



### **PAT Light Rail: Pre-Connector Operating Data**

With the opening of the North Shore Connector and the extension of light rail to the North Shore, the debate over whether it was wise to spend and shift Federal, state, and local money to the project now moves to what impacts it will have on the light rail system as a whole.

Of course, boosters are hoping for an increase in ridership and to use the Connector as a launching point for service to the airport or the North Hills. That's why the Port Authority's (PAT) website lists "expanding our footprint, connecting our region" and "a community asset" as the benefits of the Connector, now being rebranded as "T Plus".

But before new riders board the system or blueprints are drawn up, it is important to view the light rail system as it is. By establishing a baseline now, changes resulting from the Connector can be analyzed and assessed. Actual and audited numbers for PAT's light rail system (in the 2010-11 fiscal year) before the completion of the Connector show the following:

- Total Rail Ridership: 6,918,000
- Total Passenger Revenue: \$9,811,000
- Total Other Revenue: \$295,000
- Total Expense: \$49,038,000
- Total Rail Employees: 462
- Total Length of system: 25.2 miles
- Total Rail Vehicles: 83

From this point on it will be easy to evaluate what happens to ridership, revenue, and total expense on the light rail system. The critical measure we can glean from the data is "total expense per rider", which is total expense divided by ridership. Audited data from 2011 puts that measure at \$7.08. As the Connector leg begins operating and ridership numbers come in and total expense is reported it will be easy to see what is happening to total expense per rider on PAT's light rail system.

There are other indicators that can be obtained as well. For instance, dividing passenger revenue by total expense shows that passenger fares cover about 20 percent of light rail

expenses. And by taking the share of total expense accounted for by salaries and benefits we see that 80 percent of total light rail expense is attributable to personnel costs. For the next three years passengers riding between Downtown and the North Shore will ride for free since fares are underwritten by corporate sponsorships. The money from those agreements will likely show up as non-passenger revenue in upcoming audits.

But then there are other costs that may never show up as Connector related expenses in any audit or ledger. For instance, there are the “internal costs” of the Connector—the resources and manpower from within PAT that were applied to the Connector from formulation to completion. And PAT is not likely to take into account the opportunity cost of the capital expended on the Connector (final construction cost of \$517 million) when tabulating the cost per rider.

A 2006 *Policy Brief (Volume 6, Number 22)* estimate of the true cost per rider for the first full year of operations of the Stage II light rail improvements (taking into account operating expenditures and opportunity cost of capital) placed the figure between \$33 and \$44. Given the much higher cost of the Connector and the very short distance it traverses, the cost per passenger mile of service delivered will dwarf the Stage II figure.

What makes this all the more problematic is that the Connector is coming on line at the worst possible time for the Port Authority because of the calamitous state of its financial situation. It is facing a massive reduction in bus service in September as a result of its projected \$64 million budget shortfall. How can it justify diverting dollars to operate the Connector while it contemplates leaving many of its riders who depend on the buses with no transportation option?

How utterly absurd it looks when the opening of a horrendously expensive mile of new rail service—when there is no firm notion of how many riders will use the new service—is juxtaposed with the nightmare scenario of huge impending bus service cuts. To say the least it will be very interesting and important to monitor this new mile of light rail’s performance—not that it can or will ever justify the cost of construction. But it will be worthwhile to continue documenting the folly of politicians who lack concern for the misuse of taxpayers’ dollars.

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