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Highlights

Highlights of GAO-11-94, a report to the Committee on Banking, Housing, and Urban Affairs, U.S. Senate

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PUBLIC TRANSPORTATION

Transit Agencies' Actions to Address Increased Ridership Demand and Options to Help Meet Future Demand

Why GAO Did This Study

Demand for public transportation in the United States reached record highs in 2008 and rose in the decade prior to 2008. Increased demand for public transportation can create opportunities and challenges for communities working to meet demand, improve service, and maintain transit systems, while operating within budgetary constraints. Transit agencies rely on a variety of funding sources, including federal, state, and local entities, and other sources, such as fares. The U.S. Department of Transportation's (DOT) Federal Transit Administration administers federal grant programs transit agencies can use to help meet ridership demand, such as for purchasing buses and modernizing rail systems.

As requested, this report addresses (1) trends in transit ridership and services from 1998 through 2008, (2) challenges, if any, transit agencies faced during this period to address increased ridership and actions they took in response, and (3) factors that might affect future ridership demand and the ability of transit agencies to meet that demand. GAO analyzed data from the National Transit Database on transit ridership (i.e., passenger miles traveled), service (i.e., vehicle revenue miles), costs, and revenues; conducted interviews with 15 transit agencies operating heavy rail, light rail, and bus; interviewed federal officials and others; and reviewed prior GAO recommendations.

DOT generally agreed with the report and provided technical comments.

View GAO-11-94 or key components.
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What GAO Found

From 1998 through 2008, the most recent year for which complete data are available, transit ridership grew at a faster rate than transit service. Heavy rail experienced the greatest difference between growth in ridership and service compared with light rail or bus—heavy rail ridership outpaced the provision of service by about 18 percentage points during this period. Transit agency costs and revenues also increased overall from 1998 through 2008, but the relative shares of revenue sources changed. The share of federal funding remained steady while increases in state and local funding shares offset declines in the share of funding from other sources, such as passenger fares. In addition, in 1998 the federal government was the largest source of capital investment in transit; by 2008 local government provided the largest share.

From 1998 through 2008, transit agencies faced challenges and took actions to address increased ridership demand. Specifically, agencies faced capacity constraints, including limitations of their vehicles (e.g., too few rail cars and buses) and their system infrastructure (e.g., platforms that were too short to accommodate longer trains). Transit agencies took steps to respond to increased demand, including: adjusting their service by modifying routes, fares, and hours of service; making new system investments, such as expanding fleets and extending platforms; and maintaining and updating existing infrastructure and vehicles. For example, New York City transit officials improved the signaling in their heavy rail system to increase frequency of service. Agencies experienced varying degrees of success in responding to increases in demand—some reported accommodating increases in ridership while others' success was limited. For example, a light rail agency reported that its service area did not keep pace with real estate development, and a bus agency turned away riders.

Population growth and other factors are likely to increase future ridership demand, but cost increases and fiscal uncertainties could limit transit agencies' ability to meet this demand. Transit agency officials expressed concern about meeting future increases in ridership due to increased costs of expanding transit systems and maintaining aging infrastructure. Also, transit agencies' funding has been strained since 2008, as state and local funding has decreased with the economic downturn. This is significant because transit agencies previously relied on increases in state and local funding shares to offset decreases in other sources. Given this environment, along with fiscal difficulties facing the nation, it will be a challenge to effectively focus limited resources to maximize the positive effect on transit agencies' services. GAO and others have made recommendations to DOT, Congress, and others on options that could more effectively deliver federal surface transportation programs and help transit agencies address growing ridership. These options are under consideration and include: focusing resources on state of good repair, streamlining the delivery of federal grant programs, and incorporating performance accountability measures to maximize the impact of investments.