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April 1, 2021

The Honorable Brian Schatz
Chairman
The Honorable Susan Collins
Ranking Member
Subcommittee on Transportation, Housing and Urban Development and Related Agencies
Committee on Appropriations
United States Senate

The Honorable David E. Price
Chairman
The Honorable Mario Diaz-Balart
Ranking Member
Subcommittee on Transportation, Housing and Urban Development and Related Agencies
Committee on Appropriations
House of Representatives

Commuter Rail: Information on Benefits and Funding Challenges for Service in Less Urbanized Communities

Commuter rail is a widely used public transit alternative to driving between suburban communities and city centers, and in many areas of the country transit agencies have extended their service areas further out from city centers to less urbanized communities.¹ For people living in less urbanized communities who cannot drive due to age, disabilities, or income constraints, public transportation such as commuter rail may be critical to accessing essential services. Every year, commuter rail passengers across the country take hundreds of millions of trips not only to work, but also to school, medical appointments, recreational activities, and for many other purposes. Our review included 31 commuter rail systems operating in the United States.²

Despite its benefits, providing commuter rail service to less urbanized areas can be challenging for many reasons, including accommodating for low population densities and limited financial resources. For example, in 2019, the Maryland Transit Administration notified the West Virginia State Rail Authority that the agency would not continue to pay for the Maryland Area Regional

¹By “less urbanized” we are referring to areas specific to each commuter rail system that range from less populated suburban communities to rural communities further out from major city centers.

²These commuter rail systems include certain hybrid rail systems and two legacy Amtrak lines (i.e., Downeaster and Keystone Line), which are classified as commuter rail systems within the National Transit Database (NTD) maintained by the Federal Transit Administration (FTA), and were identified to us as commuter rail systems by their transit agencies. We did not include other Amtrak-affiliated systems such as the Hartford Line. The 31 commuter rail systems in our report also do not include systems classified in the NTD as heavy rail. Some heavy rail systems may also provide service connecting less urbanized areas to major city centers.

Commuter (MARC) train service to the stations located in less-urbanized communities in West Virginia, based on declining operating revenue and costs associated with providing the service to West Virginia. West Virginia ultimately used state and local funding sources to provide the funds necessary to maintain operations.

The Coronavirus Disease 2019 (COVID-19) pandemic has financially affected all modes of public transit. Beginning in March 2020, pandemic-related restrictions in some cities across the United States, among other factors, resulted in steep declines in commuter rail ridership and associated fare revenue. However, many transit agencies continued to provide commuter rail service at reduced frequencies.

The explanatory statement accompanying the Further Consolidated Appropriations Act, 2020 includes a provision for us to review issues related to commuter rail in less urbanized communities.³ This report provides selected stakeholders' views on:

- the benefits of providing commuter rail service to less urbanized communities;
- the challenges to providing commuter rail service to less urbanized communities; and
- the initial effects of the COVID-19 pandemic on the commuter rail industry.

In April 2020, we provided the relevant committees with information on the federal, state, and local funding sources that can be used to support the operation of commuter rail systems, as well as the federal funds expended by transit agencies in fiscal year 2018. This report finalizes and formally transmits the information we previously provided (see enclosure I).

To determine the benefits and challenges associated with providing commuter rail service to less urbanized areas, we conducted semi-structured interviews with and obtained documentation from officials from 10 commuter rail agencies.⁴ We selected the 10 agencies based on diversity in system size and geographic region, and having a higher number of stations located in less urbanized areas. We also conducted interviews with stakeholders—including a local business organization, a community organization, a metropolitan planning organization, a ridership group, and local government officials—from four of the regions associated with the 10 commuter rail agencies. We interviewed officials from the American Public Transportation Association (APTA) to obtain additional perspectives on how commuter rail service benefits less urbanized communities in particular, and the challenges to providing this service (see enclosure II for a list of commuter rail agencies and stakeholders interviewed).⁵ We also interviewed officials from the Federal Transit Administration (FTA) to obtain information on federal funding available for commuter rail.

To determine the initial effects of the COVID-19 pandemic on the commuter rail industry, we interviewed officials from our 10 selected commuter rail agencies. Additionally, we collected and reviewed data and other information, including information about any CARES Act funds received, from all 31 commuter rail agencies.⁶ We also analyzed monthly commuter rail

³Further Consolidated Appropriations Act, 2020, Pub. L. No. 116-94, 133 Stat 2534, 2933-73 (2019). The explanatory statement accompanying that Act incorporated by reference Senate Report 116-109. 165 Cong. Rec. H11061, H11454.

⁴For the purposes of our report, we will refer to transit agencies that operate commuter rail systems as “commuter rail agencies.”

⁵APTA is an industry association that represents all modes of public transportation. More than 90 percent of people using public transportation in the United States and Canada ride APTA member systems.

⁶CARES Act, Pub. L. No. 116-136, 134 Stat. 281 (2020).

passengers' boarding data from FTA's National Transit Database (NTD) for all 31 commuter railroads. We reviewed related documentation, interviewed knowledgeable agency officials to validate NTD and cost data, and resolved identified data discrepancies. We found the data to be reliable for our purposes including summarizing changes in passenger boardings from September 2018 to September 2020 and cost information for each commuter rail system.

We conducted this performance audit from November 2019 to April 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Results in Brief

Stakeholders told us that commuter rail provides a number of economic and quality-of-life benefits, particularly for communities in less urbanized areas. For example, commuter rail agencies said that several large companies have chosen to locate along commuter rail corridors to draw on the regional labor market, including its less urbanized areas. Stakeholders also said that commuter rail could increase mobility and transportation options, as well as access to employment and essential services for individuals who live in the service area. At the same time, however, officials at commuter rail agencies with whom we spoke pointed to considerable infrastructure and operational costs making commuter rail more expensive to provide compared to some other transit modes. Supporting commuter rail in less urbanized communities may also pose additional funding challenges for these commuter rail agencies and local communities. For example, less populated areas may have difficulty raising the local match required to secure federal funding for a transit project.

The ongoing COVID-19 pandemic has exacerbated existing funding challenges for commuter rail agencies. Systems have experienced significant declines in ridership and associated fare revenue, and in funding from state and local sales taxes. Commuter rail agencies reported to NTD that ridership declined an average of 79 percent from September 2019 to September 2020. In addition, some agencies told us that long-term shifts in commuting patterns and increased teleworking among former riders could affect commuter rail funding long after the immediate effects of the pandemic are over. For commuter rail agencies that rely largely on state and local funding, continued declines in tax revenues will become increasingly challenging the longer the pandemic lasts.

Stakeholders Cited Commuter Rail's Economic and Quality-of-Life Benefits

Economic Benefits

All of the 10 commuter rail agencies we interviewed, as well as some stakeholders with whom we spoke, cited economic benefits that commuter rail provides for both urban and less urbanized communities, such as transit-oriented development and increased business investment. Specifically, seven agencies noted the positive economic aspects of transit-oriented development—compact, mixed-use, and walkable neighborhoods typically located within a half-

mile of a transit station.⁷ Such developments range in both size and scope, with some located in major urban centers and others in suburban neighborhoods.⁸

For example, in August 2018, the Regional Transportation Authority of Middle Tennessee (RTA) opened its first transit-oriented development station on the WeGo Star commuter rail system in Lebanon, Tennessee, a growing suburban community about 30 miles east of Nashville.⁹ According to RTA officials, the Hamilton Springs transit-oriented development includes 13,000 square feet of retail space, 396 luxury apartments, and a 260-unit complex designated for senior residents. The \$4.1 million station was the region's first joint public-private transit development project where a private developer provided the federal match funding. Since 2018, 312 more apartment units have been constructed adjacent to the Hamilton Springs station, and the city's planning commission approved an additional 1,346 new housing units to be built within a mile of the station.

In another example, according to Rio Metro Regional Transit District officials, RailRunner stations in New Mexico's tribal areas have created transit-oriented development investment opportunities. Specifically, the Santo Domingo Tribal Housing Authority told us it received federal funding and built 41 low-income housing units and added other amenities near the Kewa Station, which is one of the least urbanized areas along the line.

In addition to the economic benefits of transit-oriented development, officials from several commuter rail agencies we spoke with mentioned instances in which companies had chosen to locate along commuter rail corridors. These decisions enabled the companies to draw on a larger labor market including in less urbanized areas, provided workers in those areas access to additional employment opportunities, and led to increased development around stations. For example, according to Rio Metro Regional Transit District officials, Facebook decided to build its six-building data center campus in Los Lunas, New Mexico, in part, because of the RailRunner commuter rail system. Los Lunas is in a less urbanized area within the Albuquerque and Santa Fe primary service area. However, Rio Metro officials told us that because of the commuter rail system, Facebook was able to attract workers from a larger employment pool.

In another example, according to Capital Metro officials, MetroRail has been the catalyst for development in Austin, Texas, with new construction of housing, entertainment centers, and businesses around multiple commuter rail stations. In particular, technology companies, such as Apple and Dell, have chosen to locate along the commuter rail system. Capital Metro officials noted that development along the MetroRail system has occurred near stations in both urbanized and less urbanized areas.

Quality-of-Life Benefits

Officials at all 10 commuter rail agencies and some stakeholders with whom we spoke mentioned a range of quality-of-life benefits that commuter rail provides for both urban and less urbanized communities, including increased mobility and transportation choices; greater convenience and safety; and greater access to employment, education, and essential

⁷Mixed-use development mixes residential, commercial, cultural, or institutional uses on the same site or within close proximity of one another.

