

**SPEAKER 1:** OK. Welcome back, everyone. Now we're going to turn to our next panel, "Envisioning a Mass Transit System That Promotes Equity, Opportunity, and Economic Growth," to explore how mass transit policy intersects with economic development and equity, and to consider pertinent examples from across the country.

I'm very pleased to introduce the moderator for this panel, Tom Kotarac, who currently serves as Senior Vice President of Transportation and Infrastructure at the Civic Committee of the Commercial Club of Chicago. Tom is also a member of the Board of Trustees of Transit Center, a nonprofit foundation and advocacy organization focused on improving mass transit in America's largest metro regions. Before joining the Civic Committee, he served as Deputy Executive Director of the Chicago Metropolitan Agency for Planning. Prior to CMAP, Tom spent more than 12 years working on Capitol Hill as a staffer for the Illinois Congressional Delegation. Please join me in welcoming Tom Kotarac.

[APPLAUSE]

**TOM KOTARAC:** Thanks, everybody. And thanks to the previous panel for really laying out the fiscal challenges that we have. I think we'll spend a little time really talking about the service challenges that we have, and what does the COVID pandemic really mean for what we have to change and how hard that might be.

I will reference in the Commercial Club of Chicago. We're a little bit older than the Civic Federation-- 1877. And putting on my geek hat, Sarah, in 1878, I have a report. The Commercial Club talking about the street design that we helped the city do so it could pull Omnibuses around. Those were buses pulled by horses, which were really the first mass transit. So if anybody really wants to geek out, obviously see me and Sarah.

Just like Julia, I'll introduce each one of our panelists, many of which I've had the honor to work with very closely over many years. And then each one of them will have a couple of minutes to talk, and then we'll get to the Q&A. So please jump in online or raise your hand. We can do that the old school way.

I'll start with Erin Aleman. I like this title. I think this is one that a previous CMAP Executive Director used to use, is Chief Planner of the Region. Please use it liberally. I don't if it'll get you a free ride on CTA.

She's the Executive Director of CMAP since 2019. Before that, she was the Chief Planner of the state, running the planning program at IDOT. And then before that, got her career start at CMAP, where we got to work together. She oversees over 100 staff of really talented planners who are doing a lot of good things for the region, a lot of which comes together into the long range plan that CMAP puts together about every four or eight years-- current plan on 2050.

We have Sharon Carney, who's with us virtually in Washington DC. This is when the hybrid stuff, it's always a roll of the dice. Sharon is the Chief of Staff at the Office of the Deputy Mayor for Planning and Economic Development.

In the capacity that she has there, she oversees the agency's \$140 million operating budget, the policy work, the business development, and a portfolio that includes housing and community development and city planning. Prior to that, she led development of the district's Economic Strategy and Implementation of Opportunity Zone. And Sharon spent her career working to create equitable cities through cross-sector partnerships and evidence-based, community-driven solutions.

Next we have Bob Dean. Bob and I used to sit next to each other at CMAP. He is now the Chief Strategy and Program Officer at the Center for Neighborhood Technology, one of Chicago's real gems of a both community-based organization, a nonprofit that does excellent research and on the ground work. Previous to his current role, he was the CEO at CMT for many years. And before that, led the planning portion of CMAP's work as Deputy Executive Director at CMAP.

And next to Bob is our friend from the Bay Area, Georgia Gann Dohrmann. Welcome, Georgia, from San Francisco. I was pleased to hear from Drew as he was walking through all of his Fitch Ratings that it's always worse in the Bay Area.

You always have to have it a little bit worse. So sorry that we had to drag you here to be the worst, Georgia. She's currently the Assistant Director for Legislation.

**GEORGIA GANN** We do have a better infrastructure rating than you guys. I'm just gonna put it out there.

**DOHRMANN:**

**TOM KOTARAC:** She's the Assistant Director for Legislation and Public Affairs with the Metropolitan Transportation Commission and the Association of Bay Area Governments. That's the transportation and land use planning agency for the nine county San Francisco Bay Area. Prior to that, Georgia worked as Deputy Director for Federal Affairs for New York City Mayor Bill de Blasio.

And then before that, she worked in the United States Senate. I had the pleasure of working with her when she was there. She was also deputy Director of Government Affairs for Transportation for America, which is a great national nonprofit that does great policy and advocacy work.

So with those intros done, I will hand it to Erin to give us five minutes of some framing and opening remarks.

**ERIN ALEMAN:** Thank you so much for having me here today. It's a delight to be able to talk about the work that we're doing at CMAP on behalf of our transit agencies and in partnership with them. So if you don't who CMAP is, we are the regional planning agency. We cover Northeastern Illinois, Lake Cook, McHenry, Will, Kane, Kendall, Du Page Counties, the City of Chicago, 284 municipalities, about eight and a half million people call the Chicago Metropolitan region home.

And we really focus on A, transportation. B, we're thinking a lot about our regional economy and how transportation can help improve and affect our regional economy. And then climate is something that was embedded in our 2050 plan, but also something that we're really beginning to elevate here because of this intersectionality of all of the policy work that we care about. And we know it's just so important to our economic competitiveness and our future here.

When the pandemic happened, we started thinking about how people were going to move differently. And it took on some work and analysis to try and better understand what that might mean. Prior to the pandemic, we had anticipated that maybe by 2040 or 2050 maybe 10% of people would be working from home. I think after what we've been going through right now, we know that on any given day 25%, and in some places across our region, up to 35%, of people are working from home. Yeah, probably on Mondays and Fridays, like you've seen.

And so we wanted to think about, well, what does that mean when people don't go back to transit? And what does that mean for our roads, and our congestion, and communities overall? So just back of the envelope modeling, if 25% of people chose not to go back to transit, we would see about 193,000 hours of additional delay every week on our highway system, and also about \$1.2 billion in lost revenue. And so it's really important here in the Chicago region that we have these options for people to get to the places that we need to go.

As Senator [INAUDIBLE] mentioned earlier, we're working on a project right now in response to some legislation that was filed by himself and by representative Eva-Dina Delgado. We're calling this our plan of action for regional transit. I also wanted to note and thank those of you who are in the audience today who are helping us shape this through a Steering Committee that was required thinking about business, civic, labor, environmental, and community based solutions to bring those perspectives to the legislative recommendations that we're producing. And thank you again to Julie Hamos, too, in lending her expertise and shaping this work, as your experience in the Mass Transit Committee is just so important to us.

We know that big, bold solutions are needed. The \$730 million gap that is anticipated to be here by 2026 is not an easy solution. And so I was thinking about, how do we continue to convey this? And not just numbers, right? It's really hard to imagine what \$730 million might be.

