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BEFORE THE
NORTHEASTERN ILLINOIS PUBLIC TRANSIT TASK FORCE

MEETING HELD ON NOVEMBER 22, 2013

ILLINOIS DEPARTMENT OF TRANSPORTATION
100 West Randolph Street
Suite 6-600
Chicago, Illinois 60601

Met, pursuant to notice, at 1:00 p.m.

APPEARANCES:

- ANN SCHNEIDER, Co-Chairperson/Secretary
- GEORGE RANNEY, Co-Chairman
- CAROLE L. BROWN, Member
- PATRICK FITZGERALD, Member
- ROBERT W. GUY, Member
- SONIA M. WALWYN, Member
- DR. SYLVIA JENKINS, Member
- NICK PALMER, Member
- RAUL I. RAYMUNDO, Member
- TONY PAULAUSKI, Member
- DR. ADRIENNE M. HOLLOWAY, Member
- ROBERT G. REITER, JR., Member
- DR. ASHISH SEN, Member
- DONALD J. TANTILLO, Member
- KATHRYN THOLIN, Member

GUEST SPEAKERS:

- MORT DOWNEY III
- STEPHEN SCHLICKMAN

MIDWEST LITIGATION SERVICES, by
Sharon M. Valli, CSR
Illinois CSR No. 084-004551

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1 CO-CHAIRPERSON SCHNEIDER: I think we're going to
2 go ahead and get started. It's 1:00 o'clock or a little
3 bit thereafter, and we want to be respectful of
4 everybody's time. And so what I would like to do is
5 first of all welcome everybody to our fifth meeting. I
6 also want to make sure I thank you for your continued
7 commitment to the task at hand. And I think this is
8 providing an opportunity to improve conditions here in
9 Northeastern Illinois.

10 And I'm excited about today's agenda. I think
11 we've got a lot of substance in today's agenda. We're
12 blessed with the presence of a couple of experts in the
13 field of transit. And I'm hopeful that as we talk later
14 on about world-class transit that they can give us some
15 perspectives to keep in mind as we go forward. I
16 believe that the conversation around world-class transit
17 will be helpful in setting the bar for us so that as we
18 start deliberating on recommendations to make in the
19 next couple of months that we can use that as the gold
20 standard with which we measure our recommendations.

21 So with that, before we get started with the
22 roll call, what I want to do really quickly -- and I
23 thank you for indulging me in this -- I want to
24 congratulate one of IDOT's staff members who has

1 recently been named the AASHTO, which is the American
2 Association of State Highway and Transportation
3 Officials, outstanding service award for the standing
4 committee on public transportation. And he's been
5 staffing the systems performance group. And with that,
6 Dave Spacek, please stand up and congratulations.

7 (Applause.)

8 CO-CHAIRPERSON SCHNEIDER: Thank you for indulging
9 me with that.

10 MR. SPACEK: Thank you, Ann, very much.

11 CO-CHAIRPERSON SCHNEIDER: You're welcome, Dave.
12 Good job.

13 Also today we've got a court reporter. She
14 will do her best, but if you could when you speak say
15 who you are so that she can make sure that she gets that
16 as part of what she's recording. That would be very
17 helpful. And I want to thank you for that.

18

19 ROLL CALL

20

21 CO-CHAIRPERSON SCHNEIDER: So with that let's go
22 ahead and take a roll call, and I will start.

23 Carol Brown.

24 MS. BROWN: Here.

1 CO-CHAIRPERSON SCHNEIDER: Patrick Fitzgerald.
2 MR. FITZGERALD: Present.
3 CO-CHAIRPERSON SCHNEIDER: Robert Guy.
4 MR. GUY: Present.
5 CO-CHAIRPERSON SCHNEIDER: Dr. Adrienne Holloway.
6 DR. HOLLOWAY: Present.
7 CO-CHAIRPERSON SCHNEIDER: Dr. Sylvia Jenkins.
8 DR. JENKINS: Present.
9 CO-CHAIRPERSON SCHNEIDER: Nick Palmer.
10 MR. PALMER: Present.
11 CO-CHAIRPERSON SCHNEIDER: Tony Paulauski.
12 MR. PAULAUSKI: Yes.
13 CO-CHAIRPERSON SCHNEIDER: Raul Raymundo.
14 MR. RAYMUNDO: Present.
15 CO-CHAIRPERSON SCHNEIDER: Bob Reiter. He's not
16 here.
17 (Mr. Reiter entered shortly
18 thereafter.)
19 CO-CHAIRPERSON SCHNEIDER: Dr. Ashish Sen.
20 DR. SEN: Present.
21 CO-CHAIRPERSON SCHNEIDER: Don Tantillo.
22 MR. TANTILLO: Present.
23 CO-CHAIRPERSON SCHNEIDER: Kathryn Tholin.
24 MS. THOLIN: Present.

1 CO-CHAIRPERSON SCHNEIDER: Sonia Walwyn.

2 MS. WALWYN: Here.

3 CO-CHAIRPERSON SCHNEIDER: I'm here and George
4 Ranney.

5 Very good. Thank you.

6

7 HOUSEKEEPING

8

9 CO-CHAIRPERSON SCHNEIDER: In terms of housekeeping
10 items, I have to turn and make sure I'm covering
11 everything. We are glad each of you continued to make
12 steps towards the executive order objectives.

13 And on the few housekeeping items, as I
14 mentioned, we have a court reporter. There are not
15 microphones today. So, you know, speak loudly. We do
16 have quite a few people from the public here. This is
17 open to the public.

18 Also for those of you in the audience, if you
19 would like to provide comment, we have some comment
20 cards that you could have received as you walked in.
21 Please feel free to fill one of those out and give to
22 Jay Miller. She's got her hand up in the back back
23 there. And Jay will make sure that we call on you at
24 the end of the meeting today to get your input. All of

1 your input is very important. So we appreciate anybody
2 that did come to make public comment. Also, if you
3 don't want to make public comment in a public way,
4 you're welcome to visit our website. And there is an
5 opportunity there for you to provide your comment. As
6 you came in, there's palm cards with the website on
7 them. So if you want to submit your comments in writing
8 through the website, please make sure you pick one of
9 those up.

10 I want to make sure I'm hitting everything.
11 Also, I really wanted to talk about all the work that
12 you guys have done since this group was formed back in
13 August. So in your packets, you should have received
14 some information, a summary document of all of the
15 activities that have taken place. And if you see
16 anything in there that's missing or that you would like
17 to see added, please note that and get that back to us
18 and we'll make sure we include that.

19 But, clearly, we've had a number of meetings
20 and, I think, a number of deliberations. We've gotten a
21 lot of input from a lot of different officials. We've
22 had testimony from a number of officials. And we've
23 gotten letters out with responses back. And I think
24 we're sending out follow-ups to a number of the

1 appointing authorities. We've also received a number of
2 independent correspondences of which one was from one of
3 our experts here today. So he will talk about his
4 correspondence to us. And then we've also formed a
5 share point site for the members of the task force to go
6 to access all of the information that we have covered.

7 Additionally, each of the work groups had
8 provided a set of questions to a group of the IDOT staff
9 people that were making phone calls to a number of
10 transit professionals from across the country including
11 from the Bay area of California, the MTA in New York,
12 Massachusetts DOT and the Massachusetts Bay
13 Transportation Authority, Southern Pennsylvania Transit
14 Authority, and then also again someone else from the New
15 York MTA.

16 So based on the questions that the work group
17 chairs pulled together, we did get a lot of input. And
18 I think there is a summary document in your packet that
19 reviews all of the information that we gathered from
20 that.

21 Then the next thing that I would like to do
22 now so that we can really just focus on the substance of
23 what we're here to discuss today is a summary schedule
24 and then schedule details. And the document looks

1 something like this (indicating). Hopefully you-all
2 have a copy of this. And what this does is it layouts a
3 timeline on how we will proceed with our work through
4 the end of January in order to produce a report as
5 required under the executive order. And what we wanted
6 to do is make sure that we've given enough time to
7 really thoughtfully consider recommendations that we can
8 make to the governor that he can then carry forward as
9 legislation through the General Assembly.

10 I would ask that you take a look at this
11 schedule. And if you have any concerns or would like to
12 see any changes, please let us know. But generally what
13 we are proposing is, in addition to today's meeting, a
14 task force meeting on December 12th.

15 And that meeting, we would again be hearing
16 from a couple of transit experts, one of which is here
17 today with us and has agreed to come back. But also the
18 head of the MTA in New York City has agreed to come out
19 and talk to us as well. And that will be December 12th.
20 We're also hoping by the 12th that there are a series of
21 technical memoranda that are done. And I'll talk about
22 that in a second.

23 And then a final public hearing would be on
24 January 28th, and that would be to consider the

1 recommendations that are made.

2 And I think between today and between
3 January 5th, what we would like to do is start working
4 on a draft of a final report. Of course that's going to
5 have to be populated by recommendations. And we're
6 hoping that the work groups will develop those
7 recommendations and we can start an iterative process
8 where we're document sharing amongst the task force so
9 that we can work and continue to edit that final report.
10 But the working draft then would be between now and
11 January 5th.

12 And then from January 6th through
13 January 20th, we will again iteratively edit, review,
14 and finalize the report with everybody's input so that
15 when we come back on the 28th we can vote on the final
16 report. And we've included some details of the working
17 schedule. Again, if you have any issues or concerns
18 about that or would like to see something added or if
19 you see where we need to provide additional information,
20 please make sure you let us know because we want to get
21 everything that we need to keep the process moving.

22 The technical memoranda that I referenced,
23 there is also a document in your packet that lays out
24 what those technical memorandum would contain. And I

1 want to tell you first of all that we are lucky that
2 we've been able to work cooperatively between the state
3 and metropolis strategies to obtain the services of
4 Delcan Corporation. We heard from them at our last task
5 force hearing. They're going to come in and help us
6 with the technical memorandum. We really want the
7 working groups to take the lead on working with Delcan
8 and then staff from both IDOT and metropolis strategies
9 to pull those together. But really I think it's going
10 to benefit all of us in our thought processes as we go
11 forward.

12 So I just wanted to cover those things really
13 quickly and then really spend a lot of time --

14

15 APPROVAL OF MEETING MINUTES

16

17 CO-CHAIRPERSON SCHNEIDER: Oops. Wait we've got to
18 vote on meeting minutes. I don't want to mess that up.
19 So we have distributed meeting minutes from the last
20 three task force meetings. They were sent last week.
21 Does anybody have any modifications or discussion about
22 the minutes from those three meetings?

23 MR. FITZGERALD: I believe my colleague Martin
24 Sinclair e-mailed in some suggested changes yesterday or

1 today.

2 CO-CHAIRPERSON SCHNEIDER: Okay. Very good. Does
3 anybody else have any issues or concerns or comments?
4 If not, with the changes from Patrick Fitzgerald, do I
5 have a motion to accept the minutes?

