

**THE BOTTOM LINE IN  
TRAN\$IT FINANCING 101:  
THEY'RE ALL TAXPAYER DOLLAR\$**

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Policy and Research Paper

**Prepared for  
Transport Action Canada**

**January, 2010**

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## **1. Background**

The motivation for this report came from a January 16, 2010 article in the Ottawa Citizen by columnist Randall Denley titled *Watson's tunnel vision on costs*. The report title is based on the U.S. presidential campaign catchphrase, "It's the economy, stupid". As discussed below, such a sentiment appears to fit the Ottawa transit saga on several levels. However, the word "stupid" is not used in the title or report so as to keep the discussion politely Canadian.

In the column Mr. Denley commented on the tunnel vision of former Ontario Member of Provincial Parliament (MPP) and now mayoralty candidate Jim Watson in regard to Ottawa's light rail transit (LRT) program. Mr. Denley's comments are of no professional concern to me. After all it is a newspaper column, not a methodologically-designed, learned journal article or public agency-commissioned report in any of my domains of research interest.

Further, to the best of my knowledge neither Mr. Denley nor Mr. Watson is recognized for demonstrated expertise in such LRT program-related fields as urban planning, transportation planning, land use planning, transit planning, infrastructure investment, economic development, econometrics, municipal finance, demographics, spatial analysis, operations research, civil engineering, or decision sciences. As a result, my general inclination is to regard comments by or about either of them with respect to matters of transit expertise as musings which are best treated lightly.

However, my general inclination is set aside and I become professionally exercised to the point of responding when Mr. Denley's musings are incorporated in a newspaper column in which he opines as follows:

"While Watson and every other light rail skeptic is focused on the \$2.1 billion capital cost, the real financial impact of transit expansion comes through the taxpayer operating subsidy."

My objections to the statement by Mr. Denley were precipitated via emails and conversations that referred to the column with questions/comments along the lines of "What the hell has Denley been smoking?" And, they were summarized in a letter I sent to the editor, Ottawa Citizen. The letter was submitted at 7:25 PM on January 16, and an email notice was received on January 18 that the letter was being considered for publication. The letter has not been published.

For the record, the letter to the editor is reproduced under a heading which is designed to make it as clear as words permit that Mr. Denley got it dead wrong when he stated that “...Watson and every other every other light rail skeptic is focused on the \$2.1 billion capital cost ....”

### **Denley Claim about Focus on LRT Capital Costs Refuted.**

The debate about Ottawa’s LRT program was muddled yet again by Randall Denley’s column, Watson’s tunnel vision on costs, Jan. 16.

Specifically, Denley opined that “While Watson and every other light rail skeptic is focused on the \$2.1 billion capital cost, the real financial impact of transit expansion comes through the taxpayer operating subsidy.”

In point of fact this skeptic has repeatedly raised questions about the operating cost matter, and materials to that effect have been published in newspapers, posted on websites, and sent in communications to Jim Watson, John Baird, Russell Mills and, most importantly, to Larry O’Brien, Alex Cullen, other members of Ottawa city council, and City of Ottawa staff..

Questions about operating performance that I have asked repeatedly but have not been answered include the following:

1. What are the passenger loading figures calculated for all the potential west-of-downtown lines for the initial 30 years of LRT service?
2. What is the potential for rezoning light rail-associated properties along the Parkway and other routes west of downtown?
3. What are the associated revenues from each route that could be generated to offset light rail system capital costs for the initial 30 years of LRT service?
4. What are the economic, financial, environmental, and operational costs and benefits of linking each alternative route under consideration to the O-Train line?
5. What are the economic, financial, environmental, and operational costs and benefits associated with station construction for the respective routes west of downtown?

Denley is correct to take issue with elected officials who fail to ensure that both capital and operating budgets receive all due consideration.

However, since concerns about the operating side have been a matter of public record for years, and Ottawa taxpayers will bear the full burden of the operating costs, the appropriate targets for Denley’s disdain are Larry O’Brien, Alex Cullen,

and other members of Ottawa council who seem to have at best a superficial grasp of the LRT file.

