



Oh Joy, Free T Rides on the North Shore Connector

With agreement reached between the Port Authority (PAT) and the Steelers and Rivers Casino to provide free light rail service from the North Shore to Downtown in exchange for the payment of \$200,000 this year, \$205,000 next year and \$210,000 the year after that, all rides between North Shore stops and center city will be free.

Previously, the Stadium Authority and Alco Parking had agreed to pay \$160,000 this year (with the amount rising by \$5,000 the next two years) to cover riders traveling between Downtown and the station near PNC Park. So PAT is going to receive \$360,000 to operate its rail system to the North Shore this year—less than a thousand dollars per day. And bear in mind that \$40,000 of the \$360,000 must go to advertising leaving only \$320,000 to cover operational costs.

One must ask: What will it cost PAT in driver wages and benefits, electricity, repairs, insurance, security, management overhead and other expenses to run the trains between Downtown and the North Shore? No recent figures have been released but during the campaign to obtain funding for the Connector operating costs were originally projected to be over \$8 million per year. Needless to say, even taking a much lower low estimate of half that amount, PAT will lose money by taking in only \$320,000 to cover rider costs.

And then there is the capital cost of \$530 million. Using a low 5 percent annual cost of capital, the taxpayers are out \$26.5 million per year. Given all the highway and bridge repair needs in Allegheny County, it is little short of mindboggling to think of the misallocation of funds to such a low value added project. It is no use arguing that the Connector will bring a lot of new development to the North Shore. The Stadiums, office buildings, hotels, amphitheater and Casino have long since been completed without the Connector.

Here's another irritating rub. PAT's acceptance of \$320,000 to cover all riders on the light rail extension suggests they did not expect to garner that much in fare revenue. Even at a charge of one dollar each way, the Connector line would only need to carry 160,000 people per year to bring in \$320,000. That's a paltry 438 people per day. At a dollar per round trip between the center city and North Shore they would only need a thousand

riders per day. The scheduled trips will undoubtedly provide several thousands of available seats per day.

Obviously, the strategy is to get people accustomed to using the service and at some point begin to charge passengers or renegotiate the amounts being paid by the parties now providing the \$360,000.

Still, given the colossal cost of the project and the very limited projections of paying passenger use and fare revenue means the North Shore Connector can be declared boondoggle of the decade. And this brought to fruition at a time when PAT is literally in a struggle to survive financially. One cannot make this stuff up.

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