6 MR. TANTILLO: So moved.

7 CO-CHAIRMAN RANNEY: Second.

8 CO-CHAIRPERSON SCHNEIDER: All in favor?

9 TASK FORCE MEMBERS: Aye.

10 CO-CHAIRPERSON SCHNEIDER: The minutes are
11 approved.

12

13 INTRODUCTION OF GUEST SPEAKERS

14

15 CO-CHAIRPERSON SCHNEIDER: With that, I think what
16 I would like to do really quickly before turning it over
17 to George is to introduce our two distinguished guests
18 today, who are here to help us. And we had a brief
19 conversation with them prior to coming up here for this
20 hearing, and I think that they have a wealth of
21 information that they can share with us and talk to us
22 about world class and what a world-class transit system
23 should look like and what are the characteristics and
24 also some of their own experiences on what we can do to

1 get there and what we can avoid in order to make that
2 happen.

3 So I want to first introduce to you Mort
4 Downey III. He is a senior advisor at Parsons
5 Brinckerhoff. And I've gotten to know Mort over the last
6 few months in another role that I play. But I can tell
7 you that he has a very long, extensive, and, I think,
8 impressive background.

9 He served in a number of roles, not the least
10 of which was the U.S. Deputy Secretary of Transportation
11 for 8 years. He also has been heavily involved in a
12 number of transit agencies. And he has a number of
13 awards. I hope you-all have a copy of his biography
14 because it really truly is impressive. And we are lucky
15 that he agreed to join us and provide us some input into
16 this process.

17 And I can tell you, after having met him a few
18 months ago, I know that he is very much personally
19 interested in helping the work of this group because he
20 believes strongly in strong transit and what it can mean
21 for the region and also more broadly for the state and
22 the country.

23 So thank you, Mort, for agreeing to be part of
24 this meeting.

1 And then also joining Mort as an expert is our
2 own Steve Schlickman. Steve, he told me all I have to
3 say is he started as a bus driver and he ran the RTA for
4 a while and there was a bunch of stuff in between. It's
5 far more extensive than that. And we're very lucky that
6 he's still an asset to the region through the University
7 of Illinois at Chicago, the College of Urban Planning
8 and Public Affairs. He helped with the Urban
9 Transportation Center there. And I think that in that
10 role he has been extremely helpful.

11 And he sent us a letter as a task force back
12 in October that I think was spot on. And so we're glad
13 that he is able to join us here today and provide us
14 some of his thoughts and comments. I know that he too
15 is very interested in ensuring that we try to get this
16 thing right.

17 And so I think we're very lucky and blessed to
18 have both of them here. And with that, I'm going to
19 turn it over to them for opening comments and then
20 George can moderate from there. So Mort ...

21

22 PRESENTATION BY MORT DOWNEY III

23

24 MR. DOWNEY III: It is a pleasure to be here. I do

1 care about public transportation and how we make it an
2 important tool in people's lives and economic
3 development reasons.

4 As Ann said, I have had a lot of experience in
5 the field. I've also been in Washington a few times and
6 ping-ponged between the high level of policy and the low
7 level of actually delivering services. But in that
8 period of time, I did serve 12 years at the New York
9 MTA, eventually as executive director in the nations'
10 transit system office of commuter rail, all working
11 together and hopefully improving from what it was like
12 when I first went there in 1981.

13 Then after a long time in Washington, more
14 recently I was asked to become a board member at the
15 Washington Metropolitan Area Transit Authority which
16 runs the rail system, the Metro system, and a large
17 portion of the bus system. And I've been doing that for
18 about 3 years.

19 I'm not going to tell you that either of those
20 agencies is the world-class transit system. I'm not
21 sure any is. I spent some time in Hong Kong this
22 summer. They might come closest. But some things I see
23 as the attributes of a world-class transit system are
24 what we tried to achieve in New York and what we're

1 definitely trying to achieve in Washington.

2 If you get to world class, here's what I think
3 you've done.

4 Number 1, you have a system that is incredibly
5 safe. That's got to start it. People are not going to
6 ride if they feel they are at risk either from
7 mechanical issues, security issues, or the like. It has
8 to be safe. You cannot compromise that with anything
9 else. I chair the safety committee on the Washington
10 Metro Board, and that's how we open all the meetings.

11 Secondly, it has to be a system that is either
12 in what we call a state of good repair or at least has
13 the aspiration of getting there and knows what it needs
14 to do to get there. It is just too easy to let these
15 systems slip away. They're big. They're complicated.
16 They have lots of moving parts, and those moving parts
17 age. And if we don't keep up with maintaining them, all
18 of a sudden the system is into deterioration.

19 That's what New York City was like when I
20 joined it in 1981. \$75 billion later, it's a lot closer
21 to a state of good repair.

22 When I joined the Metro System Board in 2010,
23 I could see all the signs that it was headed downwards.
24 It was a 35-year-old system. People thought it was

1 brand-new, you didn't have do too much to it, everything
2 was fine. You cut a few ribbons, and then let it slip.
3 There were 10 years of missed opportunities to begin
4 reinvesting. That's what we're turning around now.

5 So safe and in a state of good repair.

6 Next attribute is you serve customers. That's
7 why you have a transit system. It has lots of people.
8 Workers are there, businesses. But, fundamentally, you
9 can't be successful if you don't have customers. So the
10 things that provide a good customer experience are
11 really what you have to be looking for.

12 A world-class system would treat every single
13 person who uses it as if they had a choice. And most
14 people do have choices. You really have to provide the
15 level of service, clean, courteous, good information,
16 good opportunities for people to enjoy their use of the
17 system but remembering that they are all choice
18 customers.

19 You have to have effective performance. And
20 these are measurable things. These are things that
21 management can look at. They reflect what customers may
22 be experiencing. But they're the things you manage by
23 and you aspire to, high level, effective performance.

24 On time performance, how close do you come to

1 a hundred percent of trains and buses being on schedule.
2 You never get there, but you always try to push further.

3 Frequencies of service, how much service do
4 you put out, how do you always look at the routes you
5 have and the services you offer and continue to tweak
6 them as you reach for changes, but always again to be
7 effective in serving that customer.

8 And then last but certainly not -- Not the
9 quite last. Close to last, but definitely not least,
10 financially sustainable. You're not going to meet any
11 of the other goals if the system is not financially
12 sustainable, able to fulfill its operations through a
13 combination of fares and -- The agencies that I've been
14 involved with tend to have relatively high fares, but
15 it's a high level of service and a high level of need.
16 And it helps meet the cost of running the system. But
17 also a sustainable source of capital investment. This
18 is a very capital -- particularly in a rail system, a
19 very capital intensive and constantly in need of
20 reinvestment.

21 And then put it all together in context.
22 There has to be accountability, accountability to the
23 people that use the system; accountability to the
24 entities, federal, state, and local, who provide

1 funding; really accountable to the owners of the system.
2 And the management has to be able to show that
3 accountability, to show that they know what they're
4 doing, show that they are getting results and document
5 those results. You put that all together and do it
6 really well, you could turn out to be a Hong Kong. Hong
7 Kong owns all the real estate in downtown Hong Kong.
8 They also do pretty well.

9 But there's a lot of unpacking in there, but
10 they are all very important concepts. If you want to be
11 able to say you're a regional system, I think you always
12 have to think of the system as serving the entire
13 region. People have lots of choices to where they
14 travel, how they travel. And they want opportunity and
15 choice.

16 But being able to do those things, being able
17 to have a plan, where are you going, a clear vision,
18 leadership, what is it we want to do to get here, what
19 are the kind of services we provide, so a plan, adequate
20 source of funding, and a structure of governance that
21 can deliver on those results and deliver on
22 accountability. We'll talk later about governance. But
23 that to me is kind of the big picture. And any transit
24 agency that works on all these and gets to reasonable

1 levels is going to be on its way to being a world-class
2 system. And hopefully nobody ever thinks they've gotten
3 there because there's always things you can do to make
4 it better. And we'll be happy to talk about the things
5 that interest you. But that's kind of my ideas what
6 constitutes world class.

7 Steve ...

8

9 PRESENTATION BY STEPHEN SCHLICKMAN

10

11 Thanks, Mort. And thank you as well for
12 having me here today. It's definitely an honor to
13 report. Mort is one of the -- you know, the wise ...

14 MR. DOWNEY III: You can say old.

15 MR. SCHLICKMAN: Okay. (Continuing.) -- wise old
16 men of the transit industry. When Mort shows up at an
17 industry meeting and has something to say, there's
18 always a hush over the room so everybody can hear him.
19 He's certainly been a friend to me and a mentor to a
20 certain degree. So it is an honor to be with him here
21 today.

22 Mort avoided the topic of governance, but that
23 is what my letter addressed. So what I thought I would
24 do is briefly summarize that letter for you to refresh

1 your memory of it.

2 First of all, let me say in terms of my bio,
3 even before I was a bus driver, I observed the creation
4 of the RTA. My father was in the legislature and
5 championed a one-agency approach back then and went
6 toe-to-toe with George over how it should be created,
7 whether or not the RTA should have been created as it
8 eventually was. And then I was at the CTA when it was
9 reformed, and I've led the CTA effort to respond to that
10 reform. And then at the RTA, when I was executive
11 director of the RTA, again when we dealt with the
12 financial crisis of 2007, I very much worked on the
13 reform of the RTA then.

14 And so I've seen it reformed twice and created
15 once. Each time it's been out of financial crisis.
16 That's why -- I really don't believe we have a financial
17 crisis right now that is necessarily going to get us to
18 where we want to be if we want to reform it. Financial
19 crisis and the solution to that, reform has always
20 occurred.

21 But I think it is very important to finally
22 say that we need to get away from this four-headed
23 approach that we have right now. I think it is
24 presenting a lot of obstacles to what Mort just outlined

1 in terms of his vision for a world-class system. Let me
2 just go through a few of those.

3 First of all, just from a pure business point
4 of view, be it public or private, you would never run a
5 business this way, four governing boards, 47 board
6 members, no clear lines of accountability between them.
7 This is why most of the transit systems, the vast
8 majority of transit systems, metropolitan systems in
9 this country are one-agency approaches. It's true for
10 New York. It's true for Boston. It's true for
11 Philadelphia. Systems that we consider our peers.

12 I mention accountability. The inability to
13 have clear accountability is just one of the most
14 fundamental problems that we're facing right now. The
15 best example is when I was at the RTA and even since
16 then. People have criticized the RTA and my leadership
17 at that time for not creating a universal fare card.
18 RTA cannot impose a universal fare card on the service
19 boards. People criticized Metra saying you're hiding
20 your head in the sand over this issue. Metra would come
21 back with a very reasoned, you know, case for why
22 practically is very difficult to implement. Yet people
23 ignore that, and they keep continually criticizing
24 either the RTA or Metra for that.

1 In terms of the service boards and the RTA
2 when other problems have arisen, I could probably cite
3 many examples -- I won't go into it right now -- where
4 we're pointing fingers at each other and no one is
5 stepping forward to really take the accountability the
6 way it should be.

7 Thirdly, as I mentioned before, this is really
8 preventing us from moving towards what we should have in
9 terms of a world-class system. I mean, our state of
10 good repair is not there. A \$19 billion backlog right
11 now in the system, and it's getting worse every year.
12 The political funding allocations that we have to adhere
13 to that were set in the 1980s is hindering the region
14 from deploying resources more effectively or as
15 effectively as it should in order to address this
16 challenge. And then there's numerous instances, mostly
17 small, but when you add them up -- Lack of coordination
18 of services has been a significant issue.