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And as for the second part of the abstracted sentence, "...the real financial impact of transit expansion comes through the taxpayer operating subsidy", that is hardly a revelation in any medium, including newspapers.

First, it is a matter of longstanding public record (including newspapers) that transit systems of all kinds and sizes across Canada have operating cost problems that invariably commence the moment the system is launched.

Call me a person of unduly high expectations, but given what is known about transit systems I cannot fathom why a columnist could even contemplate that any professional in a transit-related field, or any informed citizen for that matter, would not be fully aware that capital costs are only one component of the transit financial picture.

Second, it is a matter of established fact that many, many thousands of skeptical statements from numerous individuals throughout the Ottawa metropolitan area have been made over the past decade about the operating cost aspect of Ottawa's various LRT proposals.

Cursory examination of my files reveals that questions and concerns about having due regard for transit operating costs have received wide exposure. A preliminary listing of the ways that statements of skeptics regarding operating costs have been circulated include the following: posted on Internet sites, disseminated via listserves, plastered all over election campaign brochures, sent to members of Ottawa council, sent to city staff, sent to Members of Parliament (MPs) and to Members of Provincial Parliament (MPPs), sent to the chairman of the National Capital Commission (NCC), published in daily and community newspapers, and been the subject of numerous interviews and opinions on radio and television programs.

Indeed, I expect that a well-designed keyword search of the Ottawa Citizen would yield in excess of a least a thousand letters, editorials, columns, election campaign ads, editorial cartoons, and news stories over just the past year in which skeptics focus specifically on the issue of operating costs, as well as on the failure of elected officials and their governments (municipal, provincial, federal) to fully and clearly explain how the operating cost condition is to be satisfied, and to do so before capital commitments are given.

On the evidence, then, the statement by Mr. Denley is unfounded. Moreover, it is also a very unfortunate comment about the transit discourse because it misrepresents the efforts made by a number of skeptics to learn about the true costs of Ottawa's transit program, whether bus transit, light rail transit, or a mix.

Fortuitously there is a saving grace to Mr. Denley's mis-statement, and that is the subject of the next section.

## **2. The Importance of Creating a Record of Who Actually Said or Did What**

In previous reports about Ottawa's LRT program, I discussed the value of a well-documented record of who said or did what in regard to LRT policies, plans, and programs. (The reasons for creating such a record are elaborated in several of the reports identified in section 3.)

Further, I demonstrated my support for the exhortation by taking advantage of the Internet as an electronic mailing and documentation system, and sent communications to mayors, councillors, MPPS, and MPs, as well as to the chairman of NCC. Their responses, or lack of responses, have been noted in a number of website postings (See reports in section 3).

The saving grace of Mr. Denley's column, I suggest, is that it confirms the immeasurable value in having a public record of primary source documentation.

In this case, the primary source documentation of import is the body of original reports, newsletter articles, website postings, radio broadcasts, television programs, listserve notices, etc., in which skeptics ask questions, raise challenges, and seek information and answers about the operating cost part of the transit financial story, whether the transit type is bus, LRT, or a mix.

In the next section I present and briefly comment on a selection of my published documents that are pertinent to the operating cost aspect of Ottawa's proposed LRT program. As discussed below and in several of the following sections, there are good reasons for limiting the present report to the publications of one skeptic, and good reasons for other skeptics to prepare similar listings of their work.

That is, beyond putting my own materials on file for all to scrutinize, this approach may also serve the higher purpose of encouraging other skeptics to create additional files of original materials. These documents could be called upon whenever a journalist, politician, or other wannabe shaper of the public mood presents an opinion which misinterprets or misrepresents a documented position, or unfairly or inaccurately portrays a body of work.