But really, we took a look at what that would mean for cuts and services. And so a 20% cut in operating revenue for our transit system equates to about a 40% cut in services. So to be a little bit more specific about that, that would mean about 100 cities and towns in our region wouldn't have access to Metro rail service. It means nearly 90 CTA buses would be eliminated, about 70 pace routes would also need to be eliminated, and 20 Chicago neighborhoods and six suburban communities would lose access to CTA train service.

So we're not talking about getting rid of the express bus and just keeping the regular bus. We're talking about a devastating impact to the way that people move around in our region. And if we want to continue to support our most important institutions here, our educational institutions, our health care institutions, our manufacturing and logistics facilities that are here, our food and beverage manufacturers that are here as well, we need to really be thinking about how do we get people to the places that they need to go? And how do we make sure that we still have the strong backbone from now into the future?

I said I'd just keep a couple of minutes. I think the other thing that I'll probably say a couple of times, so I'll say it now in my opening remarks here, is that 60% of the jobs across our region can't be done from home. So I think many of us have the luxury of saying, you know, Mondays and Fridays, or maybe next week Wednesday is not going to work for me.

Transportation logistics, health care, life sciences-- those are the industries that make our economy so competitive here. It's the diverse array of stakeholders and industries that we have here that is our competitive advantage. And so thinking about making sure that as we think about what that future state of transit is, is that it's beginning to serve places across our region where there are people that just don't have the option of not working from home.

So I think with that, I'm looking forward to getting into conversation. But I will yield and turn back to our moderator.

**TOM KOTARAC:** Thank you, Erin. We'll move to Sharon, who is virtually with us in Washington DC.

**SHARON CARNEY:** Well, hello, Tom, and hi, everybody. It is such a pleasure to be here-- here, I guess. So as you mentioned, I'm Sharon Carney. I'm the chief of staff for the agency that oversees economic development in Washington, DC. And so really, what that means is we are focused on driving tax revenue, creating jobs, and also producing affordable housing for the District of Columbia.

Notably, we oversee a whole lot of agencies-- Housing, Small Business, the Creative Economy, the City Planning Department. We don't oversee Transportation, but that doesn't mean it's not crucial to economic development and our economic recovery. But what it does mean is that I am bringing a little bit of a different perspective as the economic development person here.

So COVID, as we all know, really changed the way that people work and live and subsequently travel. And, of course, this has led to some really big questions about how our transit systems and our funding models need to adapt. It has prompted really similar questions for core cities and central business districts across the country, including in Washington, DC.

And so here in DC, our downtown metro station ridership is still just 41% of pre-pandemic levels, which is far below many other parts of the city, and office utilization is only slightly better. Our drop of daily commuters poses a really big fiscal challenge for us, because when commuters don't come to the office, they don't spend money on lunch or Happy Hour. Prior to the pandemic, DC was a very big Happy Hour town. And perhaps more significant is the hit to property tax revenue that results from underutilization of office buildings and the related commercial vacancy that follows.

So where that leads me is we are very actively working to transform our downtown from an office-centric commuter hub to a mixed-use, vibrant neighborhood and entertainment center. We have a lot of those amenities right now for entertainment, not so much on the housing front. And I think the first slide you saw was DC's comeback plan. That is very much the plan that is driving our Downtown transformation and broader economic goals across the city. So I'm going to share a few data points just to give you a little bit more context about what we're facing in DC and how we're tackling it.

So what you'll see up here on the screen is how travel in DC-- in downtown DC in particular-- was impacted by the pandemic. And basically, across the board, travel decreased across every mode, and in most cases more significantly in Downtown than other parts of our city. Vehicle trips were cut in half. Transit ridership decreased most downtown compared to any other DC stations or bus stops. Walking trips decreased. And bike trips, we were seeing more short trips and fewer long trips. Interestingly, we did see an increase in trips within Downtown DC.

If we go to the next slide, you'll see some of the ways that travel changed based on the time of day. And so what you'll see on the left is vehicle trips, on the right transit ridership. Those solid lines are pre-pandemic, and the dashed lines are as of last year, 2022. And I think what's notable across both of these is that those lines on the top have much sharper peaks than those lines on the bottom. And basically, that aligns with our peak travel times. Our morning and afternoon travel times, you're just not seeing the kind of surge that you did before the pandemic.

The other notable thing, of course, is that those dashed lines are much lower than the solid lines, which just is indicative of where we are with recovery in terms of ridership. If you go to the next slide, we'll take a closer look at our Metro usage. So WMATA is our Metro system, our subway system. And you'll see that our entries and exits remain significantly below pre-pandemic levels. Specifically right now-- this is as of this year-- we're at about 41% of pre-pandemic levels, and those AM and PM peaks are slightly below that.

So to broaden a little bit, we'll go to the next slide, and unsurprisingly, without people traveling as much at rush hour, we know part of that is because people are not coming to the office as much. And our in-person work is still below pre-pandemic levels. We're at about 43% of office utilization, and that's a little bit below where a lot of our peer cities across the country are. It's also a little bit below the levels of our suburban counterparts in the region.

And so this is not surprising, but as you'll see in the next slide, it has a really huge impact. I talked a little bit about the fiscal implications of some of these very significant changes to the way people work and live. And this shows a little bit more about why.

So this odd shape here at the bottom, that is essentially the outline of our central business district. The white shape in the bottom part of it, that's the White House. And so in this area, prior to the pandemic, it was generating over a billion dollars in tax revenue for us each year. And just for reference, our total budget for the District is a little under \$20 billion.

So very small area, very big economic impacts. Part of that is because about 35% of all businesses in the District are located in that area. So it has a hugely disproportionate share of those businesses, many of which are not seeing the clientele and the foot traffic that they were seeing when people were commuting to the office five days a week. And that is further illustrated by the fact that we have 240 of about 800,000 jobs located Downtown.

So it's just been a hugely concentrated economic and fiscal impact, and the next slide is going to get into a little bit more detail about the physical space and why people showing up is particularly-- or not showing up is particularly tough. So this map shows a lot of red, and that is basically commercial space in our Central Business District. There is a lot of red, and it does not look like this in most of the other submarkets of the city. We're at a about 90% of all space in our downtown being commercial, compared to just about 12% residential. And so this is thinking about how we change this mix and increase the amount of residential is a huge part of how we're thinking about our Downtown transformation. In

The next slide, you'll see how filled the space is. And I think what you'll see, the thing that really jumps out is there is a lot of vacancy. We've got about 109 million square feet of commercial space Downtown, and about 20 million of that is vacant. So not least-- that's not taking into account the utilization, but just purely unleased.

