

## From the Director

by Eileen Bruskewitz

Several exciting new speakers are among the nearly 30 experts who have so far agreed to join us at the 2014 Preserving the American Dream conference this September 19-21.

- Cultural anthropologist Georgi Boorman will talk about “Why the left loves transit.”



- Cost engineer LaVonda Atkinson will show where all the money goes on billion-dollar transit projects.
- Denver Transit District board member Natalie Menten will tell the truth about Denver’s rail projects.
- Wisconsin talk-radio host Vicki McKenna will give ideas on how to use mass media to promote the American Dream.

Wendell Cox and Tom Rubin will give in-depth workshops about using data and reviewing regional plans. We also have some surprises planned that will make this conference entertaining as well as educational. There is a registration form on page 4 of this newsletter, or you can register on line, where you can also find a tentative agenda. I look forward to seeing you in Denver!

## Fighting Unsustainable Sustainability

So-called “sustainability plans” require unsustainable subsidies to transit, housing, and other developments. Yet city and regional governments all over the country are eagerly writing such plans. Fortunately, state and local watchdog groups are working hard to fight these plans.

In 2010, the South Florida Regional Planning Council—which covers the region that includes Miami, Ft. Lauderdale, and West Palm Beach—received a \$4.25 million grant from the Obama administration to write a “[Seven50 plan](#),” referring to the seven counties in the region and the 50-year outlook of the plan. The council also called it a “prosperity plan.”

The plan calls for housing most of the 3 million anticipated new residents in the region over the next 50 years in “walkable, transit-oriented development centers.” These centers, the plan says, require “premium [rail] transit” lines. Of course, all the premium transit lines the region has built to date needed huge subsidies and attracted few riders.

A group called [American Coalition 4 Property Rights](#) has worked county-by-county to kill this plan. To date, it has convinced three of the seven counties—Indian River, Martin, and St. Lucie—to withdraw from the plan. One of the group’s leaders, Mark Gotz, will speak at the 2014 Preserving the American Dream conference in Denver this September.

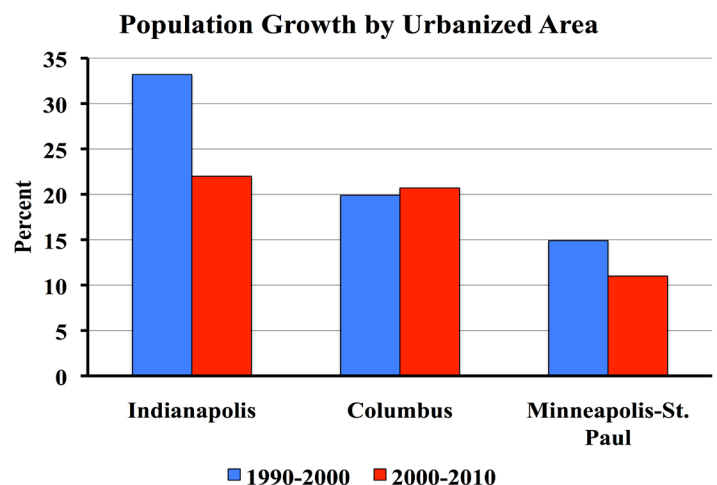
In the Twin Cities, the region’s Metropolitan Council received a \$5 million federal grant to write what it calls the “[Thrive 2040 plan](#).” Like other sustainability plans, this plan calls for dense housing along rail transit corridors.

Minneapolis-based think tank Center of the American Experiment has responded to this plan in several ways. The Center’s senior fellow Katherine Kersten has written a series of articles critiquing the plan for the *Minneapolis Star-Tribune*. On May 20, the *Wall Street Journal* published her article, “[Turning the Twin Cities into Sim City](#).”

Planners want the public to believe that such plans will promote regional prosperity. In response, the Center published a report, “[Ten Fallacies of the Thrive Plan](#),” by Cato scholar Randal O’Toole. The report showed that the fastest-growing regions are the ones that do the least central planning and spend the least on expensive transit projects. Indianapolis and Columbus are both growing much faster than the Twin Cities, yet rely exclusively on bus transit and don’t interfere with people’s housing choices.