## **3. Reports on T-R-A-N-S-I-T O-P-E-R-A-T-I-N-G C-O-S-T-S**

(The design of the section title draws on the Seinfeld episode in which Frank Costanza emphatically gives drawn-out, syllable-by-syllable instructions to his son George about delivering a TV set. Frank's thinking, apparently, is that sometimes it is necessary to keep things really, really simple. That kind of thinking appears to be very applicable to Ottawa city hall, and to this report.)

The first publications of note are those done as part of the project, ***Methodologies for Identifying and Ranking Sustainable Transport Practices in Urban Regions***, which was undertaken for Transport Canada. For completeness, and convenience for the reader, the titles of the project reports and the links to the reports are provided in full.

1. Wellar, B. 2008. *Methodologies for Identifying and Ranking Sustainable Transport Practices in Urban Regions. Project Synopsis*.  
<http://www.wellar.ca/wellarconsulting/TCProjectSynopsis.pdf>
2. Wellar, B. 2008. *Groups and Individuals Contacted about the Sustainable Transport Methodologies*. Interim Report 1.  
<http://www.wellarconsulting.com/>
3. Wellar, B. 2008. *Background Comment on Methodologies, Methods, and Techniques to Support Decisions to Identify, Adopt, or Implement Sustainable Urban Transport Practices*. Interim Report 2. <http://www.wellarconsulting.com/>
4. Wellar, B. 2008. *Survey of Municipal Governments about Methodologies, Methods, and Techniques Used to Make Sustainable Transport Decisions*. Interim Report 3.  
<http://www.wellarconsulting.com/>
5. Wellar, B. 2008. *Methods and Techniques that Could be Used in Making Decisions about Identifying, Adopting, or Implementing Sustainable Transport Practices*. Research Report 1. <http://www.wellarconsulting.com/>
6. Wellar, B. 2008. *Results of Search for Prior Studies on Methodologies, Methods, and Techniques for Identifying and Ranking Sustainable Transport Practices in Urban Regions*. Interim Report 4. <http://www.wellarconsulting.com/>
7. Wellar, B. 2008. *Preliminary Report, Commentaries on Methods and Techniques that Could Be Used in Making Decisions about Identifying, Adopting, or Implementing Sustainable Transport Practices*. Research Report 2. <http://www.wellarconsulting.com/>
8. Wellar, B. 2008. *Limitations to the Literature on Methodologies for Identifying and Ranking Sustainable Transport Practices in Urban Regions*. Interim Report 5.  
<http://www.wellarconsulting.com/>
9. Wellar, B. 2009. *Sampler of Commentaries on Methods and Techniques that Could be Used in Making Decisions about Identifying, Adopting, or Implementing Sustainable Transport Practices*. Research Report 3. <http://www.wellarconsulting.com/>
10. Wellar, B. 2009. *Municipal Government Responses to the Survey about Methodologies, Methods, and Techniques that Are Used to Make Decisions about Sustainable Transport Practices*. Interim Report 6. <http://www.wellarconsulting.com/>

11. Wellar, B. 2009. *Results of an Inquiry into the Methodologies, Methods, and Techniques Used to Make Decisions About Sustainable Transport Practices*. Final Report. <http://www.wellarconsulting.com/>

Those publications are pertinent for three reasons in particular. First, a fundamental tenet of sustainable transport practice is that, as a driving objective, capital and operating costs are given due regard, bearing in mind that while capital costs are heavy at the front end, operating costs invariably increase over time, and overtake the capital cost outlays.

That tenet has been around for decades, and over the past ten years many hundreds of references have been made in the public domain, including items in newspapers, which associate sustainable transport and Ottawa's transit system.

In point of fact, then, and contrary to Denley's claim, many hundreds of skeptics have extended their concern about Ottawa's transit system beyond capital costs to operating costs. Perhaps this brief note about the sustainable transport field will be sufficient to induce columnists to do their homework and read original materials before going public with unsubstantiated claims.

Second, the City of Ottawa participated in the survey which is the basis of entry number 9, *Municipal Government Responses to the Survey about Methodologies, Methods, and Techniques that Are Used to Make Decisions about Sustainable Transport Practices*.

