



Minnesota Journal

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New area codes symptoms of revolution

by Edward Garvey

With the introduction of two new area codes in the western suburbs in February 2000, the Minneapolis-St. Paul metro area will have almost 32 million potential phone numbers. That is up from a relatively small eight million phone numbers at the start of 1998. How many did this happen and happen so quickly?

There are four interconnected reasons. First, there is a dramatic demand for additional numbers for new or additional uses and services. Second, new competitive local telephone service providers are appearing on the scene. Third, the technological capabilities of the

current system cannot keep up with these changes. Fourth, policymakers and regulators are making decisions affecting telecommunications. Seen from these perspectives, the area code additions are really only the most public symptom of the changes revolutionizing the telecommunications industry in Minnesota and across the nation.

Increased demand for numbers

Consumers and businesses want more telephone lines. Gone are the days of the single phone in each home. Now we have multiple lines: one for the parents, one for the

kids, one for the fax machine and one to surf the net. On top of that, we have our pagers, cell phones, and mobile phones. Pretty soon we'll want one for our PalmPilots! Also, due to our region's economic vitality, more homes are being built, with more families and businesses that want more telephone numbers.

Hidden in this increased demand for numbers is the demand by large or growing businesses for blocks of 1,000 to 10,000 sequential numbers. The industry is trying to free up large blocks, but for competitive and technological reasons, such

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Coleman competition plan hits roadblock

by Kris Lyndon Wilson

St. Paul Mayor Norm Coleman's vision of private companies competing with city employees to offer city services appears to have run into the realities of politics.

On Oct. 20, the St. Paul City Council voted 5-1 to place a major road block in the path of Mayor Coleman's Compete St. Paul initiative, which would have opened up city services to managed competition. The Mayor's veto of the ordinance was overridden by a 6-1 vote on November 3, and while amendments were approved the following week to exempt existing contracts with private firms, the mayor's efforts appear to be choked off for now.

The council's resolution prohibits the city from initiating managed competition of any city service until the city employees delivering that service have developed and implemented a performance plan and operated under it for two years. The development and implementation of performance plans must include the affected employees and their bargaining unit, who must first be given training in both how to mea-

Use alternatives to light-rail 'boondoggle'

by Tom Workman
and Lynn Woodward

The proposed Hiawatha Avenue light-rail route is a financial boondoggle. A cheaper and better alternative is available.

The appointed representatives from Mn/DOT and the Met Council told the House Transportation Finance Committee that the Hiawatha railroad budget was \$446 million. They promised an 18-station light-rail line, with three-car trains, running every eight to 10 minutes, finished in 2003.

Instead, we're getting a \$548 million, over-budget, "stripped-down" plan delayed until 2004. It runs two-

car trains, has three fewer station stops and is missing numerous features promised to the Legislature.

We're incredulous that with one fewer car and fewer stations to pick up passengers, rider projections have not dropped. Running two-car trains, more often, didn't raise annual operating costs. Over budget, stripped down and late—light rail is not on track.

Hidden costs

The \$548 million, \$102 million

over-budget proposal does not include over \$150 million of "hidden" subsidies off-budget. (*Editor's note:* Woodward says that he has now confirmed costs of \$925 million, \$449 million over budget.)

Since the legislative session, NSP announced a \$37 million cost for moving utility lines from under Minneapolis' 5th Street. That "hidden" cost, outside of the light-rail budget, will be added onto your Twin Cities electric bill. Minnegasco and U.S. West utility-moving brings the figure to \$70 million.

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Transportation improvement: Roadkill or railroaded?

Dust is again being kicked up on transportation and transit for the Twin Cities, with new cost-benefit analysis showing that the light-rail transit line does not pay and with growing legislative interest in accelerating highway construction. If we're not careful, the present debate is in danger of turning into exactly the sort of polarized battle that blocks the development of common-sense, effective solutions to so many policy problems. Instead of rationally looking at the issue and pursuing strategies that genuinely work, people are picking sides based more on personal passions than reasoned analysis.

Light-rail proponents insist that only this very expensive mode of transit will alleviate congestion on our region's roads, despite countless studies to the contrary and ample counter-examples from similar cities that have tried the approach and seen it fail. A lot of support continues to be based on fuzzy notions of what accessories our region needs in order to keep up with other "big cities." Add to that sibling rivalry between our two core cities. If they get one, we must have one.

