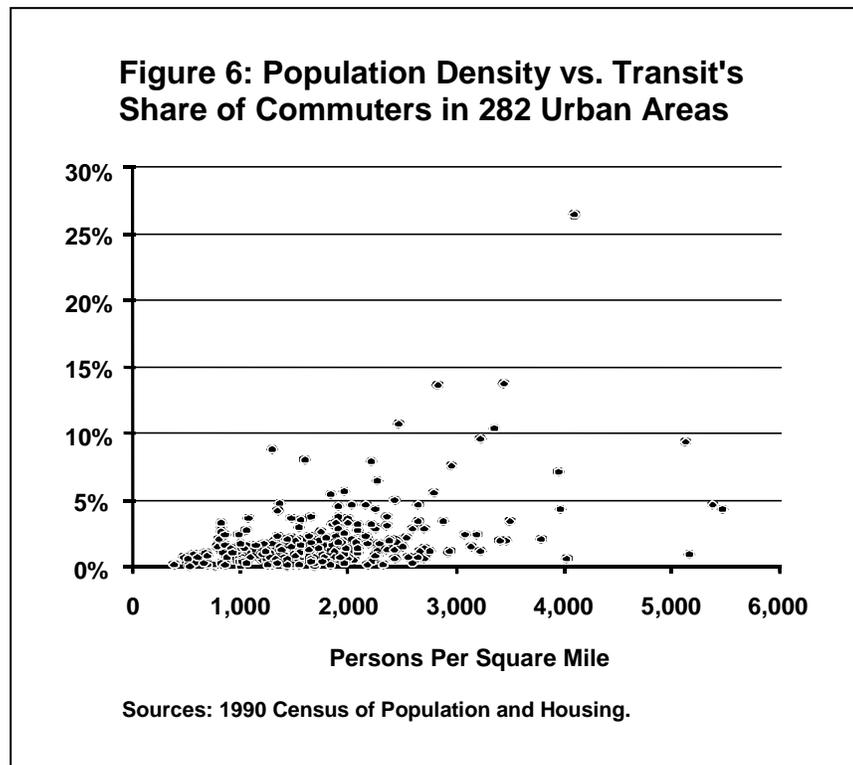
New Urbanism claims to improve livability and mobility by making it possible for people to get where they need to go on foot, bicycle, or convenient transit. “Livable cities occur when all one’s needs can be met within walking distance, public transport distance, or short drives,” says one New Urbanist.⁵³ The trade-offs for this kind of a city are higher costs and fewer choices for housing, food, and other goods; lower pay and fewer choices for lower paying jobs; and higher costs and fewer choices for recreation.

⁵² Peter Calthorpe, *The Next American Metropolis: Ecology, Community, and the American Dream* (New York: Princeton Architectural Press, 1993).

⁵³ James Howard Kunstler, *The Geography of Nowhere: The Rise and Decline of America’s Man-Made Landscape* (New York: Simon & Schuster, 1993).

Even accepting these costs, New Urbanism doesn't work. Despite placing enormous restrictions on property rights and freedom of choice, New Urbanism has little effect on transit ridership. Instead, it leads to huge increases in traffic congestion, air pollution, and other urban problems.

Transit systems in many urban areas with high population densities carry an insignificant share of traffic. The Los Angeles and Miami urban areas have the highest population densities in the nation, yet transit carried only about 4.5 percent of their commuters in 1990.⁵⁴ As Figure 6 shows, transit usage is fairly independent of population density.



The city of Portland, Oregon, has recently adopted a New Urban plan that calls for increasing the population density of the metropolitan area by 67 percent; prescriptively zoning reduced lot sizes and increased construction of row houses and apartments; reducing parking throughout the area; and building nearly 100 miles of rail lines while building hardly any new highway capacity.⁵⁵

Today, residents of the Portland area use their cars for 92 percent of all trips, and they use transit for less than 2.5 percent

of their trips (the rest are bicycling and walking). Based on the most-sophisticated transportation models available, Portland planners predict that after their plans are fully implemented, transit usage will double, to just under 5 percent, and auto usage will decline to 88 percent, a drop of less than 5 percent.⁵⁶ Since planners expect 80 percent more people in this fast-growing city, they say that their plan will triple the number of congested miles of roads and increase smog by 10 percent.⁵⁷

Nineteenth-century urban designs will not solve the problems of 21st-century cities or transit systems. Transit leaders will be more successful if they adapt themselves to modern cities rather than attempt to force cities to fit their narrow visions.

