

AkPIRG Report Shows Bulk of Alaska's Public Transit Money Going to the AK Railroad

As gasoline prices increase and concerns about global warming rise, Alaskans are looking for solutions that could help alleviate both of those worries. A vibrant public transit system could be part of that solution. Yet in Alaska, inadequate public transportation investment continues while the Alaska Railroad, serving mostly tourists, receives an ever-increasing amount of federal funds.

Many Alaskan residents cannot afford a car and need to commute to work on public transit. Yet, Alaska is one of only two states that does not provide any state funding to public transit, either operating or capital. The Legislature did approve \$1.1 million this year though Governor Palin has not yet signed that amount into law. Duluth MN, a city a third the size of Anchorage with many of the same northern challenges, spends as much as Anchorage does on public transit. Clearly, Anchorage and Alaska need to invest more in public transit.

While bus riders wait longer and longer for bus service and other critical public transit, Alaska is spending nearly half of its allotment from the Federal Transit Authority (FTA) on the Alaska Railroad, an entity that does not currently provide any public transit as defined by the FTA. The FTA defines public transit as buses, subways, light rail, commuter rail, monorail, passenger ferry boats, trolleys, inclined railways, commuter vanpools and people movers.

Here are some highlights from AkPIRG's recently released report:

- For both FY2008 and FY2009, by far the largest single recipient of Alaska's FTA funding is the Alaska Railroad Corporation (ARRC). The 2007 ARRC annual report, released in April 2008, says it made \$16.3 million in annual earnings on total revenues of \$169.3 million. By comparison, the ARRC's annual FTA subsidy is \$36.7 million for FY2008, and \$37.9 million for FY2009.
- The document *2030 Let's Get Moving!* states that the "approximate value of the capital needs of all [transit] systems over the next ten to fifteen years in Alaska is \$75 million". By contrast, the ARRC is slated to receive almost that much FTA money in the two-year period spanning FY2008 and FY2009.
- On average the ARRC receives an overall FTA subsidy of approximately \$65 per passenger-trip, while the Anchorage People Mover receives an approximate FTA subsidy of only \$1.50 per passenger-trip. In other words, per-passenger FTA spending for Alaska Railroad passenger service per passenger-trip is more than *40 times greater* than for People Mover bus service.

The Alaska Railroad provides important services to Alaska, but it does not provide public transit as defined by the FTA. With gasoline prices increasing at a steady pace, congestion picking up, and carbon emissions warming the planet – the need for a vibrant public transit service is apparent. The State of Alaska has not invested enough in public transit and this is exacerbated by the inordinate amount of federal money earmarked for transit going to a service provider that simply does not provide public transit.

AkPIRG is eager for commuter rail service to begin from the Mat-Su Valley to Anchorage. Already vanpools, park-n-ride and buses all serve savvy commuters from the Valley. Commuter rail will be

another option and the railraod is investing in it. Yet, the current amount of money going to the railroad is in no way a justifiable public transit expense.

Alaska deserves a vibrant public transit system to enhance our community, promote economic development and reduce carbon emmissions. Alaska needs to end the use of FTA public transit money to the Alaska Railroad, unless it is expressly for commuter rail.

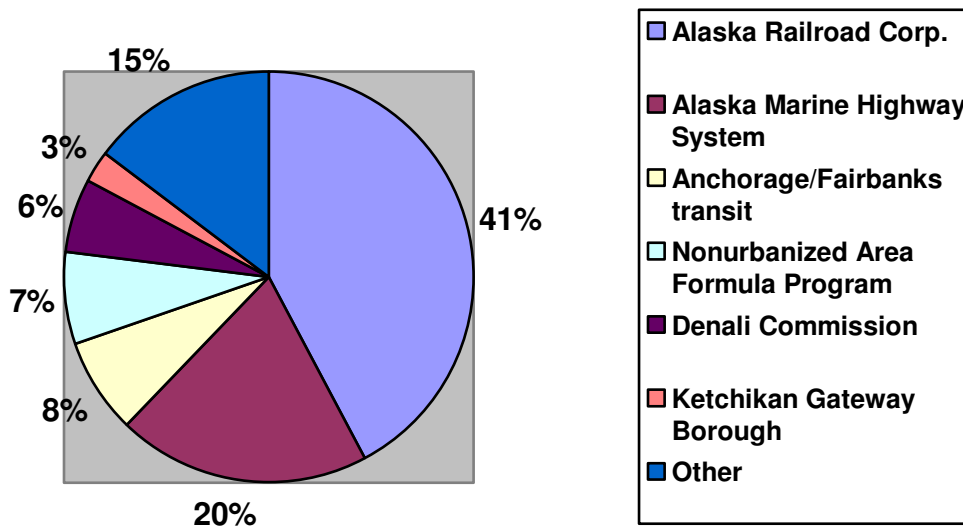
This report shows the unique oppportunity that Alaska has to make a significant investment in public transit. AkPIRG will work to secure that investment.

Read the full report at the AkPIRG website: www.akpirg.org

AkPIRG would like to thank the Alaska Conservation Foundation for their generous support of this project.

FY2008 Federal Transit Administration spending in Alaska

Total: \$87 million



Many Alaskans are unaware of the FTA, and how its dollars are spent in Alaska. Public transit in Alaska receives almost no support from the state government, and therefore depends upon federal and local funding sources. According to the state of Alaska's *2030 Let's Get Moving!* transportation planning document:

“Unique among Alaska modes of transportation, transit receives no State assistance in support of operations or capital program State funding for transit in Alaska would bridge a significant gap in current transit funding in Alaska and would give an important boost to transit operations in both urban and rural parts of the state. Any state operating budget

should be provided on a matching basis to complement local and private-non-profit funding.”