



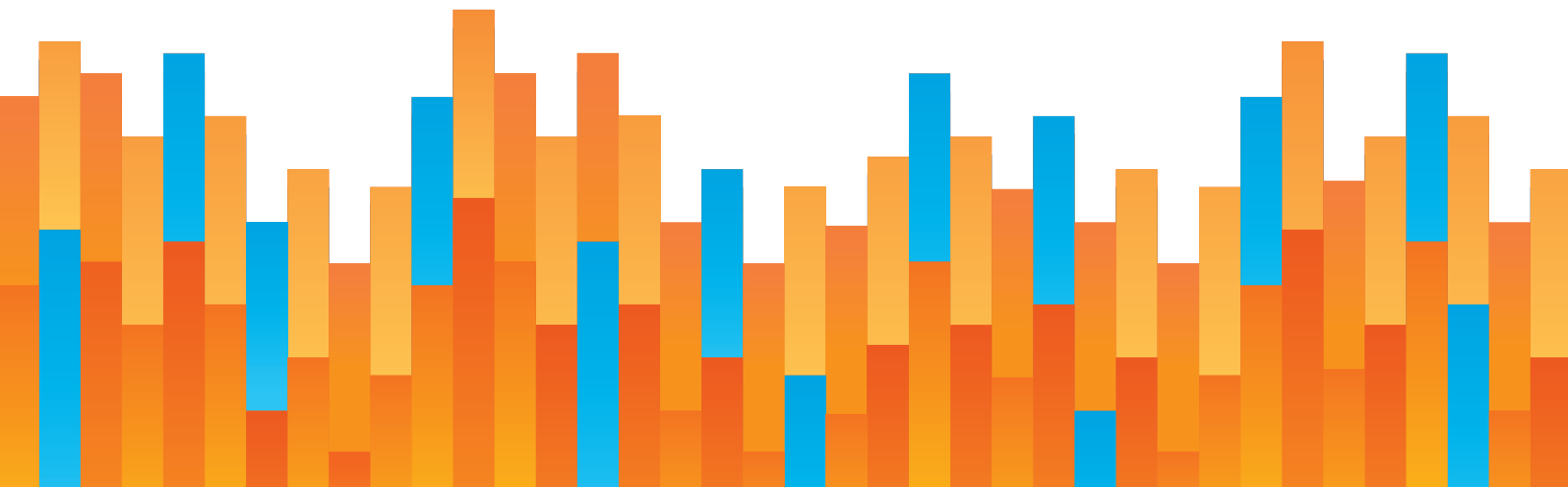
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# FIVE ACTIONS TRANSIT AGENCIES SHOULD TAKE IMMEDIATELY

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# PART 1

## INTRODUCTION

COVID-19 has led to numerous major changes for transit agencies. Ridership is expected to recover to only 80% of its pre-COVID level. A greater share of current riders is transit-dependent, and they do not have easy access to an automobile. Due to enhanced cleaning provisions and increased wages, agency expenses are higher than pre-COVID while farebox revenues are lower. While some agencies lobby for continued federal bailouts, Republicans who control the U.S. House of Representatives in 2023–2024 are not planning to provide any supplemental funding to transit agencies.

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*Officials seem to be hoping (despite evidence to the contrary) that ridership will return to pre-COVID levels and that new funding sources will materialize.*

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Yet many transit agency boards don't seem to recognize the severity of the problem. Officials seem to be hoping (despite evidence to the contrary) that ridership will return to pre-COVID levels and that new funding sources will materialize. But COVID wasn't the start of transit's ridership problems; it just accelerated the decline. Passenger numbers were declining before COVID, as agencies were adding too many rail lines and bus routes that

lacked sufficient ridership.<sup>1</sup> Additionally, board mismanagement and micromanagement caused many competent leaders to leave for other job sectors.<sup>2</sup>