And about 25% of all of our office market is controlled by the federal government, either leased or owned. 52% of the federal government's leases are set to expire over the next five years, and for anyone who's tracking it, the federal government has really not returned to the office. So this has been a pretty acute hit for us economically and is another one of the reasons why we are very actively working to transform things.

So that brings me to the plan, our comeback plan on the next slide. And in short, what we are working to do is fill the space, change the space, and bring the people. When we talk about filling the space, you don't fill 20 million square feet overnight, but we have really ramped up our business attraction and retention efforts.

A lot of employers are rethinking how much space they need, what kind of space they need, and sometimes deferring decisions about when to execute or extend leases. However, we do have some new tools that are helping us to bring new employers to the Central Business District. When we talk about changing the space, we're really focused on bringing new residential capacity. So Mayor Bowser in January, as part of the comeback plan, set a goal to bring 15,000 new residents Downtown. And so we have implemented a new program that includes a property tax abatement, but also some relaxation of other requirements that will help bring us an additional 7 million square feet of residential over the next five years.

And then, finally Bring The People relates to a variety of things, some of which is tourism. And we've expanded some efforts to market and create new attractions and destinations, events, festivals. We're also looking at ways to transform public space-- so streets, sidewalks, alleys.

Public space can really be a driver of economic development, and that includes adding new mobility options. We have renovation underway of K Street, which cuts across the Central Business District. It's going to include much more efficient transportation options and activated public spaces.

So we're excited about a lot. There are a lot of challenges. But really excited to be here today and engage in the conversation with all of these transportation experts. Thank you.

**TOM KOTARAC:** Thanks, Sharon. We'll move on to Bob Dean.

**BOB DEAN:** Hi, everybody. I'm Bob Dean with CNC, and thank you, Tom, for the great intro there. And we've had a lot of great speakers already. I appreciate the points made in both this panel and the previous one, so I'm not going to repeat that. But there are two distinct points that I think are important I'd like to bring up here.

One is, as a lot of speakers have pointed out, there's been a lot of loss in ridership in the transit system. But also, I think it's important to note, a lot of people continued to use transit even at the very height of the pandemic. A core group of riders continued to rely on it.

We called them, at that time, "essential workers." I'm not sure that term is used as much. But really, many of these people were low-income, many were people of color, many were women, and these were really the people that were the core riders of transit during that period. So I think that COVID really illustrated who are the people who depend most on transit and who really need it to live their lives and will continue to use it.

So our position is, as we're thinking about the future of transit, we need to design it around the needs of the actual riders of transit today. Some of the change in transit ridership looks to be lasting. So I think there are current challenges around workforce availability, which is causing service reliability problems, as well as safety issues which are challenging but we need to be able to deal with. But then, there are permanent changes like professionals working from home, which I feel like, regardless of what we do on the transit system, is going to be a change.

And the services, the portions of the transit system that are relied most on serving some of the Downtown commuters, are the ones that are facing, I, think the greatest existential challenges right now. So I want to mention in particular and commend Metra, the commuter rail agency here, who really relied very heavily on that ridership group prior to COVID for plotting a new course toward regional rail-- so moving away from reliance on just the bedroom-to-Downtown commute and instead finding ways to provide service that meets current needs. So overall, the profile of riders here has changed, and I think we need to adjust to that when we're thinking about the future of transit. So that's point number one.

Point number two is that the value created by transit goes far beyond the people who are actually on the transit vehicles. CTA's thinking on this came from research we did a couple of years ago on the greenhouse gas impacts of transit. Today is not the forum to share all of that. The major conclusion was, obviously, transit is great for greenhouse gas emissions in terms of reducing them. But it got more interesting as we went deeper.

A major conclusion from that really found that the primary way of getting savings for emissions from transit was in the land use implications. That's really where the other savings came from. So simply put, compact urban and suburban environments rely on transit for their very existence. Without transit, if you think of places without transit, you do not see that kind of form.

So the Loop, the overall urban character of Chicago, is the Downtown and suburban environments that we have. All of those would not exist in their current form if it were not for transit, and the economic activity that they generate would also be lost if not for transit. So not everyone who lives and works in those places uses transit, but they all do rely on transit for the lifestyles that they have.

So if we're judging impact, in other words, just based on ridership or the people on the vehicles, we're missing a lot of the value that's created by transit overall. So I just wanted to make those two points because Tom has some compelling questions that I wanted to throw back to him.

**TOM KOTARAC:** Good points, Bob. And Georgia, you are up next.

**GEORGIA GANN** All right. Is this on?

**DOHRMANN:**

**TOM KOTARAC:** Yes,

**GEORGIA GANN** Great. So thank you, also, for the introduction. I feel like many people on all these panels have already covered

**DOHRMANN:** most of the points that I had originally wanted to make, so I'll start with just giving a little bit more of an overview of what the Metropolitan Transportation Commission is and what role we play in the region, in the San Francisco Bay Area region.

So we are the transportation and housing planning, financing and coordinating agency for the nine-county San Francisco Bay Area. I think I'm going to get a little map up here at some point. If not, there we go. There's my region.

So just a sense of scale. We are-- many people, again, I'm sure are very familiar, but so the Bay Area is home to some of the most economically productive land areas in the country and the world. And you see San Francisco on the Peninsula, up down to Silicon Valley, and then around Oakland. Those are-- around the ring, those are the three major job centers in our region. We also are home to about 8 million people-- 7 and 1/2 to 8 million people.

From a size perspective, we are smaller than the Chicago 21-county region by a little bit. We are larger than the state of Connecticut. So we have a decent amount of space, and very central job centers that are just a ring around that southern portion of the Bay.

Transit is foundational to a thriving Bay Area. Others have talked about, and there's a reason why we're at the Chicago Fed to talk about transit. It's core to our economy. There's also a reason why, in the Bay Area, our business groups are the ones that fund campaigns for almost every transit expansion revenue measure that goes to the ballot.

So we're clearly not alone in that, but one of the things I did want to point out, you can't see the bridges super well here, but we have a whole bunch of commuters in the region that work-- so about 50% of people in the Bay Area commute in from County. Many people live in the outer rings, and they're coming in driving over bridges to get into their main places of work, into the job centers.

Those bridges are a natural chokepoint. We cannot build our way into mobility in the Bay Area. We have to get more people on the infrastructure that we have.