In California, the Pacific Legal Foundation is [su-](#)

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# False Dilemma: Taxes or Deficits

The Highway Trust Fund is about to run out of money. What's more, the law authorizing a federal gas tax—which provides most of the money for the trust fund—expires at the end of September. The administration and most members of Congress are acting like there are only two solutions to trust fund shortfalls: increase the gas tax or increase deficits.

President Obama has proposed a transportation bill that would triple deficit spending on transit and highways. This would allow a 70 percent increase in transit subsidies but just a 22 percent increase in highway spending. To fund these deficits, he proposes to use the one-time increase in revenues that is supposed to result from corporate income tax reforms that Congress hasn't yet approved.

Even more absurd, House Republicans have proposed to cut subsidies to the Postal Service, eliminating Saturday mail deliveries. The money saved from ten years of Postal Service cuts would barely fund one year of transportation deficits.

Meanwhile, Senators Chris Murphy (D-CT) and Bob Corker (R-TN) have proposed to raise gasoline taxes by 12 cents a gallon. This is supposed to eliminate deficit spending, though Congress is just as likely to increase spending, leaving the trust fund just as untrustworthy as it is today.

Almost no one is considering the logical solution: reduce spending to be no more than revenues. Too many interest groups depend on and lobby for spending for most members of Congress to seriously consider such an idea.

How did we get to this “transportation cliff”? From 1956 to the early 2000s, Congress managed to keep highway and transit spending at or below gas tax revenues. But then Congress passed a bill that mandated spending even if revenues fell. When revenues did fall as a result of the 2008 financial crisis, Congress continued to spend anyway. Since then, Congress has had to transfer \$55 billion in general funds to the Highway Trust Fund to keep it solvent.

Contrary to what some say, these general funds aren't subsidizing highways. In the last decade alone, Congress has

diverted well over \$55 billion of gas tax revenues to public transit. Some people believe that funding transit out of general funds and rededicating gas taxes to highways (as they were before 1982) would solve the problem. But transit advocates like the security of having a minimum share of gas taxes dedicated to their highly unprofitable transport systems.

Nor are increases in spending needed to save crumbling highway infrastructure. In fact, our highways are in better shape than ever, with fewer bridges considered “structurally deficient” and the average smoothness of pavement improving every year. The main support for higher gas taxes comes from transit interests who want to build more rail lines. Ironically, America's rail transit lines *are* suffering from crumbling infrastructure, a \$60 billion maintenance backlog that is growing every year because politicians would rather fund new transit construction than maintain what has already been built.



*Are you willing to pay higher gas taxes so Congress can fund more light-rail and streetcar projects?*

The main problem with raising taxes is that there is no guarantee that Congress will stop overspending. More likely, it will simply increase spending to account for the increased revenues and end up with deficits that are just as large as the past six years.

Congress has until the end of September to do something about the dwindling trust fund and reauthorize the gas tax. Unless fiscal conservatives apply intense pressure, Congress is most likely to throw more general funds at the trust fund and extend the current bad system another two years.

## Fighting Unsustainable Sustainability *(continued from page 1)*

ing the San Francisco Bay Metropolitan Transportation Commission over its “Plan Bay Area.” The lawsuit argues the plan failed to consider a broad range of alternatives and “cherry picked” data to make it appear that its “one-size-fits-all vision of transit-oriented development” was needed to meet California emissions standards.

In Portland, Oregon, taxpayers irate about the high cost and low ridership of the region's light-rail lines have elected anti-light-rail majorities to one county commission and seven city councils. Most recently, they used the initiative petition process to place a [measure on the ballot](#) in Tigard, a major suburb, amending the city charter to say that no city resources may be used to plan and build light rail.

Although the measure passed, regional planners continue to plan for a light-rail tunnel between Portland and Tigard that could cost [nearly \\$2 billion](#).

More plans are in the works. Chattanooga, for example, is writing a [Thrive 2055](#) plan. All of these plans are based on the claim that rail transit and dense, transit-oriented developments are somehow more sustainable than autos and single-family homes. Yet research has proven that there is little relationship between density, investments in rail transit, and greenhouse gas emissions. Citizens in other parts of the country who want to fight these plans can turn to the American Dream Coalition for help and will find the 2014 American Dream conference especially useful.