⁸GAO, *Public Transportation: Multiple Factors Influence Extent of Transit-Oriented Development*, [GAO-15-70](#) (Washington, D.C.: Nov. 18, 2014).

⁹The WeGo Star was previously known as Music City Star.

services.¹⁰ Officials at five of the agencies that we spoke with said that their commuter rail system was the preferred travel option because it was the only transit mode in the corridor that did not use a congested interstate or highway (as opposed to, for example, commuter buses). According to officials at four of the 10 commuter rail agencies and two stakeholder groups, commuter rail may also be a reliable and less stressful option than driving; be more comfortable when compared to other transit alternatives, such as bus; and allow riders to work during their commute and use their time effectively. According to APTA, traveling by commuter and intercity passenger rail is also 18 times safer than traveling by car.¹¹ In addition to convenience and safety, officials from nine of the 10 agencies noted that commuter rail can help reduce traffic congestion in the regions they provide service.

Officials at seven of the 10 commuter rail agencies we spoke with cited the ability of residents to live in less urbanized areas but still have access to what might be better job opportunities and essential services in urban centers as a positive benefit of commuter rail service. For example, the RailRunner system in New Mexico allows residents in economically disadvantaged tribal areas to access education, services, and jobs. In addition, RailRunner officials noted that access to essential services, like medical care, could result in better health outcomes for the residents. As we previously reported, public transit plays a particularly important role for transportation-disadvantaged populations, including those who cannot provide their own transportation due to age, disability, or income constraints.¹²

In another example, in 2019, the Maryland Transit Administration proposed discontinuing MARC's service to three stations located in West Virginia, based on declining operating revenue and costs associated with providing the service to West Virginia. However, according to members of the MARC Train Riders Advisory Committee we spoke with, West Virginia residents stated that service to their communities is important to them, in large part because of the quality-of-life benefits that the commuter rail service provides. For example, some West Virginia riders had mobility limitations and could not drive; some did not have other commuting alternatives; and some wanted to avoid the stress of traffic. According to the MARC Train Riders Advisory Committee members, many community members said that they could not keep their jobs without the train service. Moreover, some community members said the service allowed them access to higher-paying jobs in Washington, D.C., than were available in the West Virginia panhandle.

For more information about each of the 31 commuter rail systems and the less urbanized areas they provide service to, see enclosures III and IV.

¹⁰We previously reported that, in addition to economic benefits, transportation experts believe transit-oriented development can increase access to employment, educational, cultural, and other opportunities and reduce road congestion. [GAO-15-70](#).

¹¹Paul P. Skoutelas, President and CEO, American Public Transportation Association, hearing on "Challenges and Opportunities for Commuter Railroads," testimony before the Subcommittee on Railroads, Pipelines, and Hazardous Materials, U.S. House of Representatives, 116th Cong., 1st sess., September 24, 2019.

¹²GAO, *Transportation Disadvantaged Populations: Federal Coordination Efforts Could Be Further Strengthened*, [GAO-12-647](#) (Washington, D.C.: June 20, 2012).

Commuter Rail Stakeholders Said That Systems Have High Costs and Providing Service to Less Urbanized Areas Poses Additional Financial Challenges

Commuter Rail Systems Have High Capital and Operating Costs

Commuter rail officials said systems have high capital and operating costs compared to some other transit modes such as bus service, because commuter rail generally uses more infrastructure and equipment, such as tracks, bridges, passenger stations, rail cars, and signaling and communications equipment. According to officials at half of the 10 commuter rail agencies we spoke with, these higher infrastructure and equipment costs make commuter rail systems less flexible in their ability to respond to ridership changes. Moreover, officials at some commuter rail agencies we spoke with said right-of-way fees pose financial challenges. With respect to right-of-way fees, commuter rail agencies often operate some or all of their trains as “tenants” on the track of another railroad—such as Amtrak or a freight railroad—known as the “host.” The tenant may pay the host fees to access, dispatch, and maintain the track infrastructure, depending on the arrangement. For example, Metrolink in Southern California pays these types of fees to host freight railroads on 44 percent of its total route miles. Other transit modes do not need to pay to use their right-of-way; for instance, bus systems do not need to pay to drive on public roads.¹³ As such, it may be challenging for commuter rail agencies to alter their scheduled service in response to changes in ridership demand, in part due to restrictions in their agreements with other track users.

Additionally, commuter rail agencies face costs unique to the transit industry, such as those associated with positive train control (PTC), a safety technology designed to prevent certain types of rail accidents. PTC technology can automatically slow or stop a train that is not being operated safely due to some types of operator errors or a switch left in the wrong position. Officials at three of the 10 commuter rail agencies we spoke with noted that installing and maintaining their PTC systems significantly adds to overall capital and operating costs, potentially affecting the ability to extend the service area.¹⁴ One commuter rail agency official said that, to install PTC by the federal deadline, the agency had delayed other work on the system. The agency estimates that its ongoing annual PTC maintenance costs will be approximately \$3-to-\$4 million dollars, which could be as high as 14 percent of its annual operating budget.

Opportunities to Cover Commuter Rail Costs Are Limited for Less Urbanized Communities

Officials from the majority of commuter rail agencies (six of 10) we spoke to said it is difficult to cover costs in less urbanized areas because their agencies are unable to generate the same ridership, revenue, or return on investment when compared to urban areas. Consequently, fares cover a smaller share of the service’s costs in more remote areas than in those closer to the city center. According to officials from two commuter rail agencies, it can be hard to justify service expansions to less populated areas because commuter rail agencies want to invest in projects with the largest ridership potential to maximize the investment. For example, even if a system achieves stable ridership in a less urbanized area, it may not result in substantial fare revenue.

¹³While buses are typically exempt from paying tolls on public roads, they may be subject to other costs and fees, such as a fuel tax on diesel, which is deposited into the Highway Trust Fund, and ultimately funds both highways and transit programs.

¹⁴PTC is a communications-based system designed to prevent certain types of rail accidents caused by human factors, including train-to-train collisions; trains entering established work zones, which could cause roadway worker casualties or equipment damage; and derailments caused by exceeding safe speeds. On December 29, 2020, the Federal Railroad Administration announced that PTC technology is in operation on all required freight and passenger railroad route miles, prior to the December 31, 2020, statutory deadline.

Four agencies commented that the high upfront costs and unknown return on investment contributed to the difficulty in providing or expanding service to less urbanized areas.

Officials at four of the 10 commuter rail agencies we spoke with regarding ridership and revenue said that many individuals in less urbanized communities tend to have car-dependent lifestyles, which can make it difficult to establish ridership. For example, Metrolink officials said its commuter rail system connects with numerous other transit providers across Southern California. However, officials noted that there are certain stations where no local transit options, such as bus transportation, are available to get people to the rail station. Though the stations may offer free parking, taking a personal vehicle or using a ride-sharing service to get to the station may not be possible or cost-effective for everyone. Some commuters simply may view driving the whole trip distance, without using commuter rail, as more convenient.

Several stakeholders told us that raising local funds for commuter rail operations may be further complicated when systems extend beyond county or state lines, requiring additional coordination among local jurisdictions or cross-state payments to commuter rail agencies. For example, as mentioned, the Maryland Transit Administration considered cutting service to its West Virginia stations in 2019. According to representatives from the MARC Train Riders Advisory Committee, residents of West Virginia were divided over what they should have to contribute to the cost of operating the service, relative to the perceived local benefits. As noted above, West Virginia provided the funding that the Maryland Transit Administration requested to operate MARC's West Virginia service, and the parties entered a 5-year agreement to continue existing levels of MARC service to West Virginia.

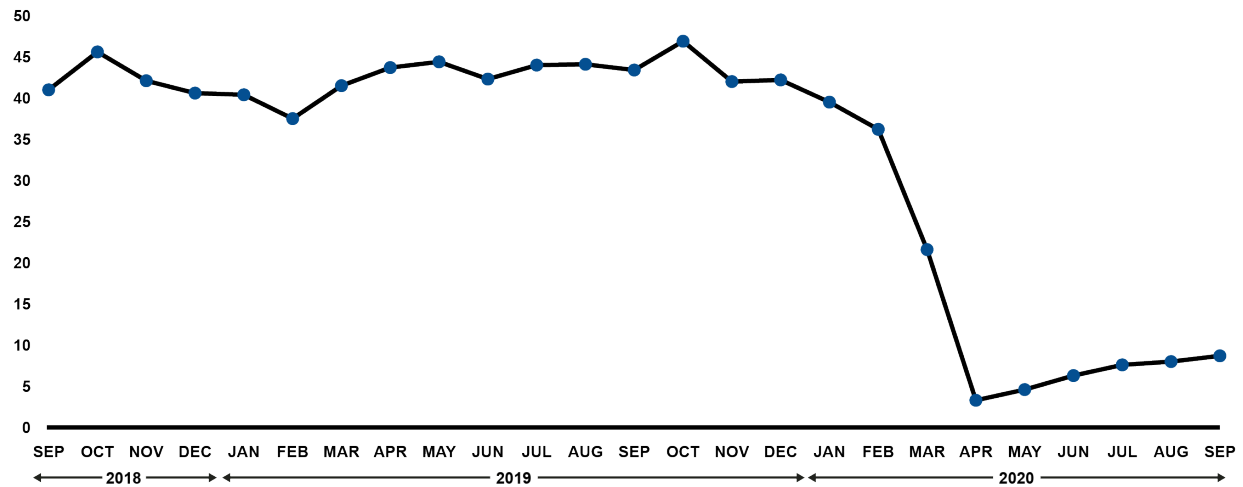
Commuter rail officials said agencies can also face difficulties securing capital funding for transit projects in less urbanized areas. Federally funded projects often require a 20-percent local match—from state or local appropriations, or dedicated tax revenues—which can be difficult to raise in a lower-density, less urbanized area where funding sources are already limited. For example, according to Frontrunner officials in Utah, the more rural the community, the longer it takes to build the tax base to financially support the local match component for expansions to the commuter rail system. These officials said such communities are often dependent on the urban areas, which also benefit from the expansion, to help with funding. Given commuter rail's relatively high capital and operating expenses, agencies that are considering expanding their system need to justify the additional costs relative to the potential economic and quality-of-life benefits previously discussed.