Another big thing for the Bay Area that transit really comes in, so the three things are economy, climate, housing. A lot more, but we don't have a whole lot of time today. So on the climate side, others have talked about transportation and transit and the role of reducing greenhouse gas emissions. In the Bay Area, that's absolutely true.

It's also really true that we are surrounded by a lot of water. We also have major wildfires. Climate change is here, it's real, and the threat is very acute in the Bay Area.

And so we have-- normal people on the ground, every time you poll, you talk about transit, and one of the main things that people are concerned about is climate-- climate change, and making sure that transit is there to help reduce greenhouse gas emissions. One other thing on that point. The state, our state has a very, very aggressive greenhouse gas reduction goal strategy, climate strategy.

Electrification alone is not sufficient to meet any of our goals. We need to double transit ridership to get close to meeting our state greenhouse gas reduction goals-- so huge for climate. And then, the third thing that I think has been touched on here is housing. And we really touched on it with the land use piece, but we talk about here, transit's a crisis. Housing is a crisis in the Bay Area. Homelessness is a crisis in the Bay Area. It's been a crisis for a lot of years.



And we have put, in the Bay Area, almost all of our eggs to address the housing crisis in the transit-oriented development basket. So you see the brown pieces around the map. Those are our urbanized areas. Those are the areas that are well-served by transit, and our entire strategy to address the housing crisis is to get a lot more housing there.

One of the reasons why is because we have to build a lot of housing, and you cannot build at that scale-- you can't afford to build at that scale-- while also building all the parking lots, all the new roads, all the sewers, all the schools. And so we have to get people where the infrastructure is.

We do not have another 10 to 25 years, in the Bay Area, to rethink our housing strategy. There are people that are suffering now. And we are losing people, in large part, in the Bay Area because of the housing and homelessness crisis.

That's one of the reasons why people are fleeing. That's why we saw that 7% drop in the City of San Francisco over COVID. So anyhow, it is fundamental. It is essential in the Bay Area. And we have a lot more than just the health of BART and SFMTA on the line.

It's already been shared that transit in the Bay Area is at a crisis point. I would say, like Andrew that was at this earlier panel, I'm an optimist. I'm also a realist that change happens only when the pain of staying the same is greater than the pain of change. That, I've got to make sure I quote that appropriately. So let me pull up my phone. Tony Robbins.

**TOM KOTARAC:** Tony, we're not there yet. So--

**GEORGIA GANN** Tony Robbins. So we really have an opportunity here to rethink transit and to retool for the future. We have a

**DOHRMANN:** plan in the Bay Area. Everybody's got a plan. It's a great plan. Our plan is, survive.

[LAUGHTER]

So do something to address the fiscal cliff, the impending fiscal cliff, buy us some time to thrive. And on the thrive side, we know what people in the Bay Area need to come to transit, and we absolutely agree that we need to readjust and retool for a future and the future of transit riders who are going to be those who are transit-dependent commuters. Because even if you're only commuting in three days a week, you're still taking transit to commute because driving across the Bay Bridge is hell.

And then, the third piece is really going to be trying to serve those people, bring in riders on non-commute trips. And that's going to be the key to the future of transit in the Bay Area. So to pull in those choice riders, what we need to do-- and we have decades of feedback from riders in the Bay Area telling us the reasons why they don't try transit.

They want it to be safe, clean, efficient. They want it to be understandable and digestible. We have 27 transit operators in the Bay Area. All of them have their own fare structures. They all have their own discount structures. They have their own logos.

It is impossible to figure out. I'm a die-hard transit rider, and I get confused and really uncomfortable going to a new area in the Bay Area and trying to hop on a bus and then transfer to BART. I will end with this. So we have a long list of things that we are really low-hanging fruit, and the pain has not, in the Bay Area, been enough for decades to force our government entities and people who, really, in the transit space are there to serve the needs of their agencies and their constituents.

It's big enough now, it's bad enough now in the Bay Area that we have people and agencies that are really willing to change. And that is going to be-- it's a huge opportunity, and it's one that we're just not going to walk away from.

**TOM KOTARAC:** Thank you, Georgia. 20? How many?

**GEORGIA GANN** 27.

**DOHRMANN:**

**TOM KOTARAC:** 27.

**GEORGIA GANN** We have 27 transit operators.

**DOHRMANN:**

**TOM KOTARAC:** When I talk about unnecessarily complicated governance in Northeastern Illinois, there's always the Bay Area.

**GEORGIA GANN** Yeah.

**DOHRMANN:**

[LAUGHTER]

**TOM KOTARAC:** There's always the Bay Area. I'm really fascinated with that frame of pain to change. And it's-- I think you're feeling it. You're feeling it in Washington.

And so the pandemic, we talked about a lot of the different lessons that we learned designing the system and catering to core riders or essential riders, the fact that 60% of work cannot be done somewhere else and has to be out and about. And then, obviously, all the land use challenges that we have, I'm really fascinated with DC's approach of, really, fill the space, change the space, bring the people.

Those are intersecting and sometimes competing types of things-- whether that's land use, or job concentration, or focusing on core riders. I mean, where do we need to focus? What is the biggest focus that we need to have? Do we need to design the system around essential workers and what that was in the pandemic? Do we need to look at our heavy, dense urban cores that have really been the lifeblood of cities and change them? Where is the biggest bang for the buck in the next two years when we're facing such a fiscal cliff? Where do we put our time and energy? And I'll start with Erin.

**ERIN ALEMAN:** Yeah, well, I think you're right. During the pandemic, we talked a lot about essential workers and people that couldn't get to work but for the existing transit system. But I think there's-- you can talk about it from an equity perspective, but it's also an economic perspective, too-- thinking about a system that works better for everyone. So when I have options to take to different places, I might be more likely to take that option if it is exactly as Georgia was talking about.

If it's clean, safe, efficient, there's no anxiety about how much am I going to pay or where is this going-- I think it's that fundamental core service operations that we need to get back to. I think, as you heard from the Senator earlier, there are a million different people talking to him about different things that he could be focused on. I think our transit agencies have also had a million different things pulling them in a million different ways-- they need to do more of this or more of that.

But essentially, fundamentally, it's like, is there good service? Does it operate? Is it predictable? And, can I get on it without having to think a lot about it? So I think that is one of the areas where we really need to focus here, is making sure that it's predictable and it's easy for people to use.

**TOM KOTARAC:** Sharon, I'm interested in your take on this, too, with your focus on really changing where the transit is already going and trying to make that more attractive so people want to be there. How do you think about that with a competing interest of making the transit go to places where people may be going in new patterns because of the pandemic and post-pandemic environment?

