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Transportation Policy: Getting the Facts Straight

Wendell Cox and Ronald D. Utt, Ph.D.

Many environmental groups, business trade associations, and state and local governments anticipate that new Democratic leadership in Washington next year will lead to major changes in federal surface transportation policy. With the current highway authorization law (SAFETEA-LU) set to expire in September 2009, many of these organizations are recommending a substantial increase in federal transportation spending and expect that it will be funded by an equally substantial increase in the federal fuel tax (now set at 18.3 cents per gallon of gasoline).

At the same time, many environmental groups, labor unions, consultants, and construction companies are urging the federal government to redirect federal transportation policy toward 19th century transportation options by shifting federal resources from highways and autos to transit and trains, as well as hiking and biking, in the belief that these latter modes—while slower and more costly—are more fuel efficient and environmentally friendly. With an opportunity to receive greater subsidies, the transit and train lobbies have moved aggressively to influence Congress and the media, and many in Congress are already promising to push for these changes.¹

But as the facts reveal, such a shift would cost vast sums of money, yield little or no transportation benefits, and undermine our economic well being by limiting mobility and raising the cost of travel.

Money in Transit. Despite claims of underfunding, the share of federal spending on transit vastly exceeds its passenger market share. Whereas about

20 percent of federal surface transportation spending is devoted to transit,² only 1.9 percent of all urban passenger travel³ and 4.9 percent of all commuters use transit.⁴

Despite many years of massive government spending on transit—a total of \$1 trillion (inflation adjusted) since 1970⁵—transit has experienced serious market share losses. In 1970, 8.5 percent of commuters used transit, but 4.9 percent did in 2007.⁶

Although carpooling receives very little government financial support, in 2007 more commuters carpooled (10.4 percent) than used transit (4.9 percent). Where modest government investments have been made in carpooling, the results have been impressive: In the Washington, D.C., suburb of Prince William County, Virginia, where a dedicated HOV lane is supported by remote commuter parking lots and a well-organized driver/rider system, 17.6 percent of commuters carpool, compared to the 4.7 percent that use transit.⁷

The share of “commuters” who work at home—an employment option that also receives little federal encouragement—reached 4.1 percent in 2007 compared to 4.9 percent for transit. At current trends, the share of the job market that works at home will exceed that of transit by 2012.

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214 Massachusetts Avenue, NE
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(202) 546-4400 • heritage.org

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Jumping the Rails. U.S. transit ridership is concentrated in just a few metropolitan areas. In 2007, 74 percent of U.S. transit ridership took place in just seven metropolitan areas: New York; Philadelphia; Washington, D.C.; Boston; Chicago; San Francisco; and Los Angeles. In the Portland, Oregon, metropolitan area, which has made massive investments in a light rail system and transit-oriented development, only 5.5 percent of commuters in the area used transit in 2007,⁸ well below the pre-light-rail (1980) share of 8.4 percent.

Despite exaggerated claims that Americans are turning to transit, more than half of the much-heralded increase in transit ridership is concentrated in a *single* metropolitan area: Of the 10.8 percent increase in nationwide transit ridership that occurred between 2005 and 2007, 60 percent of that increase occurred in the New York City urbanized area.

Transit advocates recently claimed that high gas prices have encouraged motorists to abandon their cars in favor of transit, but a detailed analysis of recent trends reveals that only 3 percent of the reduction in auto use shifted to transit by early 2008. The other 97 percent of the reduction in vehicle miles traveled in automobiles was absorbed by carpools, working at home, less auto use, walking,

and more efficient auto use (combining trips, for example).⁹ This estimate closely tracks recent polling results on changing travel patterns, which found that 4 percent of commuters used transit instead of driving, 9 percent shifted to carpools, and 66 percent combined multiple trips into a single trip.

