

LEAVING ON A JET PLANE, or How to Waste Millions on a Wing and a Prayer



Jim Archer / Mary Lawrence

METRO, Houston, TX

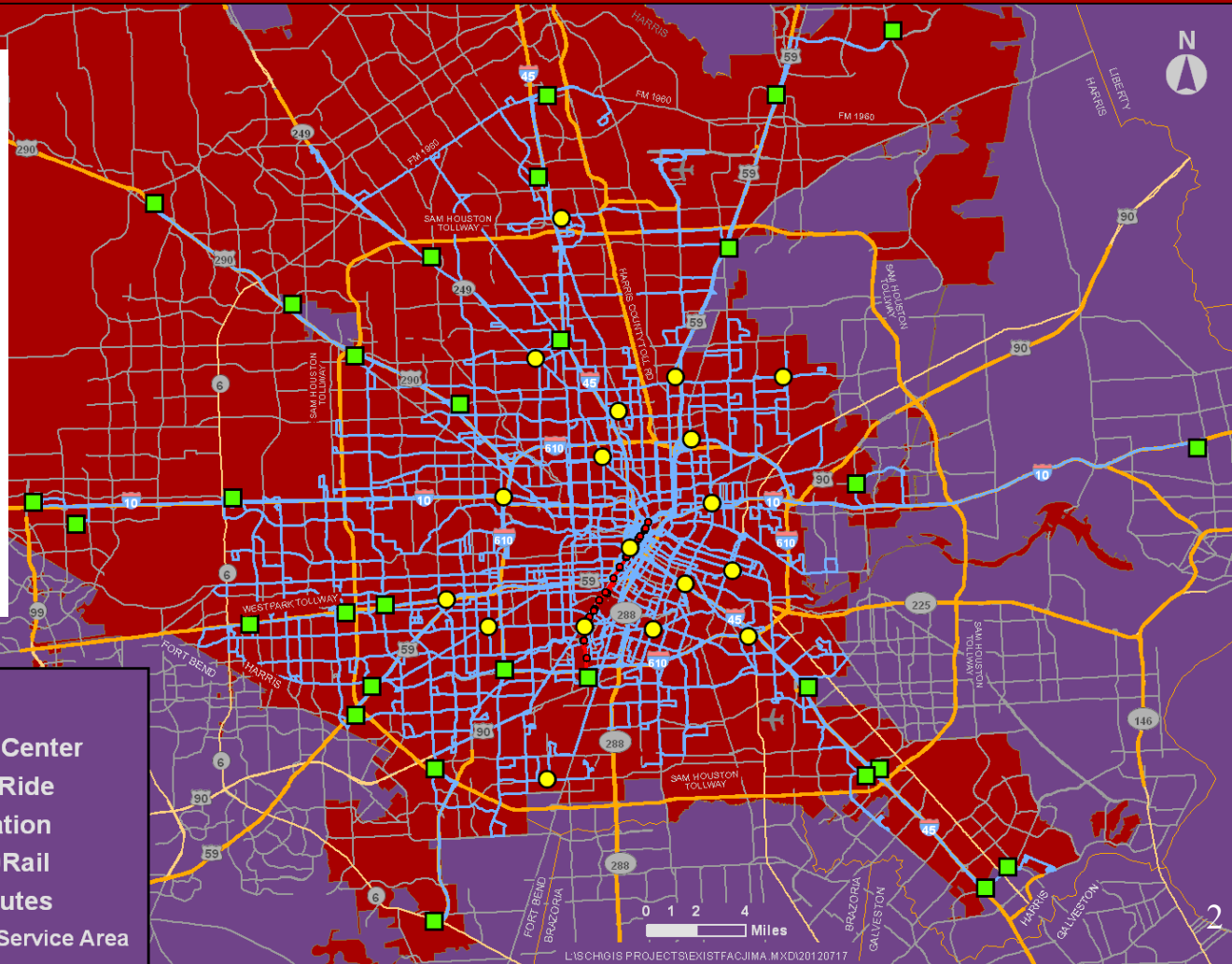
2013 Multimodal Operations Planning Workshop