⁵⁴ U.S. DOC, *Census of Population and Housing, 1990*.

⁵⁵ Metro, "Framework Plan," Portland, Ore., 1997.

⁵⁶ Metro, "Region 2040 Recommended Alternative Technical Appendix," Portland, Ore., September 15, 1994.

⁵⁷ Metro, "Region 2040 Recommended Alternative Technical Appendix."

M y t h 1 1

Myth 10: The Morality Myth

The Myth: Public transit is morally superior to private automobiles.

The Reality: Most of transit's supposed advantages over the automobile are based on aesthetic judgments not shared by a majority of Americans.

Since traditional, monopolistic transit cannot compete against the convenience and efficiency of the automobile and competitive transit such as demand-responsive transit and jitneys, the Morality Myth turns to moral and emotional arguments to justify many transit policies. This moral argument is clear in the terms its advocates use to compare autos and modern cities with transit and New Urban areas:

- Automobiles are “isolating” and “depersonalizing,” and those who build cars and roads are “the evil empire.”⁵⁸
- Transit promotes “community” and “public life.”⁵⁹
- Today’s cities and, especially, suburbs are “monotonous,” “placeless,” and “scaleless.”⁶⁰
- Traditional (that is, pre-auto) cities and New Urban areas are “diverse,” “civic,” and “built at a human scale.”

These essentially aesthetic judgments do not appear to be shared by most of the people who drive or choose to live in the so-called placeless suburbs. The idea that automobile-dependent suburbs are less community-oriented than traditional inner cities was long ago rejected by sociologist Herbert Gans, who spent a year living in both Levittown and Boston’s dense West End.

^{58.} James Howard Kunstler, *The Geography of Nowhere: The Rise and Decline of America’s Man-Made Landscape* (New York: Simon & Schuster, 1993), p. 113.

^{59.} Andres Duany and Elizabeth Plater-Zyberk, “The Second Coming of the American Small Town,” *Wilson’s Quarterly*, Winter 1992, pp. 19–48.

^{60.} Kay, *Asphalt Nation*, pp. 4 and 20.

Gans found that the Levittowners “were happy in their new homes and communities, much happier than they had been in the city.” “If suburban life was as undesirable and unhealthy as the critics charged,” continued Gans, “the suburbanites themselves were blissfully unaware of it.” Gans also concluded that West Enders had no particularly strong sense of community. “Life for the West Ender was defined in terms of his relationship to the group,” said Gans, not to a geographic area.⁶¹

New Urbanists readily dismiss any data that contradict their preconceived notions. The fact that Americans travel more than they once did is considered evidence of something wrong with our cities, not a new-found opportunity. They seem to assume that if cities were well designed, people wouldn’t want to travel.

Jane Holtz Kay, author of *Asphalt Nation*, is dismayed when she encounters a researcher who finds that cars are particularly liberating for women. “Penalties on automobiles penalize the female driver far more than the male,” says Sandra Rosenbloom of the University of Arizona. Isn’t such “vehicular bondage” depressing, asks Kay? “You wouldn’t believe how owning their first car frees women,” answers Rosenbloom. To this, Kay derisively responds, “How like a man”!⁶²

The Morality Myth allows heavily subsidized transit riders to feel smugly superior to the auto users who pay for both the highways they drive on and the buses and rail lines used by transit patrons. The myth becomes dangerous only when its believers try to turn that moral claim into government policy.

^{61.} Quoted in Garreau, *Edge City*, p. 267.

^{62.} Kay, *Asphalt Nation*, p. 23.

Part 12

Conclusions

Transit plays an important role in urban life, especially for people in denser cities, such as New York, and for people who have no access to automobiles. But the transit myths described here have diverted a huge share of transit resources away from these people and toward people who have little need for transit.

Exposing the myths does not imply that we can or should dispense with mass transportation. Such transportation plays an important role in meeting the needs of those who cannot use automobiles or do not care to use them. But a fresh look at these ideas reveals that many public transit systems have been moving in the wrong direction, providing the wrong services, and wasting large amounts of resources.