The survey response was prepared by City of Ottawa staff, and the report for Transport Canada was finalized on January 23, 2009. It was posted before the end of January, 2009, that is, **eleven months** before the Denley column was published. That report sought answers to questions about the operating part of the City of Ottawa's transit program, as well as about the operating part of transit systems in more than 50 other metropolitan regions across Canada. .

At the risk of recalling and belabouring the obvious, the extent to which transport practices are sustainable is directly affected by the operating costs incurred. It therefore seems reasonable to expect that over the course of doing homework to support the newspaper article, a diligent columnist would have ensured that he read the report, *Municipal Government Responses to the Survey about Methodologies, Methods, and Techniques that Are Used to Make Decisions about Sustainable Transport Practices*.

Alas, it appears fair to say, the homework was not done, the skeptical aspect of methodologically designed research was not detected, and the remark in the column about "every [underline added] skeptic" being focused on capital costs is refuted.

Worse, however, the opportunity was missed to alert newspaper readers to materials which could assist in better understanding some of the reasons for the City of Ottawa's transit situation. And, giving truth to the adage "When it rains it pours", I suggest that the failure by the Citizen to print the letter to the editor compounded the mis-information situation arising from the original mis-statement.

Third, in entry number 9, *Sampler of Commentaries on Methods and Techniques that Could be Used in Making Decisions about Identifying, Adopting, or Implementing Sustainable Transport Practices*, 42 methods and techniques are listed, and for illustrative purposes 20 are described in layperson terms.

That report was finalized on January 02, 2009, and posted on January 06, 2009, which means that it was available more than a year before the Denley column appeared in print.

Of the 42 methods and techniques that are listed, the absence of any of the following would be reason for a skeptic, and any thinking person for that matter, to raise questions about the quality of the research that had been done or is being done to identify, estimate, predict, project, etc., the future states of the operating cost side of the transit financial picture:

- Comparative Analysis
- Cost-Benefit Analysis
- Cost-Effectiveness Analysis
- Cross-Impact Analysis
- Econometric Analysis
- Follow the Money
- Forecasting Delphi Technique
- Impact Assessment
- Life-Cycle Analysis
- Modelling
- Multi-Criteria Decision Making
- Normative Delphi Technique
- Optimization Techniques
- Pilot Study
- Pre-Test
- Simulation.

And as for why serious skeptics, to say nothing of truculent taxpayers, would be concerned about not seeing evidence that these methods and techniques are being used at every available and appropriate opportunity to examine transit operating costs, consider the transit financial situation.

Even before the launch of the \$2,000,000,000 to \$5,000,000,000 (or more) east-west light rail transit (LRT) program, the City of Ottawa's draft 2010 transit budget contains numbers which are not for the faint-hearted, the numerically challenged, or those concerned about their tax burdens. Capital expenditures are in the vicinity of \$250,000,000, and they will undoubtedly increase as the LRT program is implemented.

Further, operating expenditures are in the vicinity of \$380,000,000, and revenues from transit operations are in the vicinity of \$190,000,000. The operating cost net result, therefore, is a **shortfall, deficit, or make-up gap on the order of \$190,000,000, that is, almost 200 million dollars.**

Moreover, there is no information which I was able to locate which explains where the funds are to come from to meet the operating shortfall, deficit, or make-up gap in the present or immediate term, much less over the long term.

Clearly, then, both capital costs and operating costs are significant parts of the transit program budget, and both parts deserve considered attention in a thoughtful analysis of Ottawa's actual and proposed transit programs.

As examination reveals, each of the methods and techniques noted above is designed to incorporate both capital and operating costs when used to make decisions about sustainable transport practices. Further, the methods and techniques are not mutually exclusive, and can be used in combinations to examine similar and different capital and operating cost situations and scenarios.

Had Mr. Denley properly done his homework he might have come to appreciate that fact, and tailored his language accordingly.