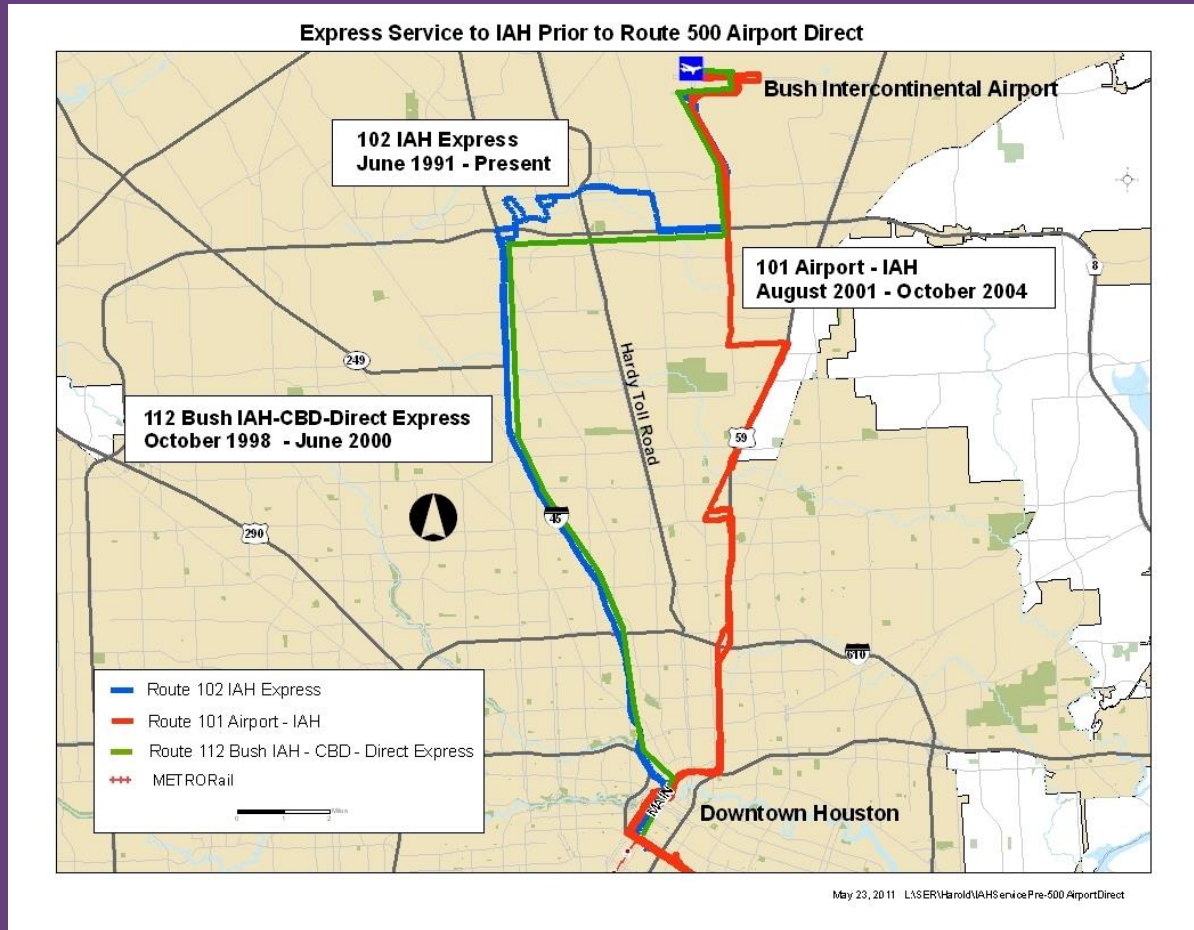
Houston METRO Select Information

Metropolitan Transit Authority - Service Area

- 4th Largest US City
- 128 bus routes; 1 light rail line
- **but 3 more lines coming in 2014!**
- 1,250 buses;
20+ rail cars,
(76 by 2014)
- 77M bus / rail boardings in 2012



An Overview of Previous Attempts to Implement the Concept (or variations thereof)

