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**Frontier Centre:** You describe yourself as a pragmatic environmentalist. How did your work lead to reforms at the U.S. Forest Service?

**Randall O'Toole:** I examined national forests all over the United States and I discovered that the Forest Service had incentives built into their budget to lose money on environmentally destructive activities. I recommended that we fix that by marketizing the Forest Service by making them responsive to the market rather than political priorities, by charging more user fees and funding them out of those user fees rather than out of appropriations.

**FC:** Why is your think tank named the Thoreau Institute?

**RO:** We decided that our goal was to preserve the environment without government intervention. Henry David Thoreau believed in wilderness as a preservation of the world, but he also believed that government is best that governs not all. So, we thought he was a good example for our goals.

**FC:** You have a unique philosophy that seems to run counter to establishment environmentalism. You want to solve urban problems without reducing freedom. How can this type of thinking do that?

**RO:** I believe that in the 1970's and 1980's that environmentalists were broad-based and they were willing to consider a wide range of goals. But starting in the 1990's they became more socialistic, more central-planning oriented and were not interested in free-market solutions like they were in the 70's and 80's. Our goal is to find free-market solutions to urban problems using user fees, incentives and various markets rather than command and control, telling people that you have to live over here and you have to take the transit and you don't get to drive a car.

**FC:** Why does the establishment environmental movement embrace government solutions to environmental challenges?

**RO:** That is a really hard question to answer, because it is hard to attribute motivations to other people. But I think part of the answer is that the environmental movement has been taken over by the socialists who lost power after the fall of the Soviet Union, because it became difficult to justify being a socialist any more in any realm except for the environmental realm. Polls showed that Americans were opposed to socialism except that they believed in government intervention to protect the environment. So socialists were drawn to the environmental movement and that changed the movement to its own detriment.

**FC:** Portland is a place that many urban planners admire. What is the problem with the anti-urban sprawl, smart growth model that we see in Portland?

**RO:** It turns out that in Portland and in other places where they talk about smart growth, they focus on one or two things to the exclusion of everything else. So they end up trying to solve one problem. The problem they try to solve might not even be a problem, which is that people drive a lot and they end up causing many other, far more serious problems without even doing that much to reduce driving. In Portland they have driven up housing prices and made housing unaffordable to the average family, they have increased congestion terribly which wastes people's time and creates more air pollution and wastes fuel, they have increased taxes because it costs a lot more to make people live in ways they don't want to live. They have imposed all kinds of regulations on people that take away people's freedom – the most blatant of which, for example, telling a church that they would not be allowed to have more than 70 people at one time worship in their 400-seat sanctuary because they said it would cause too much traffic congestion.

**FC:** Should we worry about sprawl?

**RO:** Russians say that Americans don't have real problems and so they have to make them up. Sprawl is one of those made-up problems. The problems that are ascribed to sprawl, such as wasting land or traffic congestion, either aren't real – sprawl doesn't waste land, it doesn't cause traffic congestion -- or they are just imagined and caused by something else.

**FC:** What cities have it right from an urban planning perspective?

**RO:** I really admire a lot of things about Houston because they have no zoning and, instead, most neighbourhoods are in homeowner associations with protective covenants. If you live in a neighbourhood that doesn't have a protective covenant on your neighbourhood you are allowed to form a homeowners' association and write your own protective covenants, which is very difficult to do in other parts of the country. So it makes it possible for neighbourhoods to control their own destiny rather than have some planners downtown decide what their future is going to be.

**FC:** Although Winnipeg's level of transit ridership is higher than most cities, it is declining. Why is transit declining everywhere?

**RO:** The automobile has proven to be so convenient and so inexpensive. It costs an average of 18 cents U.S. a passenger mile to move people around by automobile. It costs more than

75 cents to move people around by mass transit and, of course, most of mass transit is subsidized and the automobile pays almost all of its own costs of highways and everything else. So, the automobile is cheap, it's convenient, it's effective and it's fast and it is very hard for any other kind of transportation to compete with that except walking and bicycling only for very short distances.

**FC: These numbers would seem to support a recent paper by two economists from Harvard and Tufts Universities which argues that we can help low income people best by helping them acquire cars in our car-based society. Should we spend more on transit or simply help poor people acquire cars?**

**RO:** A recent Portland State University study of people who didn't have a high school diploma found that they were 80 percent more likely to have job if they owned a car than if they did not. Those who did have a job earned an average of \$1,100 more a month if they had a car than if they did not. In fact, the research found that having a car was more important to getting a job than completing a high school degree. The reason for this is simple. An urban resident who owns a car can reach tens of thousands of potential jobs within twenty minutes of their home. Even allowing forty minutes for transit trips, the number of accessible jobs is typically just 20 to 40 percent as many as those accessible by auto. Sadly, many transit officials look upon these findings with horror. Naturally, they see the poor as a significant part of their market. I have actually heard the director of one of the largest transit agencies in the U.S. argue that we can't let poor people have cars because it will just cause congestion. Fortunately, other people are taking a more sensible approach. Community service agencies in Oregon, Wisconsin, and other states are making efforts to help low-income people acquire their first cars. This will do far more to reduce poverty than giving people free transit passes.

