

Eight Reasons NOT to Fund the Purple Line

The Purple Line proposed for suburban Maryland is an exorbitantly costly surface "light"¹ rail project, embattled in federal courts where the legal case continues.² Meanwhile, the many reasons not to fund this project include:

1) ROBS PETER TO PAY PAUL

Maryland's Purple Line is transit that hurts transit. The Purple Line ties up funding and resources that could instead be made available for Metro. It also forces cuts in State and County transit and congestion relief programs.

To prevent such problems federal transportation law (49 U.S. Code § 5309(f)(1)) wisely requires that - BEFORE the federal government grants any funds to a new project like the Purple Line, the US Secretary of Transportation must find that:

"local resources [be] available to recapitalize, maintain, and operate the overall existing and proposed public transportation system, including essential feeder bus and other services necessary to achieve the projected ridership levels without requiring a reduction in existing public transportation services or level of service to operate the project."

Given:

- The financial problems and operational crisis of the Metro rail and Metro bus system (WMATA) serving metropolitan DC, Maryland and Virginia, which continue unabated, as commuters and riders well know, and WMATA's unmet need for \$16.8-25 billion over the next 10 years,
- The disrepair of Maryland's infrastructure, which ranks 7th worse in the country, and the deficiency of the DC/MD/VA metro area's bridges,³
- Maryland's plan to pay for Purple Line debt by robbing the MARC train and its fare revenues (MARC is Maryland's commuter train that serves riders from across MD and nearby towns in West Virginia and Delaware)⁴,
- On-going and proposed cuts to existing and planned bus service, including BRT plans and local bus service,⁵ and postponement or diversion of funds promised for improvements in the existing local system,

it is clear that the law's common sense, maintain-existing-systems-first requirement cannot be met. Instead, scarce Federal funding and scarce Maryland Transportation Trust Funds are being diverted to an exorbitantly expensive new line that would serve less than 0.5% of Maryland's population.

2) SKYROCKETING AND UNJUSTIFIABLY HIGH COSTS

- **Projected capital costs have doubled to \$2.4 billion** by 2013, up from an already exorbitant \$1.2 billion in 2008 when the Maryland Transit Administration (MTA) and then-Governor Martin O'Malley chose "light rail" for its proposed local Purple Line. ⁶
- **Costlier than modern bus alternatives:** the Alternatives Analysis/Draft Environmental Impact Statement found that the BRT bus options examined would have been cheaper (in both capital and operating costs) and more cost-effective.
- **Costlier than similar "light rail" systems:** At \$2.4 billion for a 16-mile route, the cost per mile is \$150 million -- far higher than for systems that MTA itself identified as comparable (\$45 million per mile in Denver, \$54 million in Phoenix, \$87 million in Minneapolis-St. Paul, and \$128 million in Seattle where a 1.3 mile tunnel is required under downtown).

3) "TAKING TAXPAYERS FOR A RIDE"

- **At federal taxpayer's expense:** MTA seeks nearly \$1.8 Billion in federal funds (\$900 Million Capital Investment Grant not yet awarded and \$874.6 Million TIFIA low interest loan under escrow pending approval of the Grant). **In the absence of federal funding the project would never be built.**
- **At Maryland taxpayers' expense:** The \$5.6 billion so-called "P3" contract signed by Maryland for the project's construction and operation - one of the largest such contracts in the nation - obliges the state to pay no matter what the level of ridership or outcome of pending litigation (just like a bond)⁷. (See 5 and 6, below)
- Federal Judge Leon in his ruling questioned "**whether nearly a billion dollars in federal dollars should ultimately be committed to a project for which serious questions have been raised as to its future viability,**"⁸ and has excoriated Maryland for signing a P3 contract without an escape clause to protect Maryland citizens and taxpayers.⁹ (see more on this "P3" at (6) below)
- A Cato Institute/Maryland Public Policy Institute analyst called the Purple Line "a boondoggle"¹⁰, and the Wall Street Journal "a colossal waste of money," "taking taxpayers for a ride"¹¹. Prince George's County's PGUrbanist blog concludes that "the Purple Line is not what Prince George's needs."¹²

4) FEW NEW ACTUAL RIDERS - AND MOST WOULD ALREADY BE TRANSIT USERS!