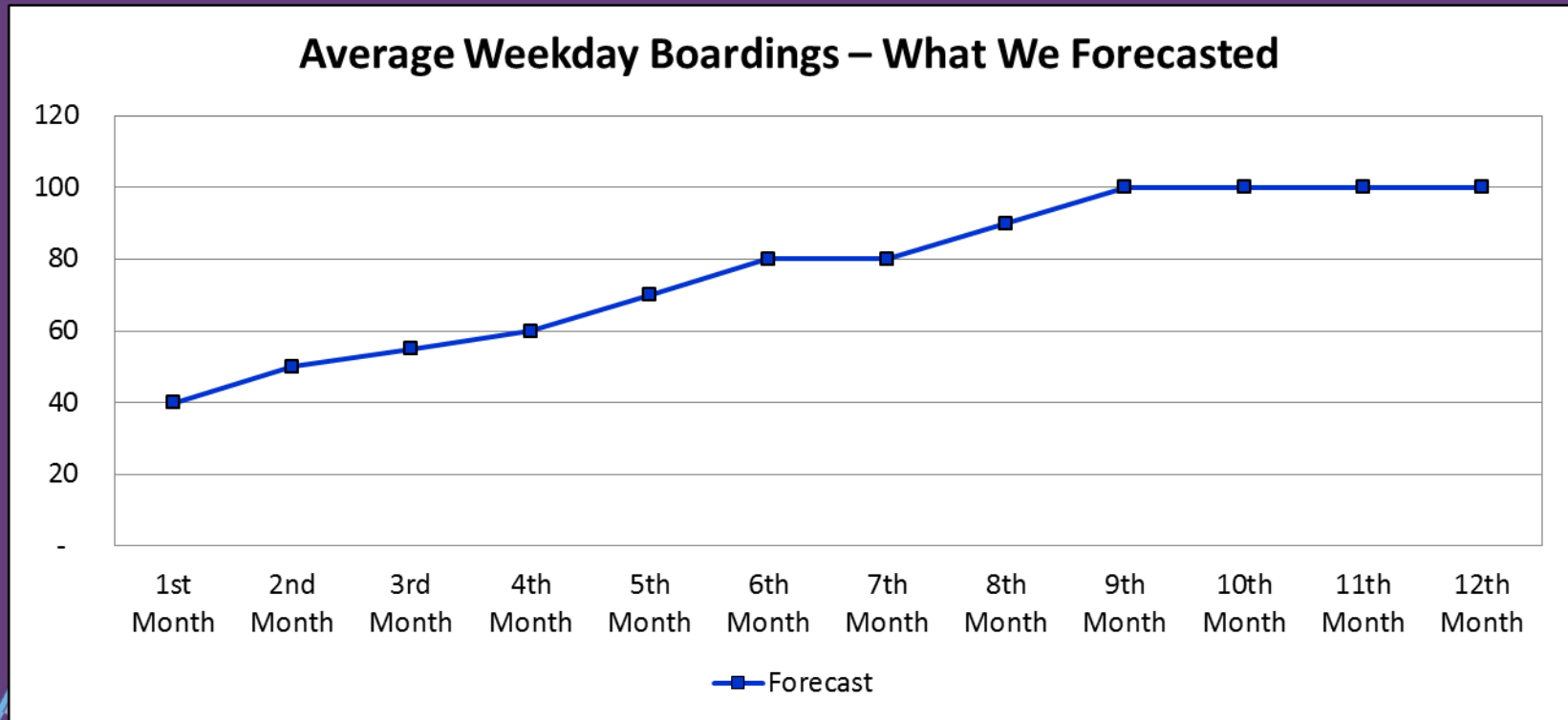


A Wing and A Prayer

The Concept Behind Service from CBD to George H. W. Bush Intercontinental Airport