Well-reasoned criticism of rail is dismissed out-of-hand as antitransit, no matter how many ideas are put forward to improve service in other modes (i.e., buses) or reduce congestion. The overselling of LRT in our region as a transportation and development "silver bullet" should be seen as an embarrassment, regardless of what real benefits it might eventually offer. We should not be "railroaded" into a strategy that speaks of many travel modes, but pours the lion's share of the resources into a single, inflexible transit mode.

On the other hand, die-hard propo-

Viewpoint

by Lyle Wray

nents of the single-passenger car advocate shutting off all of the ramp meters, closing down the car-pool lanes and widening all of our freeways to accommodate unrestrained traffic. Enough lanes and fast enough traffic will solve all our

strategy. The reality is, however, that public officials who support rail are not putting forward any strong proposals to genuinely match their words of support for broader transit improvements. Tiny pilot projects on telecommuting see

“ . . . public officials who support rail are not putting forward any strong proposals to genuinely match their words of support for broader transit improvements.”

problems, they insist, despite plenty of evidence and decades of experience that prove that pouring more concrete only increases traffic and congestion in the long run. Not to mention, the chances of getting major freeway expansion done in the current political environment are slim indeed. Look, for instance, at the fate of the late relatively modest I-35W expansion.

Building more freeways to funnel people to existing points of congestion will do little but create more gridlock and pressure for still more lanes and roads. Pouring money into freeways without a comprehensive strategy will leave real transportation improvements as "roadkill" on congested, expensive new blacktop.

Between these two extremes lies a range of transportation solutions that offer real promise in meeting our region's needs at a sensible price. Most of these good ideas will go unconsidered as long as people focus on picking sides. To their credit, many rail enthusiasts mention the need to consider rail part of a comprehensive transportation

their funding eliminated, despite promising results. A public art coordinator is hired for the LRT line, while many of our current major bus pick-up points are a disgrace in even providing shelter from the elements.

Instead of picking sides and lining up teams in this increasingly harmful debate, policymakers should be giving more attention to the larger transportation picture and the many good ideas that fall between building roads and buying trains.

Let's try more relatively low-cost, dedicated right-of-way bus routes, like the very successful one between the University of Minnesota's Minneapolis and Saint Paul campuses, that combine the primary advantage of rail—restricted right-of-way—with the affordability and flexibility of buses. Let's look at ways of making buses more comfortable and as appealing to passengers as rail cars are supposed to be. Let's get serious about staggered work hours to reduce congestion peaks in the core and suburban choke points. Let's provide more incentives for carpool-

ing, such as priority all-day parking at downtown meters for registered carpoolers. The list can go on.

The 2020 transit plan recently released by the Metropolitan Council includes many of these common-sense solutions and strives for a broader vision. The challenge will be in seeing that the many elements are implemented as fairly as they are proposed. Thus far, the leaders who speak of many modes of transit tend to focus on one to the exclusion of everything else. And the way things look now, both sides of the current debate can be expected to do what they can to get their piece and push everything else to the margins.

Transportation policy should not be treated like a game. Until we get beyond the shallow polarization that characterizes the current debate and begin looking at the entire picture of inexpensive, common-sense solutions, our region's transportation future is at risk. Without some serious consideration that goes beyond slogans and petty political fights, the irony of our political process will likely give us the worst possible result: a future of jam-packed, 10-lane freeways and expensive, empty trains, with declining bus service and very little else going on. If we fail to address our transportation options creatively, we might well become, to coin a phrase, a "cold Atlanta," choking on traffic despite massive rail and highway investments.

Instead of picking teams and seeing who wins and loses, we should look at the entire range of common-sense solutions. Otherwise, our region will end up being railroaded into wasting time and money on a roadkill transportation policy.

Lyle Wray is executive director of the Citizens League.

MnSCU plans integrated metro higher ed system

From Crosstown Connections: Academic Plan for the Twin Cities Metropolitan Area, *Minnesota State Colleges & Universities, Oct. 1999.*

Vision: The Metro Alliance [the 11 Minnesota State Colleges and Universities located in the metropolitan area] will be a high quality integrat-

ed higher education system that functions like a single institution for students...

Goal One: Provide students enrolled at each Alliance institution with access to programs and services offered by any other Alliance institution.

Outcomes

- Complete articulation of courses between similar programs at Alliance institutions.
- No unnecessary course/program duplication in new and existing undergraduate and graduate pro-

grams at Metro Alliance institutions.

