

Urban Transportation Center (MC 357)
College of Urban Planning & Public Affairs
412 South Peoria Street, Suite 340
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October 8, 2013

Hon. Anne Schneider, Secretary of the Illinois Department of Transportation
Mr. George Ranney, President and CEO of Metropolis Strategies
Co-Chairs
Northeastern Illinois Public Transit Task Force

Dear Secretary Schneider & Mr. Ranney,

Having closely observed the creation of the Regional Transportation Authority in the mid-1970s, and having been directly involved in the reform of the RTA in 1983 and 2008, it is my strong belief that if there is an opportunity to improve the RTA structure now, the best action would be to create one regional transit agency with separate operating divisions for Chicago bus and rapid transit, suburban bus, ADA paratransit and commuter rail services. There are a number of factors supporting this approach.

First and foremost based on public and private business administration principles, one regional transit agency makes the most sense. Despite the region's political sub-boundaries of the City of Chicago, suburban Cook County, and the five collar counties, economically it works as one integrated expanse. Thus a fully integrated Chicago regional transit system under one agency should serve it. For the same reason, many of Chicago's transit peers are organized in that manner including Boston, Philadelphia, New York, Washington DC, and Atlanta. In fact a single regional transit agency is the predominate approach throughout most US metropolitan areas. Organizing in a different manner is to suit political interests not the best interest of mobility. The current four transit agency structure with four governing boards and 47 board members is just not a good business model.

The second case for one agency is the need for clear accountability. I have been involved in numerous transit controversies during my career, including working seven years each for the CTA, the City of Chicago, and the RTA. What is very apparent from that experience is that under the current organizational structure, it is often very hard to determine which transit agency should take the lead responsibility to achieve a solution. The complexities of the governance structures, service overlap, capital project planning and implementation, equities in the allocation of funding, etc., frequently results in two or more of the transit agencies pointing

October 8, 2013

Page Two

the finger of blame at each other. For example it has been debated as to why the region does not have we have a universal transit card. Anti-RTA advocates will say RTA failed to coordinate. RTA will say it doesn't have the power to coordinate. Metra, a universal card naysayer, is accused of putting its head in the sand. Metra will argue that technological and cost difficulties for its distance based fare structure are hard to overcome. The same critique could be leveled at other matters such as an unjustified expenditure of \$220 million on the incomplete Block 37 subway superstation, squabbles over the burgeoning cost of ADA paratransit service operated by Pace, the lack of coordinated purchases for major procurements such as fare collection equipment, and the ethical and criminal scandals at Metra. If we had one regional transit agency, it would be eminently clear who to hold accountable. In many cases, such a structure very likely would have prevented the failures, saved the taxpayers millions of dollars and provided better service.

Third, the current structure is preventing us from having the world class transit system that the region deserves. Our system is currently not world class in a number of ways. An obvious factor is that it is in serious state of disrepair with a backlog of over \$19 billion in unfunded facility and vehicular improvements. Some may say this is not an issue of organizational structure, but rather a funding issue. However, the management of this very serious shortcoming is hamstrung by political funding allocation deals that were made in the 1980s. It is organizationally and politically impossible to deploy existing infrastructure resources in the most effective manner for the riders. Lack of coordination in services is another factor. There have been significant instances where one service board has failed to coordinate with another service board about major service changes, which has resulted in disruptions for the riders, redoing logistical plans that were botched, and wasteful duplicative service. This is not how one runs a world class regional transit system.

Under the current structure, proposals to weaken or do away with the RTA are non-starters. In 1974, the RTA was created to provide a regional tax scheme to stabilize the finances of the multitude of transit operators including the CTA. At that time and since, suburban tax revenue has gone to the CTA to support its operations. There is no way that would have happened without an RTA overseeing the CTA to ensure regional tax revenue was being well spent. The proposal to merge RTA into the Chicago Metropolitan Agency for Planning (CMAP) will not simplify the organizational structure and may in fact complicate CMAP's primary mission to be an effective general planning agency for the region.

A political counter to the one agency approach is that the Mayor of the City of Chicago would lose control of the CTA. I think this concern can be mitigated to a significant degree by retaining the RTA Board of Directors' supermajority voting requirement. Since 1983, a group of five RTA board members voting in unison can effectively veto all major actions of the RTA Board

October 8, 2013

Page Three

of Directors. The Mayor's five appointments to the RTA Board have used this quite well in protecting the City of Chicago's interests. Since 2008, there is an equal balance of five members from Suburban Cook County and another five from the Collar Counties, giving each of these regional subgroups the veto option as well. Under a one agency approach, the supermajority voting requirement should be retained. This ensures a level playing field for the major sub-regional interests.

In summary, I strongly recommend a regional transit organizational structure where there is one board of directors and one chief executive officer, to whom the heads of each of the operating divisions for Chicago, suburban bus, ADA paratransit and commuter rail would report, with clear and direct lines of authority and responsibility. This would provide the best integration of services; the elimination of administrative duplication; additional spin-off cost efficiencies that are desperately needed; clear accountability for achieving, or failing to achieve, priority goals and objectives; and the best allocation of scarce resources.

Three separate times, the State has tried to create or reform the RTA to make a multi-agency structure work. The next evolution is to merge them all into one agency.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Stephen E. Schlickman", with a long horizontal flourish extending to the right.

Stephen E. Schlickman

Executive Director

cc: Ashish Sen, Chair of the Governance Working Group
Marsha Campos, Chief Operating Officer for IDOT
Joseph Shacter, Director of the Division of Public and Intermodal Transportation, IDOT
Frank Beal, Executive Director, Metropolis Strategies