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The high cost of light-rail in Pittsburgh

The Port Authority of Allegheny County’s light-rail per vehicle revenue hour costs were near the top nationally while the rail system’s share of total mass transit trips was near the bottom of respective systems’ nationwide, concludes an analysis of pre-pandemic 2019 transit data by the Allegheny Institute for Public Policy.

And with post-pandemic ridership numbers remaining a shadow of what they were before the coronavirus hit in early 2020, it’s a “prime opportunity” for the Port Authority “to enact long overdue reforms to reduce or at least slow the rise in operations costs,” says Eric Montarti, research director at the Pittsburgh think tank, and Jake Haulk, president-emeritus there (in *Policy Brief Vol. 22, No.19*).

According to the National Transit Database (NTD), the Port Authority’s \$422.80 per vehicle hour costs ranked fifth highest in a 19-member group of mass-transit systems operating light-rail service.

“It was 9 percent higher than the next closest agency and 25 percent higher than the group average,” Montarti and Haulk note. “It was 54 percent higher than the average \$273.77 for the 14 agencies with a lower operating expense per vehicle revenue hour.”

Systems in Salt Lake City, Minneapolis, San Diego and Denver had a light-rail operating expense per hour that was less than half of the Port Authority.

If the Port Authority was able to operate at the group average on a per vehicle hour basis, “it would result in savings of \$14 million per year of its \$71.1 million in light-rail operating expenses,” say the think tank researchers.

“Even more dramatic savings of \$25 million of the \$71.1 million could be achieved if [the Port Authority] operated at the average cost of the 14 less expensive systems.”

And all of this in a climate in which only 11 percent of all mass-transit trips provided by the Port Authority were on light-rail; only Newark, Baltimore and Cleveland were lower.

When considering the components of total operating expenses for all modes of transit provided by an agency—labor, materials and supplies, purchased transportation and other operating expenses—there were five agencies where labor represented over 70 percent.

“[The Port Authority] was one of the five at 74.1 percent,” Montarti and Haulk say. It was exceeded only by Minneapolis (77.9 percent), San Francisco (76.8 percent) and Cleveland (74.8 percent).

“For the 11 agencies with a lower operating cost per vehicle revenue hour than (the Port Authority) and also had a labor cost lower than 70 percent of total operating expenses, the average labor cost was a dramatically lower 55 percent of the total,” they calculate.

And there was little correlation that cities with higher costs of living had higher vehicle revenue hour costs. Indeed, four agencies that had higher operating expenses per vehicle revenue hour than the Port Authority had a higher cost of living. But there were 10 agencies – Dallas, Baltimore Minneapolis and Denver among them – with a higher cost of living and *lower* light-rail operating expenses.

The Port Authority’s 2021 service report stipulated to its high light-rail costs (per passenger served) and attributed it to “comparatively high operator and maintenance employee wages and benefits, high maintenance costs and closely spaced stations which cause [light-rail cars] to travel at lower speeds.”

It said studies were underway on how to lower costs. But it is not known when the findings might be delivered or what steps might be taken to lower costs.

“That’s very important to keep in mind as the [Port Authority’s] administration negotiates a new labor agreement with its largest transit union in the coming months,” Montarti and Haulk remind. “To date there have been no layoffs or furloughs related to service being provided despite falling ridership throughout the pandemic.”

Average weekday light-rail ridership in February was a stunning 79 percent lower than in February 2019.

Yet that, coupled with spending down federal stimulus dollars and uncertain state and other funding, has not dissuaded the Port Authority from talking about a dubious light-rail extension to points west and north of Pittsburgh’s North Shore.

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