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- <sup>1</sup> Gregory Ehrhardt et. al., “Why Has Public Transit Ridership Declined in the U.S.,” *Transportation Research Part A: Policy and Practice*, sciencedirect.com, July 2022. <https://www.sciencedirect.com/science/article/pii/S0965856422000945#:~:text=Unfortunately%2C%20between%202012%20and%202018,steep%20from%202014%20to%202018.> (26 July 2023).
- <sup>2</sup> Olivia George, “Hillsborough Transit Board Seeks Independent Investigation Into Alleged Mismanagement Issues,” *tampabay.com*, Tampa Bay Times, 21 Nov 2022. <https://www.tampabay.com/news/hillsborough/2022/11/21/hillsborough-transit-agency-board-support-independent-investigation/> (26 July 2023), Kevin Truong, “Lawmaker Quits Bay Area Transit Committee, Citing BART Mismanagement,” *sfstandard.com*, The San Francisco Standard, 28 Feb 2023. <https://sfstandard.com/2023/02/28/lawmaker-quits-bay-area-transit-com:mittee-citing-bart-mismanagement/> (26 July 2023): “BGA: Overhaul Transit Board to Change ‘Culture of Corruption,”” *cbsnews.com*, CBS News Chicago, 7 Aug. 2013. <https://www.cbsnews.com/chicago/news/bga-overhaul-transit-boards-to-change-culture-of-corruption/> (26 July 2023).

## PART 2

# THE FIVE ACTIONS

Rather than shuffling the transit deckchairs while the agency sinks from an iceberg of lower ridership, poor leadership, and political interference, agency leaders should make five immediate changes. In total, the five serve as a precursor to transitioning to a 21<sup>st</sup> century transit agency. However, that transition will take several years and require additional changes. Meanwhile, many transit agencies continue to hemorrhage riders and may encounter bigger economic problems in a few years unless they take the following actions.

## **ACTION #1: FULLY FUND BUS SERVICE FOR TRANSIT-DEPENDENT RIDERS**

In a post-COVID world, the majority of system riders are transit-dependent.<sup>3</sup> Transit-dependent customers are more likely to ride buses than trains. But many transit agencies, such as the Washington Metropolitan Area Transit Authority (WMATA) that serves the nation's capital, are focusing more on transit-choice customers who ride rail than transit-dependent customers who ride buses.<sup>4</sup>

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<sup>3</sup> Jaclene Begley et al., "Greater Washington Commuters Continue to Choose Gridlock," *brookings.edu*, Brookings Institution, 6 May 2022. <https://www.brookings.edu/blog/the-avenue/2022/05/06/greater-washingtons-commuters-continue-to-choose-gridlock/> (8 Nov. 2022).

<sup>4</sup> Ibid.



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*Fully funding buses is part of a larger strategy of transit agencies better serving their riders and treating them as customers.*

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Fully funding buses is part of a larger strategy of transit agencies better serving their riders and treating them as customers. Over the past 30 years, transit agencies have prioritized finding “different riders,” typically wealthier riders who own automobiles.<sup>5</sup> The calculation was mostly political. In order to increase capital and operating subsidies, agencies needed more politically powerful choice riders who were largely wealthy and white. However, this strategy was failing to attract more riders before COVID-19, and it is faring even worse post-COVID. Therefore, it makes sense for agencies to focus on the customers that they have, who largely use buses. The best way to grow ridership is to provide more reliable service that comes more frequently, ideally every 15 minutes.

Houston has had success redesigning its transit network. Led by transit consultant Jarrett Walker, Houston was one of the first metro areas to redesign its routes. (Walker’s firm has helped more than 40 transit agencies, including those located in Atlanta, Cleveland, Dallas, and Kansas City, redesign their transit systems.)<sup>6</sup> The Houston redesign eliminated low-ridership routes in suburban areas. The system designated 22 routes for priority service and reduced headways to no more than 15 minutes.<sup>7</sup> The redesign focused on weekends and off-peak hours when more dependent riders commute, increasing Saturday service by 30% and Sunday service by 40%. Initially, ridership on Houston’s routes grew by up to 20% (depending on route and time of day).<sup>8</sup> While ridership subsequently declined somewhat, most of the systems that Walker has worked with provide more frequent service and are in a better financial position than those of comparable agencies.

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<sup>5</sup> Jake Blumgart, “With Ridership Still Down, Transit Agencies Rethink Priorities,” *governing.com*, Governing Magazine, 3 Dec. 2021. <https://www.governing.com/now/with-ridership-still-down-transit-agencies-rethink-priorities> (8 Nov. 2022).

<sup>6</sup> “Our Recent News,” *jarrettwalker.com*, Jarrett Walker and Associates, 2022. <https://jarrettwalker.com/jwa-recent-news-winter-2020/> (17 Feb. 2022).

<sup>7</sup> Andy Olin, “How Metro Made Bus Service a Priority and Became a Transit Trendsetter,” *kinder.rice.edu*, Rice-Kinder Institute for Urban Research, 16 Jan 2020. <https://kinder.rice.edu/urbanedge/2020/01/16/houston-metro-public-transit-bus-service-improved-ridership> (4 Aug. 2021).

