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## **Transit systems should raise fares**

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Isn't it ironic that as more and more people are interested in taking mass transit, transit systems struggle to meet their budgets?

Actually, no. The situation simply shows the shortcomings of transit policies across the country. Unfortunately, some elected officials seem intent on making a bad situation worse

Higher fuel prices for motorists send more people to transit. According to the American Public Transit Association, the number of trips by transit increased 3.4 percent in the first quarter of this year, while vehicle miles driven declined 2.3 percent during the same time. Anecdotal accounts of commuters switching to transit abound.

So is this good news for transit systems? Not exactly. They've projected budget deficits, more than half have raised fares and about a fifth have cut service. After all, their fuel costs have increased along with those of consumers. Systems in Philadelphia, Boston, and other cities are adding capacity—increased bus routes or more buses—but coming up with the money can be hard within the current budget.

Should transit riders pay more at the farebox? You might think so. After all, it costs more to run a bus these days, so why shouldn't transit riders, like people who drive, expect to pay more?

But some people say no. State Rep. Frank Hornsetien, DFL-Minneapolis, is one. He says "We cannot continue to simply pass costs onto consumers." Why not?

Costs have increased, and they need to be paid for. Who will pay if not "consumers?" The answer is ... consumers. Either way, consumers pay.

Money for transit comes from general sales taxes, motor vehicle sales taxes, gas taxes or bonds (which in turn, are repaid by taxes), but it all comes from consumers generally. Refusing to raise the burden shouldered by the people who benefit most directly from transit—riders—is a simple act of redistributing wealth from people who don't use transit to people who do.

People who oppose fare increases are in fact calling for an increase in the public subsidy used to pay for relatively small percentage of trips made via transit.

Farebox revenue routinely fails to cover even half the cost of running a transit system, so adding more riders, as many public systems have done, does little to improve their budget picture. In fact, adding bus routes or train cars actually can increase the transit deficit, making transit systems compete with health, public safety and other spending priorities.

But words about “farebox recovery” – how much riders actually contribute to the cost of transit – don’t have much traction with transit fans. That’s because some of them have grand plans. Minneapolis Mayor R.T. Rybak, for example, supports a move to force everyone to subsidize the tiny minority of transit users by saying “We can change the habits of people.”

Can someone point out the clause in the U.S. Constitution or the Minnesota Constitution that gives government the authority to change personal habits?

Even if we accept that it’s a legitimate function of government to encourage people to drive less, people are already heading in that direction by curtailing unnecessary trips, carpooling, or combining several short trips into one.

On the other hand, if government should have a goal of making it easier and cheaper for people to get from point A to point B, it doesn’t have to increase the subsidy to public transit. Instead, it can take on some of the following tasks.

Reform the process for allocating tax money for road construction and maintenance. Governments collect a lot of money, allegedly for roads, but then waste much of it. Often special earmarks result in money being spent not on the basis of where the public lives and drives—in other words, where there’s demand—but on the political needs of elected officials. The result is foolish spending.

To ensure that federal gas tax dollars are spent on where they will do the most good, Congress should return those funds to states in the form of block grants. Better yet, it should eliminate the federal gas tax altogether and let states, which maintain the roads and are closer to the people who use them, make decisions on how much to collect and how to spend it.

Use the competitive bidding process for operating transit systems. Competitive bidding for services can reduce costs and improve service. Sometimes that means private companies take over. Sometimes public employees win. The important thing is not who runs the transit system, but whether competitive pressures are in play.

Use private-public partnerships for road maintenance and construction. Such partnerships, which can take many forms, can stretch existing budget dollars.

Ditch the train; get on the bus. Light rail service is sexy in a way that bus service is not. But light rail is less flexible than buses, and rail systems tear up neighborhoods and disrupt traffic patterns. (See, for example, Minnesota's Central Corridor project .) Buses, by contrast, are cheaper.

Keep taxes on car-sharing and car-rental services at a reasonable level. Car-sharing services such as Zipcar are a variation on the car-rental model of auto use. They're good for people who have only occasional need for a car (or occasional need for a particular kind of car, such as an SUV). But governments like to slap outsized fees and taxes on rental cars, and the viability of car-sharing services are threatened by these extra costs. Taxes and fees on automotive rental services of all sorts should be reduced to more reasonable levels.

There are many responses we can make to rising fuel prices. Increasing the subsidy to transit, in the name of "protecting consumers," should not be one of them.