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## Put the brakes on unfair criticism--the VRE still beats driving

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ARLINGTON--Under the "Things that make you go 'Hmmm?'" category: Should taxpayers stop funding VRE and lease new cars for those riders instead? That's just what one organization is proposing. Sound too good to be true? That's because it is.

The Heritage Foundation recently published a Web monograph--available at heritage.org--by Ronald D. Utt, Ph.D., titled "Getting Urban Transit Systems Focused on Cost and Service." The Free Lance-Star published a column by Utt along similar lines ["VRE needs change, but it doesn't need any more taxpayer dollars, March 4]. The Virginia Railway Express is cited as an example of rail passenger transportation and what Utt characterizes as a "19th- century technology [that] doesn't measure up to 21st-century needs." He also calls for severe cuts in VRE service and increases in fares.

Utt repeats several assertions typically used by critics of public transit. So, let's take them one at a time:

Do transit systems not cover their costs from fare-box revenue and therefore require government subsidies that burden taxpayers?

The truth is, as with any other investment, what matters is the return on investment. Transit investments benefit transit users and the population at large--because transit usage eases traffic congestion, reduces air pollution, conserves energy, and acts as an economic stimulus.

That's why the U.S. Department of Transportation, in its reports to Congress, uses a methodology that considers mobility, location efficiency and congestion relief. The conclusion? Transit benefits exceed costs by over \$12 per trip.

The Texas Transportation Institute reported that annual congestion costs are \$1.2 billion lower in the Washington area because of its existing transit system. Northern Virginia Transportation Commission consultants found the rate of return on the investments by the commonwealth of Virginia in Metrorail is over 19 percent annually in additional state tax revenues.

And the 428,977 weekday transit trips in Northern Virginia save 8,150 tons of air pollutants and 59 million gallons of motor fuel each year.

Looking only at fare-box revenues to determine whether transit is a wise investment is like ignoring interest on a bank account in months including the letter "r." Disregarding a significant portion of the economic return is not a useful way to guide future investments.

Is transit ridership a small share of total urban passenger trips?

Measuring transit usage as a percentage of a region's overall trip-making masks the fact that transit is not available to many travelers in the region. Statistics like this suffer the additional distortion of including travel in off-peak hours, when surplus roadway capacity is present and transit often is not.

When measured in peak travel times in corridors in which transit investments have been made, transit ridership comprises significant shares of passenger trips. For example, Metrorail and transit buses carry over 60 percent of morning peak traffic along I-66 inside the Beltway in Northern Virginia.

Is it true that for VRE, a passenger at the most distant station paying \$7.29 per trip is subsidized by \$10.50? Does each of the 7,800 daily VRE passengers require an annual taxpayer subsidy of \$4,481? Does it follow that "At that annual cost, taxpayers could lease or buy on credit a new midpriced car for every VRE rider, and the government would still have millions of dollars left over for schools or tax relief?"

An informed Wall Street Journal reader has previously responded to Heritage Foundation claims along these lines:

A lease for a new midsize car at \$3,600 annually for 7,800 people is \$28 million (of course, not the same 7,800 people ride each day). Each lessee would pay about an additional \$2,800 for operating costs (\$22 million), including fuel, maintenance, and insurance. Peak-hour space on I-66 and I-95 is needed to accommodate these extra cars. That's \$20 million per mile (\$100 million for interchanges) for the average VRE trip length of 35 miles--or, \$900 million assuming only two interchanges and ignoring the fact that many riders travel as far as 55 miles on VRE.

How about annual highway maintenance costs for the additional lanes?

When they arrive downtown at work, the additional influx of leased cars must be parked. That's another \$94 million for structures at about \$12,000 per space, plus the significant loss of tax revenue for local governments forced to convert commercial property to parking. Assume a million square feet of new parking at a value differential of \$45 per square foot and the resulting tax revenue loss is \$45 million annually.

That can blow a large hole in local school budgets.

Adding the costs of Utt's automobile option, we would need well over a billion dollars for new roads and parking, plus annual operating-lease-maintenance costs exceeding \$50 million, plus annual government revenue loss of \$45 million. The VRE budget that Utt deplores requires government subsidies of \$36 million annually. Which is the better economic choice?

Should VRE end any plans to expand service, put out its operations for competitive bid, cut service, and raise fares to reduce ridership in order to cover any operating deficit that remains?

By investing in new maintenance facilities and negotiating for access to Washington Union Terminal, VRE is readying itself for competitive bids to operate its system. But by pursuing Utt's other policy prescriptions, VRE would sacrifice the strong economic benefits enjoyed by its customers and those who prefer to keep driving.

Utt's suggested remedy--leasing autos for all VRE customers--is economically wasteful. Simply cutting back VRE service drastically also would dump more cars onto already packed highways. With transportation dollars in short supply, decisions about what to fund are important ones requiring thoughtful analysis. Utt's proposals need to go back to the drawing board.

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