**FC: You say that Winnipeg Transit has performed better than other places because more jobs are centrally located here. Why is Winnipeg's downtown job share among the highest in North America?**

**RO:** Well, it does seem to be the highest in North America – about 25 to 26% of all jobs in Winnipeg are downtown. I think that is simply because Winnipeg has grown so slowly compared to many other cities such as Calgary and Vancouver. Most job growth today is taking place in the suburbs, not downtown. So, since job growth has taken place slowly here, downtown has maintained its dominance here where it hasn't elsewhere.

**FC: Winnipeg's mayor is seriously considering an investment in light rail or rapid transit. Good idea or bad idea?**

**RO:** First of all I have to question the term rapid transit. Light rail only goes an average of about 30 kilometers an hour, maybe a little faster, but not much. That, to me, isn't rapid transit. Light rail is good at one thing and one thing only and that is spending a lot of money. It costs as much to build a mile of light rail as it does to build a six to eight-lane freeway. Light rail typically carries only about 10 to 20 percent as many people as one lane of a freeway and two-thirds of those people would be riding buses if you didn't have the light rail anyway. So you are not getting very many people out of their cars but

you are spending a phenomenal amount of money to do it. That is not a good investment from my point of view.

**FC: How about the economics of comparing light rail vs. traditional bus transit?**

**RO:** Well, the problem with traditional bus transit is that we run most buses so that they stop about every other block or four or five times every kilometer and that means they run fairly slow. They also tend not to run very frequently, maybe every half hour or every hour. Transit riders are frequency and speed sensitive. If you increase frequencies, you will get a lot more riders. Light rail does attract people because once you build light rail, transit agencies tend to operate them more frequently and they don't stop as frequently so they go a little faster than buses. But you can do that with buses. You can run buses more frequently; you can stop them less frequently. You can stop them every kilometer or every two kilometers and in that way you will have faster bus service and, if it more frequent, you will get a lot more riders. It is notable that Winnipeg's transit ridership declined from about 60 million riders a year to about 40 million riders a year between the mid-80's and the mid-90's and that is apparently because the transit agency reduced frequencies on a lot of routes because of budget cuts. If you can get those frequencies back up you might be able to recover a lot more riders than you could by building one light rail line.

**FC: In cities that have invested in light rail, have they accomplished the goals they expected to meet?**

**RO:** For the most part, no. There are a couple of cities that have had significant ridership increases with light rail. Again, it is because light rail runs more frequently than buses and so people are attracted to it. But for the most part light rail has not significantly increased transit ridership and it hasn't increased transit's share of regional travel – transit is continually losing share to the automobile -- and it hasn't lead to neighbourhood redevelopment of the sort that planners want. Instead, if they get any redevelopment, it is only because the cities are offering huge subsidies or other incentives to get that development, the same development you would get if you offered those subsidies even if you didn't build light rail. So light rail is really just a sexy window dressing that cities use to say we are a world-class city because we can afford to spend a bunch of money on something that is worthless.

**FC: Could you summarize your data on the effects of light rail systems on traffic congestion and air pollution?**

**RO:** If you look at American cities and their rates of congestion growth in the last twenty years, it turns out that the cities with the fastest-growing congestion tend to be cities that built rail transit whereas the cities with the slowest-growing congestion tend to be cities that have focused exclusively on their bus systems and building new highways. The reason is simple. Rail transit is so expensive that if you put money into that you end up cannibalizing your bus system and you end up not having enough money to build new highways to meet the demand, and so you end up having more congestion not less. Rail transit increases congestion.

**FC: What about air pollution?**

**RO:** Rail transit also increases air pollution for the same reason. Air pollution is caused by congestion. Cars pollute the most when they are in "stop and go" traffic. If you can relieve

congestion you can reduce air pollution far more than if you get a few people out of their cars and riding rail transit. For that matter, diesel rail transit pollutes more than all the cars taken off the road by the diesels and light rail transit if it is powered by coal-fired power plants, as it is in the United States. Those power plants pollute more than the cars taken off the road.