<sup>8</sup> Ibid.

## **ACTION #2: CHARGE CHOICE RIDERS THE FULL COST FOR SERVICE**

Increasing transit services on weekdays and weekends will increase costs somewhat. But this can be offset by charging transit choice riders more for rail services. Most heavy- and light-rail service is heavily subsidized, and riders could pay more of the costs. Consider taking a WMATA train from the Silver Line’s western-most terminus in Ashburn (near Washington Dulles International Airport) to Metro Center in downtown D.C. The price to take a train one-way is \$2.00–\$6.00 depending on time of day. The price of parking is \$4.95 on weekdays. So the maximum round trip price on weekdays would be \$16.95. The cost to drive including fuel, depreciation, insurance, fixed-rate tolls, and variable-rate tolls is \$95.60, more than 5.5 times as much.<sup>9</sup> The average price to take the Metropolitan Atlanta Rapid Transportation Authority (MARTA) from North Springs station to the Atlanta airport for a three-day trip is \$29.00, garaged parking included. The cost to drive is \$88.88, more than three times as much.<sup>10</sup>

From a financial perspective, both the WMATA customer and the MARTA customer could pay twice the current fare, receive more frequent and more reliable service (for example: reducing headways from 10 minutes to five minutes), and still subsidize the transit agency’s bus service for lower-income individuals. (Riders may choose not to pay the higher fares, but it would not be a financial burden for them to do so).

## **ACTION #3: REPLACE LOW RIDERSHIP BUS ROUTES WITH PARATRANSIT**

Not every transit route in the U.S. has the ridership to justify a 40-foot fixed-route bus. This reality is especially true in suburban, exurban, and rural areas. In many cases, variable-route paratransit service is a better option. Paratransit services for the elderly and disabled are widespread.<sup>11</sup> This type of service is very expensive because of the low demand and special

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<sup>9</sup> “Cost to Ride,” *wmata.com*, Washington Metro Area Transit Authority, 2022. <https://www.wmata.com/fares/basic.cfm> (8 Nov. 2022).

<sup>10</sup> “Plan a Trip,” *marta.com*, Metropolitan Atlanta Rapid Transportation Authority, 2022. <https://www.itsmarta.com/planatrip.aspx> (8 Nov. 2022).

<sup>11</sup> “Enhance Mobility of Seniors and Individuals with Disabilities,” Section 5310, *Federal Transit Administration*, *transit.dot.gov*, 2022. <https://www.transit.dot.gov/funding/grants/enhanced-mobility-seniors-individuals-disabilities-section-5310> (8 Nov. 2022).



vehicle needs such as wheelchair ramps. However, some suburban and rural communities also offer paratransit for all riders.<sup>12</sup> This service is cheaper to provide than fixed-route service because vehicle-size is rightsized to service needs. There is no reason why this service cannot be expanded to more suburban jurisdictions.



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For example, the Oakton area of Fairfax County, Virginia lacks service because of its low population density. And fewer than 10 people ride many of the buses in neighboring communities. Transit operator Fairfax Connector could experiment with replacing many of these routes with paratransit vans. The vans have two major advantages. First, they are cheaper to purchase and maintain, since many automotive maintenance shops also maintain the vans. Second, they are flexible, offering door-to-door service to riders. This flexibility increases ridership because many riders prefer curbside service. In reality, paratransit not only reduces cost but also increases ridership somewhat.

## **ACTION #4: CONTRACT OUT SERVICE**

The majority of U.S. transit routes are operated by the transit agency. According to the National Transit Database, 71% of local bus service, 53% of commuter bus, 81% of demand-response, and 100% of bus rapid transit lines are operated by the transit agency.<sup>13</sup> Compare the U.S. approach with European and Asian countries where most service is contracted. The two biggest advantages of contracting are better service and lower costs. Service is better because contractor service is evaluated on performance-based criteria. Costs are lower because economies of scale eliminate the duplication of many management functions. Contracting brings accountability. If the private entity does not abide by the contract terms, then the public agency can punish the contractor or cancel the contract. If the private

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<sup>12</sup> "Transit and Commuter Services," *Loudoun.gov*, Loudoun County Government, 2022. <https://www.loudoun.gov/3303/Paratransit-Bus-Service> (8 Nov. 2022).