Stakeholders Said the COVID-19 Pandemic Has Exacerbated the Funding Challenges of Commuter Rail Systems

During the COVID-19 pandemic, commuter rail systems have experienced significant declines in ridership.¹⁵ As seen in figure 1 below, starting in March 2020, passenger boardings for the 31 commuter rail systems dramatically dropped.

¹⁵Due to a variety of factors, most notably the unprecedented and ongoing nature of the pandemic and the variability of stay-at-home orders in cities and states across the United States, we were unable to quantify effects (beyond total passenger boardings) for commuter rail systems or to differentiate relative effects for more or less urbanized areas.

Figure 1: Passenger Boardings for 31 Commuter Rail Systems in the United States (September 2018-September 2020)
 Passenger boardings in millions



Source: GAO analysis of National Transit Database data. | GAO-21-355R

Data table for Figure 1: Passenger Boardings for 31 Commuter Rail Systems in the United States (September 2018-September 2020)

	Month	Passenger boardings in millions
2018	SEP	41
	OCT	45.6
	NOV	42.1
	DEC	40.6
2019	JAN	40.4
	FEB	37.5
	MAR	41.5
	APR	43.7
	MAY	44.4
	JUN	42.3
	JUL	44
	AUG	44.1
	SEP	43.4
	OCT	46.9
	NOV	42
	DEC	42.2
2020	JAN	39.5
	FEB	36.2
	MAR	21.6
	APR	3.3
	MAY	4.6
	JUN	6.3
	JUL	7.6
	AUG	8
	SEP	8.7

Notes: The number of passenger boardings among the 31 transit systems ranged from 23,927 to 8,311,522 in September 2018 and 0 to 2,885,817 in September 2020.

Larger commuter rail systems may account for a larger proportion of the decline in passenger boardings from September 2018 to September 2020.

Commuter rail systems nationwide reported to NTD that ridership declined an average of 79 percent from September 2019 to September 2020 (see enclosure IV for more detailed information on passenger boardings for each commuter rail system).¹⁶ Officials at nine of the 10 commuter rail agencies we interviewed noted their ridership losses, and the tenth agency said that it shut down its system completely due to COVID-19 concerns.¹⁷ Because a commuter rail system is generally designed to transport a large number of people from outlying areas to and within urban centers, pandemic-related restrictions, among other factors, significantly affected these services. One transit agency told us that across all its transit modes, ridership had declined the most on its commuter rail system; in June 2020, ridership for this system had declined 98 percent from the same month in the previous year, as reported to NTD.

Commuter rail agencies that were largely dependent on fare revenue for their operations were immediately affected when ridership fell, and continue to experience financial losses. For example, one agency received 57 percent of its total funding from fares in 2019, but its September 2020 ridership remained 82 percent down from the previous year, causing a significant drop in its primary revenue source. As of June 2020, eight of the 10 commuter rail agencies we spoke with had experienced significant declines in funding for their operations, including fare revenue.

Commuter rail systems have also experienced declines in state and local funding sources, particularly sales tax receipts used to help fund transit systems. State and local funding sources, as well as revenue from agency-generated activities, are often used to fund commuter rail operating costs (see enclosure V for more information). As previously discussed, commuter rail agencies may already face difficulties securing the local and federal funds needed for transit projects. According to a transit association, some of its member agencies were anticipating billions of dollars in losses from depressed sales tax and lower revenue from other agency-generated activities, such as parking.

For many of the systems that rely largely on state and local funding to operate, continued declines in these sources of funding will become more challenging the longer the pandemic lasts. Officials at all 10 commuter rail agencies were concerned about the pandemic's long-term economic effects on their systems and were unsure how long it would take for important state and local funding sources like sales tax to return to pre-pandemic levels. When we spoke with them in May and June 2020, officials at two of the agencies said they were assuming it would take over a year, or even multiple years, to reach pre-pandemic funding levels.

The uncertainty of the pandemic is also affecting current levels of commuter rail service, as well as plans to expand service. Prior to the pandemic, officials at seven of the 10 commuter rail agencies we spoke with had plans to expand their systems in the next 3 fiscal years. Officials at four of these seven agencies stated that the pandemic had delayed those plans for the foreseeable future. Further, the uncertainty of the pandemic may affect transit agencies' service overall. According to a September 2020 APTA survey of 128 transit agency members, almost two-thirds of the agencies across all transit modes are considering service cuts to close funding

¹⁶September 2020 ridership across these 30 commuter rail systems in operation was between 55 and 96 percent below September 2019 ridership levels.

¹⁷Rail Runner Express service was suspended on March 14, 2020, due to the COVID-19 pandemic and resumed service at a reduced schedule on March 8, 2020.

gaps. In addition, 8 out of 10 large transit agencies that responded to the survey are considering delaying, deferring, or cancelling planned capital projects.¹⁸

As the pandemic continues, some commuter rail agencies are exploring new technologies to help mitigate the spread of COVID-19 among their passengers and employees. For example, New York's Metropolitan Transportation Authority (MTA), which operates the Metro-North and the Long Island Rail Road commuter rail systems, is piloting a new technology to filter and purify air inside its trains to destroy airborne viruses and bacteria, including the virus that causes COVID-19. An MTA official told us the new technology will improve the agency's existing filtration system for its trains and use an electrical field to destroy airborne viruses and particulates.

Further, according to this MTA official, the new filtering and purifying system will have benefits well after the COVID-19 pandemic is over as it can kill flu viruses and bacteria that cause common illnesses. We previously reported that transit agencies have taken steps to help mitigate the spread of COVID-19 among passengers and employees, including enhanced cleaning and sanitation of vehicles, providing and requiring face masks, practicing social distancing on vehicles, and suspending fare collection.¹⁹ Transit agencies will likely have to continue these types of measures while the pandemic persists and may choose to continue some of these measures after the pandemic ends.

To help mitigate the economic impacts of the COVID-19 pandemic, some commuter rail agencies have relied on relief funding through the 2020 CARES Act.²⁰ Twenty-seven of the 31 commuter rail agencies reported that they had used CARES Act funding as of October 2020.²¹ According to APTA's September 2020 survey of transit agencies, CARES Act funds allowed agencies to maintain transit operations and helped limit employee furloughs.²² We previously reported that as of September 2020, 90 percent of CARES Act transit industry funds had been obligated by recipients for operating expenses.²³

In the long term, commuter rail agencies may need to reassess their pre-pandemic service levels. For example, officials at seven of the 10 commuter rail agencies we spoke with said long-term shifts in commuting patterns, such as increased teleworking among former riders, could affect their service long after the immediate effects of the pandemic are over. Accordingly, it is unclear how the economic and quality-of-life benefits commuter rail service provides to riders may change if lower levels of ridership persist.

¹⁸APTA, *COVID-19 Pandemic Threatens Public Transit Jobs and Service* (September 2020).

¹⁹GAO, *COVID-19: Urgent Actions Needed to Better Ensure an Effective Federal Response*, [GAO-21-191](#) (Washington, D.C.: Nov. 30, 2020).

²⁰Pub. L. No. 116-136, 134 Stat. at 599. Since passage of the CARES Act, the Consolidated Appropriations Act of 2021 has provided additional funding for commuter rail agencies. Pub. L. No. 116-260, 134 Stat. 1182 (2020).

²¹The CARES Act appropriated \$25 billion to the FTA to support the transit industry through the FTA's Urbanized Area and Rural Area formula programs. Funds were allocated to recipients of those formula funds.

²²APTA, *COVID-19 Pandemic Threatens Public Transit Jobs and Service* (September 2020).

²³[GAO-21-191](#).

Agency Comments

We provided a draft of this report to the Department of Transportation for review and comment. The Department of Transportation provided technical comments, which we incorporated as appropriate.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Transportation, and other interested parties. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-2834 or vonaha@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report include Brandon Haller (Assistant Director); Catherine Kim (Analyst in Charge); Oluwaseun Ajayi; Melissa Greenaway; Dan Luo; John Mingus; Malika Rice; Laurel Voloder; and Elizabeth Wood.



Andrew Von Ah
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Physical Infrastructure

Enclosures – 5

Enclosure I: Information on Transit and Commuter Rail Funding Programs

In response to a provision in the explanatory statement accompanying the Further Consolidated Appropriations Act of 2020 for GAO to review issues related to commuter rail in less urbanized communities, this enclosure identifies available sources of federal funding to support the operation of commuter rail services.²⁴

Because commuter rail service is provided by some transit agencies that operate multiple modes of transit, table 1 identifies the federal funding sources available to transit agencies for all transit modes including commuter rail as of April 2020.²⁵ Other federal funding sources may also benefit transit agencies, such as programs for freight railroads or for safety and security.²⁶ However, this table focuses on the federal sources that transit agencies generally use to fund their transit capital and operating expenses. Some of these programs also require a local match. The table is grouped by funding sources that can be used for operating expenses and other available funding sources.

