

THE ECONOMIC COST OF FAILING TO MODERNIZE PUBLIC TRANSPORTATION

How to use this paper

This report presents information for media, local stakeholders, businesses, and elected officials. This report helps audiences understand:

- The most recent State of Good Repair (SGR) backlog estimate, and components of the backlog
- The tools that agencies can use to communicate the operational impacts of SGR investment
- How SGR relates to a region's economy and a competitive business environment
- The national economic impact figures for modernizing public transportation assets
- How six of the largest public transportation agencies view and address their SGR issues, noting the importance of the systems in their respective regional economies

THE CURRENT SITUATION

Public transportation's bus and rail infrastructure needs are well documented. The 2015 Conditions and Performance Report produced by the U.S. Department of Transportation estimated the overall State of Good Repair (SGR) backlog to be at \$89.9 billion and growing.

WHY MODERNIZATION MATTERS

The connection between asset condition and asset performance is clear. Systems in poorer condition have higher maintenance costs and more frequent breakdowns. Assets that have to be replaced unexpectedly can cause disruption to travelers. This translates into delays and service reductions, which result in travel time cost increases for passengers.

THE CONSEQUENCES OF NOT INVESTING IN MODERNIZATION

Our failure to adequately invest in public transportation infrastructure holds back America's economy. Absent of increased investment, the country would see \$340 billion less in cumulative business sales from 160,000 fewer jobs over the next six years. This equates to a loss of \$180 billion in cumulative gross national product (GNP), \$109 billion of which is household income. These losses are a product of decreases in efficiency and productivity from public transit delays and disruptions. In contrast, the economy benefits when transit operators can devote resources toward expanding and modernizing service in response to emerging growth.

Case studies clearly demonstrate that a regional economy can experience millions of dollars in losses (from lost revenue and repair costs) if unanticipated events hit a major transit system that suffers from less than a state of good repair. As cities throughout America compete to attract or retain key occupations and businesses, the condition and quality of public transit infrastructure plays a growing role in what makes a thriving regional economy.

More than \$50 billion in backlog exists just with the seven largest transit systems. This report details how the following six public transit agencies are exploring and coping with their current SGR issues.

- Chicago Transit Authority (CTA)
- Massachusetts Bay Transportation Authority (MBTA)
- Metropolitan Atlanta Rapid Transit Authority (MARTA)
- San Francisco Municipal Transportation Agency (SFMTA)
- Southeastern Pennsylvania Transportation Authority (SEPTA)
- Washington Metropolitan Area Transportation Authority (WMATA)

To learn more

This study was commissioned by APTA and conducted by the Economic Development Research Group Inc. Visit APTA's Reports and Publication's webpage to find the full report:

<http://www.apta.com/Modernization>