Moreover, he would have done the useful public service of alerting readers to independent, methodologically derived materials that could contribute to more informed questioning of politicians, staff, and consultants about the prospects for both the capital and operating aspects of Ottawa's current and future transit programs.

As for the second body of publications, they include media items, conference presentations, meeting presentations, and postings to educational, public interest, and commercial websites.

In terms of their "visibility", the items have been sent to or called to the attention of elected officials at the municipal, provincial, and federal levels, staff at the three levels of government, the chairman of NCC, members of the media, members of the public, members of community associations and professional and technical associations, as well as to consulting firms and academics.

The ten items selected for listing contain questions, queries, challenges, problems, issues, concerns, requests, and other kinds of representations that this skeptic put forth in search of information and answers about the past, present, and future state of the operating cost aspect (expenditures, revenues, requirements) of Ottawa's transportation program, including transit. Readers interested in additional reports can find them by going to the website links or newspaper archives.

1. Wellar, B. Letters to the Editor: *LRT 'credibility gap'*, Ottawa Business Journal, July 17, 2006.
2. Fouchard, S. *Light rail plan a failure: Planning expert*, The News EMC (Ottawa), July 27, 2006.

3. Wellar, B. *Sustainable Transport: Does Anybody Here Know How To Win This Game?* Presentation to the Kiwanis Club of Ottawa, February 23, 2007. [http://www.geomatics.uottawa.ca/index\\_e.html](http://www.geomatics.uottawa.ca/index_e.html)
4. Wellar, B. *Making Geographic Factors a Core Element of Best Practices in Sustainable Transport*. Fleming Lecture, Annual Meeting, Association of American Geographers, San Francisco, CA, April 17-21, 2007. <http://www.slideshare.net>
5. Wellar, B. *Sustainable Transport by Design or by Default? Either Way, the Wasteful Ride is Over*. Keynote address, National Travelwise Association (NTWA) Conference, Belfast, Northern Ireland, 8-9 November 2007. <http://www.transport2000.ca/>
6. Wellar, B. *Five Steps to Get Ottawa Out of Its Transportation Mess*. The News EMC (Ottawa), December 13, 2007. <http://www.transport2000.ca/>
7. Wellar, B. *An Advisory to Council About Solving Ottawa's Transportation Mess*. January 18, 2008. <http://www.slideshare.net>
8. Wellar, B. *Is the Parkway the Right Way for LRT? Prove It!* This communication was sent to City of Ottawa Transit Committee members and Mayor L. O'Brien in early October, 2008. It is contained in entry nine below, *Questions, Questions, and More Questions About Ottawa's LRT Plan, 2009 Edition*, pages 13-16. <http://www.transport2000.ca/>
9. Wellar, B. *Questions, Questions, and More Questions About Ottawa's LRT Plan, 2009 Edition*. <http://www.transport2000.ca/>
10. Wellar, B. *Analysis of Responses to Questions, Questions, and More Questions About Ottawa's LRT Plan, 2009 Edition*. <http://www.transport2000.ca/>

In combination the ten selected items contain hundreds of statements about the costs of operating Ottawa's transit system, and if overkill and time constraints were not a concern the list of citations could go back in time on the order of 35-40 years.

The fact of the matter is, therefore, that this skeptic has frequently written about Ottawa's transit system having operating cost problems. And, to be as clear as words permit, this skeptic has also posited suggestions about how to deal with the transit finance problem.

To summarize section 3, I submit that the materials cited above are more than sufficient to negate the assertion that "... Watson and every other light rail skeptic is focused on the \$2.1 billion capital cost ...."

In the next section I briefly comment on the works of other skeptics. My intention here is to go beyond Mr. Denley's column and address a more significant issue. That is, I want to again promote the idea of creating of a detailed, readily accessible body of substantive documentation on the evolution of the City of Ottawa's transit policies, plans, and programs.