# New Research from ADC Experts

New research proves that transit doesn't relieve congestion; hordes of people aren't moving from the suburbs back to the cities; rail transit advocates are shameless in their support for ridiculously expensive projects that can carry few people; and the Obama administration has been abusing its grantmaking authority by giving out funds for frivolous projects that are not of national interest.

The Reason Foundation has published a [paper](#) co-authored by Tom Rubin asking whether cities can relieve congestion by spending more on transit. After comparing transit ridership and congestion in 74 urban areas over 25 years, Rubin and his co-author, Fatma Mansour, concluded that there is no "support [for] the contention that traffic congestion is reduced when people travel greater annual distances by transit."

Ever since the financial crisis, major media outlets have bombarded their readers with stories of how the suburbs were in decline and inner cities were surging. Wendell Cox has made it his job to debunk these stories by careful analyses of census data.

In 2012, the *Wall Street Journal* and other papers reported that, according to the latest census data, cities were growing faster, on a percentage basis, than their suburbs. Cox responded that, numerically, suburbs were still [growing far faster](#) than cities. More importantly, Cox showed that the 2011 census data were [not accurate](#) as the numbers were crude estimates rather than actual counts.

When *Time* magazine claimed that, "Americans are abandoning their white-picket fences, two-car garages, and neighborhood cookouts in favor of a penthouse view downtown and shorter walk to work," Cox [countered](#) with census data showing that, between 2010 and 2013, more people moved out of core cities than moved in, while more people moved into suburbs than moved out.

One problem with comparing cities and suburbs is that the definitions are political. In states such as Indiana and Texas, where cities are allowed to annex without permission of the people being annexed, cities can hold up to 90 percent of the people in the urban area. In states such as Oregon where cities have to get voter approval to annex land, cities may include less than a third of the people in the urban area.

Cox's [most recent effort](#) has addressed this issue by breaking down urban areas into four categories: pre-auto (mainly pre-World War II), early suburban (1946-1980),

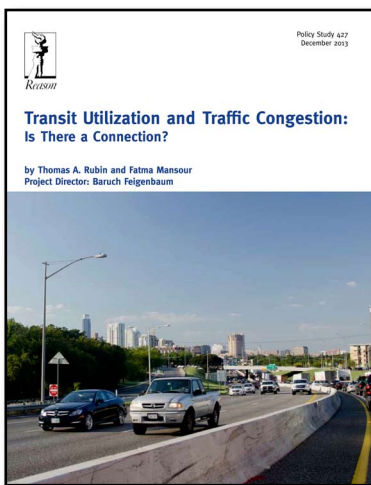
later suburban (after 1980), and exurban (densities less than 250 per square mile). Based on this classification, Cox [found](#), 70.5 percent of American metropolitan area residents live in suburbs, up from 67.4 percent in 1990. Meanwhile, the share living in the dense, pre-auto urban cores has declined from 18.1 percent to 14.4 percent, while exurban has grown from 15.4 to 16.8 percent.

Rail transit remains a major issue in cities all over the country. Not only are most rail transit lines a waste of money, [says](#) Randal O'Toole, transit agencies are increasingly building high-cost rail lines that have very low capacities.

The "light" in light rail, O'Toole points out, doesn't refer to weight but to capacity: light rail is low-capacity rail transit, while heavy rail is high-capacity. Light-rail trains, which sometimes operate in streets, can only be two- to four-cars long, while heavy-rail trains, which always have exclusive rights of way, can be ten or more cars long. A typical light-rail line can move only about 9,000 people per hour, while buses can easily move more than 10,000 people per hour on city streets.

Light rail is supposed to be more economical than heavy rail, but you wouldn't know it from recent construction. San Diego built America's first modern light-rail line in 1981 at a cost of under \$10 million per mile (about \$17 million in today's dollars). But today, the average cost of light rail has ballooned to well over \$100 million per mile. Seattle is building a 3-mile light-rail line costing more than \$625 million per mile. Honolulu is building a line for \$250 million per mile that is classified as heavy rail, yet its capacity will be little better than a three-car light-rail system. O'Toole concludes that if rail advocates "are not willing to draw the line against such projects, then there is little reason to believe their claims about the benefits of other rail projects."

