

Supplemental
Report to:

*“The Rapid:
A Critical Analysis
Myths vs. Facts”*

compiled by:

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Introduction

Pursuant to a request resulting from an inquiry to staff members of *The Rapid* from Grand Rapids resident Tony Puzzuoli, this report has been compiled to provide explanatory and additional information to supplement “The Rapid: A Critical Analysis – Myths vs. Facts.” (written by the ITP watch)

The technical and statistical information contained in this report is derived from the National Transit Database (<http://www.ntdprogram.gov/ntdprogram/>), a federally audited reporting database to which transit agencies around the United States are legally required to provide financial, operational, and performance information. The National Transit Database has standard reporting requirements for all agencies to measure performance, cost, and other metrics.

The sources of any additional information used in this report are cited.

National Transit Database (NTD) Reporting

The NTD was established by Congress to be the Nation’s primary source for information and statistics on the transit systems of the United States. Each year, NTD performance data are used to apportion over \$5 billion of Federal Transit Administration (FTA) funds to transit agencies in urbanized areas (UZAs).

Each agency’s annual report contains general geographic and population data, as well as financial information, vehicle information, modal characteristics, and performance measures including service efficiency, cost effectiveness, and service effectiveness. These metrics provide a method of standard comparison between systems.

The Rapid’s most recent available NTD report can be viewed here:

http://www.ntdprogram.gov/ntdprogram/pubs/profiles/2009/agency_profiles/5033.pdf

Operating and Capital Funds

Each NTD report includes a breakdown of operating and capital funds. Operating funds come primarily from local sources (property tax millages), and the majority of capital funds come from federal sources. Federal funds are collected in the form of gas taxes and other transportation related taxes. These monies are collected by the federal government and then granted back to transit agencies according to the FTA Urbanized Area Formula Program (section 5307 of the Federal Transit Act).

The use of capital funds can vary greatly from year to year. For example, construction of Rapid Central Station in FY 2004 accounted for a large increase in capital funds used, as

did the purchase of new vehicles for The Rapid's fleet in FY 2009. **These funds can only be used for capital purposes, such as equipment, facilities, station and stop amenities, etc. The only case in which capital funds can be used related to a transit system's operation is for preventative vehicle maintenance.**

Operating funds are used for expenses related to operating a system: fuel, bus operators, mechanics, routine maintenance, etc. The operating funds generated by the property tax millage levied by The Rapid on the six city area (East Grand Rapids, Grand Rapids, Grandville, Kentwood, Walker, and Wyoming) are used exclusively for operational purposes, that is, putting service on the street.

In the case of The Rapid, the citizens of the six cities can approve a millage rate, thereby allowing the agency to collect those funds to be used for operational purposes. With regard to capital funding, taxes are paid by every state in the Union to the federal government and then redistributed according to the FTA Urbanized Formula Program based on an agency's performance, efficiency, and effectiveness. The better an agency performs, the greater the amount of tax dollars that return to that community. In essence, everyone pays into the system the same way, but cities, states, and municipalities receive unequal amounts of funding back. If a transit agency performs poorly, more of the tax dollars already paid by that community will be granted to a different community.

The functionality of this funding structure is important for a community to understand as it considers investment in its local transportation system.

Supplemental Report

In an effort to provide quality technical information about The Rapid's operations, only statistics included on The Rapid's National Transit Database report will be utilized. These statistics will be cited only as they appear on the federally audited report, and no additional calculations will be made so that a standard comparison between The Rapid and any other system serving an urbanized area can be made. As mentioned in the introduction, the most recent available report can be viewed here:

http://www.ntdprogram.gov/ntdprogram/pubs/profiles/2009/agency_profiles/5033.pdf

Method

The document that is posted on the ITP watch blog, "The Rapid: A Critical Analysis – Myths vs. Facts," bases analysis of The Rapid's operations on calculations that combine *Operating Expenses* with *Uses of Capital Funds* (the two separate funding sources outlined in the introduction). These calculations create categories that are not included on the standard NTD report, and this method is utilized only by the ITP watch blog. These statistics cannot be found on any available NTD report. This Supplemental Report will refer only to the federally audited categories that are itemized on the uniform report utilized by all transit agencies in urbanized areas.