- The Purple Line's forecast ridership levels are simply not credible. The questionable forecast numbers come to **three times** the average ridership observed of all such rail lines built over the last three decades and would be over 50% higher than the second highest.
- "How those numbers were calculated and how realistic they are, remains a mystery to the taxpayers who will pay for the 16-mile line," reported the Washington Post.¹³ A "purple haze" (Judge Leon's own words) hangs over the overly rosy ridership and other data generated to attempt to meet the cost/benefit per rider and other criteria required to clinch federal funding.
- What's more, even under MTA's rosy forecasts, 60-75% of projected riders would already be transit users, merely shifting from other public transit modes like bus. This also means that the project would NOT take many cars off the road nor reduce pollution and alleviate congestion (see 7 below).

5) STATE OF DEBT: CREATES A 40% *DE FACTO* INCREASE IN MD DEBT

- Maryland is responsible for \$4.6 billion of the \$5.6 billion Purple Line contract. This constitutes a **nearly 40% increase in fixed financial obligations, or *de facto* debt – one of the largest in Maryland history.**¹⁴
- Maryland's ability to cover the contract's "availability payments" over the next 36 years remains questionable. Even in the State's overly optimistic ridership forecasts, fare revenue covers only about 30% of the guaranteed payments to the private concessionaire.
- All this, at a time when a) Metro is demanding dedicated funding, and b) the state is hard-pressed to cover other infrastructure needs and vital social, education and other services.

6) "P3" DEAL SIGNED BY MARYLAND MASQUERADES AS P3 BUT IS NOT

- The so-called "P3" contract signed by Maryland (MD Board of Public Works - Comptroller Peter Franchot, Treasurer Nancy Kopp and Governor Larry Hogan) **does not mobilize significant private funds.** Construction would be funded 94% by government, with only 6% by the private partners (who would then be repaid by Maryland through taxpayer-guaranteed annual availability payments).
- In a true P3, the private party bears at least some risk - but here the contract instead puts virtually all the risk and costs on taxpayers. For example, the private operator is exempted from the key performance criterion of ridership. Instead, the contract commits Maryland to pay nearly \$150 million every year over 36 years regardless of how many riders show up (or not).

7) GRIDLOCK: WILL NOT ALLEVIATE TRAFFIC CONGESTION

- **MTA itself admits** that most Purple Line riders (60-75%) would already be transit users and that the Purple Line is not designed to reduce congestion or take a significant number of cars off the road.¹⁵
- **The Purple Line fails to address the top congestion priorities in Maryland and in Montgomery County.** The Purple Line is designed to run East-West, but the most congested roadways (including MD-355 Rockville Pike/Wisconsin Ave and MD185/Connecticut Avenue) run North-South as commuters well know. Montgomery County's own Mobility Assessment reports have confirmed repeatedly in recent years that the top congestion problems are north-south.¹⁶
- Nearly 13 of the 16 miles of the Purple Line's double train tracks would run on existing streets and avenues - taking away available lanes and worsening local traffic on those roads and at intersections.

