



Private operations for MARTA?

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Moderated by Tom Sabulis

Following the failed transportation tax referendum — and with a major audit of MARTA about to become public — one local leader says the transit system requires a transformation through funding and governance. Privatization is not a panacea, but should be carefully explored. Another expert writes flatly that MARTA went wrong favoring rail over buses, and privatization would save \$400 million.

Commenting is open below following Randal O'Toole's column.

MARTA hardly indispensable

By Randal O'Toole

When MARTA took over the Atlanta Transit Co. from its private owners in 1972, transit provided economical bus service to customers who mainly had low incomes, and people who otherwise couldn't, or preferred not to, drive. But MARTA, which was run by middle-class planners and managers, focused on building an expensive rail system that middle-class professionals like themselves would want to ride.

Four decades later, MARTA has spent more than \$4 billion (in today's dollars) building about 52 miles of rail lines that serve only a small fraction of the Atlanta metropolitan area. Far from increasing transit ridership, MARTA's ridership is about the same today as it was 30 years ago (and was actually lower in 2010 than it was in 1985).

Given Atlanta's 150 percent population growth since 1980, that means per capita transit ridership is way down. One reason ridership is so poor is that MARTA hasn't grown the bus system to keep up with the population: The number of miles of bus service in 2010 was about the same as it was in 1982, the earliest year for which data is easily available.

Before MARTA took over the transit system, nearly 11 percent of Atlanta-area commuters took transit to work. Now, thanks to MARTA's investment in high-cost rail at the expense of low-cost bus improvements, transit's share of commuting has fallen to slightly more than 4 percent. That hardly helps to reduce congestion, air pollution, and all the other things transit is claimed to do.

MARTA's strategy of favoring middle-income train riders over low-income bus riders can legitimately be called "transit apartheid." While the private company that offered bus service before MARTA was far from perfect, it at least had the virtue of sending buses into the neighborhoods of people who wanted to ride them rather than building expensive rail lines into neighborhoods of people who have three cars in every garage.

The real problem is that MARTA gets little more than a fifth of its funds from fares, so it focuses more on chasing tax dollars than on serving transit users. That means pleasing middle-class elected officials, who have little understanding of the needs of working-class transit users who make up most of MARTA's customers.

MARTA and its subsidies are hardly indispensable. The private jitney buses that serve parts of Atlanta show private operators can offer a reasonably high-quality service at affordable fares without subsidies. Take away MARTA's subsidized competition and unneeded government rules, and such private jitneys could actually offer better service to more people than MARTA does.

Privatizing MARTA would save taxpayers \$400 million a year, most of it coming from local sources. Some of that money could be used to do things that truly reduce traffic congestion, such as coordinating traffic signals and fixing bottlenecks. The rest should be left in the taxpayers' pockets.

Randal O'Toole is a senior fellow at the Cato Institute, an independent think tank.

By Doug Stoner

There is little doubt in the minds of most that an efficient and cost-effective public transit system is necessary in a region the size of metro Atlanta. Most Atlantans are also familiar with the history of our transit system — transportation, after all, is what put our great city on the map for business and residential growth.

For too long, MARTA has remained underfunded and underused. Only two of our region's counties pay into the system. The state does not directly contribute to MARTA.

MARTA certainly needs a transformation to become the transit system we want and need. MARTA's board and staff know this and independently engaged KPMG, one of the largest accounting and advisement companies in the world, to

conduct an extensive study to make recommendations on what changes are necessary to deliver the system our community needs. That study is nearly complete.

How we get to transit transformation remains the question. Some say privatization is the answer. But vague talk of privatization isn't enough. There are many ways to involve private enterprise in providing transit services. Finding the mix that is right for Atlanta should be our goal. We must look to the programs nationally and internationally that work best — and understand why they work.

In creating the best transit system, we must all agree, first, on the value of public transit. Ridership is increasing due to factors such as an aging population, rising fuel prices, increasing urbanization, changing consumer preferences, service improvements, and more transit-oriented residential and commercial development.

Next, we should agree on an effective governance model. We must stop bickering about who controls MARTA and focus on efficient delivery of services with an understanding that taxpayers provide the funding, just as they do for roads. Ideas that wind up costing more money than they save should be avoided.

Whether or not we privatize operations, planning, fleet, information, branding, or subsidize services — or nearly everything else — are the questions we should explore. The first bite at that apple will come when the KPMG report is complete. Anything else is premature.

The governance model we select should be a public agency answerable to voters who pay for and use the system.

Ultimately, the transit model we select should consider:

- An appropriate role for private enterprise in transit service provision — a collaborative approach to public-private transit.
- Regular and transparent competitive bids for work.
- Customer satisfaction (quality and affordability).
- An efficient, affordable and reliable metro-wide transit system that attracts not only nondrivers, but also large numbers of travelers who might otherwise drive.

Doing what is right for transit in Atlanta must trump politics.

State Senator Doug Stoner, D-Smyrna/Atlanta, is a member of the Metropolitan Atlanta Rapid Transit Oversight Committee (MARTOC).