- Students can use course equivalencies, academic program information, transfer course evaluations, and degree audits in a web-based environment through the full implemen-

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Editors back Yudof, worry about 'U' academic integrity

On Balance

St. Paul Pioneer Press said (Nov. 4) University of Minnesota President Mark Yudof's priority "must be to root out the causes of the [basketball cheating scandal] disgrace" and "to hold all involved accountable." "What is most important," the paper said, "is the integrity of the university as an institution of learning—not the fate of the basketball team or athletic department." **Mesabi Daily News** said (Nov. 17) the U of M's football team is "the saving grace" of the school's sports program this fall. **St. Cloud Times** said (Nov. 17) Yudof must hold U of M administrators closest to the basketball program accountable, especially men's athletic director Mark Dienhart and McKinley Boston, vice president for student affairs and athletics.

Star Tribune said (Nov. 23) that basketball coach Clem Haskins' \$1.5 million contract buyout in June, which caused only a mild stir then, is now condemned as "sickeningly sweet." But the paper said June was the right time for Haskins to go. "Yudof can only be expected to make the best decision possible with the best information available. That's what he did in June." **Rochester Post-Bulletin** said (Nov. 24) the university dealt with the problems in the athletic program openly and "took vigorous action." Yet, it said, the underlying causes of the scandals at the U of M and at other universities will remain. "In time, we believe,

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"For those to whom much is given, much is required. And when at some future date the high court of history sits in judgment on each of us...our success or failure...will be measured by the answers to four questions: First, were we truly men of courage...Second, were we truly men of judgment...Third, were we truly men of integrity...Finally, were we truly men of dedication?"—J.F. Kennedy.

administrators, faculty members and trustees of American universities will conclude that bigtime intercollegiate sports and academic integrity are incompatible." **Mesabi Daily News** said (Nov. 22) unless coach Clem Haskins can make good on his continual denial that he knows nothing of the scandal, he "clearly is most deserving of the majority of blame...Clem Haskins, plain and simple, is a disgrace."

West Central Tribune (Willmar) said (Nov. 19) a message sent to the NCAA by state Sen. Cal Larson about the University basketball scandal is "right on the mark." Larson criticized the U's willingness to sanction the basketball team and punish its players, while taking no action against the administrators responsible for the alleged violations. **Red Wing Republican Eagle** said (Nov. 22) the long-term health of the university "will be stronger for Yudof's decision" to fire four key administrators in men's athletics. It also said, "It's time for Minnesotans to rally around both Yudof and the institution." **Brainerd Daily Dispatch** said (Nov. 21) the seeds for trouble in the basketball program were sown in 1994 when Boston approved separating academic counseling for basketball from the rest of the counseling unit. "That move gave Haskins too much authority and too little accountability." It said Yudof's decision not to renew the contracts of Dienhart and Boston was "difficult but necessary."

Pioneer Press said (Nov. 3) the

reaction of state transportation officials to a cost/benefit analysis on the light-rail transit line in Minneapolis seemed to be, "Who cares?...We're going to build it anyway." The analysis showed the Hiawatha LRT line would produce 42 cents in tangible benefits for every \$1 in costs. "The negative return on investment ought to prompt new exploration of other alternatives, including bus service improvements." The paper said (Nov. 15), "the Ventura administration and legislative leaders need to begin talking about a plan that would provide increased funding to repair and replace aging roads and bridges, eliminate freeway bottlenecks and build an improved transit system that serves the entire metropolitan area—not just a single transportation corridor."

Star Tribune said (Nov. 4) cost-benefit studies "do not constitute the whole picture and cannot answer every question." It said the study on the LRT line "stops well short of exploring the project's full benefit." It said that without the Hiawatha LRT line the metro area "continues to hollow out its center while sprawling wastefully into the countryside...The future belongs to metro areas that offer transportation and lifestyle choices, not to those that cling to an obsolete roads-only mentality." The paper praised (Nov. 9) Opus corporation's plan for a four-block mixed-use development on an empty stretch of Nicollet Mall as "only the first of a number of proposals expected to be

generated by the anticipated Hiawatha light-rail line.

Star Tribune said (Nov. 18) that the midtown greenway has enough room to accommodate a two-lane transitway plus generous walking and biking paths.

Republican Eagle praised (Nov. 19) recent headway in the state's workers' compensation system that has allowed businesses to take care of injured employees and still realize savings in insurance rates. It said legislators should resist any efforts to tamper with the system in the 2000 session. An important part of the reform, it said, has been the Workers' Compensation Advisory Council, which forwards recommendations to the Legislature. Both the Legislature and the council abide by a policy of no amendments without approval by both business and labor—a process the paper said must not be compromised. **Bemidji Pioneer** said (Nov. 24) legislation to reform workers' compensation has finally taken hold and done its job. But it said the state must not rest on its laurels, as workers' comp "must be tailored for future injuries and workplace protections."