<sup>13</sup> "National Transit Database 2021 Annual Database Contractual Relationship," *Federal Transit Administration*, *transit.dot.gov*, 2022. <https://www.transit.dot.gov/ntd/data-product/2021-annual-database-contractual-relationship> (8 Nov. 2022).

contractor produces exceptional service, then the public agency can reward it. When the public agency provides the service, there is no incentive to improve service because the agency is not going to punish itself. Many of the recent problems at major transit systems, including New York Metropolitan Transportation Authority and WMATA, occurred because of this lack of accountability.

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Further, there are several advantages of contracting beyond better service quality and lower costs. Contracting allows agencies to access expertise and resources from the private sector that would not otherwise be available. Both the cities of Los Angeles, for its DASH bus service, and Nashville, for its commuter rail service, use contractors because the agencies lacked in-house expertise to manage those operations.<sup>14</sup> The Government Accountability Office (GAO) found that contracting can also help agencies add flexibility and access new (non-financial) resources.<sup>15</sup>

Transit agencies should start by contracting the modes with the biggest subsidies. For most agencies, that mode is demand-response. Then, they should shift to the mode with the next highest subsidies, typically local bus service or commuter bus. Not surprisingly, one mode with a large subsidy, commuter rail, is mostly contracted out.

## **ACTION #5: MAKE GREATER USE OF INTELLIGENT TRANSPORTATION SYSTEMS (ITS)**

With the exception of some bus rapid transit lines, the transit community is not making full use of intelligent transportation system (ITS) technologies. There are many ITS features including transit signal priority, electronic message boards, and variable bus information systems. Each of these systems can improve the passenger experience at a minimal cost.

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<sup>14</sup> "A Bid for Better Transit," Eno Foundation and Transit Center.

<sup>15</sup> "Transit Agencies' Use of Contracting to Provide Services," *United States Government Accountability Office*, gao.gov, September 2013. <https://www.gao.gov/assets/gao-13-782.pdf> (19 July 2023).

For example, traffic signal prioritization (TSP) has been proven to reduce delays by 20% on bus rapid transit lines.<sup>16</sup> However, many systems only use TSP when they are behind schedule. TSP should be used all the time to keep buses on schedule, not wait until they are behind schedule. Further, other types of bus services, particularly local bus, could use TSP, especially during peak periods. Rail systems could use automatic train control (ATC). ATC can reduce costs, improve safety, increase system efficiency (trains can operate closer together), reduce greenhouse gas emissions, and improve ride quality.<sup>17</sup> For these reasons, WMATA officials have made bringing back automatic train operation a priority.<sup>18</sup>

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<sup>16</sup> “Transit Street Design Guide,” *nacto.org*, National Association of City Transportation Officials, 2022. <https://nacto.org/publication/transit-street-design-guide/intersections/signals-operations/active-transit-signal-priority/> (8 Nov. 2022).

<sup>17</sup> Bobbi Taggart, “The Future of Mass Transit: How Automation Will Change the Way we Travel,” *masstraveler.com*, Mass Traveler, 14 March 2022. <https://masstraveler.com/the-future-of-mass-transit-how-automation-will-change-the-way-we-travel/> (19 July 2023).

<sup>18</sup> Jordan Pascale, “Metro Seeks to Bring Back Automatic Train Operation Next Year,” *dcist.com*, *dcist*, 6 Dec. 2022. <https://dcist.com/story/22/12/06/metro-resume-automatic-train-operation-2009-crash-red-line/> (19 July 2022).

## PART 3

# CONCLUSION

Transit ridership between 2023 and 2043 figures to be much lower than over the past 20 years. COVID-19 was the biggest factor, but ridership has been declining nationwide even as systems expanded rail lines. In the long term, U.S. transit agencies need to make a series of changes that will reform their boards, contract out service, and better serve riders. In the short term, fully funding bus service, charging choice riders the full cost, replacing buses with paratransit vehicles, contracting out service, and making greater use of ITS services are five changes that transit agencies can implement today.

# ABOUT THE AUTHOR

**Baruch Feigenbaum** is senior managing director of transportation policy at Reason Foundation. Feigenbaum has a diverse background researching and implementing transportation issues including revenue and finance, public-private partnerships, highways, transit, high-speed rail, ports, intelligent transportation systems, land use, and local policymaking. Prior to joining Reason, Feigenbaum handled transportation issues on Capitol Hill for Rep. Lynn Westmoreland.

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Feigenbaum earned his master's degree in transportation planning with a focus in engineering from the Georgia Institute of Technology.