19 My proposal is to have one agency. It's not,
20 however, to eliminate the CTA, Metra, or Pace. I think
21 we can eliminate the board structure. The three
22 operating boards have each agency report to the new one
23 regional authority. I would separate out the
24 paratransit program because that serves the entire

1 region. That should have its own division within this
2 new agency. Right now it's operated by Pace. And
3 Pace's primary charge is to be the suburban buses. Not
4 that they're not doing a good job with paratransit, I
5 believe they are. But I've lived through too many
6 squabbles where one agency in particular was pointing
7 fingers at Pace for doing their job and making that one
8 agency look bad.

9 I do recommend that in order -- From a
10 political point of view, I make one concession. I think
11 this new agency, you still have to have the
12 supermajority requirement to protect the minority views
13 on the board. I think that's worked very well on the
14 board particularly from the City of Chicago point of
15 view. We advocated it when I was at the CTA back in the
16 1980s, and I think it really did maintain harmony on
17 that board for many, many years and still does to a
18 certain extent.

19 I think when you look at your principles that
20 you have before you for a world-class system, all of
21 them would support this approach. But, in particular, I
22 would say if you look at Point 1, it says seamless. If
23 you look at Point 5, it says operate efficiently with
24 clear lines of authority. That's only going to come if

1 you have one agency.

2 Thank you.

3 MR. RANNEY: Thank you, Steve.

4

5 QUESTION-ANSWER SESSION

6

7 MR. RANNEY: Our plan is to open this up for
8 questions of our two experts, and they can cover
9 anything. And they're qualified to talk about most
10 everything related to transit. But we would be
11 particularly interested in comments that relate to the
12 guiding principles document that we sent out because
13 we're trying to get an agreement on those issues. I
14 don't want to dissuade people from talking about
15 governance. And I think it would be particularly
16 interesting to have Mort Downey talk about that as well.

17 Let's open it up to questions now or comments
18 from our board.

19 Raul ...

20 MR. RAYMUNDO: I'm curious to hear your thoughts on
21 in previous hearings or testimonies, we've asked about a
22 clear coordination of how we increase ridership
23 collectively. CMAP has put forward a plan to double
24 ridership over the next -- by 2040, for example. But it

1 seems to me unclear if there is a plan by each agency
2 yet alone collectively as to what is their role in terms
3 of what their current capacity is and how they're going
4 to move forward in a goal that's not coordinated. From
5 your previous experience of both New York and
6 Washington, how has that been done and how could that be
7 done here?

8 MR. DOWNEY III: I mean, it's done differently in
9 the two, but it definitely is a goal area, serving what
10 we want to serve by increasing ridership.

11 In New York with all of the various agencies
12 under an umbrella, we are able to say how we are we
13 going to work together to make this work. But they are
14 also offering different services in different parts of
15 the region.

16 But what the MTA's role was was to make those
17 things happen, provide the funding, ensure both the
18 transit system and commuter rails were in a position to
19 achieve what they thought was best and definitely
20 towards the goal of increase.

21 What we're working on now in Washington at
22 this particular point in time, we at the transit
23 authority have identified a plan for 2025 and a plan for
24 2040 where we think we could go. We recognize it has to

1 be in conjunction with where the region wants to go. So
2 we're now working closely with council of government and
3 the planning agency to say what are you thinking, what
4 is the kind of a region you want, where can transit best
5 fit in with that. And, also, in Washington, we at
6 WMATA, the rail agency, don't provide at all. We want
7 to see that it does get provided.

8 So a goal for more use of transit, a goal for
9 a region that is more facilitated by transit is a
10 planning opportunity, one of the things I'm really
11 nervous about. We're making a lot of progress. And
12 then our regional planning director got murdered last
13 week, so we may be kind of set back because we had begun
14 to buy in from him that sustaining the elements of the
15 system we have are the first order. But then the things
16 we want are where we should be investing our money. And
17 our goals should be very transparent. We want more
18 ridership. Not for the sake of ridership, but for the
19 sake of environmental, economic, and the social benefit
20 it brings.

21 MR. RAYMUNDO: Can I follow up with one more?

22 MR. RANNEY: Sure. Go ahead.

23 MR. RAYMUNDO: The system currently depends on
24 about up to 50 percent ridership to finances. In your

1 experience, by increasing ridership -- and we're never
2 going to get to self-sufficiency obviously -- how could
3 that benefit both the system in terms of financially
4 moving forward?

5 MR. DOWNEY III: No transit system in the United
6 States environment is going to pay for itself. We've
7 decided it is a social benefit. We have to have it for
8 a lot of reasons. And government is in effect paying to
9 get those benefits.

10 I happen to be a believer that fares can be
11 relatively higher in some places if you're providing a
12 service that people need and use. We did not shy away
13 in New York from fare increases on a predictable, timely
14 basis. We always had a quick rule of thumb that the
15 subway fare should equal the price of a slice of pizza
16 in Times Square. And it usually did. We tracked them
17 pretty closely, another way to keep the rider making a
18 contribution.

19 And then when you go to government for their
20 part, you say we're doing our part. We're doing our
21 part to hold down costs. We're doing our part to get a
22 reasonable payment out of those that use it. If you
23 want the rest of the equation to work, here's what we
24 need from you. And then back and forth on how to get

1 that. It's a collaborative process. It's not a simple
2 process.

3 MR. SCHLICKMAN: Could I add to that and sort of
4 speak to the background on the 50 percent requirement.
5 This is what used to be called the 50 percent fare box
6 recovery ratio. And it was something that was
7 instituted in 1983, and it came about because of concern
8 that there was too much politics playing with the
9 necessary regular increase of fares to stay up with
10 inflation. You know, if you are able to do it
11 incrementally in small amounts as expenses grow and you
12 provide the good service that hopefully you have a
13 reputation of providing for, it's been shown people will
14 accept it. They know that eventually their cost to use
15 the system is going to have to rise.

16 So we accepted it from the Transit Authority
17 point of view, the CTA point of view at that time. I
18 would guess that if Pace and Metra had existed then they
19 would have accepted it as well because from a
20 professional management point of view, you do want to
21 have a regular, reasonable approach to the fare system.
22 You don't want politics to get in the way of it.

23 Also, I mean, if you don't keep up with your
24 fares, obviously that's going to drag down on your

1 resources to make up for the deficit and it's going to
2 take away from resources that you might have otherwise
3 put in your capital program.

4 For a number of years, we got around that by
5 using a federal capital program to bankroll our
6 operating systems from about 2004 to very recently. And
7 that, you can't do. You just can't steal from your
8 infrastructure to pay for ongoing operations. You have
9 to have a stable fare support, and you also have to have
10 a stable source of revenue to cover your deficits.

11 MR. DOWNEY III: 50 percent is unique to this
12 region, but it's not unique to where people actually
13 come out. Washington, the fare ratio is about
14 46 percent. But what that hides is the fact that our
15 rail system is covering about 80 percent of its costs.
16 Our bus services, which are more labor intensive, can
17 serve, people have a greater need for transit, basically
18 25 percent. But, overall, we're pretty close to the
19 50 percent. But not because we were told we had to be
20 there, but it is kind of naturally where we come out.

21 MR. RANNEY: Okay. Kathy ...

22 I'm going to ask people to be sure to speak up
23 so the reporter can hear us.

24 MS. THOLIN: Mort, I would like to follow up on the

1 first question that Raul asked because I think the
2 answer you were giving has some really important pieces
3 to it.

4 So obviously a transit system operates within
5 the broader regional infrastructure that's much more
6 than transit. And, in fact, on the draft guide and
7 principles we have, two of our principles are really
8 about how you integrate transit within the region, how
9 you maximize the economic development potential, and how
10 you build both transit and the regional economy at the
11 same time. And you were starting to talk about how the
12 transit agency in D.C. works with the planning agency,
13 et cetera. Could you just talk a little more about
14 that? Because I think it would be really helpful for us
15 to understand both on kind of an accountability level
16 and on a day-to-day coordination and management level
17 how that works in D.C. and/or your thoughts about what
18 would make that process be really effective within a
19 region. And it may not be just about the MPO. It may
20 also be about individual municipalities and others. But
21 how do you see kind of world-class coordination of
22 transit in the broader economy?

23 MR. DOWNEY III: Yeah. The transit agency is not
24 going to be the land use controller for a region. It's

1 not the business they're in. But I think they have to
2 be hand in glove with those who do make those
3 development decisions and perhaps operating in a way
4 that facilitates people who are making land use
5 decisions and investments helping in the development of
6 the transit system.

7 Definitely you can't have a transit system
8 that's off in a corner saying we just run our trains,
9 our buses. They run the way they always used to run.
10 We don't care where the region is going. You do a lot
11 better when you're kind of moving with the flow.

12 One of the things that we did in the '80s in
13 New York was begin to get our arms around the system
14 again, look at where we were providing service. My
15 favorite was the bus line that ran through Brooklyn, and
16 nobody rode it. Why didn't anybody ride it? It went to
17 the Brooklyn Navy yard that had closed 10 years ago to
18 Ebbets Field. It was really great during World War II
19 when the shipyard guys wanted to go to the ball game,
20 but it hadn't kept up with the times.

21 My favorite example on the other side is what
22 we're doing in Washington right now. For a complicated
23 reason, Washington Airport's authority is building a new
24 transit line. Within a few weeks, they will turn it

1 over to us and it will become a part of our system. But
2 they are paying for a quarter of the capital cost of
3 that construction through a voluntary taxing district
4 that surrounds the riderway. It happens to go through
5 Tysons Corners. If you've ever been there, you know
6 it's one of the fast growing retail and office centers
7 in the world. But all those people who own that real
8 estate and all the real estate that hasn't been
9 developed says, Hey, we'll help. And, again, they're
10 paying 25 percent of the capital cost. And the planning
11 vision of the region is structured around that.

12 We know it can work too because when Metro was
13 built -- this is 30 years ago -- they had the vision to
14 take the line that I ride, the Orange Line that goes out
15 west from downtown Washington into suburban Virginia,
16 which originally was supposed to go through a median
17 strip of Interstate Highway 66 -- it still does -- they
18 curved it off through Arlington, through some sleepy
19 suburban pre-war parts of Arlington that hadn't
20 developed. That is now an incredibly vibrant corridor
21 from Rosslyn all the way out to Boston, four stations,
22 each of them surrounded by development. Some of the
23 development differs from others. One station is more
24 education, and one is living area. Two of them are

1 office centered, all driven by the fact that a region
2 and a county that wanted to develop in that particular
3 way used transit to get there. So your transit agency
4 has to see that they're in that environment, has to be
5 open to ways to work with those, but can't drive it,
6 really can't drive it.

7 MR. RANNEY: Carole ...

8 MS. BROWN: And I don't know if this is appropriate
9 because I have two points, one a question I have for our
10 guests but also on the guiding principles.