**SHARON CARNEY:** Well, I don't necessarily see these as competitive. Both with regards to transit system design and thinking about the recovery of Downtown, for us, it's all about people. How do you create systems and places that best serve people?

And I spent a lot of time in my opening remarks talking about tax revenue and Downtown. But at the end of the day, we don't care about downtown for the sake of downtown. We care about downtown because, from a fiscal standpoint, it helps us to invest in things like social services, education, affordable housing.

And then, from a fiscal perspective, we've got a lot of boxy class B office space that isn't serving anybody. And we could create homes. We could create vibrant places. Ultimately, it comes down to how do you create a platform for the people who live in your city and the people who could live in your city? And I think the same is true for transportation. Change is hard, and I think there's going to be some rockiness in shifting some of these underlying systems. But at the end of the day, I think we have to start with, what do people need?

**TOM KOTARAC:** Excellent. And Bob, you talked a lot about the equity of the system. And what do you feel in Chicago about the current system? Does it meet that goal of being designed-- I think your term was designed around equity.

**BOB:** Partially. I mean, I think the Senator already pointed out that the longest commute trips in the region are almost entirely from Black and Latino communities. And so I think that there is some built-in disparity there. I do think transit's a way to correct for that.

In terms of where the focus on ridership should be, I think your original question, I like the framing that Georgia had used around transit-dependent for some, commuting for some, bring in riders for others. And the point that we would make is not to focus so much on attracting new choice riders that we ignore the needs of people who have been continuing to use the system and have needed that to survive during COVID. So I think providing service that meets the needs of current riders is the baseline that we should absolutely be doing, and really focusing on what their needs are. We do need to bring people back as well, but I don't think that emphasis on bringing in new should come at the expense of serving the transit-dependent people who need transit to live their lives.

**TOM KOTARAC:** Georgia, you talked about the pain and change, some of what Bob's talking about. What is that pain? What does that look like? What needs to happen, and what is that change agent?

**GEORGIA GANN** I think facing a \$2.5 to \$2.9 billion fiscal cliff over the next five years-- that's 20% of our region's entire operating budget-- is painful. I think it's also painful to have newspaper report after newspaper report about people not wanting to come back to transit. I some of the triggers of change in the Bay Area and throughout the whole state of California.

We're not alone in the region. We're not alone in the Bay Area. The legislature, we need money, and we need money. And we're getting money from the state. The state has to pony up or we are going to be unable to meet our climate, our housing, our equity goals.

So that's a really basic element and component of our Survive plan. And it is going to be very likely that the state, just as the Senator talked about earlier, is going to have some conditions, some strings to those resources. And some of the strings should be, what are the baseline things that you can do to shift to make your system more attractive for riders?

And some of them, in the Bay Area, we already know. They're pretty-- like I've said, we've had decades of rider surveys where riders have been telling us the same thing. I have here 92% of Bay Area residents-- which, I know we're pretty homogeneous in some ways, but you don't get 92% for any poll-- want real-time information on wait times and vehicle locations. 91%, more direct service, fewer transfers. 88%, a regional network that can set fares. 92%, easy-to-use, uniform maps and signage.

Some of those things, like shifting to a new network manager structure and coordinating on schedules, those are harder. Frequency changes are going to take tens of billions of dollars and time. But some of the low-hanging fruit are the things that really benefit can be implemented now, and are the things that benefit existing riders and are things that will draw new riders in.

So real-time transit information, we have \$1.2 million-- million with an M. It's very unusual for me to say that, "million,"-- of need to get our entire transit system up to a space where you can have real, accurate information to riders on all 27 different of our transit operating systems. We have over a decade in the making of a real-time mapping and wayfinding, which sounds really unsexy, but really, it's looking at a person on the ground and making sure that they can figure out how to get from point A to point B and have it feel like a seamless, real system.

Those are things that we can get into place now, and they're in progress now. They were in progress because we had our 27 transit operators, and then-- we'll be done after this-- but we had our 27 transit operators come together during COVID early on to really recognize that they needed to take their individual operator hats off and put their rider hat on on some really basic things like, do I need to wear a mask on the system? Do I get in on the back of the bus or the front of the bus? Just some really basic things that people needed to know, because almost every rider in the Bay Area to get from their home to their work, [INAUDIBLE] systems.

That's crazy. And so they started these regular weekly meetings. It was just enhanced coordination and a shift towards what we can do if we all work together. And what MTC's role in this is that we are the long-range planner. We do visioning work for the region. So we come up with a roadmap, and then we have control over a lot of the money in our region.

So we like to work with incentives because we have a lot of-- there's a lot of reason to be incentives, carrots rather than sticks. It's also helpful when sticks come in, maybe from the state or others, to say, you have to make this change if you want to survive.

**TOM KOTARAC:** Yeah, I agree and. I think Julie Hemos and Senator Ram talked a little bit about what that stick condition is like. And so we talked about a lot of this low-hanging fruit, right? I mean, pandemic began early 2020. We're talking about fare integration. We're talking about coordination among systems.

There's no shortage of really good ideas that shouldn't be hard to implement. If anybody hasn't read what we used to call bloggers, there's a great Twitter feed, Star Line Chicago. Pick one up. There's a great idea that probably could be implemented on our commuter rail system.

So how much of this is governance? How much of this problem is, this is easy to do, but we can't get it done because the structures that implement these kind of ideas are getting in the way? And I'll start with Bob.

**BOB:** So that's a great question. I don't know how much of the problem is governance, honestly. I'm assuming that that's a legitimate and not a rhetorical question, because I think this is actually a debate about if the systems we have now for governance, if the agencies that we have today have the authority they need to have in order to solve the problems that we are facing today.

So I think that's a question. I don't have the answer to it. I do think on the governance side, I think there's also a temptation to say, if we change the governance, that's going to fix all the problems. So I think just a shifting of board structure or something else that does not address underlying problems that transit is having is not really going to do very much either. So I feel like it's a legit question. I don't have the answer, but I think it's a great debate for us.

**TOM KOTARAC:** Implicit in that, Bob, is that the leadership, then, would need to have-- if the authority is there, then the leadership to execute it would be there. So maybe there's another issue. I'll hand it to Erin, who sits on top of all of this.

**ERIN ALEMAN:** Chief planner hat here. So the report that we were asked to produce to the General Assembly is due January 1. We are in the process of convening stakeholders, talking to our board, talking to the MPO Policy Committee, which is a committee that's made up of all of the transportation implementers from across our region, about what the challenge is right now.

