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Should the State Subsidize Pittsburgh to Harrisburg Train Service?

AMTRAK has informed Pennsylvania that the Pittsburgh to Harrisburg service—known as the *Pennsylvanian*—would likely be suspended unless the state comes up with the \$5.7 million needed to cover the subsidy now being covered by money from the Federal government.

The *Keystone* train service between Harrisburg and New York via Philadelphia offers several departure and arrival times each day. The *Pennsylvanian*, on the other hand, provides only one train a day inbound to Pittsburgh and one train outbound from Pittsburgh to Harrisburg with continuing service to New York City. The single inbound train arrives in Pittsburgh at 8:05 PM having left New York at 10:52 AM and Harrisburg at 2:36 PM. Outbound from Pittsburgh departs at 7:30 AM and arrives Harrisburg at 12:55 PM and New York at 4:50 PM.

Does it make good economic sense for the state to contribute such a large sum to keep the *Pennsylvanian* running? The following discussion of the train's status and some key data will shed light on the advisability of the state government subsidizing half the annual cost of operating the train between Pittsburgh and Harrisburg.

For fiscal year 2012, there were 129,372 boardings and disembarkings at the Pittsburgh station for both the *Pennsylvanian* train and the *Capitol Ltd.* service that goes on west to Chicago by way of Cleveland and east to Washington DC. The *Capitol Ltd* service is also one train per day in each direction leaving for Chicago at midnight and DC at 4:50 AM. Total ridership on the *Capitol Ltd* and *Pennsylvanian* are very nearly the same, posting just over 100,000 passengers each in the first six months of fiscal 2012.

The Pittsburgh station passenger count has fallen substantially since 2008 when it was well above 140,000. In any case, even if the majority of passengers at the Pittsburgh station are from the *Pennsylvanian*, the number of Pittsburgh passengers from that service is almost certainly fewer than 100,000 per year or 270 people per day—probably about evenly split between boardings and disembarkings.

Furthermore, the passenger count at the Altoona station, the busiest between Pittsburgh and Harrisburg, has fallen from 35,850 in 1998 to 26,798 in 2012, a drop of 25 percent.

Thus, the recent trend of ridership on the *Pennsylvanian* is clearly down. The key question is, “will the downward trend be reversed soon?” If not, should the state be putting money into a train route that will require increasing subsidies year after year as the gap between revenues and costs widens? Obviously, with falling passenger counts, raising ticket prices to offset the loss of riders is not a viable option as an effort to raise revenue.

Moreover, the single daily train in each direction way is obviously a weak selling point. The departure and arrival times in Pittsburgh (the biggest station on the line) is not convenient for many potential passengers. Then too, the five and half hour travel time to Harrisburg is off putting considering the alternatives. Granted, the trip from Altoona to Harrisburg is shorter and if the final destination is Philadelphia or New York the trip times are much more comparable to travel by car or bus. But, that being the case, why has the passenger count at Altoona fallen so steeply?

Passengers going from Pittsburgh to Harrisburg on the train will pay \$40 for the trip. Meanwhile, passengers traveling by MegaBus from Pittsburgh to Harrisburg pay \$14 or \$16 depending on which of the three daily departure times they choose. The MegaBus trip is a three and half to four hour journey with no stops. Thus, the advent of the MegaBus has created major competition for the train in terms of departure time convenience, travel time and cost. By way of note there are three return trips from Harrisburg by MegaBus as well.

And without question, for most people making the trip to Harrisburg, especially people on business, getting to the Harrisburg train station is just the start of the excursion. If they want to go to a meeting in Swatara or other neighboring communities, they will need transportation. Unless someone is there to provide transportation, it will mean getting a cab or renting car. Either would represent considerable extra expenditure of money and time. Moreover, the business person going to New York would not arrive in NYC until very late in the afternoon and would have missed most of the work day, meaning a night in a hotel. Whereas a flight leaving Pittsburgh at 7:30 AM or so would have the person in NYC in time to get in several hours of meetings or sales calls and still catch a late afternoon or early evening flight home.

In short, business travelers are unlikely to ever make up a big part of the *Pennsylvanian*’s passengers. And non-business travelers seeking to save time and money now have a much better alternative in MegaBus.

For the state to ante up the \$5.7 million, which is about half the estimated cost of running the *Pennsylvanian* service, it will have to justify the expenditure of funds on other than economic considerations. Indeed, the state ought to survey the ridership to ascertain whether subsidizing half the cost of the trip is warranted. Do passengers have alternatives or are they too poor to travel any other way? Are they riding the train simply because they enjoy the train ride experience and are happy that taxpayers are paying half the cost of the ride? What, if any, non-transportation benefits accrue to spending millions in subsidy to keep the *Pennsylvanian* running?

Absent compelling answers to these questions in favor of providing the subsidy, the only other reason to keep the line going would be to have it available and in working condition against the possibility of a major long term east-west corridor highway outage or restriction. Or perhaps Turnpike tolls will rise to a point that people will abandon the Turnpike in favor of a train ride.

Romantic notions surrounding train travel should not drive the decision. The Commonwealth does not have money lying around that is not needed more elsewhere. Roads and bridges and unfunded pension fund liabilities come to mind.

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