11 MR. RANNEY: Go ahead.

12 MS. BROWN: So, Mort, the things that you listed as
13 kind of what needs to be for a world-class system, one
14 of the things that I think are kind of combined, the
15 state of good repair and the financial sustainability.
16 And one of the challenges of our current system has
17 been, as Steve pointed out, lack of sufficient capital
18 investment and then using kind of scarce capital dollars
19 to fund operations. And if you assume that there's not
20 going to be a new pot of money that comes from whatever
21 the outcomes are around the organization to create a
22 system, how would you recommend or how does the system
23 attack the kind of lack of financial resources to build?

24 MR. DOWNEY III: It's clearly a tough issue

1 everywhere. Let me pivot that question to where we were
2 in New York in 1981. We had a system at that point
3 75 years old, well beyond useful life, substantial
4 portions of the system. The cars were breaking down on
5 an average of once every 6,000 miles. That number
6 should be once in 160,000 miles. Imagine the chaos in
7 the system, constant breakdowns, fires, derailments,
8 almost at death's door.

9 We had a chairman -- in New York, the chairman
10 typically is the CEO of the agency, but his main focus
11 is be the person who makes it work -- who was bold, who
12 was willing to saying this is an intolerable situation,
13 willing to go to those who really understood the
14 important need and say we're now spending -- In those
15 days, the annual capital budget for the entire system,
16 commuter rail and transit, was about \$200 million a
17 year. He said this should be \$2 billion a year if we're
18 not going to let the thing fall apart. And he made the
19 case to the business community, made the case to the
20 legislature, made the case to break through to a level
21 of investment commensurate with needs. And that has not
22 stopped.

23 Once ways to achieve that level were
24 identified, a future generation can't say they can't do

1 it, different ways to put it together. But, as I said
2 earlier, 30 years later at \$75 billion later, the system
3 is a lot closer to a state of good repair than it was
4 then. I think to assume that it can't be done makes it
5 clear it won't be done.

6 MS. BROWN: And then just, secondly, kind of given
7 the broad and very kind of higher level principles that
8 I think we're getting from our speakers and our experts,
9 my problem with this document is that some of that gets
10 lost in, you know, the anecdotal we need to have 4G and
11 Wi-Fi and not acknowledging that our current system
12 is -- You know, the CTA announced that a few days ago
13 that they were doing that. And so one of the things I
14 would say about this document is that I think before
15 it's released and not in draft form, we need to kind of
16 separate the anecdotal and the -- well, we need to
17 explore TIFIA; we actually use TIFIA pretty well -- and
18 making sure that we stick to this higher level. We need
19 a safe, reliable, state of good repair, kind of
20 coordinated system and not we need a system that, you
21 know, has Wi-Fi, and acknowledging the attributes of our
22 current system. And I don't think the document in its
23 current form does that. And I think that can get the
24 dialogue lost. And I think that we should not do that.

1 MR. RANNEY: I think that's a useful comment. Let
2 me try to clarify one thing. I think the notion of the
3 document was that the material in bold face was really
4 supposed to be what are the principles, such as the
5 (unintelligible) event that Mort announced earlier, and
6 the rest that is expository information.

7 So what I was planning to do before this
8 meeting is over is to draw people's attention to the
9 principles themselves and see if we can get some
10 agreement of those and then elicit comments, like the
11 ones you're making about the specifics, which are really
12 sort of backup information. I hope that's helpful.

13 MS. BROWN: I didn't know you have context for this
14 document.

15 MR. RANNEY: Dr. Sen, you had your hand up.

16 DR. SEN: I was going to try out an idea on Mort
17 and see how he feels about it. I was thinking -- I
18 mentioned to George earlier this morning the idea of a
19 fairly independent chief planning officer or a chief
20 innovations officer who is somewhat politically
21 protected to come out with ideas, not bringing together
22 everyone's ideas and trying to get some kind of a
23 consensus, but to go back in history, someone like
24 Carroll (phonetic) when he was involved. What do you

1 think of such an idea?

2 MR. DOWNEY III: I'll put it in the context of
3 things that I've been involved in. Ideas are critical.
4 Whether you put someone in the position that says you
5 are the chief planner without the power to plan could be
6 problematic. But bringing ideas, very important. One
7 thing about it though, people who bring you ideas bring
8 you expensive propositions. Not to denigrate them,
9 planners usually come up with lines on a map and
10 construction projects, and they all sound good. They
11 all cost a lot of money. It's got to be a planner who
12 also understands that maintaining the system that we
13 have has to be a priority.

14 But you're absolutely true with innovation.
15 It's something that has to be there. And if there's to
16 be a senior executive, much like described in New York
17 MTA, a CEO, a chairman, he's got to have vision and he's
18 got to get ideas from someone. The great chairmen I
19 worked for -- there were three of them -- took their
20 ideas from wherever they could find them but got out in
21 front and said here's what we could be doing. For a
22 long time it was just a vision of a system that would
23 get back to what it was when it was good and then to
24 fold in additional things on top of that, additional --

1 maybe even a few new lines. But it's got to be
2 balanced. It's got to be balanced.

3 DR. SEN: Let me follow up in a slightly different
4 direction but picking from Carole's point. You
5 mentioned that the first thing has to be bring it to a
6 stage of good repair.

7 MR. DOWNEY III: Yes.

8 DR. SEN: Fundamental.

9 MR. DOWNEY III: Fundamental, absolutely.

10 DR. SEN: The number that -- We've seen a lot of
11 numbers go by, but the number is big. We know it's more
12 than a billion dollars a year just to keep it that way,
13 not even to catch up.

14 MR. DOWNEY III: Yes.

15 DR. SEN: Now, this money is going to be difficult
16 to come by no matter what. So should we be looking at
17 planning for new service or new anything until -- How do
18 you see the balancing between the two? And the reason
19 I'm mentioning this -- I'll mention the rest of the
20 question so you can see. The reason I'm mentioning this
21 is that if this is the critical thing, then why are we
22 even thinking of tinkering with bringing everything
23 under one umbrella, bringing it under a single RTA,
24 because the system is working, I mean, more or less?

1 The trains keep running. Buses keep going. You know,
2 there aren't many breakdowns, more or less reliable
3 service, which Steve and I take all the time. So the
4 question is if we want to bring this to state of good
5 repair, that's where all the money is going to go.
6 What's the point of doing anything else? But let me ask
7 the first question first. Is that -- If you had to
8 borrow the money --

9 MR. DOWNEY III: If I had -- If I only had a
10 dollar, the first thing I would do is to put it towards
11 the state of the repair. It wouldn't go very far, but
12 that's the first place. I would never take my eye off
13 future opportunities. You need to kind of think it.
14 Even sometimes there are decisions you have to make now
15 even to preserve some future opportunities.

16 But I will say in the New York experience from
17 1981 till almost the time I left in 1993 we did not
18 spend any money on expanding the system. We literally
19 left two projects that the federal government had paid
20 for part of it unfinished. I remember Dick Ravitch
21 calling the DOT people and say I'm sorry. I can't
22 finish your projects. If you want your money back, try
23 and get it. But it's spent. You know, the priority had
24 to be stabilizing.

1 As we began to see -- this took almost
2 10 years -- began to see some point at which we might
3 get to some reasonable accommodation in the state of
4 good repair, we began to reintroduce some ideas of
5 additional projects. And they were projects that did
6 need a regional view because they were reconnecting the
7 system in different ways.

8 But I will say from a political and
9 problematic standpoint, getting the money that we
10 needed, 200 million a year, 2 billion a year was an
11 effort that had to be done on behalf of the whole
12 system. And I don't know your politics like New York
13 politics. But I think all politics have certain things
14 in common. Everybody has to share. Everybody has to
15 see that they're getting something.

16 On an absolutely objective basis, there were
17 people who would argue we were over-funding the commuter
18 railroads and the transit system could have used a
19 larger share possibly. But if it's a slightly smaller
20 share of a substantially larger program, all of which
21 was still going to state of good repair, I would argue
22 everybody was ahead of the game. And that happened in
23 many ways because we made the unified approach
24 politically and we had a management system that said

1 everyone will treat this money in the same way, would be
2 accountable for it in the same way, a single plan, a
3 single measurement of results. That paid off.

4 MR. SCHLICKMAN: Could I add to this because I've
5 always used what happened to the MTA in the early '80s
6 as an example of what we need to do here, and we have
7 not accomplished it.

8 Again, Dick Ravitch stood up, took the
9 leadership from a business point of view, and brought
10 the entire business community together to say this
11 system is needed for our future economic health. We've
12 done that. We've tried to make that case. And we've
13 had support from the business community -- and, George,
14 you've been one of them, always there for us -- but
15 never to the degree that Dick led in New York.

16 Part of it, I think, comes from the fact that
17 there was one agency and he was leading it. And he had
18 the full view of it. And there weren't three other
19 agencies back-dooring him in Springfield or in Albany.
20 And that's what happens in this system. When we try to
21 get something done in a major way, be it in Washington
22 or in Springfield, we are never speaking with one voice.
23 No matter how much people say they are, they are always
24 doing their deals behind the scenes. You cannot get

1 this system going forward in that approach.

2 MR. DOWNEY III: I had dinner with Dick a couple of
3 weeks ago. He's still great. He's writing a book. He
4 served a short term as lieutenant governor, so he a very
5 different new perspective. One of the things he said
6 was he wasn't sure he could do the same thing today with
7 the business community.

8 1980, we still had a business community in New
9 York based in New York. And the banks were run in New
10 York. If you wanted to show ten people what the system
11 was like and why they had to support it, get them
12 together, and they had real estate holdings in
13 Manhattan -- There's nobody who is in worse shape than a
14 real estate owner if the transportation system goes
15 south.

16 In today's economy, it would be harder to do
17 that. But you would still take the same approach. Who
18 has an interest and how you ground them and what it
19 means for them and how important it is to have that
20 system that works. That's the other issue of speaking
21 with more than one voice. It's also delivering with
22 more than one set of hands.

23 MR. RANNEY: I think if we can get our basic ideas
24 together, there's an opportunity to do the same in

1 Chicago. Part of the issue, and Steve is alluding to
2 it, is we don't have coherence, a book if you will, to
3 sell a product from.

4 And I've told some members of the task force I
5 went and saw Dick Ravitch in New York City several weeks
6 ago. He said the same thing. He added that the economy
7 is different now but there's still people with the same
8 interests and we have to identify them. And I think
9 that's one of the reasons that's so important to figure
10 out what are the relationships to a sound economy that
11 we have from a sound transit system. And people have
12 lost sight of that.

13 Tony, do you want to --

14 MR. DOWNEY III: Who really absolutely has to have
15 the system working in order to do their business? One
16 of the things that we're rebuilding Washington was a
17 package we sold to the Congress and ultimately to
18 President Bush, who signed it, to make a special,
19 outside all other programs, \$150 million a year
20 contribution to our system because federal workers
21 wouldn't get to work. And I hope we can sustain this.
22 But right now it's good for 10 years, and we're going to
23 do as much as we can with it over 10 years. But, you
24 know, the prime employer and the prime economic driver

1 in our area is the federal government. We went to them
2 and said you have to help us. You have to help us.

3 MR. RANNEY: Tony, did you have your hand up?

4 MR. PAULAUSKI: I did. I did. I appreciate both
5 of you being here today. I have a great interest in the
6 expertise that you bring to the table here today.