Table 2 provides a listing of the federal funds expended in fiscal year 2018 as reported by transit agencies to the Federal Transit Administration's (FTA) National Transit Database (NTD).²⁷ The table includes 32 transit agencies that provide commuter rail services.²⁸ Many of these agencies also provide additional transit services beyond commuter rail. Because NTD reporting is done at the transit agency level, we are unable to identify what portion of the federal funds were specifically spent on commuter rail projects as compared to other transit projects. Additionally, the table includes a variety of information and it is important to note that:

- The table includes four FTA funding programs individually reported to NTD that can be used for commuter rail service (as described in table 1). In addition, the table includes a combined category of funds from other Department of Transportation (DOT) grant programs (such as the Federal Highway Administration's Congestion Mitigation and Air Quality (CMAQ) program and the Transportation Investment Generating Economic Recovery (TIGER) discretionary program).
- The sources listed are not exhaustive of all federal funding received and expended by transit agencies in fiscal year 2018, given these transit agencies may also receive funds from other federal programs that are not eligible to be spent on commuter rail (e.g., formula funds for buses and bus facilities).
- For the Urbanized Area and Rural Area Formula Grant Programs, transit agencies report to NTD whether the funds were expended for operating and maintenance costs or

²⁴The Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2020, was enacted as Division H of the Further Consolidated Appropriations Act, 2020, Pub. L. No. 116-94 (2019). The explanatory statement accompanying that Act incorporated by reference Senate Report 116-109. GAO provided the information contained in this enclosure to the House and Senate Committees on Appropriations to satisfy the 120-day provision for GAO to review issues related to commuter rail in small and rural communities. 165 Cong. Rec. H11061, H11454 (daily ed. Dec. 17, 2019) (explanatory statement submitted by Rep. Lowey, Chairwoman of the House Committee on Appropriations, regarding H.R. 1865, Further Consolidated Appropriations Act, 2020).

²⁵The listed federal funding sources do not include any funds made available to commuter rail or transit agencies by the CARES Act, Pub. L. No. 116-136, 134 Stat. 281 (2020), and the Consolidated Appropriations Act, Pub. L. No. 116-260, 134 Stat. 1182 (2020).

²⁶For example, Infrastructure for Rebuilding America grants and funding reserved for the deployment of positive train control through the Consolidated Rail Infrastructure and Safety Improvements program.

²⁷This was the most recent year of data available from FTA at the time of this analysis.

²⁸These 32 transit agencies provide financial support to 31 commuter rail systems.

capital costs, but do not report on what mode of service a particular source of funds were spent. While the Rural Area Formula Grant Program can also be used for operating and maintenance costs, only the Delaware Transit Corporation reported using \$189,147 in fiscal year 2018 for that purpose.

Figure 2 shows the federal funding these transit agencies' expended in fiscal year 2018 on operating and maintenance costs compared to capital costs. We used transit agencies' NTD reporting to determine this breakdown.

Table 3 describes three different federal financing tools that may be used for commuter rail projects, as of April 2020, in addition to the federal programs identified.

Table 4 lists sources of state and local funding that the National Conference of State Legislatures and DOT identified that transit agencies may use to help fund their commuter rail operations as of April 2020. Most transit agencies rely on additional funding sources beyond federal programs.

Table 1: Federal Funding Sources Available for Commuter Rail as of April 2020

	Program	Description	Source of funds	Type of allocation	Allowable project types	Fiscal year (FY) 2019 funds available
Funding sources available for operating expenses <i>In general, the Federal Transit Administration (FTA) classifies operating expenses as costs necessary to operate, maintain, and manage a public transportation system to include driver salaries, fuel, and other items with a useful life of less than one year.</i>	FTA Urbanized Area Formula Grants (5307)	Funding for public transportation in urbanized areas (UZA) with populations of 50,000 or more. Distribution factors are more complex if population is less than 200,000. Eligible recipients are states or government authorities for one or more UZAs. Operating assistance for commuter rail is limited to: maintenance expenses; operating expenses in UZAs under 200,000 people; and security expenses (up to 1 percent of funds).	Highway Trust Fund	Formula	Capital, planning, job access and reverse commute, operations.	\$5.3 billion
	FTA Rural Area Formula Program (5311)	Funding to states and Indian tribes for public transportation outside of urbanized areas, specifically areas with populations less than 50,000. Eligible applicants include states and Indian tribes. Eligible sub-recipients include a state or local government authority, a nonprofit organization, an operator of public transportation, or intercity bus service that receives Federal transit program grant funds indirectly through a recipient.	Highway Trust Fund	Formula	Capital, planning, job access and reverse commute, operations	\$783 million (includes Rural Area Formula Grants, Tribal Transit Formula Grants, Tribal Transit Competitive Grants, and Appalachian Program Grants)

	Program	Description	Source of funds	Type of allocation	Allowable project types	Fiscal year (FY) 2019 funds available
	Federal Highway Administration (FHWA) Congestion Mitigation and Air Quality Improvement (CMAQ) Program	Funding for transportation projects and other related efforts that contribute to air quality improvements and provide congestion relief in nonattainment or maintenance areas. Funds are distributed to states under the program. States that have no such designated areas still receive a minimum apportionment of funding for either air quality projects or other elements of flexible spending.	Highway Trust Fund	Formula	Capital, emissions reduction, operations, planning, and project development	\$2.4 billion
	FTA Emergency Relief Program	Funding provided to states, territories, and transit agencies after a federally-declared emergency or disaster. Funding is given to public transportation agencies that have experienced serious damage to transit assets.	General Fund	N/A	Capital, operations	Based on need
Other available funding sources	Department of Transportation (DOT) Better Utilizing Investments to Leverage Development (BUILD) Transportation Grants	Funding awarded for surface transportation projects that have a significant impact in local and regional communities. Not more than 50 percent of FY 2019 funds could be awarded to projects in rural areas. In 2020, eligible applicants include state, local, and tribal governments, including transit agencies and other subdivisions of state or local governments. Previously known as the DOT Transportation Investment Generating Economic Recovery (TIGER) discretionary grant program.	General Fund	Competitive	Capital, planning	\$900 million
	FHWA Surface Transportation Block Grant Program	Funding to states and localities for projects that preserve and improve conditions on any federal-aid highway, bridges and tunnels on any public road and transit capital projects, among other things.	Highway Trust Fund	Formula	Capital	\$11.9 billion

	Program	Description	Source of funds	Type of allocation	Allowable project types	Fiscal year (FY) 2019 funds available
	FTA Capital Investment Grant Program (5309)	Funding to support the construction of new rail, bus rapid transit, and ferry systems, and to expand existing systems. Program includes four types of projects: New Starts, Small Starts, Core Capacity, and Interrelated Projects. States and local government authorities are eligible recipients.	General Fund	Competitive	Capital	\$2.5 billion
	FTA State of Good Repair Grant Program (5337)	High Intensity Fixed Guideway funding distributes approximately 97 percent of the funds in this program for maintaining rail, bus rapid transit, trolleybus, and ferry systems. High Intensity Motorbus funding distributes approximately 3 percent of the funds in this program for bus service operated in high-occupancy vehicle lanes. FTA distributes funds to designated recipients in UZAs according to a statutory formula. Eligible recipients are states and local government authorities in urbanized areas with fixed guideway and high intensity motorbus systems in revenue service for at least seven years.	Highway Trust Fund	Formula	Capital	\$2.9 billion

Source: GAO presentation of Congressional Research Service, DOT, FHWA, and FTA information. | GAO-21-355R