And I think as we think about this report, just to provide some framing before I get to governance, is that there's clearly some changes to the system today that would enhance it. So we're thinking about the system we want to have, not just going back to 2019 and letting that \$730 million buy us exactly what we had before. So what, strategically, needs to change?

Some things that have come to the forefront here are better bus lines. They're the most flexible and have been the most flexible throughout the pandemic. They're relatively inexpensive to implement.

Things like making sure that our state agencies and our roadway agencies are thinking about operationalizing systems that support buses on the roads-- that nexus between those two things happening. We're also talking about, how do we pay for it? What are the funding sources that we're going to do?

Is it a sales tax on services? Is it increasing sales tax on goods? Is it a statewide solution? Is it tolling? Is it carbon pricing or congestion pricing?

All of these things are hard. Nobody likes them. But what's the least hated option? Or, what combination of things are people going to find acceptable at the state level and here regionally? We're going to need that coalition of support from business, civic, and labor and others to put that forward. And then, how are we going to implement it? And that's really the governance stuff.

And so I think in this region, it's easy to say, we don't have 27 main operators, although there are lots of operators in the counties. But we're just mostly talking about RTA, CTA, Metra, and Pace here, is that I think it's easy to sort of flippantly say, blow it all up and start over. And that would effectively just set us back, right?

We have a structure, so what's the problem? So with these working groups that we've been convening, we've been talking about, what are the challenges? And I think a few of them I'll highlight here are decision-making. When you have three separate entities making decisions about their systems, you're inherently siloing yourself. You're making the best decision for your own organization.

Well, if we want to think about a system that works for a region of people, that decision-making process probably needs to shift. Service coordination-- again, I know that our transit agencies are working really hard on service coordination. But are there carrots or sticks that we can put in front of them to help them accelerate some of those service coordination activities? For example, the 50% fare box recovery ratio really inhibits our transit agencies from being innovative, from testing new things, because they're so worried about making sure that that threshold is met. So that legislative mandate is a thing that we probably need to change here in the Chicago region.

Again, just accountability. Multiple governing boards, so you've got multiple masters who you have to report to and please. And I have two boards myself that are really important to me. And so but I'm making decisions based on my board's priorities.

So are there things that we can shift, shape, agreements that we can have together? Really strategic sort of consensus-building activities, as we think about governance reform, is what I think this report and the work groups that are working together with us are helping us really focus on. What's the problem, and then what are those exacting solutions that we can lay out that will help make our system act and feel to the user like it is one system?

**TOM KOTARAC:** For sure. And I think that's refreshing. For folks not familiar with the history of that debate in Chicago, it's often been taboo for the last few decades-- that the last time a major reform happened in 1983, it's often treated as tablets from Mt. Sinai. This is the way it is, and there's nothing you can do about it.

And obviously, that isn't the case. Many of those handshake agreements, the people who made them are now dead.

[LAUGHTER]

So I think that we can-- it's OK to be critical of them. We'll be all right. And to George's point, is governance a taboo for you? Is there an effort that has multiple sectors-- business community, labor engaged? And thinking about something with 27 members, obviously, problematic.

**GEORGIA GANN** I mean, one thing that many of you might relate to is many of our boards are elected, or transit agency boards  
**DOHRMANN:** are elected. So it is certainly a challenge to have a conversation about merging boards. Governance, again, this is-- when I talk about decades, that is one of the main things that, 25 years ago, has been a conversation that started and stopped, and started and stopped.

MTC has done a lot of reports on what governance changes are needed. Our first approach right now is to say exactly what Erin talked about. Let's make it seamless for the rider. It's going to be a pain in the ass on the back end.

It's horrible on the back end. I have a lot of meetings. I am on Zoom meetings all day long on the coordination side. But you know what? It's worth it. The riders need it to feel seamless. And that's the number one thing we're doing and have folks on board with.

The second piece is really looking seriously at starting smaller. Again, anybody who's in local government knows that one of the hardest things to do is take away a bus stop. We have a lot of-- we are an activist-- the Bay Area is the home of the Black Panthers, which is a very activist community, and we have people who are really tied to their transit organization.

And so what we want to do first is make it seamless for folks. What we want to do second is start with some of the-- I keep using the term "low-hanging fruit," but it really just is. If we do things like have the four small transit operators that operate in one of our smaller counties up in the North Bay, once they all have the same branding, once they all have the same-- you go to one place to get information about the system, and you go to one place to have integrated fares, so when that customer-- and it feels the same. But it's also a lot easier in 20 years, 15 years, once people who have less ownership right are no longer in power, than you merge. I don't think that will happen with our major rail operators, but 27 is too many. [LAUGHS]

**TOM KOTARAC:** Yeah. I think it's essential for the efficiency part. I think all of us have talked about the new revenues that are necessary and the efficiencies that have to come in is that a real holistic look at that governance piece is essential-- for buy-in from the business community, for sure, but I just think for the general public.

**GEORGIA GANN** I will say that we need some-- one of the reasons why the biggest barriers to integrating all of our 27 different  
**DOHRMANN:** transit operators has been cost because BART, our major rail system, BART drivers are paid a lot more than drivers up in Napa County. And federal law says if you integrate, if you merge, you have to go to the highest common denominator on people's salaries. And that's not something that's feasible to do with 20% of our operating revenue out the door.

**TOM KOTARAC:** That's a good point. So we talked a little bit about this, is if we're getting new revenues, the different sort of coalition that has to come together, and the different needs and wants of each of those to come together to ask for significant new revenues. There was a really provocative article on Vox not long ago. It was titled, "How to Save America's Public Transit Systems from a Doom Spiral." And a lot of the discussion was close to what we've been discussing here.

But one of them was this assumption that every successful transit effort to raise new revenues, do something better for transit, really had to be focused on people who don't use it-- that you're taking cars off the road. I think [INAUDIBLE] in California, it was like, why do I care? Maybe you'll get somebody else onto this train and not me. And our lunchtime speaker, Josh Schenk, said we should blow that up. That's an old paradigm.

Is congestion reduction, is getting people out of their cars, is that still relevant? Is that something that we need to be focused on for this to be successful? Bob?

**BOB:** Yeah, I mean, so it seems like-- for those who haven't read the article, it seemed to me like this point was mainly about a communication strategy around selling transit. And I am not the person to comment on how to market something or how to run a political campaign, as we have some elected and former elected officials here who would have a better sense there.

So I do agree, the broader external benefits of transit are what you should be selling. I'm not convinced congestion reduction is a stronger selling point than saying it gets nurses to jobs, it gets community college students to classes. So the externalities of transit, absolutely, you should be selling, but I don't think that the congestion reduction is the most compelling argument.