Based on my experience there is a major shortcoming in the skeptic-based materials available to critically analyse Ottawa's transit experience over the past 35 years, and believe we are overdue to correct that problem.

#### **4. A Word in Recognition and Appreciation of Other Skeptics**

By definition research is an exercise in skepticism, and whether the research is exploratory or confirmatory in nature it has many aspects.

For the purpose of this report it is sufficient to mention that aspects of research which are undertaken while performing the duties of a skeptic include: asking questions, challenging the status quo, puzzling over given answers, seeking clarifications, offering alternatives, re-visiting research designs, and generally inquiring about the evidence used to establish, modify, support, or refute positions.

When it comes to the matter of skepticism about both the operating and capital costs of Ottawa's transit system, the record is not only abundantly clear, it is substantively abundant.

Over the past 10 years during the "LRT era", and before that during the "Transitway era", the skeptics did their job with vigour, passion, and good sense. I am equally obliged to my academic, professional, advocacy, and public interest group affiliations for insights into the excellent work done on Ottawa's transit file by skeptics over the past 35 or so years.

Unfortunately, however, while persons "in the loop" may have extensive files on which skeptics are raising which matters in which fora with which people, etc., these activities are not generally communicated for the purpose of becoming public knowledge.

As a case in point, other skeptics may have sent letters to the editor, or communications to Mr. Denley, or they may have had their reasons for not responding to the statement or column. In my experience information of this nature is not usually compiled and made accessible to all known, as well as unknown parties, including future researchers, so the potential exists for significant gaps in the open record of transit discourse.

Based on what I have observed, therefore, I believe it is most unfortunate that the contributions of skeptics to Ottawa's transit file are not compiled and made available in such a way that it becomes increasingly difficult for politicians and anyone else on the public payroll, as well as media commentators, to ignore, plead ignorance about, or to blow smoke about matters of public interest. My concern can be outlined as follows.

As some may recall, the capital cost of the (bus) Transitway escalated through several phases: the initial estimates before shovels went in the ground were in the vicinity of about \$80 million; then, when the shovels began to find the digging more difficult than anticipated, the estimated cost went up to \$120 million, then up to \$240 million, then up to over \$300 million, and then when all the bills came in the capital cost was up to over \$400 million.

That was a **five-fold capital cost increase** to design and build a relatively simple Transitway facility, and I can only wonder at the total cost of capital spending on transit that has occurred since the Transitway program was launched in 1978.

Unfortunately, however, and as some skeptics have already noted, things could get worse. The City of Ottawa is seemingly in a much more complicated economic, financial, social, demographic, and environmental milieu than was the case in the 1970s and 1980s when the Region of Ottawa-Carleton had trouble getting a financial handle on the (bus) Transitway program.

Based on the record to date, there is no evidence which I have located to establish that the five-fold increase in the bus Transitway capital budget cannot be repeated during the next LRT, BRT, or mixed LRT-BRT expansion round. And, similarly, I found no evidence to dispel concerns that the potential \$190,000,000 shortfall in transit operating costs in 2010 cannot escalate to \$250,000,000, \$350,000,000, \$450,000,000, and upwards per year over the next decade or so.

Contrary to the unfounded claim by Mr. Denley, then, in point of fact there are many occasions when skeptics inside and outside Ottawa city hall have identified operating cost issues involving Ottawa's proposed transit program.

Further, it is my impression that while the transit program appears to be staggering from one committee meeting to the next, the situation would become much worse without the interventions of skeptics who are serious about achieving sustainable transport practices sooner rather than later, and getting good value for public money in the process.

As a skeptic myself, and a taxpayer and transit user, I hope that these words encourage other skeptics to stay involved in shaping Ottawa's transit program so that it proceeds on a methodologically sound basis, serves public rather than vested interests, and is driven by the overriding objective of achieving substantive sustainable transport practices.

## **5. Conclusion and Implications**

This report is what is referred to as a "straight ahead" or "A to B" commentary with no intended nuances, and does not call for a grand summary statement. However, it may be useful to make three comments of a forward-looking nature.