Mankato Free Press endorsed (Nov. 26) the idea of earmarking a portion of the state's 6.5 percent excise tax on motor vehicles for roads.

Princeton Union-Eagle said (Nov. 4) a single-house legislature would be "more open, understandable and accessible to citizens." It would eliminate the end-of-session conference committees with "out-of-sight deal-making" and would improve accountability of legislators. "We believe that a single-house legislature would produce more deliberative and thoughtful policy-making."

two-year colleges through Integrated Baccalaureate Programming.

- Students have access to compatible admissions, registration, financial aid, transcripts, scheduling, and other services for all Metro Alliance institutions at each Alliance institution.
- Students from all Metro Alliance

Institutions have access to specialty programs offered by Alliance institutions.

- Other MnSCU institutions coordinate the courses and programs they offer in the metropolitan area through the Metro Alliance.

Goal Two: Increase metro area

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Weaver: Criminal justice agencies can't communicate

“The most important issue in our criminal justice system is the lack of coordination [and] a lack of communication” between Minnesota’s different jurisdictions and law enforcement agencies, Public Safety Commissioner Charlie Weaver told a group of Citizens League members at a November Mind-Opener meeting on crime in Minnesota.

Minnesota’s 1,100 different criminal jurisdictions each operate their own independent systems for tracking criminal histories, making it extremely difficult or even impossible for different law enforcement agencies to communicate with each other and share information. According to Weaver, even close neighbors find that they have little way of knowing if some individuals have long records of repeat offenses. “If you’re arrested in Anoka last night [and] you’re arrested today in Minneapolis, they don’t know you were arrested in Anoka last night,” Weaver said. “There’s no way to talk to each other.”

Minnesota lacks statewide records on many of the components of a person’s criminal history, including misdemeanor arrests, release status, probation status, and compliance with probation conditions. “The bottom line is that our system has no way to track someone from arrest, to jail, to court, to probation,” Weaver noted.

MnSCU

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student participation and goal attainment by 10 percent in three years.

Outcomes

- Increased participation rates of metropolitan area high school graduates who attend college one year after graduation.
- Increased participation and goal attainment of underserved students in the metropolitan area.
- Increased participation and goal attainment of current workers in the metropolitan area.

by Dave Chadwick

One result of this lack of information is the problem of “catch and release” offenders, who can be apprehended and sent through the system multiple times without any long-term consequences. Not being

observed, is the public’s concern over data privacy. While protecting personal information is fundamentally important, Weaver expressed concern that public sentiment was too sensitive to collecting and shar-

“The bottom line is that our system has no way to track someone from arrest, to jail, to court, to probation.”

—Charlie Weaver, Minnesota Public Safety commissioner

able to identify a person’s criminal history can also endanger the lives of police officers, who, Weaver noted, often can find out more about a person’s driving record than their record of serious criminal offenses.

Part of the communication problem between different jurisdictions is a simple matter of inadequate technology. For instance, despite the easy transactions depicted on television and films, different jurisdictions in fact have a difficult time exchanging data, and particularly visual information like photographs or fingerprints. Many jurisdictions have nothing more sophisticated than a fax machine for such exchanges.

The other challenge, Weaver

ing any information, even for clear public safety purposes.

In one step toward improving the coordination of criminal history data, the Legislature funded a pilot program to last year to improve information systems in Hennepin County, which currently relies on 14 different systems for criminal justice information. Weaver expressed hope that the project would, if successful, lay the groundwork for statewide efforts.

However, Weaver stressed that improving the coordination of information between jurisdictions would not necessarily require action by the Legislature. “I’m not relying on the Legislature to do what we need to do. [For] a lot of what we’re doing, we don’t need

legislation.” Administrative improvements and better use of existing resources can meet much of the need, he argued.

A lack of coordination affects state agencies as well as local authorities, particularly with respect to prevention and intervention programs. “In Minnesota, we spend a billion dollars a year on prevention and intervention programs,” Weaver noted. “The problem is, no one talks to each other...none of them are coordinated, none of them are working together.”

As a result, individuals seeking to develop a program to help, for instance, at-risk youth will need to navigate a number of different agencies and deal with duplicative paperwork and other requirements.

To begin addressing this lack of coordination, Gov. Jesse Ventura established the Minnesota S.A.F.E. (State Agencies Focused on Effectiveness) Coordinating Council at the end of September. This 11-member council, chaired by Weaver, focuses on setting strategic direction for the state’s criminal justice, and drug prevention efforts and reviewing programs to eliminate duplicative or conflicting efforts.

