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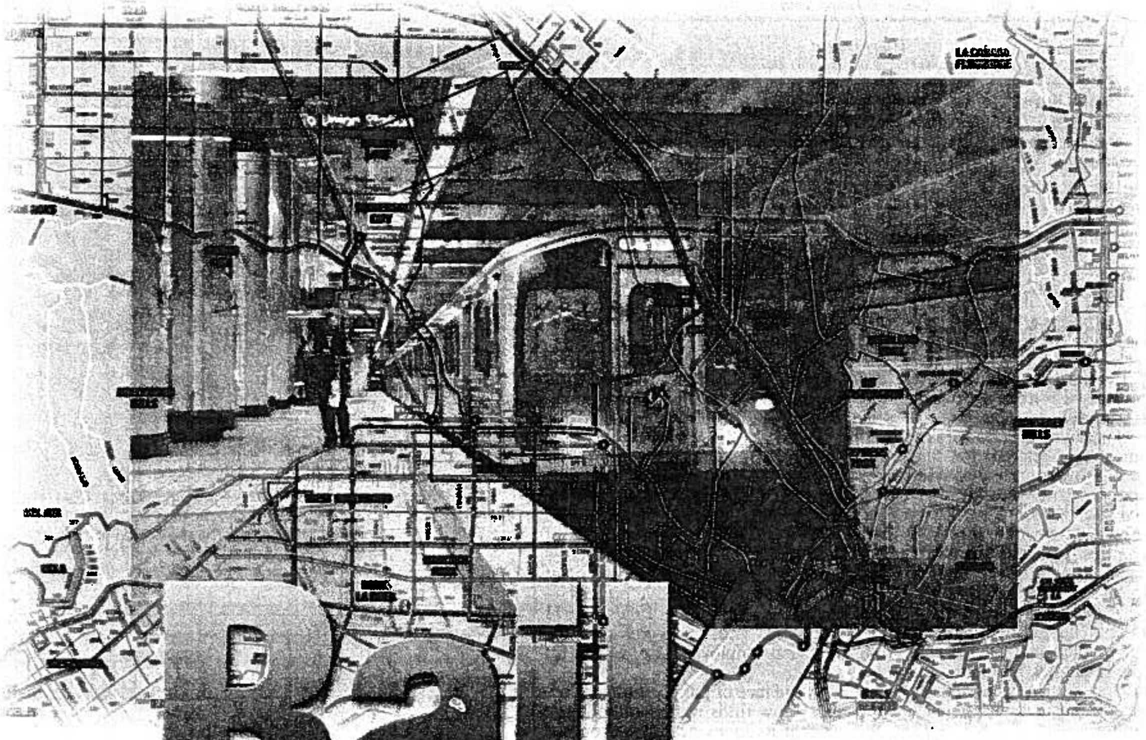

Rail wrong way

L.A.'s system costs more than it saves

By Peter Gordon, Thomas A.Rubin and James E. Moore II

WITH the opening of the Orange Line busway in the San Fernando Valley and Gov. Arnold Schwarzenegger's proposed state infrastructure bond, suddenly all of Los Angeles is thinking seriously about transit. Mayor Antonio Villaraigosa has a transit vision that strongly emphasizes rail lines, including a multibillion-dollar Wilshire Boulevard subway. But is this the best way to go to relieve L.A.'s transportation woes?

Already, Villaraigosa is moving quickly in his role as chair of the Metropolitan Transportation Authority board, presiding over the MTA's approval of the Exposition light-rail line, and the beginning of tunnel operations for the Gold Line light-rail extension. He has joined the chorus of U.S. leaders of cities with populations near 1 million or above who see rail transit as an important badge of distinction, and also a way to relieve road traffic problems. Many serious people cling to these and similar ideas, but we now have much experience with new rail-transit systems in Los Angeles and elsewhere that indicates this vision is incorrect.

Over the last 15 years, the MTA has constructed five fixed-guideway transit lines. Collectively, all five serve about a quarter-million boardings per day. Los Angeles County has about 10 million residents, with the average person taking approximately four trips per day. Taken together, these lines account for just over one-half of 1 percent of all daily Los Angeles County trips.

What's more, the Red Line subway and the Blue and Green light-rail lines have all been operating for some years, and are unlikely to gain many more riders. The light-rail Gold Line and the Orange Line busway are much newer, but have no greater potential to attract riders than their predecessors.

Please see **RAIL** / Page 4

Solutions: Privatize transit and make polluter pay

RAIL / From Page 1

If we are very careful about counting transit trips instead of transit boardings, and recognize that 70 percent of rail-transit trips actually involve multiple boardings, then the share of county travel attributable to fixed guideway transit drops even further, perhaps as low as one-quarter of 1 percent. The 30,000-plus trips per day accounted for by the Metrolink commuter trains account for such a small share of total travel that we have simply ignored them.

The costs of achieving this tiny ridership have been enormous. It cost $7.6 billion just to build these five fixed-guideway systems, and every year we incur another $240 million in operating costs.

Transit advocates such as the American Public Transit Association often prefer not to count capital costs when they promote fixed-guideway projects, but the rest of us do. The Federal Transit Administration uses an Office of Management and Budget standard of 7 percent interest to estimate the cost of transit capital. These costs are real: The MTA's fiscal year 2006 debt service is budgeted at $444 million, almost all for rail-transit capital expenses.

Current interest rates are low. If we give the MTA a break and annualize the cost of the MTA's capital expenditures using an interest rate of 5 percent per year, and add in operating expenses, then the MTA's five fixed-guideway lines incur a net loss of $575 million per year.

Even if we make the transit-friendly assumptions that these new lines are very successful in diverting auto trips to transit, and thus that 35 percent of all the riders on these fixed-guideway lines leave a car at home; and that every auto trip not taken nets society benefits of 9 cents per mile in pollution, congestion and accident-reduction savings; then the social loss from these fixed-guideway investments is still $560 million per year.

This is all relatively simple spreadsheet analysis that anyone can do, including the MTA. We can tweak the calculations all day long, but there is absolutely no set of reasonable assumptions that show fixed-guideway transit systems to be economically attractive.

Transportation economists have been making this point for almost half a century, and the evidence grows ever stronger as more expensive rail-transit systems come on line. Yet building these systems remains politically attractive as a kind of jobs program that supports environmental objectives by building systems we hope our neighbors will use, thus freeing up our freeways for us.

Throw in the equity argument that rail dollars squandered elsewhere have yet to be squandered on a line serving the mayor's political base on the Eastside of Los Angeles, and the result seems to be an unbeatable rail coalition.

There is only one way to solve the traffic problem we associate with automobiles. We should require drivers to pay the full cost of their decisions to travel in the form of pollution charges, time-of-day tolls, and (according to UCLA Professor Donald Shoup's new book) proper parking charges. New transponder technologies make all this relatively simple. These approaches work and have proved cost-effective everywhere they have been tried.

An enlightened society does have a responsibility to provide transit service to those who lack mobility options. If we are serious about transit, then the first thing we should do is legalize private transit to the maximum extent possible given public-sector labor-bargaining agreements, and allow owner-operators to compete openly with the MTA. If we continue to use public resources to subsidize transit providers like the MTA, then we should be fair to the taxpayers footing the bill by focusing on cost-effective bus services, and demand responsive services for those residents covered by the Americans with Disabilities Act.

Los Angeles has real, serious transit needs — but rail lines aren't the answer.

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