

It's time to privatize Metro

By Erika Davies and Antony Davies October 16, 2015

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According to the Washington Metropolitan Area Transit Authority's budget report made public this month, the substation fire in September, the August derailment and the January incident in which an electrical malfunction caused a Yellow Line train to be enveloped by noxious smoke are all to be blamed on riders — a lack of riders, that is.

Over the past five years, Metro's daily ridership declined 5 percent while the metropolitan area's population grew by more than 5 percent. Meanwhile, the head of the region's transit system admitted that the August derailment near the Smithsonian station was caused by a known defect that had been ignored for a month. Metro's loss of revenue has cost so much that it is apparently unwilling — or unable — to pay for the safety measures it promised to implement after the deadly 2009 Red Line crash.

Metro takes its bizarre victim-blaming a step further, saying that in order to right these “safety wrongs” and bring ridership numbers back to those seen in the golden days, it will be forced to increase fares.

This is logic only a bureaucrat could love.

Poor service reduces ridership, which means less revenue and deferred repairs, which ultimately necessitates higher fares. In government logic, the conclusion of every argument is to “raise prices.”

Who is to blame? In Metro's view, these problems seem to be the fault of its customers, who have decided that fares are already too high and have begun the silent, peaceful protest that is driving to work. The only way a fare increase could possibly lead to a revenue increase is if those taking the defunct trains have no alternatives: no roommates with cars, no ability to acquire a car, no bicycles and no access to other means of public transportation. Unless this is the case, economics says that increasing fares will decrease Metro ridership.

If Metro instead decreases its fares, it will see an increase in ridership. If it prices the fares just right, the combination of a decrease in fares and increase in ridership will result in an overall increase in Metro revenue and maybe — just maybe —

customers will be able to use their phones simultaneously throughout the rail system and not fear long delays, crashing or fumes.

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What exactly is the right fare to charge? It appears that no one knows, including Metro. It is not a private entity with a profit incentive to provide a high-quality, reasonably priced service. This is where we stumble upon the solution to almost every economic problem, although it is one that is sadly anathema to bureaucrats: privatization.

Because the tri-jurisdictional government agency lacks proper incentives, it hasn't figured out what consumers want or need, let alone provided for those needs efficiently. The dangers of government planning are clear from Metro's absurd idea that raising prices will increase demand for its service.

The Metro flap is reminiscent of Amtrak's argument that it needed more funding because fewer people were riding trains, and its contrary argument later that it needed more funding because more people were riding trains.

Clear the smoke from Metro's argument and it looks a lot like the arguments of Amtrak and every other government-run, government-sponsored, government-funded entity: throw more money at the problem.

It's time to let people who understand how to attract revenue by offering a valuable and affordable service run the show. It's time to privatize Metro.

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