7 But I would like to ask Mort this question
8 first because I think I already know your perspective on
9 it. And then maybe there would be a follow-up on it
10 because I think it's a different view than you're coming
11 from.

12 I've been through a lot of reorganizations.
13 And in our area, we're going through another, what I
14 call, decentralization. If you're not decentralizing,
15 you're centralizing. You know, that's just the --
16 10 years from now we'll be talking about going this
17 direction.

18 We're here because, I feel, the RTA had its
19 head in the sand, wasn't doing what it was supposed to
20 be doing. And Metra, you know, I mean, it's awful what
21 went on there. And so here we are today looking at --
22 talking about how we repair the system and now going to
23 a world-class system. So I find it hard to believe
24 that -- You know, the low hanging fruit to me is one

1 centralized group with four visions or whatever. I
2 think that's easy. Is that really effective though?
3 Because, I mean, I find it hard to believe that at this
4 point in time those services will take their roles very
5 seriously now. And maybe it's because we're meeting
6 here today and we know that there could be additional
7 oversight, you know, in Springfield as the session gets
8 going. So what's your play on this?

9 MR. DOWNEY III: You know, I can't say that one is
10 better than another. I can really only say what we
11 learned that was pretty good in New York, single board,
12 separate agencies. After one failed effort to say there
13 ought to be one CEO over all of them, except that
14 doesn't work, each of the agencies has an operating
15 president who is really accountable for making things
16 work. And the board was the board of the entire
17 enterprise.

18 There were and still are committees of that
19 board who focus on the individual operating agencies.
20 Interesting enough, they are not geographic committees.
21 And it's just a fine point of governance, but a
22 committee structure is the creation of the chairman who
23 can make whatever committees he wants and populate them
24 as he wants. But each chairman has seen the benefit of

1 having some suburban people on the transit committee,
2 some city people on the railroad committees. And, of
3 course, over the top of it, there is a financial
4 committee and an audit committee and the like.

5 But it did create and does continue to create
6 a single point of accountability for the political
7 structure and for the media and for everybody else who
8 is looking at it. That chairman doesn't do his job if
9 he isn't making things work but also making personal
10 accountability.

11 MS. BROWN: Who appoints the chairman?

12 MR. DOWNEY III: Excuse me?

13 MS. BROWN: Who appoints the chairman?

14 MR. DOWNEY III: The chairman is appointed by the
15 governor and confirmed by the state senate. He is one
16 of the six governance appointees.

17 MR. RANNEY: Mort, you should explain the board.

18 MR. DOWNEY III: Yeah. It's gotten interesting
19 since I left.

20 MR. RANNEY: If you can.

21 MR. DOWNEY III: When I joined the agency, it was a
22 board of 14, the chairman and 5 others appointed by the
23 governor. And there's a residential requirement that
24 says that at least 2 of those 5 have to be residents

1 within the city. The mayor gets to appoint 4. Each of
2 the suburban counties -- The three large suburban
3 counties each got to appoint 1, and the four smaller
4 counties got to share 1. So that adds up to 14. To
5 make our life somewhat more complicated, the four small
6 counties never agreed with each other and eventually
7 went to Albany and got ability to each be a quarter
8 vote. So we pick up 4 more people around the table, but
9 only one vote. And they had to agree with each other
10 how to cast that vote. Everybody has the chance to
11 talk.

12 Subsequent to my leaving, they've also added
13 6 nonvoting members, 3 from labor and 3 from the riders.
14 So that's a big table, 23 people. I like my Metro board
15 a little better. We're 16 of whom only 8 vote.

16 But the larger board allowed some balancing
17 inside the umbrella. I can remember some very heated,
18 lengthy meetings. Back when Dick was chairman, he
19 finally appointed 1 suburban person and 1 city person
20 and said go in that room, don't come out until we got a
21 deal. We provided all the information we could provide
22 about ridership and need, blah-blah-blah, the whole
23 thing. We said whatever you come up with, we'll live
24 with. It was with Bobby Wagner, Mayor Wagner's son, the

1 city guy. We got from Long Island the Long Island guy.

2 And somewhere in my basement, I still have
3 literally the manila envelope with writing on the back.
4 At the bottom, it says seventy-seven twenty-three. That
5 was our deal. We could manage to make funds flow in
6 such a way that it would work and sell the legislature.
7 As long as we arrived at that, why would they want to
8 tinker with it. And it's been durable. I think the
9 last time I looked it's running out by seventy-six
10 twenty-four, something like that. But, fundamentally,
11 because it was all inside, brought down to one room, you
12 could have the durable deal.

13 In Washington, we have a different way to try
14 to balance things. We have 8 building members, 2 from
15 Virginia, 2 from Maryland, 2 from the district, and
16 now -- this is fairly recent -- 2 from the federal
17 government. And each of them has an alternate. And the
18 alternates get to speak, which makes the meetings twice
19 as long. But they bring in interesting ideas.

20 Anything that passes the board must have at
21 least a vote from each of the jurisdictions. It's not a
22 simple majority thing, but it is at least assurance that
23 nobody has been left out in the cold. In our recent
24 revision to governance, which is not a statutory

1 revision, it was a self-developed, we did adopt the
2 principle that two members who were seeking to exercise
3 what's known as the jurisdictional veto would not do it
4 unless they talked to the chairman first, no surprises.
5 If you've got something so important that you would blow
6 up the deal and not make it happen, you've got to talk
7 about it first. I had one of those fairly recently.
8 And, you know, with some advance notice, we were able to
9 work it out. That's another way of balancing. It's
10 another way of keeping a lot of the tough decisions, the
11 distributional decisions in the same framework of those
12 that have to live with it. They've arrived at them.
13 They have to defend them and have to live with them.
14 And they have to answer back to the people that
15 appointed them that they are reasonable decisions.

16 Our other interesting factor in Washington
17 that helps makes the thing happen, we have -- Some
18 people consider this a detriment. I consider it a
19 positive. We're the only large transit agency in the
20 country that has not a single source of dedicated
21 revenue. We don't have anybody's taxes, no sales tax,
22 no payroll tax. We have our fare box, and we have
23 jurisdictions. And we have a formula that says here's
24 what the budget looks like, here's what the capital

1 needs are. And by formula, the jurisdictions have to
2 fill their share of the cost or decide to change the
3 overall mix in some way. But it's a better -- In some
4 ways, it's a very reliable source of funds.

5 Arlington County, here's your bill for the
6 year. If you want the system to work, you pay for it.
7 That means that the Arlington County members of the
8 board or the district members or anybody else are both
9 accountable to their own taxpayers but also accountable
10 for the operation of the system. So far it's held
11 together.

12 MR. PAULAUSKI: What would you need -- If we were
13 going to change the system, what would the RTA need to
14 really do the job that I think is already there, Steve?

15 MR. SCHLICKMAN: I agree, but I don't think it's
16 strong enough. I think it would be best if it was one
17 system, and I tried to make that case the best I could
18 in a short letter backed up with my 40 years of
19 experience.

20 But in 2008, we got a series of mandates in
21 that legislation from the legislature, came through a
22 very thoughtful process led by Julie Hamos,
23 Representative Julie Hamos, chair of the mass transit
24 committee. It was one of the most thoughtful political

1 processes I've ever seen, in fact, by far. And it
2 produced, I thought, some very good directives and tools
3 for the RTA.

4 So one thing I would urge you to do and I
5 would urge the legislature to do is to hold the
6 structures feet to the fire on those mandates. Since
7 2008, there hasn't been one review of those mandates.
8 No one has looked at it in a public forum and to say
9 service boards and RTA how have you performed, how have
10 you carried out the mandates we issued in 2008. And I
11 would urge you to do that. And I think there's going to
12 be some good stories. But I also think there's going to
13 be some lapses. And that happens. But I do know, as a
14 manager, when someone is holding your feet to the fire,
15 you perform better.

16 MR. RANNEY: Okay. Bob and then Dr. Holloway.
17 Then we're going to get to the principles. We'll circle
18 back to some of the comments, I'm sure.

19 MR. REITER: So we've talked about a lot of concepts
20 and structures. I just want to apply them to something.
21 I think this is appropriate for you with your
22 experience. Let's assume that it made sense to take
23 some of the heavy rail that runs north-south and put a
24 commuter line on there because there's need. There's

1 some sort of industrial need or passenger need to move
2 people through that system. Under the current
3 bureaucratic system structure, could we do it?

4 MR. SCHLICKMAN: Explain the example again. What
5 commuter rail?

6 MR. REITER: It doesn't have to be -- It's a constant.
7 Could we take on a massive project where we were going
8 to build a whole new line on the Metra system? I mean,
9 could we --

10 MR. SCHLICKMAN: Oh. There's proposals out there
11 for that.

12 MR. REITER: And I know there are. But could we do
13 it? Could we do it under the current structure?

14 MR. SCHLICKMAN: Well, we don't have the money to
15 do it. But, yes, we've done it under this structure.
16 But the issue is how many of those types of improvements
17 are out there and are we picking the right one. What we
18 tend to do is to get, you know, local interest in an
19 extension. And then there's local political support for
20 it. It then becomes the squeaky wheel. And that's what
21 happened with the STAR Line, the northwest corridor
22 project. And I applaud the mayors out there for doing
23 what they did because I really do believe they
24 identified an important need. It's not happening the

1 way they want it to, but fortunately it is happening
2 because the tollway is stepping up and partnering with
3 Pace to do bus on shoulder and hopefully later bus on
4 rapid transit.

5 But why should they be the ones though that
6 determine the priority? Shouldn't there be some
7 leadership from the top or some vetting process by which
8 we're looking at every travel corridor in the region?
9 We're not. We haven't for years. We've done it
10 incrementally, but not as one integrated approach to see
11 where the mobility challenges are, to see where high
12 capacity transit would make more sense, and then put
13 that at the top of the list.

14 MR. REITER: So you're saying we're not best equipped
15 to take on those types of decisions?

16 MR. DOWNEY III: Or to make the best decisions.

17 MR. SCHLICKMAN: No. No.

18 MR. DOWNEY III: One of the things we're struggling
19 with in Washington has been history in the last 10,
20 15 years of extensions to our system are a local
21 responsibility. If you want to have rails to the Dulles
22 Airport, that's a Virginia deal. Maryland wanted to go
23 out to Largo to FedEx Field, their deal. Where we've
24 seen that falling apart -- we're now waving our arms and

1 saying wait a minute -- if everybody gets to add
2 extensions and we don't do anything downtown to add
3 additional core capacity, they aren't going to work.

4 So we're stepping up again and saying that's
5 another part of the whole process, something we have to
6 be prepared to work on. And we may have a different mix
7 in the future as to who pays for what. But we hope we
8 will have the kind of a rational planning and decision
9 process that says we will do the things that are best
10 for the region.

11 We have floated a whole bunch of ideas now
12 what we might do in the next 10 years, most of which is
13 just optimizing the capacity we have. We're a strained
14 system. They only built it with two tracks. So there
15 is only so much you can put through. But we have not
16 gotten to the point where, for example, all of our
17 trains (unintelligible). If we do that, get the power
18 system to do it, we can get 10 more years of capacity.
19 And then here's some things beyond that that would be
20 regionally important.