8) WILL HARM THE ENVIRONMENT AND THE PUBLIC, AND WON'T SERVE WORKERS AND RESIDENTS WHO NEED TRANSIT THE MOST

- **The Purple Line would clear-cut 48 acres of forest**, by MTA's own impact estimates, including about 20 acres of forest buffer on the Georgetown Branch section of the popular Capital Crescent Trail, which runs from Bethesda through Rock Creek regional park and beyond.
- **The project would generate polluted stormwater runoff that cannot be fully contained onsite and could also carry hazardous materials from 229 mid to high-risk sites along the route**, flowing into the Rock Creek and Anacostia River watersheds. Not revealed until months after the Impact Statement was final is the fact that the private consortium would have to develop and implement evacuation plans and routes in case they lose control of these hazardous materials during or after construction.¹⁷
- Many lower-income workers and residents along the planned Purple Line route are being **priced out of homes and businesses - in which case the Purple Line doesn't benefit them at all.**¹⁸
- **In Prince George's County**, to the extent the Purple Line triggers any additional development (other than what will continue to take place at the two Metro lines the Purple Line would cross), this would largely consist of **shifts away from still under-developed transit centers elsewhere in the County, which has 15 Metrorail stations and 70 bus routes.**¹⁹
- At half of the operating cost of the Purple Line - and avoiding this

environmental and social harm - modern, safe buses, made in America, could serve the routes better than they did until their service was recently cut and could even be provided for free across both Counties, spurring further transit use, cutting pollution, and serving those who need transit the most.²⁰

Prepared for Friends of the Capital Crescent Trail, July 2017. For further information see www.savethetrail.org or email greenknights.law@gmail.com.

¹ The “light” in light rail refers to passenger capacity: “light rail” trains are very short (one or two cars) so the capacity to move people is much lower than passenger or Metro trains. <https://www.cato.org/publications/testimony/ftas-capital-investment-grants>

² The original order suspending the project was issued August 3, 2016. The judge reiterated his suspension of the project in November, 2016. On July 19, 2017, the U.S. Court of Appeals for the District of Columbia reinstated the Record of Decision but left untouched the Order requiring a Supplemental Environmental Impact Statement (SEIS) of the effect of reductions in ridership, safety and service of the Washington Metropolitan Area Transit Authority's Metro-rail system are likely to have on the project and the Secretary of Transportation's evaluation of it, which Defendant Agencies (FTA and MTA) have stated in court must come before the Secretary of Transportation can make the findings required by 49 U.S.C. §5309 in order to authorize a Full Funding Grant Agreement. Friends of the Capital Crescent Trail et al. v. Federal Transit Administration et al. Case No. 14-cv-01471.

³ CNBC <http://www.cnbc.com/2016/07/12/crumbling-america-10-states-with-the-worst-infrastructure.html?slide=1> and American Society of Civil Engineers 2017 Report Card.

⁴ https://www.washingtonpost.com/local/trafficandcommuting/maryland-will-use-marc-fare-revenue-to-pay-purple-line-debt-officials-say/2016/04/04/7f2fa850-fa8f-11e5-80e4-c381214de1a3_story.html?utm_term=.3b3b5de22936

⁵ For example, <http://wtop.com/tracking-metro-24-7/2017/01/metro-riders-weigh-proposed-budget/>

⁶ When he ran for governor in 2014, Larry Hogan called the Purple Line a “disaster” – stating “costs had spiraled out of control, with no end in sight: <http://www.bethesdamagazine.com/Bethesda-Beat/2014/Purple-Line-Now-A-Political-Football-In-Competitive-Gubernatorial-Contest/>.

⁷ https://www.washingtonpost.com/local/trafficandcommuting/maryland-board-scheduled-to-vote-wednesday-on-56-billion-purple-line-contract/2016/04/06/7a397f82-fb44-11e5-9140-e61d062438bb_story.html

⁸ Page 9, https://ecf.dcd.uscourts.gov/cgi-bin/show_public_doc?2014cv1471-96.

