

Testimony in support of HB3453, by Doug Allen, March 11, 2025

To the Joint Committee on Transportation:

Co-Vice Chair Starr and others have mentioned the excessive subsidy per ride for the current WES service operated by TriMet. I will explain some of the reasons why this figure is so high, and why a different sort of operation could be much more cost-effective.

Some years back, my business partner and I operated an intercity bus service between Portland, Tillamook, and the north Oregon coast. I also have a professional background in transit scheduling, so let me share some facts about public transportation economics that are relevant to your consideration of HB3453.

Our bus route was operated as a profit-making venture, replacing a money-losing Greyhound service. This was before Tillamook County Transportation District existed. We ran seven days a week, 365 days a year.

We no longer expect bus service to be profitable. Even in the top markets, private carriers are seeking subsidies or dropping service. Rather than profits, we are dealing with subsidies, but public accountability requires us to consider how much subsidy we are spending per rider.

The subsidy per ride depends on several factors: level of service, fixed and marginal costs for providing service, elasticity of demand versus level of service, marginal cost per ride, revenue per ride, and the number of riders.

For the current WES operation, most of these factors are unfavorable. Expense per ride is high, and ridership is low, so the subsidy per ride is large.

TriMet has some control over these factors, and could change them, but they inherited an inherently expensive service model.

It doesn't have to be this way. Capital investments, operating changes, and even investment in service could result in a much more favorable subsidy per ride, even if the total subsidy might increase. It is a political decision as to what level of subsidy per ride is worth the societal benefits.

RIDERSHIP:

Public transit ridership can be very elastic relative to service level. Frequency of service is often far more important than speed, for gaining riders. Regular riders need reliable service, and reliability includes the existence of alternative trip times. Riders need a choice of trip times. If the menu is too limited, they will choose another way, like driving a car.

Our coastal bus service replaced a money-losing Greyhound schedule of a single trip each way each day with profitable service. We used smaller vehicles and offered friendlier and more reliable service, but our profits jumped after we doubled our service to two round trips per day. We wound up with four times the ridership of the old Greyhound service. Our costs doubled, but our revenue quadrupled due to the higher ridership. We were filling empty seats with paying passengers.

If WES operated at 15-minute frequency seven days a week, just like TriMet's MAX lines, there is no reason it wouldn't have ridership similar to MAX. Travel time from Wilsonville, Tualatin and Tigard to downtown Portland would be as good as on the proposed Southwest Corridor MAX line, at a much smaller capital cost. Travel to western Washington County via connecting Red and Blue MAX

service would be much quicker, something that the Southwest Corridor project didn't even address.

COSTS:

Peak hour-only service is the most expensive kind of transit service. Because of the limited schedule, WES can't efficiently utilize the operating crews.

Limited service means inflated track maintenance cost per trip and per rider. Additional trips would incur very little additional track maintenance cost. This is because the freight traffic is the main cause of track wear, but passenger service requires a much higher maintenance standard than freight trains, which can economically operate at low speeds. Without the passenger service, the track would be maintained at a lower standard, so the additional cost for the higher standard is charged to TriMet. More passenger trips would not incur a proportional increase in track maintenance cost.

And remember, the cost of carrying somebody in an otherwise empty seat is essentially zero.

Given these facts, a more in-depth analysis of costs and potential ridership should be undertaken to investigate the potential for improving service, both with additional trips serving the existing stations, and extended service south to Salem and beyond.

IMMEDIATE OPPORTUNITY:

A limited number of additional trips can be operated without capital investment in tracks or vehicles. Prior to the pandemic, TriMet operated 8 trips each way at half-hour intervals during each of the morning and evening peaks. Currently, TriMet operates 5 trips at 45-minute intervals each way, morning and afternoon. The current service fails to make good connections with the 1X bus service that runs between Salem and Wilsonville. It is a no-brainer to restore the pre-pandemic service level and schedule the bus trips to make a good connection. Ridership should at least double.

LONGER TERM:

A 15-minute frequency service plan should be analyzed to determine what additional sidings would be required, and how many additional vehicles would be needed, and what this would cost. This should be compared with the cost of the Southwest Corridor project. The benefits in terms of ridership should also be examined. Better connecting TriMet bus service would provide synergy.

I would like to see this bill advance to a work session, with discussion of the most practical path to implementation. I would also like this Committee to send a message to TriMet, urging restoration of pre-pandemic service on the existing WES route, as the best possible way to demonstrate latent demand for expansion of WES.

Sunk costs aren't the issue here, nor are the current subsidies per rider. The question before you is whether the existing WES infrastructure and the cooperative management of Portland & Western Railroad can be combined cost-effectively with public investment to provide an attractive public transportation alternative.