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The Op/Ed Page for Virginia's New Economy

Liberate Mass Transit

As an alternative to funding mega-sized road and rail projects, Virginia should give entrepreneurs more freedom to devise more creative shared-ridership solutions.

Imagine an alternate universe where Virginia politicians expended as much energy devising ways to encourage entrepreneurial, free-market solutions to transportation problems as they did to raising your taxes.

Imagine a private company running a bus every morning from, say, Fredericksburg to Crystal City. Instead of 12 rows of seats, imagine there were 10, creating enough room for passengers to flip down a tray, airline style, where they could comfortably rest their laptops. Imagine there were electric sockets where they could plug in so their batteries wouldn't run out. And imagine that the bus, using technology that exists today, provided broadband Internet access so passengers could download e-mail, check the news and do everything else they normally did in their first hour at the office.

Imagine that the bus operator charged \$20 per round trip, filling up 40 seats per day and yielding \$200,000 annually in revenue per bus. Numbers in that ballpark should be sufficient to generate a profit. Would passengers be willing to pay \$5,000 a year to save a comparable amount in gas, tolls and wear-and-tear on their cars -- while adding two hours of productive work time each day?

We don't know for sure: The

great disadvantage of ride sharing in the 21st century is the limit it puts on peoples' mobility -- the freedom to work come and go on their own schedules, whether to work extra hours or run an errand on the way home. But imagine that it was possible to book a seat on the bus ahead of time on the Internet. Imagine that someone could tele-work from home one day a week, camp out at a satellite office one day, drive to work one day and take the bus two days whenever it suited them.



The technology supporting such a scenario exists. NuRide, founded by Northern Virginia entrepreneur Rick Steele, allows travelers visiting the NuRide website to plug in a point of origin, a destination and a time of day to see if anyone is willing to share a ride. (See "[Carpool Comeback](#)," Sept. 5, 2005.) The system could be easily adapted to accommodate shared rides in buses. Meanwhile, RaySat, another Northern Virginia company, has developed antennae that provide broadband Internet and satellite programming for trains, RVs and other fast-moving vehicles. Adopting the technology to buses should be relatively simple.

Furthermore, the private-sector capability to provide a commuting service exists. A good num-

ber of companies already provide charter and tour services. Operating buses for commuters would be a natural extension of their businesses. There is no economic reason that Virginia couldn't take tens of thousands of commuters off the roads in Northern Virginia and Hampton Roads within a matter of years. Why, then, isn't this happening?

Blame Virginia's failure to develop a dynamic commuter-bus industry upon local transit monopolies and taxi franchises ossified by state law and local ordinance. Blame also a failure of imagination. Virginia's Political Class and its apologists can conceive of only one solution to traffic congestion -- bolstering revenues to fund spectacular new road- and rail-building programs. Relaxing the grip of government and fostering private, entrepreneurial solutions to shared ridership is an idea that has never gained serious consideration.

Shared ridership, whether in carpools, buses or rail, has declined steadily over the past half century. There are many reasons for this trend, not the least of which is the premium that people put on their personal mobility. But failed government policy has contributed, too. By the 1960s, municipalities had taken over nearly every mass transit system across the country, relying upon a mix of fares, federal grants and local subsidies to continue operating.

Federal involvement has been particularly damaging. As Gabriel Roth, a transportation scholar with the Cato Institute

explained to me, federal regulations drove up labor costs by mandating pay levels, restricting the ability of bus drivers to work in split shifts and making it prohibitively expensive to fire or lay anyone off. Municipal bus systems endeavored to offset high labor costs by running larger buses at less frequent intervals. But that tactic discouraged ridership: Passengers prefer more frequent service so they can spend less time waiting for the bus.

Another factor, rarely discussed in political circles, has been the phenomenon commonly referred to as "suburban sprawl," a pattern of scattered, disconnected, low density development accompanied by an inattention to creating pedestrian-friendly walkways. As a rule of thumb, people are willing to walk a quarter mile to a bus stop, but little farther. As subdivisions are smeared across ever larger swaths of land and a decreasing percentage of the population lives within a quarter-mile stroll of a bus stop, there aren't enough riders to support a transit system without heavy subsidies.

