

Before the Virginia Commonwealth Transportation Board (CTB), May 20, 2015

My name is Stuart M Whitaker. I am a financial economist by training, a businessman by experience, and the founder of Transiters.com, a transit users group.

I was delighted with the news reports of the analysis of financing alternatives -- Public versus Private or some combination thereof -- announced and presented, according to these reports, by Secretary Layne here yesterday. I agree that it is the responsibility of the Commonwealth to pursue a strategy that is in the best interests of its citizens and that the Commonwealth should not automatically choose one financing approach or another. I also agree that this is an important matter deserving thorough and transparent review.

But financing isn't the primary matter at hand, it is only a secondary matter. The primary matter is what in fact is it that we will buy?

We know a lot about transportation, but recent research has told us two new things about the role of transportation in our economy.

First, researchers at the University of Chicago and the University of California at Berkeley¹ have estimated that the "housing crunch" represents more than a \$1 trillion annual drain on our economy and that high quality transit can play an important role in reducing that cost.

Second, a recent study at Harvard² found that commuting time is the "single strongest factor in the odds of escaping poverty. The longer an average commute in a given county, the worse the chances of low-income families there moving up the ladder. The relationship between transportation and social mobility is stronger than that between [social] mobility and several other factors, like crime, elementary-school test scores or the percentage of two-parent families in a community."

So while the project financing alternatives, a matter of secondary importance, are being offered for careful examination and scrutiny, the actual project plan, which is of primary importance, has been presented as a *fait accompli*. Three general lanes and two toll lanes, with projected public transit ridership of only 10%. This plan is inconsistent with what we have learned from researchers at Chicago, Berkeley, and Harvard, and this approach is in stark contrast to the approach being followed concerning the project financing alternatives.

¹ Chang-Tai Hsieh and Enrico Moretti. "Why Do Cities Matter? Local Growth and Aggregate Growth," No. w21154. National Bureau of Economic Research, 2015
<http://faculty.chicagobooth.edu/chang-tai.hsieh/research/growth.pdf>

² Mikayla Bouchard, "Transportation Emerges as Crucial to Escaping Poverty," *New York Times*, May 7, 2015
<http://www.nytimes.com/2015/05/07/upshot/transportation-emerges-as-crucial-to-escaping-poverty.html>

I urge the CTB to pursue the same thorough and transparent approach to the I66 plan as it is pursuing with respect to the I66 project financing.