21 But we want to have a regional debate about
22 what those things are. And we might be able to say and
23 if we do that here's the difference that it will make.
24 This is how the region will be better. It might even

1 connect up to Georgetown some day.

2 MR. RANNEY: And your chance, Dr. Holloway.

3 DR. HOLLOWAY: And I guess that really was my
4 question. Understanding that transit and improving it
5 means we have to get some level of local support, so
6 there's the issue at hand where we have to understand
7 what the perception is of local transit, especially
8 outside of the urban area, and to necessarily get the
9 support that transit can be a viable connecting route,
10 not only to the center of a region but, as you've
11 mentioned, employment centers that exist in the
12 outskirts. And I like the way that you phrased it is
13 that transit can't drive that type of even perception or
14 mentality. You have to work in concert.

15 MR. DOWNEY III: You have to work in an environment
16 that wants to take advantage of it.

17 DR. HOLLOWAY: So when we are moving from a very
18 (unintelligible) maybe to a level of discounting transit
19 to trying to engage local government to see how it can
20 be beneficial, how do you foresee that when we
21 necessarily start from that perspective where it needs
22 to be viewed it's an added value?

23 MR. DOWNEY III: Yeah. I mean, it starts with do
24 the local leaderships have a vision of where they want

1 to be, where does transit fit into that vision, what
2 kind of service are they intending to provide, what's
3 the planning environment that they're working within.
4 In Washington, for example, we do not set out to be a
5 monopoly of all transit service. We run our trains.
6 That's what we're good at.

7 In the bus world, we have identified a network
8 of regionally important bus services. They cross the
9 river. They cross jurisdictional boundaries. They go
10 reasonable distances. We run those. We share the cost
11 of all of those. For bus service that is locally
12 oriented, we're willing to run it or we're willing to
13 see the jurisdiction run it. And it's a mixed outcome.

14 Arlington County runs all of their own bus
15 system with their own agency. Fairfax, pretty much the
16 same. Prince Georges County on the other hand said
17 we're not capable of handling. Will you run them for
18 us. We will at their expense.

19 We look together with them what are the needs.
20 But we let them make some decisions about stuff that's
21 strictly of local consideration, and we don't try to mix
22 that with the things that we do that are much more
23 regional in focus.

24 MR. SCHLICKMAN: Can I comment on Washington and

1 Chicago comparisons? It's like apples and oranges
2 really. Washington, as we know, is a company town. It
3 also has a height limitation in the downtown. It can't
4 grow the central area like we grow. I mean, this is a
5 fantastic transit-oriented development we have downtown.
6 And the reason why it is is because it's served so well
7 by transit. We should be proud of that actually. And
8 it's still very vibrant, and it's because of transit.

9 But when you look at those (unintelligible) in
10 Virginia, they had to find someplace to grow because
11 they couldn't grow downtown. And fortunately they could
12 grow around transit. It wasn't because they had a plan
13 to get it there, did they?

14 MR. DOWNEY III: No. Tysons didn't have transit.
15 It's gotten to where it is, but they recognize they
16 can't get further. Once they finish, it will be the
17 largest CBD between like Richmond and New York excluding
18 Washington.

19 DR. HOLLOWAY: And I think that's case too. But
20 the suburban areas that may be resistant to any type
21 of (unintelligible), there are current zoning laws
22 designed for different purposes maybe see beyond what
23 may have been the rationale -- the entity rationale that
24 created them to look at the future and say well, we

1 need to create little more density here to support
2 transit and change of behavior of our residency to
3 support that.

4 MR. SCHLICKMAN: I think the 20-40 plan encourages
5 that.

6 GUIDING PRINCIPLES COMMENTARY

7
8 MR. RANNEY: Okay. We're going to have to turn to
9 the next item on the agenda. And what we want to do is
10 run through these principles that we have, hopefully
11 informed by this discussion we've just had and hopefully
12 beneficiaries of our two experts helping us critique
13 them.

14 The idea here has been to have agreement, as I
15 mentioned, on the boldfaced statements. This has been
16 done by transportation at other agencies in Illinois
17 recently. And it's a useful way of coming to a point
18 of, you know, what to emphasize in the final report, of
19 getting some sort of consensus, thinking about what are
20 the key points. So this is important, although it may
21 seem a little prosaic.

22 And what I'm going to do is read aloud each of
23 the six principles, not to back up Carol because you're
24 right in saying those are the specifics but can easily

1 be adjusted thanks to comments. But let me run through
2 these.

3 The first one -- And I think each of you have
4 got this document. I hope you have. The first is:

5 Put the customer first by offering a
6 seamlessly coordinated, fast, convenient,
7 reliable, and safe system that serves as a
8 viable appealing alternative to driving.

9 After hearing Mort's opening comments, I think I
10 would probably put safe first in the list. But are
11 there any other suggestions or comments on this?

12 MR. SEN: Later on where you identify that the
13 customers also include non-riders, I think that's very
14 important.

15 MS. BROWN: And I think -- Also, I think it
16 marginalizes -- the phrase "appealing alternative to
17 driving" marginalizes kind of that as a goal. And I
18 don't think you need it. I don't think that you need
19 that, the alternative to driving, as part of the
20 principle. I think we need to offer a coordinated, fast
21 safe, reliable system that gets people where they want
22 to go.

23 DR. HOLLOWAY: I kind of like the word "choice"
24 that was mentioned, that becomes a choice alternate.

1 MS. BROWN: Well, we already have a choice system.
2 I don't know. I just don't think that the goal should
3 be to create an alternative to driving. There are a lot
4 of people that the cars are just never part of their
5 world. They don't -- And our transit system, you know,
6 we want -- I think Mort said it a lot more articulate
7 than I am. We don't want that to be the only mode of
8 transportation in our system. We want the Zipcars. We
9 want a road system. We want this to complement the
10 viability of our region. And it's not as an alternative
11 to the car in my opinion.

12 MR. RANNEY: It may be a complement, but it may be
13 a different point because it's a somewhat different
14 level point than this.

15 MS. BROWN: I don't think it should be part of the
16 guiding principles to create a system.

17 MR. RANNEY: Let us take that and consider that
18 point. It's just what we want. We're not trying to
19 wordsmith these, we're trying to get the content
20 straight.

21 Tony ...

22 MR. PAULAUSKI: Right. I think I would add to that
23 I think it has to be an accessible system as well. You
24 know, more importantly today, I think that speaks to

1 maybe people that just can't drive as well.

2 MR. RANNEY: Okay. Quite well taken. Anybody else
3 on No. 1?

4 MR. RAYMUNDO: I somewhat disagree a little bit
5 with Carole, not necessarily in the wording, but to
6 change it. Because what we're trying to do here is
7 focus on public investment in public transportation.
8 So, in a sense, it is an alternative to driving. But
9 the language should reflect something different. But in
10 terms of what we're trying to do here is elevate the
11 importance of \$19 billion being in disrepair.

12 MS. BROWN: Yeah. I just don't think that the
13 development of the transit system as an alternative. I
14 think you do want to get people out of the cars just for
15 a host of reasons. But I think that it marginalizes a
16 little bit the importance of a viable public transit
17 system to say the objective is to create an alternative
18 to driving.

19 MR. RANNEY: Okay. Great point. I would like to
20 move to 2, which I will read.

21 Promote economic vitality by matching
22 development with transit service throughout
23 the region, providing numerous transit options
24 to communities, employment centers, and other

1 destinations.

2 MR. PAULAUSKI: I think we heard today state of
3 repairs. You know, we need to be really looking at.

4 MR. DOWNING III: That's something I really do see
5 missing in these principles. And I'm not sure looking
6 down where I could fit it in. It may have to be on its
7 own. But stewardship for the physical condition of the
8 system is a fundamental.

9 MR. RANNEY: Okay. Good point. I know it's meant
10 to be in here. But let's take that. Any other ...

11 DR. SEN: It's actually elaborating more on the
12 No. 2 over here because basically what we want in a
13 system is something that serves a large part of the
14 metropolis. You know, given the total number of trips,
15 it should be able to sell a large fraction of them. I
16 don't know what the right wording is. But I'm thinking
17 more in terms of performance measurement here. If you
18 take all the trips that are made, you want to sell some
19 large fraction, 25, 50, whatever, of the thing. I would
20 like that to be put in, that we want the system to
21 serve, you know ...

22 MR. RANNEY: Okay. Let me read 3 because I think
23 that gets at it somewhat.

24 Plan ambitiously and adapt as the region

1 changes, continually refining and tailoring
2 transit services and investments to help
3 reduce congestion and provide an abundance of
4 transportation choices that help make the
5 region the best possible to live, work, and
6 visit.

7 DR. SEN: Yeah. This is more dynamic, I'm thinking
8 more static that we want a system that serves a lot of
9 the people. I mean, it's there. But I would like to
10 see it explicit. That's all.

11 MR. RANNEY: I think there is some specifics here
12 in the back-up material on this that I thought were
13 quite striking. It showed how many people really
14 couldn't use transit to get to work because it took more
15 than 90 minutes. And that's really what you're getting
16 at in a way, isn't it?

17 DR. SEN: Yeah. Let me send you a couple of
18 sentences later written as performance measures.

19 MR. RANNEY: That would be great.

20 MS. BROWN: Incumbent in all of this, I think you
21 kind of get to it in Level 4. But kind of to your point
22 about 90 minutes, I know that every time the service
23 boards plan, kind of the level of service is impacted by
24 the resources available. And so, you know, should

1 people have to walk a half mile or a mile to get to a
2 transit alternative? And that, a lot of times, is
3 impacted or influenced by the amount of funding
4 available because the cost of the service. And so how
5 that can be incorporated in the financially sustainable
6 principle that Mort outlined, I think, is important for
7 all of this. And so I don't know.

8 MR. FITZGERALD: I would just add one thing. What
9 I clearly heard today is a lot of advocacy that since we
10 need to be in a state of good repair, it may take a very
11 large investment of capital, and that besides investment
12 of capital, if we want to give quality service, people
13 are going to be expected to pay more. I know people
14 that don't want to invest. They don't want to pay more.
15 But the choices between good service requires investment
16 and payment. The one thing that strikes me -- and I was
17 in New York riding the subway in the '80s, and I saw it
18 change a lot. I think a lot of the folks in the street,
19 a lot of the business community would say given how we
20 got here, do we feel confident that we should invest
21 billions in the system. And the (unintelligible) were
22 saying we've watched failures before and now you're
23 going to ask us to pay more and invest in the hope and
24 trust that everything will be managed well.

1 So I think if we are going to take this on, we
2 need a state a confidence in the system, that people
3 feel they trust people to be honest and manage it well
4 and efficiently before they want to invest. Because I
5 think we can't walk out and say whatever got us here, if
6 you give us a couple of billion by raising bonds, more
7 so for the pension mess, and raise fares, come back in
8 5 years and it will all be okay.

9 So I think the state of good repair is
10 necessary, but a state of confidence to raise money and
11 fares is going to be needed.

12 MR. RANNEY: I think that's very good. In fact,
13 No. 5 is an effort to get at that. I'm going to skip
14 over 4 and come back to it.