The woes of mass transit in Virginia are compounded by the unique inefficiency of the Washington Metro system. Metro combines all the woes of the typical metropolitan bus system with unique pathologies of its own. With an unwieldy governing structure representing the often-divergent interests of Virginia, Maryland and Washington, D.C., contends Roth, Metro "is almost impossible to reform."

Metro's ungovernability and high cost structure have inspired a number of Northern Virginia jurisdictions to set up their own transit systems, observes Jonathan Gifford, a scholar with the Transportation Research Board at George Mason University. But

the fragmenting of mass transit has deleterious consequences: Passengers often have to change buses at the interface of different systems, which adds to the length and uncertainties associated with a bus ride.

We Americans have lived with the current system so long that our imaginations have become constrained. We can imagine nothing but big buses driving at fixed schedules along fixed routes demarcated by bus stops. But that is only one model among the wild profusion of possibilities that is evident to anyone who has been overseas. In countries that don't create transit monopolies, there is a fantastic array of transportation options. Big buses, small buses, vans and cars. Call ahead and book a ride, or hail down a ride while walking down the road. From Israel to Puerto Rico, Russia to Nigeria, jitneys are ubiquitous, and they do a very good job of ferrying people back and forth to work.

Even in the United States, interesting services have taken root in economic nooks and crannies. Gifford cites Moms on Wheels in Fairfax County, where mothers of school children banded together in the face of government obstacles to transport children to school. Roth notes also that a private "club" transports employees from the Reston area to employment centers closer to the Washington region's urban center. In the absence of government-subsidized monopolies, these types of enterprises would blossom, branching out to serve a wide variety of needs. The old fixed route/fixed schedule transit service might survive in older urban areas, but many of the new business models would spring up to serve unique constituencies.

What, then, should lawmakers

be doing to spur private-sector investment in mass transit? Here are a number of possibilities:

Remove barriers to entry.

Survey all state laws and local ordinances that restrict barriers to entry. Consider phasing out local transit monopolies that prevent private entities from providing shared vehicle services. Consider loosening up taxi franchises to permit jitney-styled service. Throw open the market to competition, innovation and experimentation.

Delineate property rights.

Focus on ways to make competition work more effectively. Allow minibuses owners to form "route associations" -- like those in Atlantic City, N.J. -- if they agree to operate according to set routes and time schedules. Alternatively, explore the exploration of "curb rights" that jitney or minibus owners can lease from municipalities in exchange for the right to pick up passengers along certain routes.

Alter land use patterns. Economical mass transit requires density at the points of origin and destination, if not along an entire route. Local governments can encourage property owners to build transit-friendly developments by clustering housing, offices, stores and amenities at greater densities and paying greater heed to urban design standards that would improve the pedestrian experience. Going a step further, local governments can encourage developers to build transit-friendly communities, as Pulte Homes proposes to do in Fairfax County (See "[Traffic Buster](#)," Nov. 2, 2006).

Build infrastructure. State and local governments can contribute to the building of transit-friendly communities by paying for seats and shelters along bus

routes, amenities that private operators do not normally provide themselves. Similarly, local government could take a more active role in converting "Park 'n Ride" facilities into suburban terminals for buses, minibuses and jitneys. If scarcity of parking space is an issue, municipalities in low-density jurisdictions might even consider erecting parking decks at bus terminals where commuters can gather for bus rides to employment centers.

Pay vouchers. Government has a bad habit of subsidizing business enterprises, regardless of how inefficiently they're run or how poorly they serve the needs of customers. An alternative method of encouraging shared ridership is to pay the *riders*, suggests Gifford. Give them a voucher offsetting some of the cost, and let them choose the option that works best for them. As long as the cost-per-commuter of a voucher program were less than the cost of operating and maintaining traditional bus and rail alternatives, they would represent a net gain to taxpayers.

State and local governments have critical roles to play in encouraging mass transit, albeit different ones from what they do today. Instead of operating bus systems, government should create a positive climate for private business to do so. It's the nature of entrepreneurs to continually seek new markets, to innovate, to experiment. Governments should turn them loose to devise creative solutions.

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