This policy brief has mentioned several alternatives that would provide better transit at a lower cost to taxpayers:

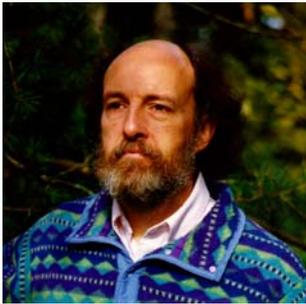
- Transit agencies can contract out individual transit routes to bus operators, giving transit employees an opportunity to bid on the contracts as well.
- State and city authorities can eliminate the legal monopoly that most transit agencies have on mass transportation, thus giving private jitney operators and others a chance to compete.
- In a competitive environment, cities or transit agencies can avoid conflicts between competitors by leasing curb rights to transit providers.
- Transit agencies can explore alternatives to the fixed-route, radial systems that now dominate urban transit. Alternatives will be most successful in a competitive environment, rather than under the current transit monopolies.

In addition to these transit policies, state highway managers can mitigate urban congestion through the use of congestion pricing. It costs far more to build a transportation network to meet peak demand than to meet average demand. Congestion pricing—tolls that are higher during rush hours and lower or nonexistent during off hours—smooths out the demand for roads. This both reduces overall costs and makes sure that the people who demand roads at peak hours pay the extra cost of providing more capacity. Congestion pricing might also encourage some people to use transit during rush hours.

Competition, congestion pricing, and other market tools will do far more to improve urban transportation than futile spending on 19th-century, monopolistic transit systems. But these tools will become popular only when people understand the realities behind the myths of public transit.

Part 12

About the Author



Randal O'Toole has worked as an economist for the Thoreau Institute for more than twenty years. His work has focused on understanding how environmental agencies, such as the U.S. Forest Service or Portland's Metro, work and how they can be made to work better.

During the 1980s, O'Toole reviewed forest plans for more than half the national forests. His 1988 book, *Reforming the Forest Service* (Island Press), is based on his findings from those reviews. The book shows that nearly all national forest controversies stem from budgetary processes that reward forest managers for losing money on environmentally harmful activities.

O'Toole recommended that the Forest Service be reformed through more user fees and funding of the forests out of their own receipts rather than tax dollars.

O'Toole has particularly scrutinized the Forest Service's use of the Knutson-Vandenberg fund. In 1992, O'Toole coauthored *Good Intentions: The Case for Repealing the Knutson-Vandenberg Act* with Thoreau Institute researcher Karen Knudson. The report documented the many perverse incentives created by this law. In 1997, O'Toole updated an analysis of the K-V fund for the Forest Service Employees for Environmental Ethics.

Since 1990, O'Toole has looked at a wide variety of other agencies, including the Park Service, Bureau of Land Management, animal damage control, 150 state resource agencies, and Portland's Metro. In 1996, he wrote *The Vanishing Automobile and Other Urban Myths*, a critique of Metro and the New Urbanism. In 1997, he wrote *ISTEA: A Poisonous Brew for American Cities*, analyzing the federal transportation funding system, for the Cato Institute. He has also written numerous op-ed pieces and other articles on environmental issues for a variety of publications.

Yale University has named O'Toole its McCluskey Conservation Fellow for 1998. Beginning September, O'Toole will spend four to nine months at Yale doing research and teaching a class in incentive-based conservation. O'Toole is also an adjunct scholar with the Cato Institute.

Part 13

Other Related RPPI Publications

A Transit Plan for Hillsborough County. By Peter Gordon. Policy Study No. 241.

Replacing Amtrak: A Blueprint for Sustainable Passenger Rail Service. By Joseph Vranich, Policy Study No. 235.

Better Transportation Alternatives for Los Angeles. By Thomas A. Rubin and James E. Moore. Policy Study No. 232.

Rubber Tire Transit: A Viable Alternative to Rail. By Thomas A. Rubin and James E. Moore. Policy Study No. 230.

Ten Transit Myths: Misperceptions About Rail Transit in Los Angeles and the Nation. By Thomas A. Rubin and James E. Moore. Policy Study No. 218.

Defederalizing Transportation Funding. By Robert W. Poole, Jr. Policy Study No. 216.

Why Rail Will Fail: An Analysis of the Los Angeles County Metropolitan Transportation Authority's Long-Range Plan. By Thomas A. Rubin and James E. Moore. Policy Study No. 209.

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