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TAXPAYER EDUCATION FOUNDATION

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PROPOSED RED LINE EXTENSION PROJECT TO SUFFER SAME FATE AS OTHER DETERIORATING SYSTEMS

“The proposed Red Line Extension Project will be a colossal waste of money, plunging the CTA into more debt as its maintenance costs rise with passing time,” said Jim Tobin, economist and president of Taxpayer Education Foundation (TEF). “Furthermore, the project is not needed. The time of rail transit systems has come and gone.”

The CTA is proposing to extend the Red Line from the existing terminal at 95th/Dan Ryan to 130th Street. The proposed 5.6-mile extension would include four new stations near 103rd Street, 111th Street, Michigan Avenue, and 130th Street. Each new station would include bus and parking facilities.

The Red Line has a multi year program with an estimated total cost of \$2.3 billion. The largest capital improvement project in CTA history is the Red and Purple Modernization Program (RPM). This will completely rebuild the nearly century-old North Red Line from Belmont to Howard and the Purple Line from Belmont to Linden in Wilmette.

“The fate of rail projects across the U.S. has been well-researched, and the findings are grim,” said Tobin. “In his book, *Romance of the Rails*, Randal O’Toole, Senior Fellow at the Cato Institute, points out how such projects have the same fatal flaws:”

While the federal government usually pays for most of construction costs, local governments typically budget grossly inadequate funds for maintenance. Rail lines require very little maintenance when they are new, but as they age, maintenance requirements grow. By the time they are 30 years old, almost everything is worn out and needs to be replaced.

The CTA has a \$12.9 billion maintenance backlog, 80 percent of which is for the rail rapid-transit system. The agency estimated it needs to spend \$950 million a year to keep the system from deteriorating further, but it was spending less than \$500 million a year.

O'Toole makes a key point: "It made more political sense for transit officials to dedicate local funds to match federal funds, thus doubling their budgets, than to spend those local funds on maintenance and get no federal matching funds."

O'Toole points out that "Virtually every rail transit system in America over 30 years old has a major, often multi-billion-dollar maintenance backlog."

Building more rail transit has not enhanced ridership. Yet agencies still desire to expand their systems. "Public officials are inherently risk takers because they are risking other peoples' money."

Another problem is that transit agencies desiring to obtain funding for a project make overly optimistic estimates about costs and benefits. "Almost every rail project built since 1970 has ended up costing far more than projected, and the vast majority have attracted far fewer riders than projected."

"Rapid-transit lines in Boston, Chicago, New York and Philadelphia, being the largest and oldest rail transit systems in the country, have the biggest maintenance backlogs," wrote O'Toole. "All the problems surrounding project selection and construction apply to all types of rail transit."

"Local agencies have been irresponsible regarding new transit projects," said Tobin. "They need to bite the bullet, forget about expanding obsolete transit systems, and devote more funds to maintenance."

Source:

O'Toole, Randal. *Romance of the Rails*. Cato Institute, 2018