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Executive Summary

Policy versus Performance: Directions for North Carolina's Largest Transit Systems

By

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The Study:

North Carolina's largest transit systems are often credited with reduced traffic congestion and air pollution, efficient land use, reduced dependence on oil, and much-needed mobility for some residents. Are they fulfilling these missions? How are they performing? Who do they benefit? What do they cost?

This report reviews the performance trends for North Carolina's ten largest transit systems for the period 1997-2003, and forecasts performance to 2010. The review covers the large urban systems in Charlotte, Durham, Raleigh, Winston-Salem, Greensboro, Fayetteville, Asheville and Wilmington, the student-oriented system in Chapel Hill, and the commuter-oriented Triangle Transit Authority in the Raleigh-Durham region. The analysis reviews trends in service, ridership, operating and capital costs, measures of efficiency and effectiveness, impacts on air pollution and congestion, and plans for expansion. Detailed reviews are provided for each system.

Findings:

- The ten systems together carry about 41 million riders annually and cost $127 million annually. Although the ***number*** of riders has increased, the ***service*** provided has increased even faster. ***Transit costs have doubled, from $61 million to $127 million*** in just 7 years. By 2010, total operating costs will exceed $200 million.
- Most systems are increasing their dependence on funding from state and federal government and are reducing the portion of funding from riders and local government. The state share of costs, 16 percent, is about $20 million. ***By 2010 the state share will be 19 percent or about $40 million, and 6 of the 10 systems are predicted to have state shares higher than 25 percent.***

- On average ***transit riders pay about 17 percent*** of total operating costs while ***taxpayers pay about 83 percent***. Government subsidies average about $2.56 per trip. Taxpayer subsidies per trip range from $1.05 in Chapel Hill to $6.90 for the TTA.
- Even with large service increases, current transit riders are primarily those without access to cars, predominantly lower-income minorities. These riders use transit service for essential mobility and as economic steppingstones for improving personal mobility. ***Current auto travelers are not attracted to transit*** because travel times for most systems average 35-50 minutes, more than 1½ more than drive-alone times.
- Even though service provided has increased 64 percent since 1997, these ***transit systems still serve about ½ of 1 percent of regional commuting***. Only three systems (Chapel Hill, Charlotte and Durham) serve more than 1 percent of their regional commuters. The systems offset about ¼ of 1 percent of regional air pollution or congestion. Regional impacts range from a high of 2.15 percent in Chapel Hill to a low of 0.07 percent in Asheville; only two systems (Chapel Hill and Charlotte) impact more than 1 percent of regional travel.
- Current plans for light rail service in Charlotte and the Triangle are ***predicted to attract few auto drivers***, and would not change the rider profile nor reduce congestion. The Chapel Hill system offering 'free-to-ride' service in a unique parking-constrained walking-scale environment cannot be easily duplicated elsewhere.
- The plans for these systems are unrealistically optimistic, painting them as significant players in transportation and ignoring their miniscule share of travel, but also downplaying their opportunities for a greater key role as mobility providers and economic steppingstones.

Recommendations:

- ***Governments should reassess the proper role for transit*** all regions. Generally, transit systems should be seen as important mobility providers to interim customers, not as saviors of urban problems.
- The state should ***reduce the increasing dependence of transit*** on state and federal governments. Riders should pay no less than 25 percent of costs, and state support should be no more than 25 percent of costs.
- Governments should ***limit the growth in costs to inflation plus ridership growth***; growth above this should be solely borne by local governments and riders. Route and service expansion decisions should be based on usage and cost criteria.
- ***Operations should be privatized to the maximum extent possible***. Governments should require that transit service be coordinated with schools and human service agencies. In some regions consolidation of operations should be re-considered.
- Since additional vehicles mean higher operating costs later, ***requests for more vehicles (not just replacement) should be scrutinized*** skeptically and vehicles should be sized to fit demand.
- ***Funding proposals for light rail or other 'new starts' should be delayed*** until experience proves out rider estimates. Proposals should be based on independently prepared forecasts. The state's share of 'new start' investments should be subtracted from regional allocations, not treated as 'earmarks'.
- Local governments should ***revise their long-range plans*** to show transit roles realistically.

  These actions will ensure the state's ability to provide continuing fair support for needs-driven transit markets across the state.