**FC: Most European cities have contracted out transit generally with great success. What about the United States?**

**RO:** It turns out that on average, when you contract out transit it costs half as much per bus vehicle mile or per passenger mile as it does for the transit that is operated in-house by transit agencies. Las Vegas contracts out all of its transit. Denver contracts out half of its transit. A number of other cities contract out significant percentages of their transit. Still, most cities spend most of their money on transit in-house and then they end up having financial crises because they cannot afford to operate their high-cost transit systems and they seek more money from taxpayers. Instead, they should be thinking about things like, well, let's contract out and save money.

**FC: And put the savings into frequency?**

**RO:** Exactly, that's what happened in Las Vegas. Las Vegas has practically doubled transit's share of travel in the urban area and it is one of the fastest-growing cities in North America. It has been able to do that because it has contracted out the transit and thereby saved a lot of money over what it would have had it done the transit in-house.

**FC: You recommend that we invest in traffic signaling technology to maximize vehicle flows. How much does that cost and what are its benefits?**

**RO:** It turns out that the most cost-effective thing any city can do to reduce traffic congestion is to coordinate traffic signals so that you can go down a street and not hit a red light every signal or every other signal. It costs about \$25,000 U.S. per intersection so that would be just over \$30,000 Canadian at today's rate. You can achieve enormous benefits in saving people time, and in saving people fuel and reducing air pollution because the cars aren't idling at traffic lights.

**FC: So, compared to LRT, how much for Winnipeg to do that?**

**RO:** Well, I am just estimating that is probably about 500 signalized intersections in Winnipeg and at just over \$30,000 an intersection that would be about \$15 million, which is less than half the cost of one mile of light rail. So half the cost of one mile of light rail would probably produce five to ten times as many benefits in terms of congestion reduction, air pollution reduction and time savings as a whole light rail rapid transit system for the entire Winnipeg area.

**FC: You also favour the use of tolls on city thoroughfares to reduce congestion? How would that work? Would some lanes be toll lanes and others not?**

**RO:** Historically, we have paid for roads out of gas taxes, the problem then being that gas taxes then become vulnerable to being taken by the government and being spent on general funds rather than on roads. The advantage of tolls is that you can charge a higher toll during the peak period of the day. Two-thirds of the traffic on the road at rush hour is not commuter traffic so if you charge a higher toll then you can get

some of those people to drive at other times of the day and you won't have as much congestion. One way of doing this would be to allow all existing streets to be free but have any new capacity, such as new lanes on existing streets, be tolled. That would give people a choice. They can take the free lanes and take a little longer to get there or they can take the toll lanes, get there a little faster, and pay something. With electronic tolling there would be no need to stop at toll booths but the key is to charge more during the peak periods.

**FC: Does it make sense to try to discourage automobile use at all? Will the planners ever succeed in forcing people to ride mass transit?**

**RO:** The automobile has been demonized because it supposedly pollutes and kills people and so on and so forth. But it turns out a lot of those things are wrong. Automobiles are much safer today than they were forty years ago, they are much less polluting, and it turns out, in fact, that per billion passenger miles light rail kills three times as many people as automobiles driving on an urban freeway. So automobiles are safe, they are pretty clean today and what we really need to do is find ways to enable people to get to where they are going the most effective way possible. For most people that's in an automobile. The idea that we should discourage people from driving by increasing traffic congestion is kind of like saying, well, I am going to make my thinking more suitable by filling my head with bullets. It just doesn't work that way.

**FC: Despite its unique low-growth economic model, Winnipeg has aggressively limited development and will soon run out of lots for single family homes. Prices are rising quickly. Should we abandon Plan Winnipeg which seeks to build up the downtown?**

**RO:** I think so. Downtown is built up, it is as congested as it needs to be and probably more congested than it ought to be. Most cities today are pretty decentralized, which means that you are seeing major centres around the downtowns, spaced out several miles apart and in that way you relieve the congestion. Los Angeles, for example, has more than 100 different employment centres – none of which have more than three or four percent of all the jobs in the region and most of which have less than one percent of the jobs in the region. Yet most people work in one of these employment centres. Los Angeles, of course, is bigger than Winnipeg. But if you look at cities the size of Winnipeg most of them have more employment centres than Winnipeg does. It is the distribution of jobs that makes it possible to get congestion relief. By emphasizing downtown you are just asking for more congestion, asking for more air pollution, asking for more dangerous streets. Those aren't good goals for a city.