First, and as noted in previous publications, the public record of Ottawa's transit saga includes materials from many sources, including newspaper items. The fact of the matter is, however, that "ordinary citizens" are more likely to read newspaper stories than technical reports or articles which are published in learned journals or professional association conference proceedings, or posted on the websites of public interest groups such as Transport Action.

As a result, if newspaper items do not accurately present facts, situations, positions, pieces of work, bodies of work, or other contributions to public policies, plans, or programs, then

there is an element of responsibility for the professional community to attempt to restore the integrity of the public record.

Since I am a Registered Professional Planner in the Province of Ontario, I believe that I am duty bound to address what to me is a serious error in fact regarding a significant matter of public interest. I do so via this report.

And, in a related vein, I look forward to learning whether other professionals in fields such as planning or engineering have made or intend to make comments about the subject newspaper article, and whether they will comment on future newspaper articles containing materials which mis-state professional and other contributions to the public record of Ottawa's transit process.

The matter of concern here is that part-and-parcel of achieving accreditation as a professional planner, engineer, etc., is the responsibility to speak out when necessary on behalf of one's profession, one's professional colleagues, or an issue affecting the public interest. And, of course, there is the matter of public confidence if it is suggested or perceived that professionals in their field or fields are not performing at a level commensurate with their designations.

Without deprecating in any way the contribution of journalists to Ottawa's unfolding transit story, I believe it is fair to say that the quality of reporting of transit matters will increase with professional contributions, and I hope that this report will promote such engagement.

Second, in demonstrating that "every other light rail skeptic" had not focused solely or even primarily on capital costs but had, in fact, shown due regard for transit operating costs, I listed a number of my publications which contain evidence to establish my case.

However, many other skeptics also commented on both transit capital costs and transit operating costs. I believe that it would be very valuable to have a folder containing files of the different kinds of public domain publications in which "other skeptics" raise questions, challenges, etc., regarding both the capital cost and the operating cost aspects of Ottawa's transit system.

As for those who sense that the public record folder may not be created in the near future, I agree. That said, I encourage others to prepare their files so that they will be ready for input as soon as the folder is in place. And, more importantly, once the materials are compiled they could be quickly accessed in the interim should there be a need to again correct the public record.

The third and final forward-looking comment involves putting the concept of costs in perspective. **The reports prepared for the project undertaken for Transport Canada, *Municipal Government Responses to the Survey about Methodologies, Methods, and Techniques that Are Used to Make Decisions about Sustainable Transport Practices*, do not treat costs in isolation.** Rather, costs are presented in the context of benefits,

values, impacts, and other consequences arising from investing or expending public funds in order to construct transit facilities and provide transit services.

At the time of this writing the City of Ottawa is conducting the 2010 budget debate, and the coming months will be marked by waves of municipal election campaign materials.

I suggest that readers are well-advised to be especially concerned about elected and wannabe politicians who appear to have a vague grasp of the costs of building and operating a transit system, and their knowledge about transit as a component of urban infrastructure is limited to what they experience in their daily trips by private motor vehicle to and from Ottawa city hall.

## **6. Postscript. Whoa, What is This All About?**

On January 16 Randall Denley wrote, “While Watson and every other light rail skeptic is focused on the \$2.1 billion capital cost, the real financial impact of transit expansion comes through the taxpayer operating subsidy.” My counter-column letter to the editor sent January 18 (see above) to clarify the issue was not published.

Then in a column (*What does affordability mean?*) on January 26 (today) Denley writes, “The city has spent a decade focused almost entirely on operating expenses.” It is clear to me that Denley has got it wrong again, but that is a story that someone else might want to critique.

I therefore close by expressing the hope that this report, and the title of this report, **THE BOTTOM LINE IN TRANSIT FINANCING 101: THEY'RE ALL TAXPAYER DOLLAR\$**, will put the transit discourse in focus for politicians at all levels, public servants at all levels, voters, and journalists...