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Pittsburgh's West Busway: Extravagant Overspending

It was recently reported that the Port Authority of Allegheny County's West Busway has low ridership and high capital costs associated with its construction. Low usage and high costs represent the opposite of what taxpayers should expect from public transportation projects.

Mass transit advocates and planners have extolled the virtues of busways, which are rights-of-way dedicated solely to bus usage. The Federal Transit Administration (FTA) is currently overseeing ten demonstration projects in nine American cities and Puerto Rico, many of which will utilize busways for all or part of their systems. Allegheny County is considered the pioneer in the field of busways in America as it is home to three busways that constitute 16 miles of roadway.

In planning public transit systems, busways are often compared with light rail transit (LRT). Busways are seen as more flexible and more cost-effective than LRT. As such, many cities have bypassed LRT in favor of busways. Consider the quote of John Bonsall, former general manager of North America's most extensive busway system in Ottawa. "[The busway] was going to be significantly cheaper to build and operate, and it would offer a higher level of service...we could build it in stages as we had the funds available."

Data from a General Accounting Office (GAO) study on light rail and busways supports this theory: capital costs per mile of light rail were more than twice as much as busways, three times as much as HOV lanes utilized by buses, and astronomically higher than arterial streets for buses. Thus, the Port Authority apparently made the right choice by opting for a busway over light rail for the western suburbs.

<i>City</i>	<i>Year Opened</i>	<i>Length (Miles)</i>	<i>Capital Cost (Millions, U.S.)</i>	<i>Capital Cost (Millions, U.S. adjusted for 2000)</i>	<i>Capital Cost per Mile (Millions, U.S. based on 2000)</i>
Pittsburgh					
South	1977	4.3	\$ 27.00	\$ 63.30	\$ 14.72
East	1983	6.8	\$ 113.00	\$ 174.50	\$ 25.66
West	2000	5	\$ 258.00	\$ 258.00	\$ 51.60
Combined		16.1	\$ 398.00	\$ 495.80	\$ 30.80
Ottawa	1983	38	\$ 250.00	\$ 307.00	\$ 8.07
Miami	1997	8	\$ 60.00	\$ 63.10	\$ 7.88
Orlando	1997	2.3	\$ 21.00	\$ 25.80	\$ 11.22

However, when the capital costs of the busways in different cities are considered, Pittsburgh's situation looks less favorable. Capital costs of Pittsburgh's West, South, and East Busways average nearly \$31 million per mile, which is much higher than systems in Ottawa, Miami, and Orlando and is very close to the capital cost per mile of Pittsburgh's LRT system (\$30.95 million in 2000 dollars). The adjusted capital cost per mile for the South Busway, now twenty-five years of age, likewise exceeds the costs of these other city systems. When we compare the three busways in Allegheny County to each other, the cost per mile of the West Busway has escalated to nearly four times over that of the South Busway as valued in 2000 dollars.

The high capital cost (\$258 million) of the West Busway translates into sky-high per-rider subsidies. Using a conservative estimate of 10 percent as the annual opportunity cost involved in building the busway, we can determine the amount of capital spent to transport each rider on the busway.

Currently, there are 8,000 riders each workday on the West Busway. That, plus estimated weekend travel, translates to about 2,160,000 rides per year. 8,000 rides per day means essentially a round trip for 4,000 riders each day. If we generously assume that the fare revenue covers operations and maintenance, then the capital cost per rider comes to an astounding \$23.88 per day, or \$5,970 a year per weekday rider.

Year	Opportunity Cost of Capital	Annual Ridership	Subsidy per Rider
2001	\$25,800,000	2,160,000	\$23.88
2010	\$25,800,000	3,105,000	\$16.61

West Busway ridership is projected to reach a weekday average of 15,000 by 2010. The average over the ten-year period would be approximately 11,500 per weekday. If that target is met, the average subsidy will still be \$16.61 per workday rider, which comes to \$4,150 a year and \$41,500 over the ten-year period. Whether or not that target is reached, the capital cost per rider is extravagant.

The Port Authority estimates that the West Busway has produced some net increase in riders; that is, riders other than those who have substituted one bus route for another, but they cannot put an exact number on these riders. If we conservatively assume that 50 percent are new riders, then the subsidies make even less sense.

The only way the West Busway can be justified at its cost level is for it to divert massive amounts of traffic from the Parkway West. As of now, there is no evidence that is happening.

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