⁹ Federal court hearing transcript, pages 12 and following, available at <http://savethetrail.org/media/maryland-bears-the-blame-for-self-inflicted-harm-from-purple-line-p3-contract-says-federal-judge/>

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- ¹⁰ <http://www.mdpolicy.org/research/detail/the-purple-line-no-thanks;>
<https://www.cato.org/publications/commentary/five-things-know-about-purple-line>
- ¹¹ <http://www.wsj.com/articles/mary-anastasia-ogrady-marylands-incredible-purple-people-mover-1403910560>
- ¹² <http://pgurbanist.blogspot.com/2017/05/the-purple-line-is-not-what-prince.html>
- ¹³ [https://www.washingtonpost.com/local/trafficandcommuting/how-many-people-will-ride-the-purple-line/2015/09/26/5c2da4ec-51ac-11e5-8c19-0b6825aa4a3a_story.html?utm_term=.b8e530cc3c0d:](https://www.washingtonpost.com/local/trafficandcommuting/how-many-people-will-ride-the-purple-line/2015/09/26/5c2da4ec-51ac-11e5-8c19-0b6825aa4a3a_story.html?utm_term=.b8e530cc3c0d)
- ¹⁴ https://docs.google.com/viewerng/viewer?url=http://savethetrail.org/wp-content/uploads/2016/03/Letter-to-BPW-PFranchot-on-PL-financing-3-15-2016-2.pdf&hl=en_US. Bond rating agencies have disagreed with the State Treasurer and insisted that the contracted payments for the project are debts.
[http://marylandreporter.com/2016/05/31/bond-rating-firm-differs-with-treasurer-kopp-over-purple-line-debt/.](http://marylandreporter.com/2016/05/31/bond-rating-firm-differs-with-treasurer-kopp-over-purple-line-debt/)
- ¹⁵ From MTA response to public comments in the Record of Decision, Attachment C, page 84, and Plaintiffs Brief, pages 11, 12, 13, citing the Administrative Record for the case, https://docs.google.com/viewerng/viewer?url=http://savethetrail.org/wp-content/uploads/2016/05/Friends-et-al.-Supp.-Memo-June-29-2016.pdf&hl=en_US
- ¹⁶ See Top 25 Congested Roadways, Table 1, page 19, *Montgomery County 2017 Mobility Assessment Report* at http://montgomeryplanning.org/wp-content/uploads/2017/02/2017MobilityAssessmentReport_web.pdf and Table 5, page 26 *Montgomery County 2014 Mobility Assessment Report* at [http://www.montgomeryplanning.org/transportation/documents/Mobility%20Assessment%20Report%202014%20-%20\(6-3-2014\).pdf](http://www.montgomeryplanning.org/transportation/documents/Mobility%20Assessment%20Report%202014%20-%20(6-3-2014).pdf)
- ¹⁷ See MTA FEIS map of high to medium-high hazardous materials sites in page 66 and excerpts from Purple Line Request for Proposals amended MTA Request in Appendix F, pages 74-75, Stormwater Runoff Report of FCCT et al. https://docs.google.com/viewerng/viewer?url=http://savethetrail.org/wp-content/uploads/2015/10/FCCT-Purple-Line-Stormwater-Report-September-2015.pdf&hl=en_US. Additional harmful impacts from massive construction and from the line itself on parks, historic sites and wildlife and habitat; safety concerns; noise; health impacts from loss of green space; air pollution from Maryland's electricity mix to run the line, were inadequately addressed, if at all, in the assessment process and are entirely avoidable with less costly and more effective alternatives.
- ¹⁸ [https://www.washingtonpost.com/news/dr-gridlock/wp/2017/01/24/report-purple-line-threatens-affordable-housing-in-langley-park/?utm_term=.8afbc5968b83.](https://www.washingtonpost.com/news/dr-gridlock/wp/2017/01/24/report-purple-line-threatens-affordable-housing-in-langley-park/?utm_term=.8afbc5968b83)
- ¹⁹ Bradley Heard, Capitol Heights, MD, *Purple Line (Maryland) Light Rail Project Request for Supplemental Environmental Impact Statement*, <http://savethetrail.org/wp-content/uploads/2017/03/9-20170220-Bradley-Heard-Ltr-to-FTA-Requesting-SEIS-Purple-Line.pdf>
- ²⁰ <https://aneconomicssense.org/2014/09/28/the-high-cost-of-the-purple-line-light-rail-transit-project-free-bus-service-would-be-cheaper-for-everyone-and-provide-a-better-service/>