Table 2: Fiscal Year 2018 Federal Funds Expended by Transit Agency

	Associated commuter rail system(s)	State(s) in service area	Federal Transit Agency (FTA) Capital Investment Grant Program (5309)	FTA State of Good Repair Program (5337)	FTA Urbanized Area Formula Grant Program (5307)	FTA Urbanized Area Formula Grant Program (5307) - Operations (including maintenance)	FTA Rural Area Formula Grant Program (5311)	Funds received from other Department of Transportation grant programs ^a
Altamont Corridor Express (ACE)	ACE	CA	—	\$4,441,341	\$3,808,018	—	—	—
Capital Metropolitan Transportation Authority	MetroRail	TX	\$1,295,501	\$3,240,983	—	\$51,581,985	—	\$7,097,321
Florida Department of Transportation	SunRail	FL	\$25,077,832	—	\$883,000	\$9,284,563	—	—
Central Puget Sound Regional Transit Authority	Sounder	WA	\$110,922,978	\$13,442,514	\$41,738,714	—	—	—
Connecticut Department of Transportation	Shore Line East Metro-North Commuter Railroad Company (New Haven Line)	CT, NY	—	—	\$95,560,038	\$11,776,549	—	—
Dallas Area Rapid Transit	Trinity Railway Express	TX	\$7,180,734	\$8,624,644	\$62,834,835	—	—	\$6,141,272
Delaware Transit Corporation	Southeastern Pennsylvania Transportation Authority (SEPTA)	DE, NJ, PA	\$884,935	—	\$3,202,905	\$5,295,400	\$2,105,460	—
Denton County Transportation Authority	A-train	TX	—	—	\$1,560,047	\$2,778,978	—	—
Denver Regional Transportation District (RTD)	Denver RTD	CO	\$13,392,863	\$16,809,391	\$19,206,622	\$66,523,738	—	—
Fort Worth Transportation Authority	TEXRail Trinity Railway Express	TX	\$192,405,607	—	\$13,884,188	—	—	—
Maryland Transit Administration	Maryland Area Regional Commuter (MARC) Train	DC, MD, WV	\$4,585,648	\$78,321,352	\$110,220,251	\$17,860,399	—	—
Massachusetts Bay Transportation Authority (MBTA)	MBTA	MA, RI	\$98,090,473	\$71,761,708	\$152,818,631	—	—	—
Metro Transit	Northstar	MN	\$2,237,302	\$5,335,874	\$27,333,343	\$19,787,047	—	—
Metro-North Commuter Railroad Company	Metro-North Commuter Railroad Company	CT, NJ, NY	\$9,151,692	—	\$43,355,235	—	—	\$1,712,301
Metropolitan Transportation Authority (MTA)	Long Island Rail Road (LIRR)	NY	\$66,151,001	—	\$48,504,687	—	—	\$1,419,599
New Jersey Transit Corporation (NJ TRANSIT)	NJ TRANSIT Metro-North Commuter Railroad Company	NJ, NY, PA	\$115,247,179	\$196,755,625	—	\$409,024,742	—	—
North County Transit District	COASTER SPRINTER	CA	\$312,179	\$14,174,830	\$4,847,352	\$11,422,652	\$424,310	—
Northeast Illinois Regional Commuter Railroad Corporation	Metropolitan Rail Corporation (Metra)	IL	\$5,611,450	\$75,880,927	\$61,105,003	—	—	—
Northern Indiana Commuter Transportation District	South Shore Line	IN, IL	—	\$10,959,033	—	\$5,588,738	—	—

Table 2: Fiscal Year 2018 Federal Funds Expended by Transit Agency

	Associated commuter rail system(s)	State(s) in service area	Federal Transit Agency (FTA) Capital Investment Grant Program (5309)	FTA State of Good Repair Program (5337)	FTA Urbanized Area Formula Grant Program (5307)	FTA Urbanized Area Formula Grant Program (5307) - Operations (including maintenance)	FTA Rural Area Formula Grant Program (5311)	Funds received from other Department of Transportation grant programs ^a
Northern New England Passenger Rail Authority	Downeaster	MA, ME, NH	—	\$5,617,416	\$6,088,017	—	—	\$2,068,274
Peninsula Corridor Joint Powers Board	Caltrain	CA	\$116,323,453	\$26,576,240	\$33,704,018	—	—	\$179,844
Pennsylvania Department of Transportation	Keystone Line	NY, PA	\$7,201,124	\$202,740	\$2,935,762	—	—	—
Regional Transportation Authority	WeGo Star	TN	—	—	\$3,357,183	\$3,202,706	—	—
Rio Metro Regional Transit District	New Mexico Rail Runner Express	NM	\$135,632	\$4,022,302	\$1,081,432	\$9,008,994	\$975,686	\$2,853,711
Riverside County Transportation Commission	Metrolink	CA	—	—	—	—	—	—
Sonoma-Marín Area Rail Transit (SMART) District	SMART	CA	\$6,224,263	—	\$3,102,133	—	—	\$2,280
South Florida Regional Transportation Authority	Tri-Rail	FL	\$739,331	\$16,689,605	\$6,936,151	\$11,515,931	—	\$4,000,000
Southeastern Pennsylvania Transportation Authority (SEPTA)	SEPTA	DE, NJ, PA	\$13,203,030	\$39,368,967	\$150,046,085	\$74,749,993	—	—
Southern California Regional Rail Authority	Metrolink	CA	\$4,580,050	\$32,751,263	—	—	—	\$3,914,911
Tri-County Metropolitan Transportation District of Oregon	Westside Express Service	OR	—	\$37,521,137	\$209,864	\$78,344,658	—	\$24,000
Utah Transit Authority	FrontRunner	UT	\$20,621,158	\$14,435,858	\$44,419,452	—	—	\$7,741,606
Virginia Railway Express (VRE)	VRE	DC, VA	\$753,728	\$6,412,194	\$7,815,892	\$9,767,388	—	\$172,656
Total			\$822,329,143	\$683,345,944	\$950,558,858	\$797,514,461	\$3,505,456	\$37,327,775

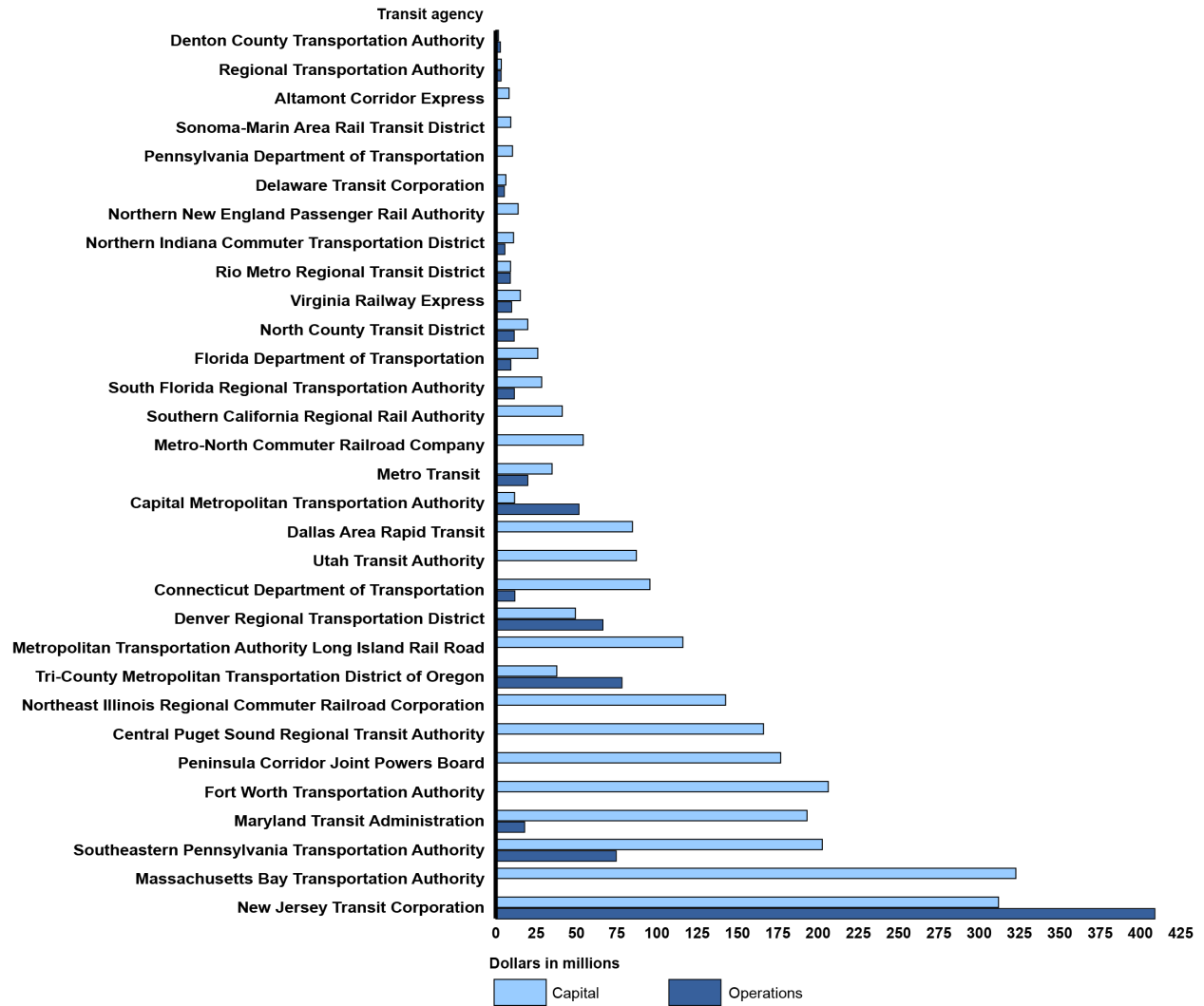
Legend: — = Transit agency did not expend fiscal year 2018 funds for this program.

Source: GAO analysis of Department of Transportation and National Transit Database data. | GAO-21-355R

Note: The sources listed are not exhaustive of all federal funding received and expended by transit agencies in fiscal year 2018, since these transit agencies may also receive funds from other federal programs that are not eligible to be spent on commuter rail (e.g., formula funds for buses and bus facilities).

^a This combined category of funds includes other Department of Transportation grant programs including the Federal Highway Administration’s Congestion Mitigation and Air Quality (CMAQ) program and the Transportation Investment Generating Economic Recovery (TIGER) discretionary program.

