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New Routes to Making Los Angeles an MTA-Free Zone

By James E. Moore II

The L.A. transit strike has disrupted the city's immigrant-driven economy, touching the lives of nearly every resident. It has been a game played at the public's expense that neither the Metropolitan Transportation Authority nor the unions deserve to win. Both sides have systematically exploited taxpayers. The strike has induced the public and the political establishment to contemplate the unthinkable: Los Angeles without the MTA.

There are several ways transit service in Los Angeles might be permanently restructured. The most promising options have the same outcome: competitive contracting of public transit routes, facilities, fleets and specialized services to private or public entities with access to nonunion labor. Many jurisdictions, including the Los Angeles Department of Transportation, have discovered that competitive bidding for transit services is a powerful tool for improving cost-effectiveness.

Until last month, transit zones were widely viewed as an attractive mechanism for simultaneously improving local plan-

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ning, expanding bus service and cutting costs. Such zones allow transit authorities to contract out services and hire lower-paid drivers. However, this conventional wisdom is flawed, and thanks to the MTA and the intransigence of the United Transportation Union, the debate is finally getting past it.

The MTA has guidelines for creating new transit zones that are intended to balance local planning with central fiscal control. In Los Angeles, this is known as the "Foothill model," a reference to the San Gabriel Valley's Foothill Transit District. Foothill Transit is an unusually efficient, cost-effective system with loyal, satisfied riders. The cornerstone of the Foothill District's success is its leanness. The district competitively contracts out service instead of directly employing transit workers.

Unfortunately, the Foothill Transit District is a fluke. When the district was formed, the UTU and the Amalgamated Transit Union, which represent bus and rail operators and mechanics, sued to prevent the creation of the new zone. But a judge ruled that the unions should have pursued arbitration prior to court action. By the time the unions filed for arbitration and won, the Foothill Transit Zone had been formed. There is no chance the UTU will repeat this error today. Another blow to transit zones came last month when Gov. Gray Davis sided with labor interests



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in the state Legislature and signed Senate Bill 1101. This law requires that all maintenance and transportation employees in new MTA transit zones be represented by unions. This restriction effectively negates any efficiency gains that might be achieved by contracting.

This law is overkill. Even without it, there were so many barriers to imple-

menting new transit zones that the zone strategy was never really relevant. U.S. law stipulates that, as a condition of federal financing, mass-transit employee rights obtained under collective-bargaining agreements must be preserved by new agencies. Federal funds cannot be used to take away employment rights. Foothill Transit did not receive any federal funds as part of its creation, but this would be hard to repeat. In addition, the expired UTU-MTA agreement requires that an acquiring agency assume all existing MTA labor contracts, with no loss of worker rights or benefits.

The MTA has had considerably more flexibility when it creates new service than when it creates a new zone. When the MTA added a new line, its expired union agreements permitted the agency to make use of the Business Development Operating Facility clause, which includes a much lower driver-pay scale. The unions agreed to the clause because the lower-pay scale is tied to new MTA service, and thus new union drivers. If the MTA can retain the clause's language in a new labor agreement, the agency could become truly competitive with private operators. Not surprisingly, the clause has been a source of deep contention between the MTA and the UTU.

Large-scale transit restructuring in Los Angeles is feasible and should be undertaken, but it will almost certainly require

that the MTA begin competitively contracting out its current services to private firms. The time has come to transform the MTA into a planning and financing agency, not an operating one. Opening the MTA's services to competitive bidding will promote Foothill-style efficiencies without the pitfalls of new zones. The Foothill and MTA bus lines are notoriously uncoordinated and retaining one master contracting authority, instead of creating multiple zones with multiple planning departments, will ensure that transit service in Los Angeles is coherent.

This is nothing new. Los Angeles has a history of successful transit contracting upon which the MTA can build. City-run services like the Downtown Areas Shuttle, or DASH, a short-haul, fixed-route service, and Commuter Express are success stories because they are operated by private contractors, which leads to lower costs. Inexpensive service means more service, and more service means more riders and better-served riders.

The transit strike has provided a hard but crucial lesson for improving transit in Los Angeles: Fundamental change is necessary. The UTU and its fellow unions should be sent packing at the first opportunity, and all the MTA's bus services should be contracted out to the lowest bidder. The MTA, as we have come to know it, should cease to be. □