



695 words

### **The Port Authority's (still) costly bus service**

**By Colin McNickle**

The latest available cost numbers are in for the Port Authority of Allegheny County's bus service. They remain wholly unflattering. And that should raise new concerns as the mass-transit agency embarks on its highly touted Bus Rapid Transit (BRT) project, concludes a new analysis by the Allegheny Institute for Public Policy.

"Unfortunately, this updated comparison finds there has been no improvement in (the authority's) cost structure compared to (similar-sized) cities," says Frank Gamrat, executive director of the Pittsburgh think tank, and Jake Haulk, president-emeritus there (in *Policy Brief Vol. 19, No. 43*).

More than a year ago, an Institute analysis of 2016 data (from the National Transit Database) found the Port Authority's operating costs per revenue hour to be 62 percent higher than the peer group average (among Charlotte, Cincinnati, Columbus, Milwaukee, San Antonio and St. Louis).

More shockingly, those costs also were found to be higher than much larger transit systems such as Boston, San Francisco, Washington, D.C., Philadelphia and Seattle. Only New York City's bus service was more costly than Pittsburgh's.

And the eyebrows should remain arched considering the 2017 data.

To wit, for the 10 transit systems compared, average bus operating cost per revenue mile in 2017 was \$9.63. It ranged from San Antonio's \$7.53 to the Port Authority's \$14.30.

"These two transit systems also logged the most revenue miles in the group, yet the Port Authority's costs per revenue mile were 90 percent higher," the Ph.D. economists note.

But the most useful and relevant cost measurement for comparison remains operating cost per revenue *hour*. It's a metric that reflects the expenses incurred per hour of operation, picking up and delivering passengers.

While the number of miles and the number of passengers can vary considerably by route and time of day, the expenses pile up every hour of operation, regardless.

In 2017, the Port Authority recorded 1.62 million revenue hours, second only to San Antonio's 1.65 million hours. The total cost per revenue hour for the 10-system sample was \$123.69, ranging from Milwaukee's \$98.80 to the Port Authority's astounding \$185.91.

"The Port Authority is \$62.22 higher than the sample average and \$87 higher than Milwaukee," Gamrat and Haulk remind. "(It)'s a stunning indication of just how expensive bus transit is in Allegheny County."

To put that statement into stark context, the think tank scholars say that if the Port Authority operated at the cost per revenue hour average, the agency could have saved close to *\$101 million* in 2017.

It's hardly a secret as to why the Port Authority's costs to provide bus service are so high. Operator wages and salaries per mile are so out of whack that if they were at the 10-sample average, the agency could have saved \$8.8 million in 2017. Even more egregious are the fringe benefits paid that year (\$70.6 million) -- \$10 million *more* than the wages and salaries *total* of \$60.1 million.

"As we have written many times before, the Port Authority has huge legacy costs that will take a long time to rectify," the researchers reiterate.

"These high costs can be directly attributed to two things – the state law giving transit workers the right to strike and the loyalty and support of most elected officials for unionized workers," Gamrat and Haulk say.

"This isn't just a problem for those in Allegheny County or the people who pay bus fares but for taxpayers across Pennsylvania, including the users of the Pennsylvania Turnpike, whose tax dollars and tolls help fund the system."

Also quite concerning is that the Port Authority's high cost "standard" comes as plans continue to be rolled out for the BRT project, billed as a faster way to connect downtown Pittsburgh and Oakland.

Already the cost of the project, with just under half being paid by federal tax dollars, has escalated, the number of electric buses to be used on the route has been reduced and the efficacy of using such buses remains a question mark.

*Colin McNickle is communications and marketing director at the Allegheny Institute for Public Policy ([cmcnickle@alleghenyinstitute.org](mailto:cmcnickle@alleghenyinstitute.org)).*

---

*Op-Eds may be reprinted as long as proper attribution is given.  
For more information about this and other topics, please visit our website:  
[www.alleghenyinstitute.org](http://www.alleghenyinstitute.org)*

<p>Allegheny Institute for Public Policy 305 Mt. Lebanon Blvd.* Suite 208* Pittsburgh PA 15234 Phone (412) 440-0079 * Fax (412) 440-0085 E-mail: <a href="mailto:aipp@alleghenyinstitute.org">aipp@alleghenyinstitute.org</a></p>
---