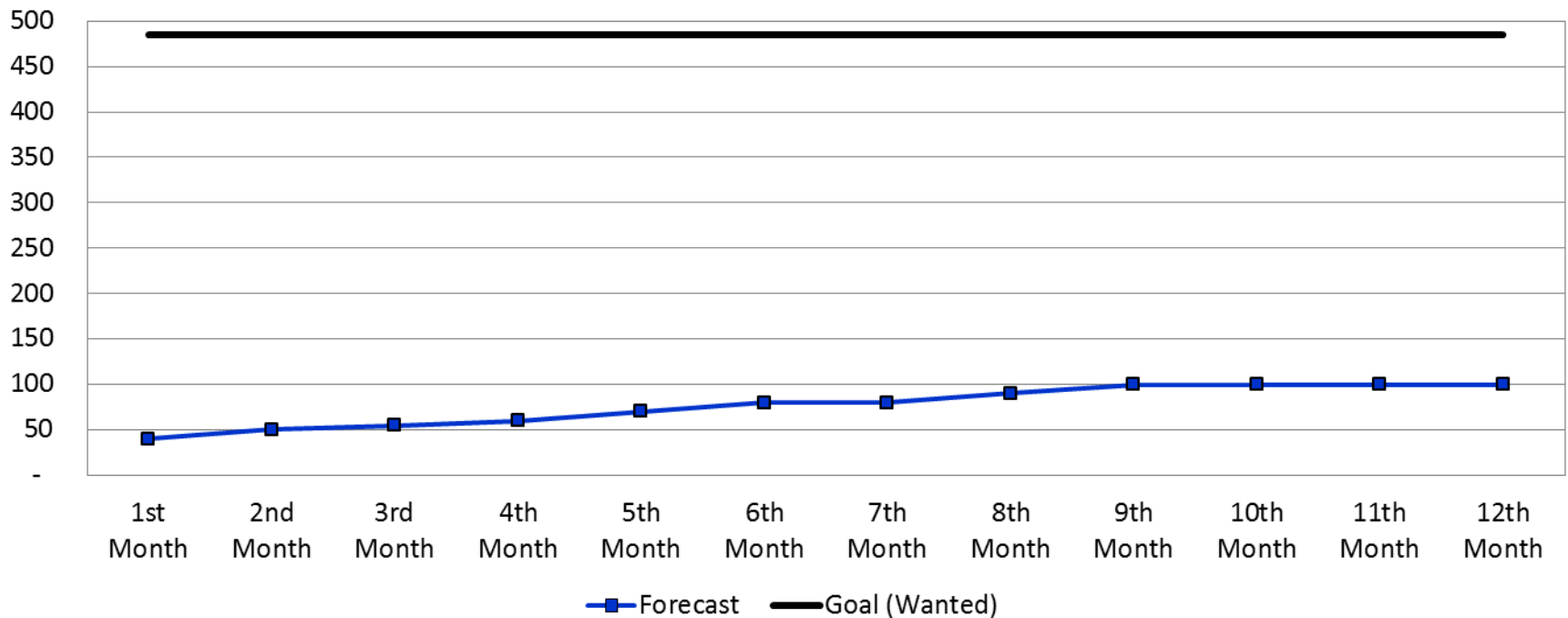
- Point-to-point service between CBD and IAH
- 30 minute trip every 30 minutes for \$30 round trip (30 / 30 / \$30)
- Premium service, high capacity dedicated fleet
- Concierge service and dedicated drop-off in CBD
- Proposed partnership - Continental Airlines

Ridership: What We Forecasted (based on historical experience), What We Wanted, What We Got



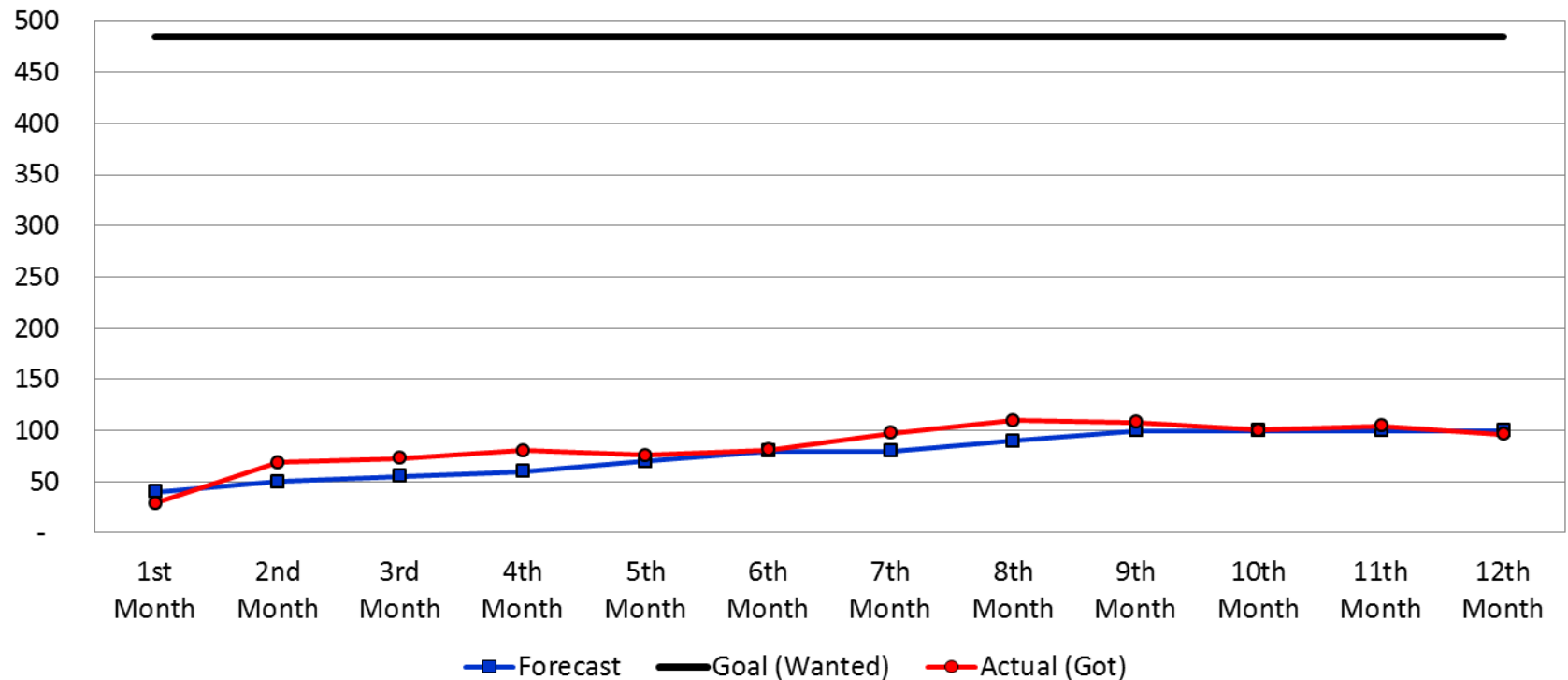
Ridership: What We Forecasted (based on historical experience), What We Wanted, What We Got