Figure 2: Fiscal Year 2018 Federal Funds Expended (All Transit Modes, Including Commuter Rail)



Source: GAO analysis of National Transit Database data. | GAO-21-355R

Data table for Figure 2: Fiscal Year 2018 Federal Funds Expended (All Transit Modes, Including Commuter Rail)

Transit agency	Capital (dollars in millions)	Operations (dollars in millions)
Denton County Transportation Authority	\$1.6	\$2.8
Regional Transportation Authority	3.4	3.2
Altamont Corridor Express	8.2	0
Sonoma-Marín Area Rail Transit District	9.3	0
Pennsylvania Department of Transportation	10.3	0
Delaware Transit Corporation	6.2	5.3
Northern New England Passenger Rail Authority	13.8	0

Transit agency	Capital (dollars in millions)	Operations (dollars in millions)
Northern Indiana Commuter Transportation District	11	5.6
Rio Metro Regional Transit District	9.1	9
Virginia Railway Express	15.2	9.8
North County Transit District	19.8	11.4
Florida Department of Transportation	26	9.3
South Florida Regional Transportation Authority	28.4	11.5
Southern California Regional Rail Authority	41.2	0
Metro-North Commuter Railroad Company	54.2	0
Metro Transit	34.9	19.8
Capital Metropolitan Transportation Authority	11.6	51.6
Dallas Area Rapid Transit	84.8	0
Utah Transit Authority	87.2	0
Connecticut Department of Transportation	95.6	11.8
Denver Regional Transportation District	49.4	66.5
Metropolitan Transportation Authority Long Island Rail Road	116.1	0
Tri-County Metropolitan Transportation District of Oregon	37.8	78.3
Northeast Illinois Regional Commuter Railroad Corporation	142.6	0
Central Puget Sound Regional Transit Authority	166.1	0
Peninsula Corridor Joint Powers Board	176.8	0
Fort Worth Transportation Authority	206.3	0
Maryland Transit Administration	193.1	17.9
Southeastern Pennsylvania Transportation Authority	202.6	74.7
Massachusetts Bay Transportation Authority	322.7	0
New Jersey Transit Corporation	312	409

Table 3: Federal Financing Tools for Commuter Rail as of April 2020

Program	Description	Allowable project types
DOT Transportation Infrastructure Finance and Innovation Act (TIFIA)	Credit assistance for transportation projects of regional and national significance. Offers three types of financial assistance: direct loans, loan guarantees, and standby lines of credit.	Rehabilitation, capital, and planning.
DOT Railroad Rehabilitation and Improvement Financing (RRIF)	Direct loans and loan guarantees to finance the development of railroad infrastructure.	Rehabilitation, capital, planning, and refinancing.
DOT Private Activity Bonds (PAB)	Government-issued tax-exempt bonds used to finance certain projects that would otherwise be classified as “private activities.” May also be issued for public transportation projects that receive TIFIA assistance.	Any surface transportation project receiving federal assistance under Title 23 of the U.S. Code, deals with highways and infrastructure finance.

Source: GAO presentation of Department of Transportation information. | GAO-21-355R

Table 4: State and Local Funding Sources for Commuter Rail as of April 2020

Funding source	Description
Motor Fuel Tax	Tax levied on gasoline and diesel motor fuel. Commonly distributed via a state transportation fund for public transportation and infrastructure.
Dedicated Specific Fees/Taxes	Direct fee or tax for public transportation, such as a percentage of new motor vehicle registration fees, motor vehicle sales tax revenues, value capture mechanisms such as land or property value assessments in station catchment areas, or rental car taxes.
State Transportation Fund	Dedicated fund for transportation. Funding may be restricted for use on highways and roads, or a percentage may be dedicated to public transportation. May be funded from a variety of sources, such as sales taxes, motor fuel taxes, or specific fees.
State General Fund	General funds are not dedicated by law to a specific purpose, and may be allocated by a state legislature for transportation purposes. May be funded through a variety of sources, including property, income, business, and sales taxes.
Regional Transportation Authorities	Political subdivisions of states that can combine efforts of multiple municipalities. Some regional transportation authorities have taxing authority to fund public transportation in the combined area.
State and Local Bonds	Debt financing tool consisting of a state’s or locality’s obligation that can be used to finance transportation projects.

Source: GAO presentation of information from the Department of Transportation and the National Conference of State Legislatures. | GAO-21-355R

Enclosure II: Commuter Rail Agencies and Stakeholders Interviewed

Selected Commuter Rail Agencies

FrontRunner – Utah

Maryland Area Regional Commuter (MARC) Train – Maryland, Washington, D.C.

Metrolink – California

Metro-North Commuter Railroad Company – New York

MetroRail – Texas

New Mexico Rail Runner Express – New Mexico

Northstar – Minnesota

Sonoma-Marín Area Rail Transit (SMART) – California

Sounder – Washington

WeGo Star – Tennessee

Stakeholders

American Public Transportation Association - National industry association for transit

Austin Chamber of Commerce - Business organization in MetroRail's service area

City of Windsor - Local city government in SMART's service area

MARC Riders Advisory Committee - Ridership group representing MARC

Metropolitan Transportation Commission (MTC) - Metropolitan planning organization for SMART's service area

Santo Domingo Tribal Housing Authority - Community organization in New Mexico Rail Runner Express' service area

Enclosure III: Commuter Rail Systems in the United States

Table 5: Information on Commuter Rail Systems in the United States as of December 2020 (Listed Alphabetically)

Commuter rail system	Transit agency	Primary service area	State(s) in service area	Year open to public service	Only operates commuter rail	Number of lines	Number of stations	Total directional route miles	Total passenger boardings (fiscal year 2019)
Altamont Corridor Express (ACE)	ACE	Stockton-San Jose, CA	CA	1998	Yes	1	10	172	1,506,183
A-train	Denton County Transportation Authority	Denton County, TX	TX	2011	No	1	6	42.6	387,466
Caltrain	Peninsula Corridor Joint Powers Board	San Francisco-San Jose-Gilroy, CA	CA	1992	Yes	1	32	154.6	17,662,773
COASTER	North County Transit District	San Diego County, CA	CA	1995	No	1	8	82.2	1,408,677
Denver Regional Transportation District (RTD)	Denver RTD	Denver, CO	CO	2016	No	3	16	70.6	9,711,377
Downeaster	Northern New England Passenger Rail Authority / Amtrak	Brunswick, ME-Portland, ME-Boston, MA	MA, ME, NH	2001	Yes	1	12	287.6	543,632
FrontRunner	Utah Transit Authority	Ogden-Salt Lake City-Provo, UT	UT	2008	No	1	15	163	5,193,880
Keystone Line	Pennsylvania Department of Transportation / Amtrak	Harrisburg-Philadelphia, PA	NY, PA	1972	Yes	1	21	144.4	1,299,773
Long Island Rail Road (LIRR)	Metropolitan Transportation Authority (MTA) LIRR	New York City-Long Island, NY	NY	1834	Yes	11	125	320.4	91,105,137
Maryland Area Regional Commuter (MARC) Train	Maryland Transit Administration	Martinsburg, WV-Frederick, MD-Perryville, MD-Baltimore, MD-Washington, D.C.	DC, MD, WV	1983	No	3	42	197.7	9,106,885
Massachusetts Bay Transportation Authority (MBTA)	MBTA	Boston, MA	MA, RI	1964	No	14	140	776.1	29,444,876
Metrolink	Southern California Regional Rail Authority	Southern CA-Los Angeles, CA	CA	1992	Yes	7	62	538	11,935,362
Metro-North Commuter Railroad Company	Metropolitan Transportation Authority (MTA) Metro-North	New York City-North and East NY	CT, NJ, NY	1983	No	5	123	545.7	86,620,370

Commuter rail system	Transit agency	Primary service area	State(s) in service area	Year open to public service	Only operates commuter rail	Number of lines	Number of stations	Total directional route miles	Total passenger boardings (fiscal year 2019)
Metropolitan Rail Corporation (Metra)	Northeast Illinois Regional Commuter Railroad Corporation	Chicago, IL	IL	1983	Yes	11	243	975	61,000,000
MetroRail	Capital Metropolitan Transportation Authority	Austin, TX	TX	2010	No	1	9	64.2	708,914
New Mexico Rail Runner Express	Rio Metro Regional Transit District	Albuquerque-Santa Fe, NM	NM	2006	No	1	15	193.1	763,428
NJ TRANSIT	New Jersey Transit Corporation	New Jersey-New York City, NY	NJ, NY, PA	1983	No	11	153	1001.8	79,511,993
Northstar	Metro Transit	Big Lake-Minneapolis, MN	MN	2009	No	1	7	77.9	767,767
Shore Line East	Connecticut Department of Transportation	New Haven-New London, CT	CT, NY	1990	No	1	9	101.2	430,949
Sonoma-Marín Area Rail Transit (SMART)	SMART District	Sonoma and Marin Counties, CA	CA	2017	Yes	1	12	90.1	716,849
Souder	Central Puget Sound Regional Transit Authority	Lakewood-Seattle-Everett, WA	WA	2000	No	1	12	163.8	4,612,244
South Shore Line	Northern Indiana Commuter Transportation District	South Bend, IN-Chicago, IL	IN, IL	1903	Yes	1	19	179.8	3,283,603
Southeastern Pennsylvania Transportation Authority (SEPTA)	SEPTA	Philadelphia, PA	DE, NJ, PA	1983	No	13	155	446.9	34,730,055
SPRINTER	North County Transit District	Escondido-Oceanside, CA	CA	2008	No	1	15	44	2,408,961
SunRail	Florida Department of Transportation	Central FL-Orlando, FL	FL	2014	No	1	16	49	1,469,654
TEXRail	Fort Worth Transportation Authority	Dallas-Fort Worth, TX	TX	2019	No	1	9	52.3	407,418
Trinity Railway Express (TRE)	Dallas Area Rapid Transit	Dallas-Fort Worth, TX	TX	1996	No	1	10	34	1,808,772
Tri-Rail	South Florida Regional Transportation Authority	Miami-Dade Counties, FL	FL	1989	No	1	18	142.2	4,465,750