15 MR. SCHLICKMAN: George, on 3 ...

16 MR. RANNEY: Yeah.

17 MR. SCHLICKMAN: I would hate to hold the transit
18 system to the standard of reducing congestion. I think
19 you can be a world-class transit system and still have
20 the same level of congestion now. I mean, addressing
21 congestion may be impossible in the long run. So
22 instead of saying to help reduce congestion, I would say
23 to help provide congestion relief. Give people options.

24 MR. RANNEY: Okay. We'll take that. And let's

1 come back to that because that's such a critical point
2 about how we position. I think it's worth talking
3 about.

4 I would like to jump to 5. Let's talk about 5
5 and then come back to 4. 5 is:

6 Function in an ethical, efficient, and
7 transparent manner that demonstrates clear
8 accountability to the public in achieving the
9 best possible transit service for the region.

10 MR. FITZGERALD: And I think that gets at the
11 issue. The reason I made the other point was if there's
12 a separate point besides running an efficient but saying
13 we need a start-up at the beginning, an injection in the
14 capital to getting ourselves in a state of good repair.
15 But this talks long term to me, 5. In the next
16 20 years, you want to be functioning well. But I don't
17 know that the people are going to have the confidence to
18 want to invest billions before they've seen a structure
19 and a governance system that they feel is worth making
20 that investment at the beginning, that people aren't
21 taking it as being something we should incorporate in
22 the principles. So if we're going to add a principle
23 that says we need a state of good repair, I think we
24 need to achieve a state of confidence quickly.

1 MR. RANNEY: I've heard one point again and again.
2 You got to get governance situation sorted out before
3 anybody is going to vote for anybody.

4 CO-CHAIRPERSON SCHNEIDER: And with the competence
5 that we talked about.

6 MR. RANNEY: Okay. I think that's a great measure
7 in fact.

8 DR. HOLLOWAY: Why we're here is because of No. 5.
9 And to start a list where this issue is to be buried
10 again, I think, circumvents this idea that we have to
11 address. Even just placing it higher on the list gives
12 it a sense that it's important for us to talk about and
13 find some remedy than some of these other aspects. My
14 recommendation would be to change it to No. 1 and let
15 people know that it's a very important part of the
16 discussion.

17 MR. DOWNEY III: And it's foundational. People
18 want to know that the money will be spent honestly.
19 They also want to know that it will be spent by the best
20 planning mechanism to bring results and show what those
21 results are. But the ethical side of the results are
22 critical. In the Washington experience, we had to go
23 through a number of problems with respect to ethics to
24 get the confidence.

1 MR. RANNEY: Tell him how you had to handle that
2 board.

3 MR. DOWNEY III: Well, tragically we had a train
4 crash that killed a lot of people, caused enormous
5 concern about was this system safe and was it being
6 managed well. The National Transportation Safety Board
7 took on the safety issues and gave us an agenda of
8 things that needed to be done.

9 But concurrently there were actually two
10 separate governance reviews that were done. One was by
11 the combination of the business community and local
12 government. A separate one was done by the governors of
13 the two states and the mayor, a lot of converging
14 recommendations. Fortunately we agreed, frankly, to say
15 we will implement everything we can do within the
16 existing compact. If you want to go beyond that, you
17 have to go get three states and the federal government
18 to agree. We found enough things that could be done
19 within the existing compact to get the place back in
20 good shape for us.

21 So, unfortunately, 12 out of 14 board members
22 left, not all at the same time, but all either because
23 they didn't think they could continue to serve well or
24 their appointing officials felt the same. So with an

1 entire new board, we stepped back and said what should
2 we be doing within the constraints of the law to make
3 this place work better.

4 When I came on the board, which was almost a
5 year after the crash, the first federal appointees were
6 brought on. I said, Can I see the bylaws so I could
7 understand this?

8 Well, there aren't any.

9 I said, You're kidding. No bylaws? How do
10 you operate?

11 Every year, we have a new chairman, and the
12 chairman establishes a new set of procedures.

13 It doesn't sound right to me. So coming out
14 of the governance review and the recommendations, we
15 adopted bylaws. We adopted a very strict code of
16 ethics. We adopted a basis to look at both of those.
17 We've had a few bumps on the road where we had to do
18 some disciplining. But I think it has created for
19 everybody, except the cartoonist on the editorial page
20 of the Washington Post, a feeling that we've got our
21 arms around this. And that was fundamental to getting
22 federal to appropriate, in addition to everything else,
23 150 million a year for our capital and the three
24 jurisdictions to match that. We had to show that we

1 would do a good job. And Dick had to do the same. He
2 had to go to the legislature in New York.

3 MR. RANNEY: Okay. It's pretty sobering, but we're
4 not alone.

5 Number 4, which is the one that Ann had an
6 edit for:

7 Be adequately, logically, and equitably funded
8 (we need to add sustainability) in order to
9 provide the level of performance needed to
10 support a seamlessly connected, appealing,
11 comprehensive transit network.

12 MS. THOLIN: This is where the idea of the state of
13 good repair could go in here more explicitly if it
14 wasn't its own item. But I think it could be integrated
15 into this language.

16 MR. RANNEY: Okay. Any other comments on this?

17 MS. BROWN: The only other comment is maybe adding
18 sustainability as the concept of not only good repair,
19 but funding over time and consistent and predictability.

20 CO-CHAIRPERSON SCHNEIDER: That's what I was trying
21 to get at with sustainable.

22 MS. BROWN: So that concept of not having, you
23 know, funding being an annual question.

24 CO-CHAIRPERSON SCHNEIDER: Adequately, logically,

1 sustainably, predictably, equitably.

2 MR. RANNEY: Okay. Good. That's helpful.

3 Now, I'll read 6. This could be framed as the
4 sentence, I think.

5 Embrace changing technology and innovations in
6 finance, communications, vehicles,
7 infrastructure, and consumer service.

8 That's really what you were trying to get at.
9 Isn't that right?

10 DR. SEN: I was. And I thought that it's
11 something that pervades the whole thing because if
12 indeed -- You know, something that I like is that we
13 bring it up to a state of good repair. And if we have
14 to do more service or something else beyond that, we are
15 talking about 20-, 30-year plans. And things are going
16 to change enormously in the meanwhile. So to keep track
17 of everything through the lens of technology changes, I
18 think it's very valuable.

19 MR. DOWNEY III: And I think you need those good
20 ideas and also a lot of push on traditional,
21 conservative management in these agencies to actually
22 take them up and take some risks to put them in place.

23 DR. SEN: Yeah.

24 MR. DOWNEY: One of our big investments in New York

1 took years. Dick got it started, and then his successor
2 backed off of it. We went, probably a little too early,
3 to a new modern fare system, which is now an obsolete
4 fare system. But it is still working. But after
5 \$700 million to equip all of the buses and all of the
6 rail stations, the big question was now that we've got
7 it, what are we going to do with it. And management at
8 that time with some leadership said we're going to
9 change our fare structure. We're going to eliminate the
10 double payment for taking trains and buses, free
11 transport between modes. We've never done that.
12 Ridership increased by such an amount that net revenues
13 were actually higher. But it took, you know, not only
14 the innovative technology, but a management that was
15 willing to take some risks and get results.

16 DR. SEN: They're scared about the fare-paying
17 structures.

18 UNKNOWN: I think we have enough problems with
19 Ventra.

20 MR. DOWNEY III: And we in Washington are watching
21 Ventra. A year or two from now, we'll follow.

22 CO-CHAIRPERSON SCHNEIDER: Once the bugs are worked
23 out.

24 DR. SEN: What I was trying to get at over here,

1 you know, we don't have a system by which we are
2 drafting changes in technology or even watching it. So
3 we try to make things which are more of the same rather
4 than saying, you know, are changing. We've got to watch
5 that.

6 MR. DOWNEY III: I recall when I was close friend
7 and occasional advisor to Frank Kruesi, CTA, we were
8 talking about the new cars that you were then going to
9 buy. I said they're identical to the cars that were
10 built in 1947. I said, Frank, where are you going to
11 get the spare parts for them 20 years old and you're the
12 last bastion of old technology. We actually got him to
13 change. Your new cars are new technology. Our new
14 Washington cars are going to be new technology.

15 MR. RANNEY: Okay. Raul ...

16 MR. RAYMUNDO: On No. 5, given what Steve
17 mentioned, I'm not sure that we are capturing -- I would
18 try to edit after demonstrates that there's effective
19 regional governance and clear public accountability. I
20 think the way it reads there it could be perceived clear
21 accountability within one system, and I think we're
22 missing the governance question.

23 MR. RANNEY: Okay. Good.

24 MR. TANTILLO: George, I would really like to see

1 No. 5 up in the No. 1 spot myself as kind of a guiding
2 principle for the entire document.

3 MR. RANNEY: Okay. Let me tell you this. Let me
4 just put out there why it's not.

5 MR. TANTILLO: Okay.

6 MR. RANNEY: And then I'm going to suggest that
7 what we do is we let the people who have been working on
8 these go back and come back with a new draft, which
9 we'll send out before the next meeting and try to nail
10 them down then.

11 And I would also ask people to do what
12 Dr. Holloway did, which is she actually not only read
13 this, but sent us in comments before this meeting, which
14 are very helpful. So we would appreciate those after
15 this meeting on this very substantive discussion.

16 The reason that I think that that is not
17 first -- and this is something we need to discuss
18 later -- is that a lot of people are saying this task
19 force is created only because of the ethical problems.
20 Let's fix the ethical problems to some extent, put them
21 first. That's it. We don't have to worry about the
22 rest.

23 And I think what -- Pat and I spent quite a
24 bit of time the other day talking about this. I think

1 we're talking about a context where all these things are
2 related. And, you know, if you're talking about
3 corruption, of course it permeates everything else. We
4 don't want to get dismissed as simply the agency, the
5 group that was looking at what happened at Metra. This
6 is broader than that. So we need to figure out how to
7 make that point. And I'm completely with you. I mean,
8 I think the reason we are getting attention now -- and
9 there's a lot of it, as you know -- is the fact that
10 there have been these pervasive problems. But we need
11 to figure out how to make the case that these are all
12 related.

13 MS. BROWN: I think I would put it second. I think
14 if you don't have a system that serves the customer,
15 there's no point to it. And then it has to be
16 efficient. And so I think it's the two-prong tenet of
17 servicing the customers and providing safe, reliable
18 services and then doing it in ethical, transparent
19 accountable fashion.

20 MR. RANNEY: That's very thoughtful.

21 Pat, what are you thinking?

22 MR. FITZGERALD: I was going to suggest 1(a) and
23 1(b) for the reason that if you don't have an ethical
24 governance structure and people don't trust it, it's

1 going to fail. But if you have an ethical governance
2 structure, it doesn't mean it succeeds. It just means
3 it's not going to be corrupt. There's not going to be
4 fraud, and abuse is going to be minimized. Nothing is
5 perfect.

6 But if you have an honest system that doesn't
7 deliver service, then that's better than a dishonest
8 system that doesn't. But then we don't need to have
9 another commission 2 years from now to say now we're
10 honest. That's why to me (a) and (b) was to make the
11 point that we need both at once.