Average Weekday Boardings - What We Forecasted, What We Wanted



Ridership: What We Forecasted (based on historical experience), What We Wanted, What We Got

Average Weekday Boardings - What We Forecasted, What We Wanted, and What We Got



“Why Was the Ridership So Low?”

Infrequent Usage

How often do you ride?	Bus	Park & Ride	102 Bush IAH	500 Airport Direct
6 - 7 days per week	31%	5%	40%	0%
5 days per week	37%	80%	35%	<1%
3 - 4 days per week	15%	12%	12%	<1%
1 - 2 days per week	5%	1%	3%	3%
More than 2 times per month				3%
1 - 2 times per month	1%	0%	1%	9%
6 - 12 times per year				12%
3 - 5 times per year				23%
1 - 2 times per year				26%
Other	3%	1%	4%	
No Response	7%	1%	4%	24%

“Why Continually Market?”

Total Daily Turnover

How many customers to generate 500 annual boardings?	Bus	Park & Ride	102 Bush IAH	500 Airport Direct
Annual Boardings	500	500	500	500
Average Frequency How frequently do you ride?	5 days per week	5 days per week	6 – 7 days per week	1 – 2 times per year
Annual Weeks	50	50	50	50
Annual Weekdays Riding METRO	250 (5 days per week x 50 weeks)	250 (5 days per week x 50 weeks)	250 (5 days per week x 50 weeks)	1 - 2
Average Trips Per Day	2	2	2	1
# of Customers Needed to Generate 500 Annual Boardings	1 (500 boardings / (5 days per week x 50 weeks x 2 times per day))	1 (500 boardings / (5 days per week x 50 weeks x 2 times per day))	1 (500 boardings / (5 days per week x 50 weeks x 2 times per day))	250 – 500 (500 boardings / (1 – 2 times per year x 1 trip per day))

“Why the Poor Performance?”

Low Ridership + High Cost = High Subsidy

	Weekday	Saturday	Sunday
Boardings (Daily)	113	82	92
Boardings (Annual)	28,702	4,343	5,340
Fare Revenue (Annual)	\$ 370,702	\$ 34,762	\$ 45,333
Total Cost (Annual)	\$1,778,660	\$ 249,823	\$ 273,391
Total Subsidy Per Boarding	\$49.05	\$49.52	\$42.71
Park & Ride Subsidy Per Boarding (Average)	\$8.87	\$8.87	\$8.87

Time to Audible: Cut Fare (Yeah!), Increase Stops (Yeah!),...and Increase Costs (???)