But further, I think we should absolutely not be designing our system to maximize congestion reduction. So if the point of that is to go beyond just how you communicate, it's more like where you put your money, I have more serious problems with it. Because a system designed for congestion reduction versus one designed to maximize mobility and accessibility are very different systems. So I have a real reaction in terms of that.

**TOM KOTARAC:** Sure. Erin, CMAP has done research on the increasing amount of just congestion that's happening post-pandemic. We really aren't seeing people drive less. We're seeing them drive more, maybe a little bit different, during periods of time. What do you feel about the congestion reduction pitch in this whole effort?

**ERIN ALEMAN:** And I think it's definitely part of the conversation, I mean, as we're seeing. But I think the ultimate solution is, how are you better serving people during daytime hours, versus congestion reduction? I think you'll see the same benefits happen over time, is that like was shared from the DC region, we don't have that AM and PM peak anymore. But it's happening throughout the day.

It's very unpredictable to know if it's going to take you an hour, an hour and a half, it's going to take me 15 minutes? Because if you're working from home and you're running your errands, I don't know, is everybody going to be at Costco or the grocery store? I don't know!

And so that level of unpredictability, I think, is challenging and frustrating for drivers, and buses who use our roads, ultimately, would benefit from congestion reduction as well. So again, it's hard to say, is it one thing or the other? I think again it probably has to be both.



And I think we need to be thinking about that intra-city connections for people, whether it's suburb-to-suburb or whether it's a downtown circulator. A lot of our transit, our communities' downtowns, are based on a transit station. And so just making that better connection, that seamless connection, is important.

**TOM KOTARAC:** I'll bring up another topic. And I'm interested-- I'm going to go to Sharon on this too. We've talked about how we put this coalition together. We've talked about the benefits of transit in climate change.

How much is climate change a selling point in this for everyone as we think about what we're doing? Is that salient enough? Are we at a point in time where we can sell additional revenues for climate change? Or Sharon, in your example, bringing people into Downtown, major retrofits to commercial buildings that don't necessarily easily translate themselves to housing, how much does climate play into our efforts? And I'll start with Sharon in DC.

**SHARON** : So I just last night joined an advisory neighborhood commission meeting to talk about the DC budget. And  
**CARNEY:** unfortunately, we are in the hardest budget year we've had in 15 years and had to make some really hard choices to balance. One of those hard choices was a pretty significant reduction to three of six lines of our circulator bus system, which is a complement to our main bus system.

And I'm talking to this group of people who are probably mostly working professionals. And they said, hey, we heard that this decision was really driven by the increased cost of electrification of the buses. And if it's a matter of electrifying the buses or not and keeping those lines, we want you to keep the lines. They were very clear that they wanted the service over the more sustainable option.

And so I do think that there is absolutely a role for the argument around sustainability and climate change. And personally, I would like to see it play a much more significant role. But I think it's far from the only one.

One angle that I think is not talked about enough, at least for high-cost, or what we like to call "high-amenity" cities like DC, is just the overall impact on affordability that a reliable transportation system offers to residents. I sometimes tell people about how I grew up in the Motor City. I grew up outside Detroit. I lived in Downtown Detroit for a number of years before moving to New York City for grad school.

My overall cost of living, housing, and transportation dropped moving from Detroit to New York City because I got rid of a car. And you don't always expect somebody moving, making a move like that, to actually pay less just for their overall expenses. I talked to a lot of employers who struggle to get staff to move to DC or take a job because they're concerned about the cost of housing. But if you can sell that you don't actually need a car to live in a place because you can rely on the subway, the bus, the bike system, or other things, that puts you on a different sort of competitive standpoint.

**TOM KOTARAC:** It's a great point about affordability. And I'm going to move on to a little bit of a discussion about free riders and free ridership. We heard that from the Senator today, that part of this broader package of delivering more funding to transit needs to have a benefit for riders. And his example was free rides for certain constituencies.

Is that part of the solution? Is free transit part of what the future is? Is that something that we should be moving towards? I'll start with Bob.

**BOB:** Yeah, I think for some writers-- those who are, particularly, low-income, fares can be a barrier. And so fare reductions, like has happened on the Metra Electric pilot for half-fare systems, or even free fares, are a way to serve that particular constituency. I think for a lot of people, fares are not a barrier at all. So I think if there is an effort to make transit free in some parts, it needs to be carefully targeted.

Making it widespread across the entire system, which I think some transit agencies have experimenting with, does not seem to me like the right solution. I do think it should be targeted to those people who really would benefit from it, from that kind of fare reduction. And that could be by person or could be by place.

I think some geographies have done free transit in certain neighborhoods to half price in certain neighborhoods. Or it could be income qualified, or students are already qualified for free transit, and things like that. So--

**TOM KOTARAC:** Georgia, in the Bay Area, I know, there's calls for more free transit. How does that play into a lot of the things that we're talking about achieving today?

**GEORGIA GANN** Yeah, well, I mean, I guess I want to take a step back and think about what the goals are that we want transit to achieve. And when I say "we," partially I mean the people who are going to give us money. Our state cares a lot about climate, asking about, is climate, and a compelling message.

Climate is not a compelling message to-- it is, but poll after poll-- I will get to the free transit question in a sec-- poll after poll in the Bay Area says my number one issues are housing affordability, homelessness, homelessness crisis. Housing costs a lot.

And so those are the issues that are at the forefront of people's minds and residents' minds. At the legislature level, climate is at the forefront of our governor's mind and many of our legislators' minds. And so we're also looking-- full disclosure-- to target some cap and trade revenues to come in and fill the transit operating gap.

And so we are talking a lot about the nexus between transit and climate because we'd like some of those climate dollars to help us sustain ourselves. So free transit comes in a lot. And one of the hard conversations in California is that we, too, have a fare box recovery ratio requirement. And the state in the '70s said, what we care about is your efficiency and your ability to self-sustain. So we're going to have a fare box recovery ratio, and that's the number one priority.

Now, all of the talking points coming from the state are around climate ridership, other things. And that doesn't align with the only mandate on transit at the state level, which is you have a certain fare box recovery ratio in order to access some state dollars. So if the state's aim is that they want more riders and, in certain locations, and for certain populations, free transit-- especially in the Bay Area, it's free transit for youth-- can really create a generation of transit riders? I would say that's a great investment.

Very similarly, across the board, fares in general aren't a huge barrier in the Bay Area. But one thing that is a barrier is when transit costs a lot more than driving. And it does. It can cost 50 bucks for five people to go into the city for a show or \$7 with the bridge toll. And on that case, [INAUDIBLE]. So I think that's a big thing for us.