**FC: Much of the policy establishment here is pouring enormous effort and subsidies into saving downtown. Should we be obsessed with rescuing downtown?**

**RO:** Downtowns as we know them were obsolete a hundred years ago. Really, the downtowns that we think of with their skyscrapers and so on were only built in the 19<sup>th</sup> century and the very early 20<sup>th</sup> century. Since then, if you see a new downtown being built it is usually because of subsidies or other incentives offered by the city government who thinks we ought to have a downtown like everybody else. This is really silly. Modern cities are decentralized because we have transportation technology, we have information technology,

communications technology, distributed electricity, water and sewer. We don't need to be centralized any more and people don't want to be centralized and so it is silly to put a lot of money into centralizing something when it isn't something that people want to do.

**FC: The new mayor wants to lower taxes, but wants to begin only with downtown taxes. Your thoughts?**

**RO:** Again, that is just another subsidy to downtown. Those kinds of things enhance property values downtown at the expense of property values everywhere else. So that means it is a double cost to the region's taxpayers and property owners, first because they have to pay higher taxes to subsidize downtown and, second, because their property values are lower because downtown is taking it away from them.

**FC: We have seen a highly subsidized hockey stadium/entertainment complex open a few months ago in downtown Winnipeg. It is hailed as another downtown saviour. What is your view?**

**RO:** It probably would have been better to put that hockey stadium away from downtown where it is less congested and easier for people to get to. And then I wonder, why do you need to subsidize it? Aren't hockey spectators willing to pay the cost of watching hockey and, if so, why should people who don't watch hockey have to subsidize them? I don't understand that at all.

**FC: The provincial government is moving the headquarters of the government electricity utility from the suburbs to a new office building to be built downtown. Is this good policy?**

**RO:** You know President Clinton in the United States issued an executive order that all federal offices had to move to downtowns. In Oregon, the governor issued an executive order saying the same thing. That just makes downtowns more congested. It benefits downtown property owners at the expense of other property owners so you get a class of people who get these enormous benefits at everyone else's expense. It is a typical kind of situation where a few people benefit and everybody else pays and so those people lobby to have those benefits and everybody else doesn't even know what is going on.

**FC: You have said that the creative redevelopment of downtown requires that governments get out of the way. Briefly, why?**

**RO:** Well, as Henry David Thoreau said, government never really accomplishes anything except by the alacrity with which it gets out of the way. If you look at Winnipeg for example, one of the problems is that you have 68,000 jobs downtown and only 12,000 people living downtown, which means that you have a lot of people commuting into downtown. Now not everybody wants to live close to where they work but more people might want to, more students might want to live close to the university, but, guess what? Because of rent controls you

have put a lid on the amount of rental housing because nobody wants to build rental housing if they can't charge the market rate for rent. That means that fewer people can live near downtown than would like to and that means that you have more auto traffic than you need to have. So, that kind of government regulation just creates more problems than it solves.

**FC: In 1972, Winnipeg amalgamated thirteen separate municipalities into Unicity. Why has it not worked well?**

**RO:** You know there is something to be said for competition in government as well as in the private sector. If you have thirteen separate municipalities that are each competing for residents, for retailers, for jobs and so on then they are going to have incentives to operate efficiently and have minimal taxes. But if you amalgamate then those incentives are taken away and government tends to get slack, it tends to waste money and it tends to have higher taxes. Those aren't good things. It also takes away local control from the voters who know when you vote for your city council your vote counts for much less. So you have less incentive to pay attention to what's going on. In that way, the voters have less control and less understanding of what's happening at the urban level.

**FC: So would you advocate de-amalgamation – isn't that rather unlikely given the fact that politicians would have to give up some power?**

**RO:** It is hard, but has been proposed. Los Angeles recently had a major election in which a significant part of Los Angeles wanted to secede from the city and that part voted to secede from the city but it turned out the election was rigged because the rest of the city had to agree, too, and they didn't agree. In Dade County there were places that were trying to secede from Miami. A friend of mine says the Civil War gave secession a bad name, but urban secession might be a technique for decentralizing and making cities more responsive to their residents and more efficient and better generators of income and growth.

**FC: Your next book is called *The Case Against Planning*. Can you sum it up?**

**RO:** Every single government plan that I have seen has caused more harm than good and usually it has been based on outmoded and fallacious data. I think government planning has serious inherent flaws that cannot be fixed. Government planners don't have any better idea than anyone else of what the future needs. Can you imagine trying to write a plan for today twenty years ago, when nobody had ever heard of the Internet and all the ramifications of the Internet such as telecommuters, people working at home and so on? Your plans would be all wrong because you didn't know what the future was. Yet we see governments all the time sitting down and writing 20, 30 and 50-year plans for their cities, which is totally absurd. They just lock themselves into misguided and wrong policies.