

The Future of Public Transit: Which Problem Should we be Trying to Solve?

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InfraStrategies



Problems Transit is Asked to Solve

- Traffic congestion



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- Climate Change



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- Transportation safety



Problems Transit is Asked to Solve

- Traffic congestion
- Climate Change
- Transportation safety
- Social and racial inequity



Problems Transit is Asked to Solve

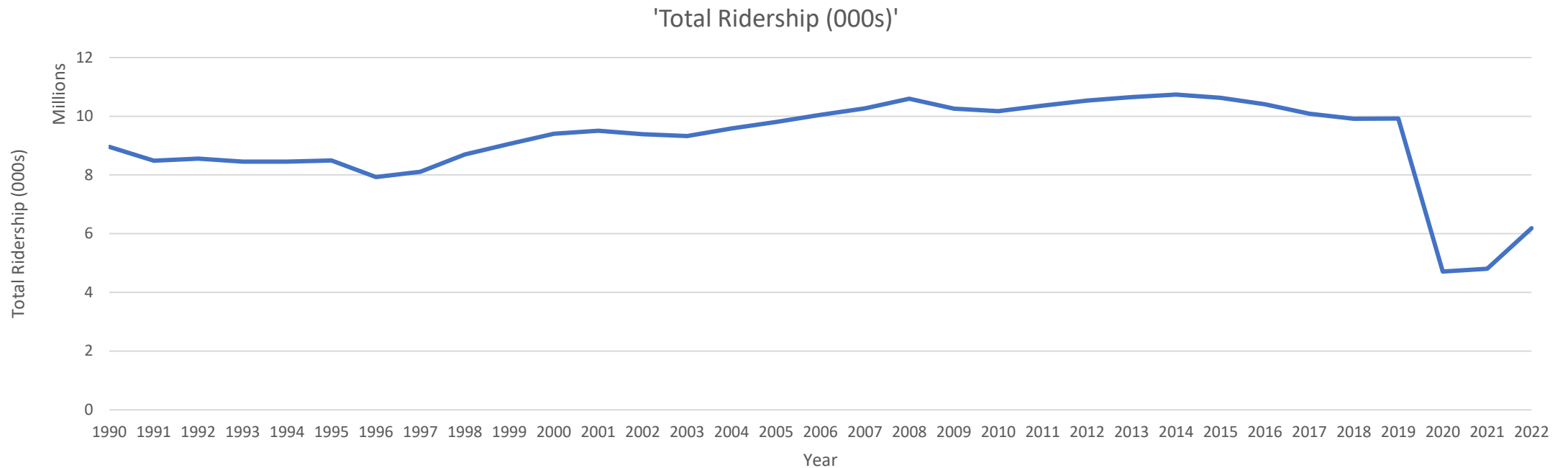
- Traffic congestion
- Climate Change
- Transportation safety
- Social and racial inequity
- Homelessness