Is Amtrak Underfunded? Passenger rail advocates have made similar claims (and complaints) for Amtrak, but the record does not support them. Despite claims of rising ridership, Amtrak still serves less than 1 percent of the intercity travel market. A 15 percent increase of a miniscule share of the market is still a miniscule share of the market. Indeed, despite ridership gains, so far this year Amtrak trains are only 51.6 percent full, compared to more than 80 percent for commercial airlines.¹⁰

Amtrak's complaints of being underfunded are also exaggerated. Although it accounts for only about one-half of 1 percent of the intercity passenger market, it will receive 2.5 percent of the federal surface transportation spending in FY 2008, nearly five times its market share.¹¹ Of all of the modes of travel, Amtrak riders receive far and away the highest per passenger federal subsidy. According to a 2004 U.S. Department of Transportation study, Amtrak passengers received a federal subsidy of \$210.31 per passenger per thousand miles, com-

1. Lindsay Peterson, "Rep. Mica Urges Area To Queue Up For Public Transit Cash," *The Tampa Tribune*, November 25, 2008, at <http://www2.tbo.com/content/2008/nov/25/rep-mica-urges-area-queue-public-transit-funding> (December 2, 2008).
2. Ronald D. Utt, "Congress Undermines America's Infrastructure by Looting the Highway Trust Fund," Heritage Foundation *WebMemo* No. 2046, September 3, 2008, at <http://www.heritage.org/Research/SmartGrowth/wm2046.cfm>.
3. See "Estimated Diversion of Roadway Traffic to Transit: 2008: Quarter 2," Demographia.com, at <http://www.demographia.com/db-hwytr2008q2.pdf> (December 2, 2008).
4. U.S. Census Bureau, American FactFinder, "United States, Selected Economic Characteristics: 2007," at http://factfinder.census.gov/servlet/ADPTable?_bm=y&-context=adp&-qr_name=ACS_2007_1YR_G00_DP3&-ds_name=ACS_2007_1YR_G00_&-tree_id=307&-redoLog=false&-_caller=geoselect&-geo_id=01000US&-format=&-_lang=en (December 2, 2008).
5. See Urban Transport Fact Book, "U.S. Public Transport Expenditures, Subsidies and Passenger Usage from the 1960s," at <http://www.publicpurpose.com/ut-ussby.htm> (December 2, 2008).
6. The figure bottomed out at 4.6 percent in 2000, before the substantial increase in gasoline costs.
7. U.S. Census Bureau, American FactFinder, "United States, Selected Economic Characteristics: 2007."
8. *Ibid.*
9. "Estimated Diversion of Roadway Traffic to Transit: 2008: Quarter 2," Demographia.com.
10. "Amtrak Monthly Performance Report for August 2008," Summary Metrics, p. A-2.2, October 6, 2008, at <http://www.amtrak.com/pdf/0808monthly.pdf> (December 2, 2008).
11. U.S. Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2009* (Washington, D.C., U.S. Government Printing Office, 2008), p. 100.

pared to \$4.66 for intercity buses and \$6.18 for commercial airlines.¹² Automobiles earn a “profit” for the federal government since only about 63 percent of the federal fuel taxes paid by motorists are spent on roads; most of the rest is spent on transit.

Claims that Amtrak subsidies are justified because trains save on energy are also not supported by the facts. According to an earlier U.S. Department of Energy analysis of per passenger per mile BTU use by alternative travel modes, intercity buses are nearly three times more fuel efficient than passenger rail (Amtrak).¹³ In effect, America could achieve significant savings in energy and reduce greenhouse gas emissions if it shut down Amtrak and transferred all passengers to buses.

Laying the Groundwork. Congress may soon be embarking upon a massive spending program that is without precedent. And while the purposes of such a package will be both to stimulate the economy and “lay the groundwork for long-term economic growth,” as President-elect Obama promised, the facts presented above suggest that money devoted to technologically obsolete transportation schemes that the public does not use will undermine both of these goals, and America will be a poorer place because of it.

—Wendell Cox is a Visiting Fellow and Ronald D. Utt, Ph.D., is Herbert and Joyce Morgan Senior Research Fellow in the Thomas A. Roe Institute for Economic Policy Studies at The Heritage Foundation.

12. U.S. Department of Transportation, Bureau of Transportation Statistics, “Federal Subsidies to Passenger Transportation,” December 2004, Table 3.

13. Ronald D. Utt, “Congress Should Link Amtrak’s Generous Subsidy to Improved Performance,” Heritage Foundation Backgrounder No. 2072, September 20, 2007, Table 3, p. 12, at <http://www.heritage.org/Research/Budget/bg2072.cfm>.