

December 11, 2020

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Dear Leanne,

Thank you for your letter of November 17, 2020 regarding the Draft Framework for Transit Improvements. Our coalition appreciates your commitment to working with us to strengthen transit in the region. We are taking this opportunity to accept your invitation to comment on the "Proposed Operating Budget, Two-Year Financial Plan, and Five-Year Capital Program."

We are gravely concerned that the proposed budget ignores the looming transit financial crisis. It assumes that approximately \$372 million in new funds will be made available by the federal government in FY2021 and \$418 million in FY2022. This does not include \$125 million (FY21) in unspecified cost savings and service cuts at Metra. As noted on page 10 of the document:

As a result, the total additional funding needed for 2021 through 2023, above and beyond the remaining CARES Act funding, is more than \$1.8 billion. If this additional relief funding does not materialize, each Service Board would be forced to take unspecified budget balancing actions to resolve projected revenue shortfalls, which could include fare increases, service reductions, job cuts, and other cost saving measures. The impact on our already challenged transit system might be catastrophic.

While we continue to work with you in support of federal funding, it is irresponsible to assume that these funds will become available. Every day brings different news about potential COVID relief legislation, suggesting that the only thing that is certain is that there is no certainty concerning federal aid.

The RTA and the service boards should present budgets which describe the cost-cutting measures that will be necessary if federal relief is unavailable. Such an approach has three advantages.

First, such a budget is honest and prudent. It reflects the world as it is, not as we hope it will be. As COVID and other crises have taught us, consistent and transparent communication is essential to building trust. This is especially true for something as critical as transit.

Second, by identifying necessary cuts, the service boards will help build the necessary public support for federal funding. The competition for limited federal funds is vast. Transit agencies are competing with many other severely challenged industries and issues including airlines, intercity rail, state highway departments, housing, public health, and a vast array of others

seeking federal funds. Absent widespread public attention to the dire financial situation our transit agencies face, it is unlikely that Congress will prioritize funding for transit.

Third, if Congress ultimately provides anything less than 100% of the funds required by our transit agencies, some cuts in service and/or fare increases will be required. By laying out the options now, the public can meaningfully engage with our service boards in prioritizing these cuts. It will also avoid a worst-case scenario where massive cuts are rushed and implemented as demand for transit increases, making it more difficult for our region to recover and prosper as we battle the COVID-19 pandemic.

The approach we suggest is the same one being taken by our peers around the nation. For example:

- The San Francisco Municipal Transportation Authority has [proposed](#) a balanced budget which includes laying off 1,200 workers (22% of its workforce) to close a \$168 million budget deficit next fiscal year.
- The Washington Metropolitan Area Transit Authority has [proposed](#) eliminating weekend service, running Metro trains at 30 minute intervals, closing 19 stations, and eliminating 19 bus routes. These dramatic cuts are necessary to close a \$500 million budget gap next fiscal year. The agency is also reportedly contemplating moving \$250 million of maintenance costs to its capital budget -- precisely the kind of response that Chicago's service boards should now be exploring.
- New York's Metropolitan Transportation Authority has been outspoken about its need for additional funds to operate their system, [publicly describing](#) a need to cut bus service by 40% and rail service by 50% if no new federal funding is available.
- The Massachusetts Bay Transportation Authority has posted on its [website](#) detailed plans for cutting transit service to respond to the budget shortfall and has invited public comment on those proposed plans in a series of public hearings this month.

To be clear: our coalition does not endorse cutting transit service, which is essential to the health of our region and critical to many of its residents. We do, however, call for open and honest conversation about what cuts will prove necessary should federal relief not materialize. We also want to encourage the transit agencies to look beyond just federal assistance to deal with the multiple crises facing transit. We believe it is important for you and the service boards to consider and promote all options that could help maintain service, including increased coordination, changes to current state and local transit funding and financing systems, temporary shifts of capital funding to emergency operating needs, etc.

This open and honest conversation should center on the needs of Chicagoland communities hit hardest by the pandemic. Transit workers and riders are disproportionately Black and Brown — [even more so during COVID](#). They're working essential jobs and relying on transit to get to food and healthcare. Widespread transit cuts and layoffs would leave many of these Chicagoans stranded when they're most vulnerable. In developing a balanced budget, the RTA and service boards will need to grapple with important questions:

- 1) What criteria will be used to prioritize service cuts?
- 2) What options are available to maintain service (borrowing, shifting funds among agencies, moving funds from capital to operating accounts)?
- 3) If/when federal money does come, what method will RTA use to determine its distribution?

These are not easy questions. By engaging with the service boards and the public now, our hope is that we will all be in a position to choose the least-bad option available, informed by clear data and transparent priorities.

We reiterate our earlier messages to you on what should be prioritized as you consider responses to this emergency situation: the protection of service for essential workers and a focus on racial equity and inclusive economic growth.

We stand ready to engage in these difficult discussions.

Active Transportation Alliance
Center for Neighborhood Technology
Chaddick Institute for Metropolitan Development
Chicagoland Chamber of Commerce
Civic Committee of the Commercial Club of Chicago
Elevated Chicago
Environmental Law & Policy Center
Illinois Environmental Council
Respiratory Health Association
Shared Use Mobility Center

cc: Chicago Transit Authority
Metra
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