- Reduce fare
- Allow for Q Card payment
- Cut overhead costs
- Add 4 more boarding locations

but

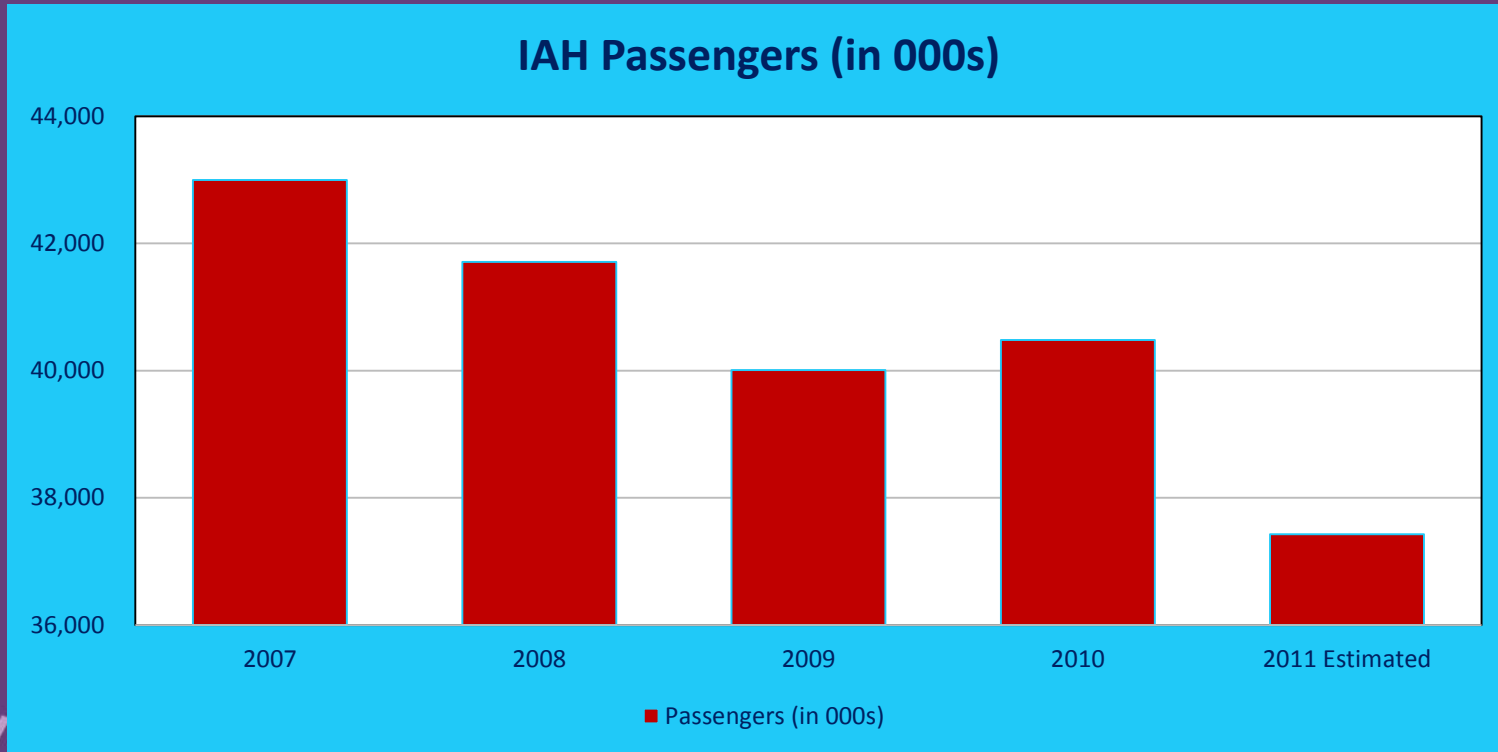
- 1 bus and additional running time resulted in increased costs

Audible Failed

Higher Ridership + Higher Cost = High Subsidy

Weekday	FY2011	FY2010	Change	% Change
Boardings (Daily)	168	113	+ 55	+ 49%
Boardings (Annual)	42,738	28,702	+14,036	+ 49%
Fare Revenue (Annual)	\$ 174,293	\$370,702	(\$196,409)	- 53%
Total Cost (Annual)	\$2,187,752	\$1,778,660	\$ 409,092	+ 23%
Total Subsidy Per Boarding	\$47.11	\$49.05	(\$1.94)	- 4%
Park & Ride Subsidy Per Boarding	\$9.68	\$8.87	+\$ 0.81	+ 9%

After All That, A Look at the Data Showed a Declining Market



"I'm leavin' on a jet plane...don't know when I'll be back again..." Peter, Paul, and Mary

AUTOPSY OF A DREAM

- **S** smaller market than believed
- **T** total customer turnover daily
- **O**bjective data ignored
- **P**artnership(s) did not materialize
- **I**nefficient, unsustainable service
- **T**itle VI implications of continuing