Other Problems You Might Not Know Mass Transit is Asked to Solve

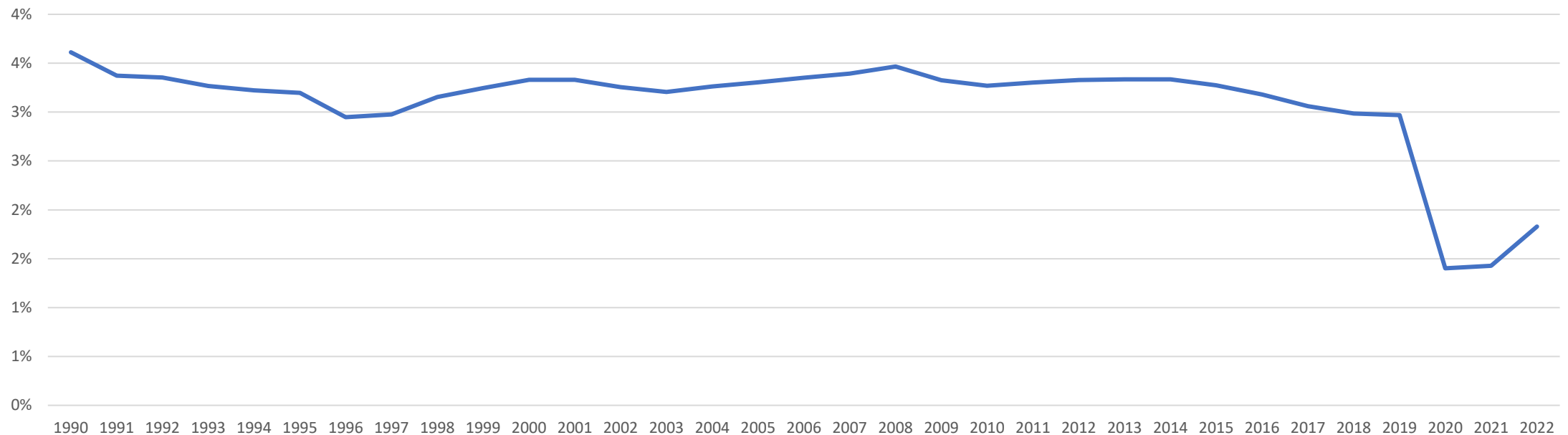
- Transportation for the elderly and people with disabilities
- Small and minority business participation
- Providing new jobs
- Elected officials' poll numbers
- Fair contracting
- Fair hiring
- Weather-related transportation challenges
- Special event transportation
- Auto-oriented development

How are we doing?



How are we doing?

Per Capita Ridership



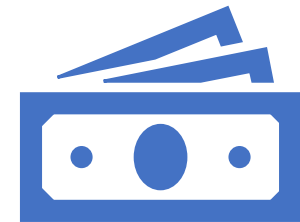
Three Options for Transit



Act Like A Business



Act Like A Public Service



Find A New Funding Model

Transit as a Business



Fares charged at market rate

Peak and off-peak fares, distance-based etc...
Avoids subsidizing those who do not need it



Other objectives funded as needed
by other governmental entities

Agency operates as a contractor for social
objectives
Capital construction undertaken based on market
needs



Focus on attracting customers

Ability to compete by improving the experience

Transit as a Business

Benefits

- Likely to increase ridership
- Improves fiscal health and certainty
- Shifts burdens away from the agency

Drawbacks

- Challenging to execute
- Less likely to achieve social objectives

Transit as a Public Service

Similar to libraries,
fire departments,
parks

- No fares to be charged
- Rules of conduct enforced

No expectation of
financial self-
sufficiency

- Public services cost money and this one is no different
- Consistent with function in most places in the U.S.

Focus on providing a
good public service

- Moves away from unattainable ridership goals
- Consistent with the idea of Universal Basic Mobility

Transit as a Public Service

Benefits

- Likely to improve equity outcomes by removing fares
- Admits purpose in most places allowing a focus on that goal

Drawbacks

- Forgoes traditional transit coalition
- Risks dwindling support

Transit Based on Funding

Current funding sources are unrelated to purpose

- Sales taxes are regressive and just easiest to pass
- Federal money is abstract and only slightly related to use

Funding sources that are related help create accountability

- Abstraction makes it challenging to find the right metric
- People understand paying social security even though they do not benefit

Focus on meeting the goal specified by the funding source

- Congestion pricing = reduce congestion
- Wealth tax = improve equity
- Fuel tax = reduce emissions

Transit based on Funding

Benefits

- Forces policymakers to determine the purpose along with the funding
- Funding mechanism itself offers benefits towards purpose

Drawbacks

- Challenging to execute
- Requires re-alignment of interests

Conclusions

- Transit trends of the last several decades have been accelerated by COVID
- Transit cannot continue down the same path and expect different results
- Transit leaders need to push for a clearer mission to be successful