Meanwhile, the Obama administration has been giving tens of millions of dollars of stimulus funds, known as "Transportation Investment Generating Economic Recovery" or TIGER funds, to cities all over the country to build such things as streetcar lines, whose capacities are only about 2,000 people per hour. The Reason Foundation's Baruch Feigenbaum [points out](#) that, by law, these funds are to be used for "projects of national significance," and the streetcar lines and many other things Obama has funded don't qualify. Feigenbaum's work helped persuade the House of Representatives to vote to cut TIGER funds and place more restrictions on their use.





# 2014 Conference Debates

Debates over sustainability planning and tollroads built by public-private partnerships will be among the highlights of the 2014 Preserving the American Dream conference in Denver this September. The American Dream Coalition usually opens the conference with a debate, but this year so many issues are on the table that the conference will have two completely different debates.

The Colorado Department of Transportation has found that the best way to fund new highways in the congested



Robert Poole

Denver metropolitan area is through public-private partnerships. The public provides the right-of-way and the private partners put up their own money to build the roads, money that will be paid back by tolls.

This process became a major bone of contention when the legislature was asked to approve toll lanes along U.S. 36, the highway between Denver and Boulder. Moreover, the

debate did not split along traditional liberal-conservative lines; both liberals and conservatives were split, with some supporting and some opposing the toll lanes and partnerships.

Nor does a consensus exist within the American Dream Coalition, whose supporters include the Reason Foundation and the American Highway Users Alliance. On Friday evening, September 19, Reason



Greg Cohen

Foundation scholar Robert Poole will debate in favor of tolls and partnerships while American Highway User Alliance CEO Greg Cohen will argue against them. This should help ADC members reach their own conclusions about the merits of tolls and public-private partnerships.

Meanwhile, the director of Denver's Office of Sustainability, Jerry Tinianow, will argue in favor of



Jerry Tinianow

the merits of sustainability planning on Saturday evening. He will face off against Mark Gotz, who has led efforts against sustainability planning in south Florida. If sustainability planning—the latest term for density, rail transit, and transit-oriented development—hasn't yet come to your community, it is likely to be there soon, so you won't want to miss this debate.



Mark Gotz

# ADC Membership Form and 2014 Conference Registration

You can join ADC, renew your membership, order 2013 conference DVDs, or register for the 2014 Preserving the American Dream conference using this form or [on-line](#). If you want to register for just part of the 2014 conference, or sign up spouses at a discounted rate, please use the on-line form.

- Yes! Please sign me up to attend the 2014 Preserving the American Dream Conference. I am enclosing a check for:
  - \$229 early-bird rate (conference and meals; rate increases to \$249 after September 4)
  - \$99 student/low-income (same meals)
- Please include me on the optional Friday tour, including lunch, for \$50
- Special dietary request:  Kosher  Vegetarian  Vegan
- Please send me 11 DVDs from the 2013 conference for  \$50 (members) or  \$100 (non-members)
- Please enter or renew my individual membership in the American Dream Coalition for \$30
- Please enter or renew my group membership in the American Dream Coalition for \$250
- I also want to contribute:
  - \$100     \$1,000     \$ \_\_\_\_\_
- Enclosed is my check
- I will pay by Credit Card through PayPal using on-line registration at [americandreamcoalition.org](http://americandreamcoalition.org).

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_

E-mail \_\_\_\_\_

*Please make checks payable to American Dream Coalition and send to ADC, P.O. Box 76, Camp Sherman, Oregon 97730. Full refunds will be provided if you cancel before September 4 or if someone else takes your place.*

The Embassy Suites Stapleton, 4444 N. Havana Street, Denver, shown below, offers a conference rate of \$119 per night for any nights from September 15 through 23 if you make reservations by September 4th. To reserve rooms, call 303-375-0400 and specify you are attending the American Dream conference, or go to the [Embassy Suites](#) web site and, when asked, enter "adc" in the "group code" field.

