

## THINKING OUT LOUD TRAFFIC

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# Take the Boot Off Private Transit

By JAMES E. MOORE II

**I**f we are serious about improving transit and easing traffic in Los Angeles and nationwide, we should allow smart entrepreneurs and successful corporations to make money moving people from place to place.

As matters now stand, public transit agencies are franchises: They have an exclusive right to provide service in their communities. It is illegal for private providers to enter the market for transit services and compete against a franchise operator. In truth, though, transportation is just another service. A public franchise for bus or rail service is no more necessary or natural than a public franchise for selling shampoo.

Public transit agencies have two conflicting objectives.

First, public transit is intended to transfer wealth. Government agencies use public resources to provide mobility to people who could not otherwise easily travel about an area.

Second, public transit is intended to clean the air and decongest roads by competing with the automobile. But the only way to lure people who don't really *need* public transportation — people who drive where they're going — is to make them *want* to use alternatives.

Unable to pursue both objectives simultaneously, most public transit agencies resolve the conflict by failing at both.

But failing to serve does not mean going broke, even though the costs of providing service are inevitably high.

Most major transit agencies want very badly to avoid labor strikes, at least in part because strikes give the public an opportunity to scrutinize and criticize them.

As a result, most agencies pay relatively high wages. Costs swamp the revenues collected from riders. The fare box becomes irrelevant, and the leadership of any transit agency must inevitably focus its attention on securing and increasing the agency's access to tax revenues, not the service needed to entice people to pay fares.

Private companies that sell goods or services that no one wants to buy fail. But highly subsidized public transportation franchises can eschew discipline and disrespect the market they're supposed to serve.

There is nothing inherently unprofitable, however, about the business of moving paying customers from place to place. Private transit thrives in major cities worldwide. Owner-operators of jitneys, for instance, rove, sell subscription services, innovate, compete with each other and with automobiles, control costs, imitate what works, build impressive market shares and turn a profit.

Ten years ago, New York City declared a truce in its losing battle with unlicensed cab operators and began legitimizing and regulating this large, previously illegal market. Similar services exist only in the shadows in Los Angeles, frequently serving low-income, non-English-speaking ethnic populations and constantly facing the risk that the police will shut them down.

If we want transportation services — jitneys, private buses, cabs — that can compete effectively with automobiles, we are going to have to bring transportation entrepreneurs out of the shadows, inspect their vehicles and license their operations.

If we are committed to making sure that poor people, the old and the disabled have ways to get around, we should stop subsidizing transit agencies.

Instead, we should fund transportation voucher programs, give subsidies to the people we want to help and unshackle the supply of ways to get around. There are plenty of people who would eagerly try to make a buck by cooking up new ways of getting folks from point A to point B.

But at the moment, it's a crime to do so.

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