Comparisons

The document posted on the ITP watch blog states that "the typical Rapid bus costs \$9.53 per mile to operate."¹

- *Operating Expense per Vehicle Revenue Mile* as recorded on The Rapid's National Transit Database report is \$5.90.²

The document posted on the ITP watch blog states that "The Rapid's buses only average about 7.3 passengers at any given time."¹

- *Unlinked Passenger Trips per Vehicle Revenue Hour* as recorded on The Rapid's National Transit Database report is 24.21.²
 - *Unlinked Passenger Trips per Vehicle Revenue Hour* represents the average amount of single trips taken in an hour, or an average of approximately 24 passengers during any given hour of the day. This number is an average, so rush hour service is much higher and less busy times of the day are lower.

The document posted on the ITP watch blog states that "For a more 'apples to apples' comparison, the standard industry practice for evaluating methods of transportation is to base comparisons on passenger miles."¹

- The citation refers readers to edition 29 of the *Transportation Energy Data Book*³, which focuses on energy use in all modes of transit, including cars, two-axel trucks, combination trucks, single-unit trucks, motorcycles, and buses.
- The National Transit Database does not compare transit agencies' operations to cars, two-axel trucks, combination trucks, single-unit trucks, or motorcycles.
 - NTD does not utilize this method of comparison because it is not the standard industry practice.
- The following is the abstract from the *Transportation Energy Data Book*, which explains the purpose of the study:

ABSTRACT

The *Transportation Energy Data Book: Edition 29* is a statistical compendium prepared and published by Oak Ridge National Laboratory (ORNL) under contract with the U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy, Vehicle Technologies Program. Designed for use as a desk-top reference, the Data Book represents an assembly and display of statistics and information that characterize transportation activity, and presents data on other factors that influence transportation energy use. The purpose of this document is to present relevant statistical data in the form of tables and graphs. The latest edition of the Data Book is available to a larger audience via the Internet (cta.ornl.gov/data). This edition of the Data Book has 12 chapters which focus on various aspects of the transportation industry. Chapter 1 focuses on petroleum; Chapter 2 – energy; Chapter 3 – highway vehicles; Chapter 4 – light vehicles; Chapter 5 – heavy vehicles; Chapter 6 – alternative fuel vehicles; Chapter 7 – fleet vehicles; Chapter 8 – household vehicles; Chapter 9 – nonhighway modes; Chapter 10 – transportation and the economy; Chapter 11 – greenhouse gas emissions; and Chapter 12 – criteria pollutant emissions. The sources used represent the latest available data. There are also three appendices which include detailed source information for some tables, measures of conversion, and the definition of Census divisions and regions. A glossary of terms and a title index are also included for the reader's convenience.

The document posted on the ITP watch blog states that “The Rapid’s buses...cost \$1.29 per passenger mile to operate.”¹

- *Operating Expense per Passenger Mile* as recorded on The Rapid’s National Transit Database report is \$0.80.²

The document posted on the ITP watch blog states that “the Rapid Van service costs about \$0.24 per passenger mile to operate.”¹

- *Operating Expense per Passenger Mile* for Vanpool as recorded on The Rapid’s National Transit Database report is \$0.20.²

The document posted on the ITP watch blog states that “for each passenger who rides a Rapid bus, The Rapid loses \$4.31.”⁴

- The citation for this statistic explains that this is “the amount each passenger pays (compared) to how much it actually costs to carry that passenger.” (footnote #12 in the ITP watch blog document)
 - *Operating Expense per Unlinked Passenger Trip* or “cost per passenger” as recorded on The Rapid’s National Transit Database report is \$2.97.²
 - The current regular fare on The Rapid is \$1.50. Therefore, \$1.47 must be covered by operational funds, not \$4.31.

The document posted on the ITP watch blog states that “Only about 10% of The Rapid’s cost of providing bus service is covered by passenger fares.”⁴

- *Fare Revenues* as a percentage of *Sources of Operating Funds Expended* as recorded on The Rapid’s National Transit Database report is 15%.²
 - This does not include revenue recovered from contracts held by The Rapid, which contribute to covering operational costs (from Grand Valley State University, Grand Rapids Community College, Grand Rapids Public Schools, Spectrum Health, etc.)

The document posted on the ITP watch blog states that “The Rapid’s large buses...operate roughly at about 9% of capacity.”⁵

- ITP watch does not provide a citation for this statistic. However, the largest buses operated by The Rapid contain 40 seats. Previously in this document, an average of 24.21 *Unlinked Passenger Trips per Vehicle Revenue Hour* was referenced. 24.21 passengers per hour applied to a 40 seat bus would mean that on an average hour, a bus is operating at 60.5% capacity. This reflects an average and does not account for buses in The Rapid’s fleet that have less than 40 seats. It is not a standard method for measuring capacity in the National Transit Database. There is no such measure on the standard NTD report. This number is provided strictly for comparison to the method employed by the ITP watch blog.