Commuter rail system	Transit agency	Primary service area	State(s) in service area	Year open to public service	Only operates commuter rail	Number of lines	Number of stations	Total directional route miles	Total passenger boardings (fiscal year 2019)
Virginia Railway Express (VRE)	VRE	Northern VA-Washington, D.C.	DC, VA	1992	Yes	2	19	173.6	4,477,266
WeGo Star	Regional Transportation Authority	Nashville, TN	TN	2006	No	1	7	62.8	289,524
Westside Express Service (WES)	Tri-County Metropolitan Transportation District of Oregon	Wilsonville-Beaverton, OR	OR	2009	No	1	5	29.2	374,044

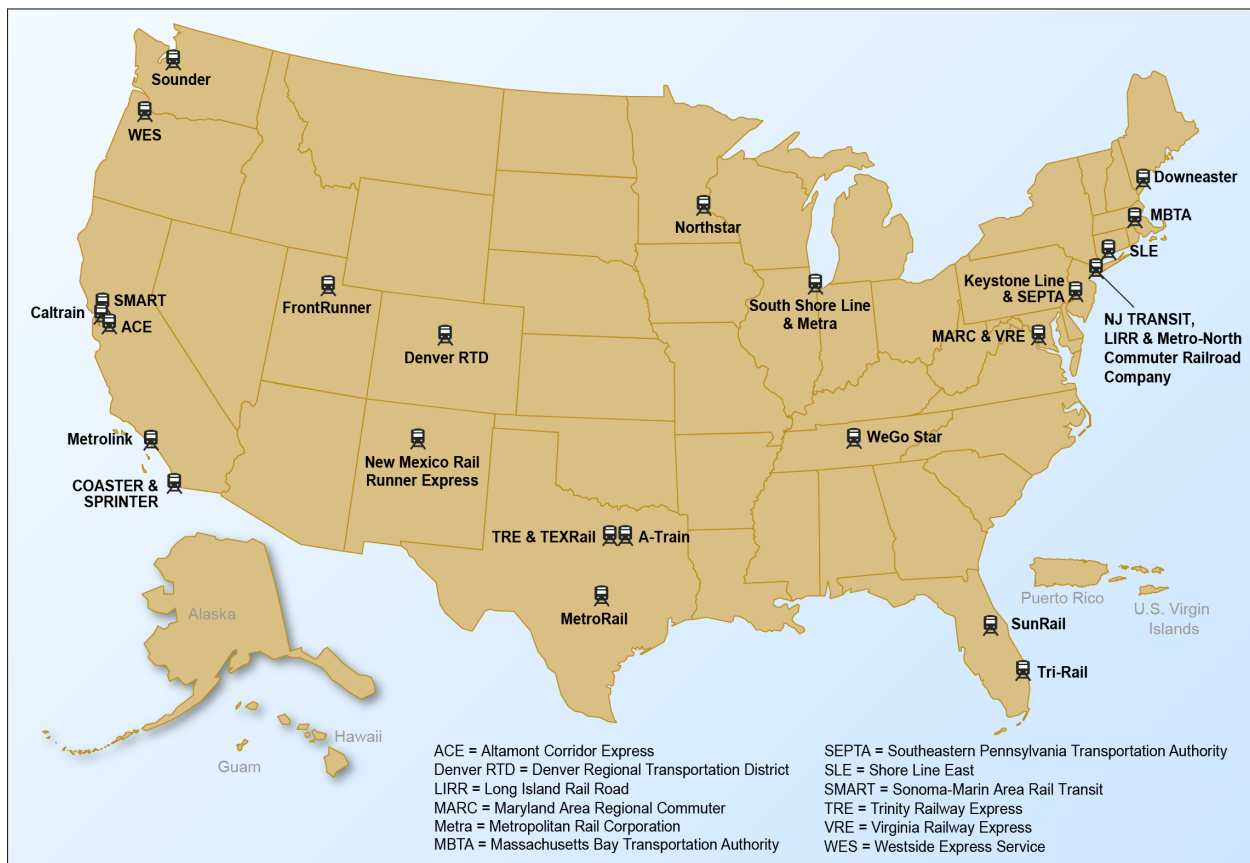
Legend: ✓ = yes; ✗ = no

Source: GAO analysis of commuter rail agency data. | GAO-21-355R

Enclosure IV: U.S. Commuter Rail System Snapshots

We created snapshots for 31 commuter rail systems in the United States (see figure 3). We requested and analyzed data and other information from the 31 systems, including their fiscal year 2019 funding information, station location data, and total passenger boardings by station, if available.²⁹ In addition, we compiled capital and operating cost data for each system using the Federal Transit Administration’s National Transit Database. Where needed to ensure data consistency, we used data provided by officials from the commuter rail system in place of the National Transit Database’s numbers for cost information, as noted in each system’s profile. We used these data to create a snapshot profiling each commuter rail system, which includes a map showing the location of each of the system’s stations and the relative population density of its service area.

Figure 3: Map of the 31 Commuter Rail Systems in the United States



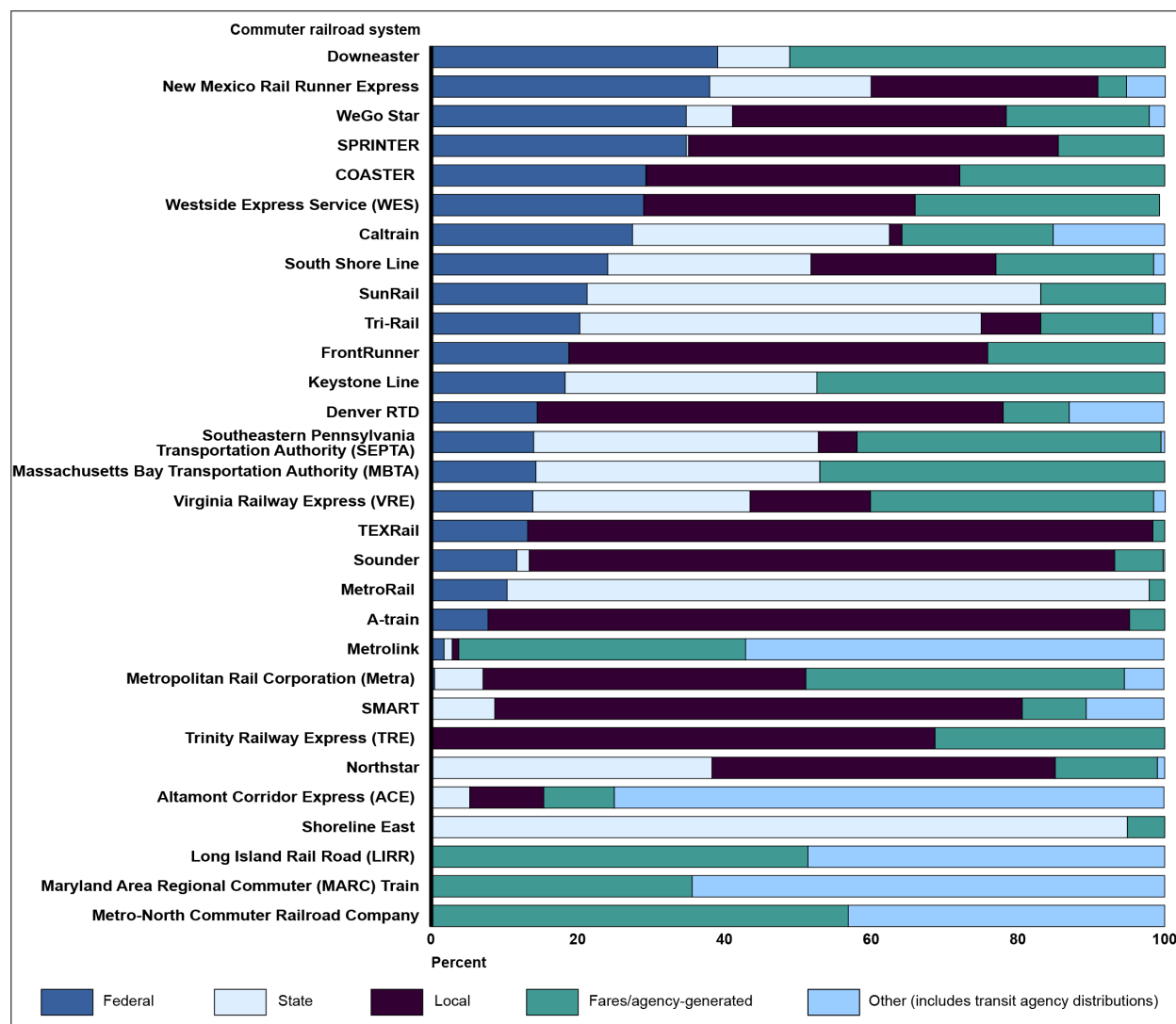
Sources: GAO analysis of commuter rail agency data and Map Resources. | GAO-21-355R

²⁹There were seven commuter rail systems that were not able to provide us with annual passenger boarding data at the station level. The data that were provided by these systems are noted below in their respective snapshot.