**TOM KOTARAC:** Those are good points. And it's also about where the time and energy is on investment. Do we free transit and then make that up on the operating side? Well, here's the dynamic that we're facing. And I think it's just good for discussion.

We're rich in capital money. The Senator talked about the 2019 capital bill. It doubled the gas tax in Illinois and indexed it to inflation, and it set aside 20% for transit capital.

The operating subsidies that we get from the State of Illinois here in the Northeastern Illinois region, those are for operating. The federal government has capital funding, but not necessarily operating. So on the capital side, if those are from the-- sort of the mount, and we can't touch them, number one, should we try? Is that division really worth it? Do we do that? Do we try to mesh capital and operating?

And the second question is, do we need to revisit what we're building? We've got major capital projects we talked about here. I think there's a pretty big tunnel that you have in San Francisco. Are we making the right investments? Have we revisited our capital program in the right way, is really the question. And I'll start with Erin.

**ERIN ALEMAN:** So a couple of things. I think related to capital and flexing it for operating, at one point, the federal government did give funding for operating transit systems, and that went away. And I think, again, the reasons, perhaps, it went away is one of the reasons why I think-- it's somewhat related to what Sarah was talking about earlier, the city versus suburbs, the red versus blue conversation of why, and what, and how we spend our and invest our resources and what our priorities are.

So I think I don't foresee us getting more federal dollars for operating funding. But I do think when Senator [INAUDIBLE] was talking about the investments that they're making in transit, the historic investments of setting aside MFT for transit capital here in the state, it sets the stage for us to be talking about making transport, using our transportation revenues, regardless of what they come from-- whether it's your license plate fees, or your motor fuel taxes, or the diesel differential-- is that we're using it to fund the best way to move people. And so that could be transit.

And when I've looked at how other states are funding transit capital, they're flexing their federal highway dollars to the Federal Transit Administration. When a state has made a huge investment in the capital of transit infrastructure, it would be a huge disservice for them to not also recognize that if you don't have a transit system that runs on that capital investments that you've made, what are we really talking about here?

So I do think that there is something to be said about this conversation of we have made substantial investments, historic investments in Illinois in our transit system, and we're funding them, and at the federal level, there's more funding for transit than there ever has been before. What are we doing if we can't run it? And I think that's what we need to talk to our General Assembly about and what we need to talk to business, civic, other leaders about, because that's-- it's just silly. That's all I can say.

**TOM KOTARAC:** I would agree with you. And Bob, do you think we have the right tools in this region to adequately think through those investments? The Senator mentioned the performance-based programming legislation requiring the state DOT and our transit agencies to more transparently choose projects. Are we using the right metrics and performance measures to make the investments in the post-pandemic environment?

**BOB:** Yeah, and before I get to that, let me just build on what everyone was saying, that I feel like we are in a really historically unique moment here as far as the amount of infrastructure funding, which is available. The bipartisan infrastructure law was unprecedented in the amount of capital that we now have to spend. So I agree with Erin, we should be trying to see some of that be used for operations.

Because in an ordinary environment, you never want to steal from capital for operating. This is not a normal environment. This is historically unprecedented operating challenges and historically unprecedented capital availability. So I think that there is a need to think about how can we flex this, or make it legal, to fund operations through that?

In terms of whether we have the right performance measures, I think there's a lot of work needed at the state level to push them toward sustainability-driven, equity-driven, performance-driven performance measures-- which I think that there has been some movement, but it has not been enough, in my opinion, to really be able to say with confidence, we're going to spend all this money on the right stuff. So I think there's a need for the Senator and for others in the General Assembly to be really pushing, I think, for the reforms. I ought to be able to, in the future, be able to confidently say we spent all that money in a way that actually led to the greatest long-term gains.

**TOM KOTARAC:** Yeah, it is that great irony that it's the World Series of infrastructure, and we have more money than we've ever had in history. And by the way, everything is going to shut down in 2025.

[LAUGHTER]

**BOB:** Right.

**TOM KOTARAC:** Which doesn't make sense. Georgia, do you feel that tension in San Francisco?

**GEORGIA GANN:** I mean, yes. Absolutely, and it's really awkward to walk into our state and be like, we're desperate. Also, sign the

**DOHRMANN:** support letter for us to get \$5 billion from the feds for x, y, and z. And I do think that it is awkward, it is complex, but that's also the world that we live in. It's a complex world, right?

And so there's all of this capital money available right now. And yes, we should be rethinking, are the projects that we are going for the resources for the right projects to serve the transit of the future? And we all do scenario planning around here? I'm sure I know MCC ran a scenario, a low-growth scenario. So we know-- essentially, we look at a whole range of different things.

Is the economy going to continue to boom? Is it going to slow down? And when we run that, is it going to slow down, we see how our major investments perform under a really slow growth economy, which is very similar to where we're at in the Bay Area right now. And it looks like we have people working from home, sort of losing some population. So we know which of those investments still make sense.

And we are doing-- we are planners, so we just can't not plan. So we are doing another plan that reassesses what we already did with the scenario planning that says, what are going to be the most important-- what are going to be the transit investments that, in 20 years, are going to serve our communities, even if we have ridership that looks different than it looks today? And so yes, focus on those.

I think the other thing, and I'm just-- I'm really close to the transit operators in my region. And I'm also a person who rides a bus a lot and who rides BART a lot, and I have my BART system break down, and I have my buses not be able to open their doors. And I also rode the Blue Line yesterday, and I was certainly like--

[MAKES VIBRATING NOISES]

It's terrifying. I'm like, are we going to fall off the tracks? I mean, it was great, but it was a little scary.

[LAUGHTER]

So I'm going to go ahead and say that investing in state of repair-- which is what most of our capital dollars go to - is fundamental. And we cannot rob Peter to pay Paul in that way because we are going to lose the reliability and functionality of our system if we don't keep those capital dollars to state of repair.

**TOM KOTARAC:** We have to eat lunch. And Sharon, I'm so sorry you didn't see how pretty the appetizers and snacks were outside.

[LAUGHTER]

When a bank does lunch, you really [INAUDIBLE].

**SHARON** It's probably for the best. [LAUGHS]

**CARNEY:**

**TOM KOTARAC:** So thank you to the panelists. I think we just between these two, we really scratched the surface of some of the really, really, really big issues we've got to tackle and how fast we've got to do them. And just wanted to say thanks to everybody. And let's have a good lunch and look forward to the luncheon.

[APPLAUSE]