

Fair Share Transit

The message is clear from planners, transit advocates and a growing element of the public who say that to meet our transportation needs we should build a lot more transit. But given the way transit is funded, it is hard to determine if this is a legitimate transportation solution or a disguised cry for more public welfare and government expansion. The message also advocates that we should stop building highways to conserve the available funds for transit. Urban areas such as LA and Orange County already spend half their transportation funding on transit to accommodate a few percent of travel. Significantly increased transit share can be achieved only by cutting out highway improvements or increasing taxes. But this need not be the case; we can have both. If public transportation is truly the mode we should be concentrating on, then it will have to be economically viable. And when it becomes self-sufficient we can afford a lot more of it.

Public transportation has never been self-sufficient, but has relied on heavy public subsidies. Urban bus, trolley and rail systems have fare box collections which typically cover just 20 to 30 percent of the systems operating costs and none of the capital costs. When the cost to build the system is factored in the typical farebox provides only 5 to 10 percent of the annualized cost. The general public, mostly non-transit users, pay the other 90 to 95 percent. The typical urban rail trip costs the rider under a dollar and the public about \$10 to \$20 dollars. Metrolink, acclaimed as a transit success, costs the taxpayer over \$2000 per year for each regular commuter. How is that for public welfare?

Public subsidized transit is an acceptable approach for the needy and as long as the funds required are reasonable. Today transit carries about five percent of the Los Angeles and Orange County traffic and we are spending about half our transportation dollars on it. It is easy to see that significant expansion of transit's share to 10 or 30 percent of travel (the amount needed to support projected population growth) would involve increasing transportation expenditures by double to more than six times. Such large tax increases would be totally unrealistic to expect.

Transit advocates falsely argue that highways are also subsidized. This false claim rests on the way the government complicates the books. Highway user fees collected by the federal and state agencies have been more than enough to cover highway expenditures. But the federal and state governments have always raided these funds to cover transit, general funding and other expenses. In 1999 total highway fees in California amounted to \$11.9 billion of which only \$6 billion, or 50 percent was spent on highways. Overall in the U.S., 75 percent of highway fees was spent on highways. When depleted highway funds no longer cover highway expenses, we replace them with other taxes and this is falsely claimed to be subsidies. In the last few years expenses have increased faster than fees and depending on how inclusive the accounting is, highways either require a small 5 percent subsidy or show a significant profit. But even 5 percent is still a far cry from 90 to 95 percent for transit. If we are to have honest fair share funding, the first thing that

must be done is to unscramble the accounting system. And if transit would carry its fair share of expenses, we could afford to let the planners have what they suggest.

Some argue that subsidizing transit is the proper course to take; that transit, though expensive, must be pursued to get the auto driver out of the car. But the truth is such a course is completely beyond our means. With today's funding approach this is entirely the car driving taxpayers burden. Even more so since coaxing the driver to use transit might require even lower fares (and some promote no fares at all). So far, LA has spent over \$6 billion on 78 miles of light rail which has had minimal contribution to the system. Some see replacing the old red car system. But that system had over 1000 miles of line and would still be totally inadequate for today's travel.

Transit advocates have a grand long term goal but seem incapable of calculating anything but limited short term costs. If transit carried its share and no longer needed large public subsidy, then we could expand transit as the need demands. This can only be accomplished by letting fares rise to equal the users fair share. (For those that truly cannot afford transit, we have always had special fair subsidies.) When fair share happens both highways and transit can grow to meet the public's need. Transit should not grow on taxation of those who will not use it. Transit users forgo the cost of owning automobiles and most of the cost of their own travel. Why should the auto user carry transits financial load?