The document posted on the ITP watch blog states that “The Rapid’s bus service cost more than \$38 million in 2009.”⁶

- *Operating Expenses* as recorded on The Rapid’s National Transit Database report were \$26,302,105 in 2009.²

The document posted on the ITP watch blog states (in reference to the year 2009) that “The Rapid’s cost of providing fixed-route bus service has increased...to about \$42.4 million.”⁷

- *Operating Expenses* as recorded on The Rapid’s National Transit Database report were \$26,302,105 in 2009.²

The document posted on the ITP watch blog states that “over the past couple of years, the number of passengers using the regular bus lines has been relatively flat.”⁷

- This statement is predicated on the notion that passengers on the DASH shuttle, as well as students from GVSU, GRCC, and GRPS, are not standard factors in fixed route growth.⁷
 - All riders are included in ridership numbers reported to the National Transit Database, including the groups listed about.
 - *Annual Unlinked Trips* as recorded on The Rapid’s National Transit Database reports were 8,192,599 in 2007⁸; 9,078,469 in 2008⁹; and 9,336,708 in 2009².

- The rate of growth has slowed as The Rapid's current service reaches full capacity. Enhanced service will allow for faster ridership growth due to latent demand.

Finally, the document posted on the ITP watch blog makes a series of comparisons of The Rapid to CATA, the transit agency serving Lansing, East Lansing, portions of Okemos, and Michigan State University. The Rapid welcomes performance measurements based on peer comparisons and encourages readers to access our full Peer Review which is available at www.rapidtmp.org. The downloadable PDF is at the very bottom of the web page.

Conclusion

While we certainly appreciate any and all interest in our operations at The Rapid, we also feel a responsibility to provide concerned citizens with verifiable, federally audited data. It would be improper and irresponsible for us to fabricate any statistics related to our finances and operations as evidence of our positive performance. That is why we adhered only to the information that we are required to provide to the Federal Transit Administration in this report. We encourage citizens to use the data provided on the standard National Transit Database reporting form as a method to measure our efficiency, effectiveness, and performance. However, we would caution against creating new metrics by employing methods such as combining *Uses of Capital Funds* and *Operating Expenses* for two reasons: this is not how the federal government measures transit agencies, and this is not how transit agencies compare themselves to each other.

We would also like to take this opportunity to invite anyone seeking answers to transit-related questions or anyone interested in more information to contact us directly. In this age of warp-speed digital communication, we put an extremely high value on actual phone conversations or even better, a face-to-face cup of coffee.

The enterprise of providing a service like public transportation is very complicated, and we take our jobs very seriously. We would like to express our gratitude to the community for allowing us to be public servants, and we pledge to be as available and accessible not only as providers of customer service, but also as points of reference for any transit related information that we have the ability to provide.

Respectfully submitted:

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Citations

- 1 <http://www.itpwatch.org/wp-content/uploads/2011/02/myths-v-facts-21.pdf> - page 5
- 2 National Transit Database report 2009, Interurban Transit Partnership (The Rapid):
http://www.ntdprogram.gov/ntdprogram/pubs/profiles/2009/agency_profiles/5033.pdf
- 3 Transportation Energy Data Book – *Edition 29 in PDF*:
<http://cta.ornl.gov/data/download29.shtml>
- 4 <http://www.itpwatch.org/wp-content/uploads/2011/02/myths-v-facts-21.pdf> - page 6
- 5 <http://www.itpwatch.org/wp-content/uploads/2011/02/myths-v-facts-21.pdf> - page 7
- 6 <http://www.itpwatch.org/wp-content/uploads/2011/02/myths-v-facts-21.pdf> - page 8
- 7 <http://www.itpwatch.org/wp-content/uploads/2011/02/myths-v-facts-21.pdf> - page 9
- 8 National Transit Database report 2007, Interurban Transit Partnership (The Rapid):
http://www.ntdprogram.gov/ntdprogram/pubs/profiles/2007/agency_profiles/5033.pdf
- 9 National Transit Database report 2008, Interurban Transit Partnership (The Rapid):
http://www.ntdprogram.gov/ntdprogram/pubs/profiles/2008/agency_profiles/5033.pdf