12 MR. TANTILLO: Pat, I like your (a) and (b).

13 MR. FITZGERALD: All right. Put Don on two votes.

14 MR. RANNEY: Okay. We're going to work on it.

15 Before we go to public comment, I would like
16 our two experts if they have any closing comments for us
17 on where we are, what we should pay attention to, how we
18 should be moving forward.

19 MR. SCHLICKMAN: If I could, I think we had some
20 prior discussion on this. But I think it's very
21 important for you to at least put on the table what you
22 think is the best recommendation overall and not shy
23 away from that. Even if the legislature doesn't take it
24 up, at least you've put a benchmark out there for when

1 there is an opportunity to take it up.

2 MR. DOWNEY III: Yeah. And I would second that.
3 Shoot for what's really important, not necessarily what
4 might be easily doable. But I also would not call it
5 any kind of doctrinal approach that it must be X or it
6 must be Y. What really counts is where do you want to
7 be, what is that vision, and then what kind of tools can
8 be put to work by people who understand the vision and
9 have some authority and power to do it and do it in an
10 honest and effective fashion. There's no single answer.
11 But one set of questions that really does apply here,
12 you say what are the answers in this region at this time
13 that would make the most sense to get us where we want
14 to be.

15 MR. RANNEY: All right. Thank you very much.

16

17 SCHEDULING

18

19 MR. RANNEY: Tony ...

20 MR. PAULASKI: Are we meeting on January 15th? I
21 don't see it in here. I have it on my calendar.

22 CO-CHAIRPERSON SCHNEIDER: The calendar I gave --
23 or I talked about earlier, we just had two more meetings
24 after this. It would December 12th and then

1 January 28th. And during the interim we would be
2 working through draft documents.

3 MR. RANNEY: I think if we need it, let's make a
4 decision on December 12th, or before if you want to. I
5 think we've had a very good discussion here. But
6 there's a lot more work to do obviously. And
7 fortunately Mort has agreed to sort of help us on a more
8 continuing basis. And we have other people coming to
9 help us. And I think the people around this table have
10 been extremely helpful today. We thank you.

11 CO-CHAIRPERSON SCHNEIDER: And I also think we can
12 tap into Steve additionally if we need to as well.

13

14 PUBLIC COMMENTS

15

16 MR. RANNEY: We have 15 minutes for comments.

17 CO-CHAIRPERSON SCHNEIDER: So we've got Garland
18 Armstrong. You're first up Garland. Do you want to go
19 ahead and give your comment?

20 MR. ARMSTRONG: Yes. Hi. I'm Garland Armstrong.
21 I'm on the CTA and Metra's 88 advisory committee, and
22 I'm also a volunteer for Access Living and a former Pace
23 88 advisory committee representing west Cook.

24 And I think, for this right here, they should

1 also be put in there for people with disabilities
2 because people with disabilities is also part of it too.
3 It's always safety issues because every time me and my
4 wife go on a CTA bus, there are people with big
5 three-wheel baby strollers on there. One time it struck
6 the leg on my wife. And one of them with the baby
7 strollers did not even apologize or did not say sorry at
8 all. Because we have these different people with
9 disabilities and different languages. They don't want
10 to say nothing. They're trying to use code of silence
11 to themselves so they can get away with it. And CTA
12 should know about this because we have been on this hot
13 issue about the three-wheelers.

14 And also try to take up for the senior
15 citizens who are disabled and also for those who have
16 crutches and canes. And they should know about it
17 because sometimes they just really don't care,
18 especially the general public who takes public
19 transportation. I think there's a hot issue on it.

20 And then every time when we're on Metra too,
21 there are some people with some bikes on there that they
22 don't want to have no tie-downs. They could turn over
23 the bikes. And they want to put in the other sections
24 not where the bicycles sign is posted on there. And

1 then they think they have their individual rights.
2 Where does individual rights consist of for themselves?
3 What do they think of? And they don't understand about
4 people with American Disabilities Act. So I think they
5 need to reeducate themselves. They are uneducated. And
6 I think they need to be reeducated and think twice what
7 about people with special needs. They don't even care
8 about it. They're all thinking about themselves, and
9 they're trying be isolated so they don't want to be
10 caught or nothing.

11 So I think the task force needs to work on
12 there for people with American Disabilities Act. So
13 they should get on and be sure to enforce it because the
14 general public doesn't know about it and they are trying
15 to dodge it. So I think you-all should get into it and
16 make sure that this is definitely enforcing so we don't
17 have to go through this all over again.

18 CO-CHAIRPERSON SCHNEIDER: Thank you, Garland, very
19 much. Good comment.

20 Heather Armstrong ...

21 MS. ARMSTRONG: Good afternoon. My name is Heather
22 Armstrong. I'm on the Pace 88 committee, and I'm also
23 on the Metra 88.

24 My problem is with CTA all the time. A lot of

1 times, I can't get a seat on the real crowded routes. I
2 get on the bus, but it's hogged up by those stupid baby
3 strollers, by those baby strollers all the time. They
4 refuse to give up their seats. I have to point to the
5 sign all the time. But the bus driver refuses to get
6 out of his seat and tell them to fold up their baby
7 strollers and move so I could sit down, you know.

8 Maybe you should have Pace take over the CTA
9 buses just like you did with Pace taking over the
10 paratransit because they're doing a great job. Pace is
11 doing a great job with their bus system because they
12 don't allow baby strollers to be hogging up the aisles
13 or the disability section. They have to fold it up and
14 then be put up so nobody gets hurt.

15 And the second thing I have a problem with is
16 the bikes on the Metra because they hog up the
17 disability section on the Metra so whatever wheelchair
18 or anybody else that has a disability cannot get on the
19 Metra. That's a hard thing for us people with
20 disabilities. I think you guys need to do something
21 about that too.

22 CO-CHAIRPERSON SCHNEIDER: Thank you, Heather.
23 Thank you very much.

24 And the last person is Spencer Staten

1 (phonetic).

2 MR. STATEN: Thank you. I've spoken to you guys a
3 few times before. There are just a few things I want to
4 say today based on what I've heard.

5 One of the comments from Mr. Schlickman was
6 that this was no way to run a business. I would just
7 like to remind you again that if we accomplish nothing
8 else here, it should be that we stop talking about
9 transit as a business, but rather as a public service,
10 that it's paid for and benefits everyone. The business
11 model has gotten us into a lot of trouble, and it's
12 caused us a lot of problems when talking about public
13 transit through the years. And if we can do nothing but
14 to move away from talking about transit as a business,
15 but rather a public service, I think that would be a
16 great accomplishment.

17 Following up on something Mr. Downey said, he
18 was talking about how the local airport in Washington
19 was collecting monies for the capital costs for building
20 the line. He also mentioned that when they were
21 originally constructing the system, they went through
22 some areas in Arlington that had been somewhat
23 economically disadvantaged. And then now, 20, 30 years
24 later, they are boom areas.

1 What that tells you is that as an economic
2 development engine, transit is huge. A lot of that
3 resides in the value of property that's around the
4 transit systems that we have. What I would like to find
5 out is when we talk about the jurisdictional system -- I
6 guess what I would like is we could ask CMAP or someone
7 to tell us what would that look like here. What if we
8 scrap the sales tax and the other systems outside of the
9 fares and let's go to a jurisdictional system in the
10 region. What would that look like. Because that would
11 in part, I think, provide a better sense of people
12 paying for the service that they are receiving and also
13 provide more accountability for the service that we
14 have.

15 And then finally I would just like to say that
16 the idea of moving from four boards to one board, I can
17 see where it is appealing. But maybe four boards isn't
18 enough. Maybe we need fifty so the concerns that
19 Garland and Heather have, they can go to a more local
20 jurisdiction where that board and that group can more
21 directly address the route drivers and the people that
22 service their particular lines and stations to get their
23 issues resolved. Maybe we need to push governance out
24 instead of pulling it all in in order to provide a

1 better system.

2 That's all I have today.

3

4 GENERAL DISCUSSION

5

6 CO-CHAIRPERSON SCHNEIDER: Thank you, Spencer.

7 Does anybody on the task force have any

8 additional comments or discussion?

9 MS. BROWN: Can I ask one question of Mort on kind
10 of just Spencer's comment. The jurisdictional system,
11 what's the source of -- Do the jurisdictions levy taxes
12 locally to pay for it or is just general fund money?

13 MR. DOWNEY III: They pay their dues with general
14 fund money.

15 MS. BROWN: Thank you.

16 MR. DOWNEY III: On the capital side, they do have
17 the option of bonding if they choose or they could ask
18 us to bond it. But it's not -- Other than a minor piece
19 in Virginia, there was a gas tax. But basically it's a
20 general fund. And it's a political issue. It is a big
21 ticket item for these local jurisdictions. But it so
22 far has worked.

23 CO-CHAIRPERSON SCHNEIDER: Any other questions,
24 comments?

1 MR. DOWNEY III: Unlike -- I will just make one
2 other point. Unlike dedicated taxes, which sometimes
3 work and sometimes spectacularly fail, one of the great
4 presents we got in one of our Christmas trips to Albany
5 one year was a tax on real estate transactions. It was
6 really, really good. It was a lot of debt against, and
7 it went to basically zero. Two facts: When it goes
8 from a big number to a small number, it's your problem.
9 When it goes from a small number to a bigger number,
10 it's everybody's opportunity to pull back money from
11 other sources.

12 CO-CHAIRPERSON SCHNEIDER: That's a good point.

13 The next meeting, which is on December 12th,
14 it will be downtown. We just haven't nailed down
15 exactly where or the time. We'll get that as quickly as
16 we can out to you so you can all plan appropriately.

17 But what I would ask is to take a look at the
18 schedule that we gave out. And if you have suggested
19 changes or would like to see us add another meeting
20 prior to the final report, we can certainly try to
21 accommodate what your suggestions are. So just take a
22 really good look at that.

23 With that, I want to on behalf of George and
24 myself thank all of you for all of the time and effort

1 you've put in. And I want to extend a special thank you
2 to both Mort and Steve for offering their assistance. I
3 think their insights are invaluable to what our
4 considerations are.

5 I also want to thank the public for coming and
6 thank the people that made public comments today for
7 your public comments. They're all very helpful to our
8 deliberations, and we do appreciate that.

9 So with that, I would entertain a motion to
10 adjourn.

11 TASK FORCE MEMBERS: So moved.

12 MS. SCHNEIDER: All in favor?

13 TASK FORCE MEMBERS: Aye.

14 MS. SCHNEIDER. We're adjourned. Thank you, guys.

15 (Which were all the proceedings.)

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1 STATE OF ILLINOIS)
2) SS.
3 COUNTY OF COOK)
4

5 Sharon Valli, being first duly sworn, on oath
6 says that she is a Certified Shorthand Reporter doing
7 business in the City of Chicago, County of Cook and the
8 State of Illinois;

9 That she reported in shorthand the proceedings
10 had at the foregoing Meeting;

11 And that the foregoing is a true and correct
12 transcript of her shorthand notes so taken as aforesaid
13 and contains all the proceedings had at the said
14 Meeting.

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SHARON VALLI, CSR

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