Enclosure V: Commuter Rail Funding Sources in Fiscal Year 2019

We collected and reviewed data and other information from 31 commuter rail agencies, including annual capital and operating costs, total annual revenue, and funding sources for fiscal years 2017 to 2019, the three most recent years that data were available at the time of our analysis. Our analysis found that, in fiscal year 2019, each of the 31 commuter rail systems was funded through a combination of federal, state, local, or other sources, including fare revenue (see figure 4). The percentage of funds received from the different sources varied widely among commuter rail agencies. Each funding source may be used to cover commuter rail capital expenses, operating expenses, or both, depending on individual program restrictions.

Figure 4: Total Commuter Rail System Funding for Operating and Capital Expenses by Source, Fiscal Year 2019



Source: GAO analysis of commuter rail agency data. | GAO-21-355R

Data table for Figure 4: Total Commuter Rail System Funding for Operating and Capital Expenses by Source, Fiscal Year 2019

Commuter railroad system	Federal	State	Local	Fares/agency-generated	Other (includes transit agency distributions)
Downeaster	39.1%	9.8%	0%	51.2%	0%
New Mexico Rail Runner Express	38	22	30.9	3.9	5.3
WeGo Star	34.8	6.3	37.3	19.5	2.1
SPRINTER	34.8	0.3	50.4	14.4	0
COASTER	29.3	0.1	42.7	27.9	0
Westside Express Service (WES)	29	0	37.7	33.3	0
Caltrain	27.5	35	1.7	20.6	15.2
South Shore Line	24.1	27.7	25.2	21.5	1.5
SunRail	21.3	61.8	0	17	0
Tri-Rail	20.3	54.7	8.1	15.3	1.6
FrontRunner	18.8	0	57.1	24.1	0
Keystone Line	18.3	34.3	0	47.4	0
Altamont Corridor Express (ACE)	16.3	39.9	23.9	19.9	0
Denver RTD	14.5	0	63.5	9	12.9
Massachusetts Bay Transportation Authority (MBTA) Commuter Rail	14.3	38.7	0	47	0
Souder	14.2	4.9	50	31	0
Southeastern Pennsylvania Transportation Authority (SEPTA)	14	38.8	5.3	41.4	0.5
Virginia Railway Express (VRE)	13.9	29.6	16.4	38.6	1.6
TEXRail	13.2	0	85.2	1.6	0
Metrolink	11.2	0	0	40.7	48.1
MetroRail	10.4	87.5	0	2.1	0
A-train	7.8	0	87.4	4.8	0.02
Metropolitan Rail Corporation (Metra)	0.5	6.6	44	43.4	5.4
Long Island Rail Road (LIRR)	0	0	0	51.4	48.6
Maryland Area Regional Commuter (MARC) Train	0	0	0	35.6	64.4

Commuter railroad system	Federal	State	Local	Fares/agency-generated	Other (includes transit agency distributions)
Metro-North Commuter Railroad Company	0	0	0	56.9	43.1
Northstar	0	38.3	46.8	13.9	1
Shoreline East	0	94.9	0	5.1	0
SMART	0	8.7	71.9	8.7	10.6
Trinity Railway Express (TRE)	0	0	68.7	31.3	0

Note: The figure includes 30 of the 31 U.S. commuter rail systems included in our report. NJ TRANSIT provided funding information for all of its transit modes, including commuter rail.

Federal Funding

For the 30 commuter rail agencies that submitted system funding data to us,³⁰ federal sources contributed from 0 to 39 percent of their total funding in fiscal year 2019. While there is no dedicated federal funding program for commuter rail, funds for commuter rail projects are generally available through Department of Transportation (DOT) formula programs (such as the Section 5307 Urbanized Area Formula Program), as well as grant (e.g., Section 5309 Capital Investment Grant) and loan (e.g., Transportation Infrastructure Finance and Innovation Act) programs. Most federal programs focus on funding transit agencies' capital expenses, but certain operating expenses are also eligible for funding.³¹

Funding appropriated by the 2020 CARES Act did not include the same restrictions on operating expenses as existing Federal Transit Administration (FTA) funding programs. Transit agencies may use CARES Act funds on expenses related to the ongoing COVID-19 pandemic. FTA has said this funding may cover operating expenses such as driver salaries and fuel. For more information on the DOT and FTA funding sources available to commuter rail agencies and the eligible activities for each program, see enclosure I.

Passenger Fares and Other Agency-Generated Revenue

The commuter rail agencies that submitted information to us generated from 2 to 57 percent of total funding through passenger fares and other agency-generated revenue in fiscal year 2019. Similar to other transit modes, commuter rail passenger fares may be collected as flat, zone-based, or distanced-based fares.³² Commuter rail agencies may also offer monthly passes independently or in partnership with employers in their service area. For some commuter rail systems, monthly passes make up the majority of tickets sold on the system. One commuter rail agency we spoke with said that 90 percent of its riders used pre-paid or monthly passes.

³⁰NJ TRANSIT submitted data for all of its transit modes, including commuter rail.

³¹Operating expenses allowed under the Urbanized Area formula program include maintenance expenses, operating expenses in urbanized areas with fewer than 200,000 people, and security expenses (at least 1 percent of funds).

³²Flat fares charge each passenger the same price regardless of the distance traveled on the system. Zone and distanced-based fares charge passengers based on the number of geographic areas they travel through, or the number of miles they travel on the system.

Ridership and associated passenger fares are key metrics for commuter rail agencies. Higher ridership increases an agency's passenger fare revenue and decreases its need for other sources of funding.

In addition to passenger fares, commuter rail agencies may generate revenue from other activities, such as parking fees, special event transportation, and advertising. For example, officials with WeGo Star, located in Nashville, Tennessee, said that extra train trips to transport passengers to special events like football games or music festivals brought in around \$70,000 each year. While not a large portion of the agency's \$4.9 million budget, agency officials said that the additional service provided for special events was a valuable income source for the agency.

State and Local Funding

The percentage of funds received from state and local sources varied widely among the agencies that submitted information to us. Combined state and local sources contributed from 0 to 95 percent of an agency's funding in fiscal year 2019, and 23 of 31 commuter rail agencies reported that state and local sources made up the majority of the system's funding. State and local funding for transit systems, including commuter rail, may be used to match federal funding. For example, FTA's State of Good Repair funding program requires a 20 percent local match for capital projects.

Transit agencies may receive state and local funding generated through dedicated transit or general taxes, such as sales tax, motor fuel tax, or property taxes. For example, one commuter rail agency reported funding generated from local sales taxes, while another agency received funding from its state transportation fund. For more information on state and local sources used to fund transit agencies, see enclosure I.

Other Sources of Funding

In addition to the above funding sources, 17 commuter rail agencies reported funding received from other sources like interest income, track fees, and transit agency distributions.³³ Four commuter rail agencies received funding from other transit agencies or member contributions. For example, the Metro-North Railroad operates as a subsidiary of New York's Metropolitan Transportation Authority (MTA). According to Metro-North officials, MTA allocates funding to its transit agency members by analyzing the region as a whole. Therefore, Metro-North's allocation may include federal, state, and local funding.

Factors Affecting Sources of Commuter Rail Funding

Different factors affect the total funding available to commuter rail agencies to build and operate their systems. For example, a transit agency's priorities can affect the transit modes in which it invests and the federal projects it pursues. While some transit agencies only operate commuter rail, 21 of the 31 commuter rail agencies operate other transit modes, such as heavy rail, light rail, or buses. Depending on the needs of its service area, a transit agency may decide to apply federal funds for bus or heavy rail rather than commuter rail. Officials we spoke with at one commuter rail agency said the agency determined it was more appropriate to use bus service to

³³If a commuter rail agency owns its railroad track, it may charge freight railroads or Amtrak for use of its infrastructure.

meet transportation needs in the rural communities it serves than to alter the existing commuter rail system.

We previously reported that coordinating multi-jurisdictional transit corridors presents special challenges for agencies making investment decisions.³⁴ Due to the length of the systems, many commuter rail agencies serve multiple jurisdictions in a transit corridor including different cities, counties, or states. Therefore, agencies must coordinate funding and commuter rail service in those jurisdictions. For example, the Southern California Regional Rail Authority includes five county-level transportation commissions that subsidize Metrolink's commuter rail service to their communities. In another example, two of Metro North's five commuter rail lines extend from New York into New Jersey. Under an agreement with the commuter rail agency NJ TRANSIT, Metro North reimburses NJ TRANSIT for the operation of the service.

Regional priorities may also affect the expansion of commuter rail systems and the allocation of available funding. In urbanized areas, federal planning law requires local officials to submit a long-range transportation plan outlining the development of their transportation systems.³⁵ A metropolitan planning organization coordinates transportation investments in these areas and may prioritize certain transit projects over others, including investments in commuter rail. For example, the Metropolitan Transportation Commission (MTC) is the transportation planning, financing, and coordinating agency that allocates transportation funding based on its priorities for the nine-county San Francisco Bay Area in California. According to MTC officials, MTC's long-range plan prioritizes investments in the region's transit network, which includes three commuter rail systems—Altamont Corridor Express (ACE), Caltrain, and Sonoma-Marín Area Rail Transit (SMART). The agency has to balance projects across these three commuter rail systems while operating and maintaining other infrastructure, including an older heavy rail system.

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³⁴GAO, *Intermodal Transportation: Challenges to and Potential Strategies for Developing Improved Intermodal Capabilities*, [GAO-06-855T](#) (Washington, D.C.: June 15, 2006).

³⁵23 U.S.C. § 134(c).