Dave Chadwick is a research associate at the Citizens League.

and usage within the Metro Alliance makes the best use of current facilities.

Goal Five: The Metro Alliance will actively participate in and facilitate metro-wide planning with key educational and community-based organizations in the Twin Cities metropolitan area.

Outcomes

- The Alliance has mutually beneficial linkages with employers, regional planners, K-12 schools, other MnSCU institutions, the University of Minnesota, and private institutions.
- Alliance initiatives are focused through collaborative research on current and potential student workplace, and community needs.

St. Paul

Continued from page 1

and cost their services and in ways to provide their service more efficiently.

Under the guidelines of the city council ordinance, a seven-member board, appointed by the mayor and approved by the council, will be created to oversee the performance plans, as well as any future managed-competition proposals.

Coleman’s deputy mayor and chief-of-staff, Susan Kimberly, says the mayor’s office will go ahead with implementation of the city council resolution, but that due to St. Paul’s open appointment process, it will take three or fourth months to get a full board appointed.

In the meantime, Kimberly says the mayor’s office will look to other management tools to find the savings they expected to achieve by implementing competitive bidding this year. Coleman has said the city could save up to \$20 million a year through managed competition.

The public employee unions were successful in framing the issue as the evils of privatization,” said Kimberly. “We were never able to draw the distinction between privatization and managed competition.”

Under managed competition, current city employees are given the opportunity to submit their own proposals and compete with private companies in order to continue providing a given service. Under a privatization plan, only private companies are given the opportunity to bid for a contract.

Ordinance restrictions

Tim Marx, cochair of a mayoral task force on competitive bidding, calls the city ordinance an “unfortunate development.” “It is way too bureaucratic and process heavy,” he said. “It essentially hamstring the effort.”

The city council ordinance creates “so many restrictions on competition that it is not an attractive tool,” Kimberly.

Among the restrictions placed on any future managed competition is a provision requiring that there be



“If the city can save heaps of money on parking enforcement with private enterprise bidding on the contract, I wonder if your parking tickets will cost us less!...”

at least three private parties interested in providing a given service before managed-competition proposals will be considered. In addition, the city will have to continue directly providing 25 percent of the service or retain the capacity to provide the service itself.

Private parties interested in bidding for any public-service contracts will be required to offer any available jobs or jobs created as a result of their receiving the contract to city employees subject to layoff as a result of the contract. Furthermore, the private provider of any service will be required to provide wages and benefits to their employees equal to those received by those in comparable civil service positions with the city.

City Council member Jay Benanav, primary sponsor of the ordinance, says it was necessary in order to provide some guidelines for managed competition. Benanav says there were many questions about how the process would proceed, what services would be opened to competition and how private firms providing public services would be evaluated. The basic structure established by the city council ordinance was taken from work by the National League of Cities, he said.

“The city council doesn’t necessarily oppose competition,” said Benanav. “I think there’s a misconception about that.”

The Council was concerned that not enough discussion was occurring with the city’s 3,000 current employees. In many cases, Benanav believes those individuals are best equipped to suggest better ways of delivering city services. Additionally, Benanav didn’t believe there was any evidence that current employees aren’t doing their jobs well or that St. Paul residents are

dissatisfied with the quality of public services.

Competition in Indianapolis

The city of Indianapolis is widely acknowledged as a place where managed competition has been successfully implemented, to the satisfaction of both elected officials and city workers. Services such as parking enforcement, wastewater treatment, median mowing and printing have all been put up for managed competition. The city believes it has saved over \$400 million with its competitive initiatives.

However, that city went through at least a two-year process to reach this outcome. One criticism of Coleman’s efforts in St. Paul is that he tried to skip over several of the steps taken in Indianapolis.

“Maybe we made a tactical error,” admits Kimberly. “We thought we could learn from the Indianapolis experience and not have to drag it out for two years here in St. Paul.”

Marx suggested that since everyone points to Indianapolis as the model for competitive bidding that both the city and its employees support, a closer examination of that city’s efforts might be warranted by all sides.

When asked what he thinks St. Paul could take from the Indianapolis experience, Benanav noted the critical importance of talking to current city workers. He also noted that in Indianapolis, the mayor’s office was one of the first areas of the city to be reviewed for efficiency and to contract with private firms for particular services.

Controversy and acrimony

The Compete St. Paul initiative was first introduced in Mayor Coleman’s 1998 State of the City address. Since that time, the issue

has been the subject of much debate, accusation and name-calling between the mayor’s office, the city council and representatives of the public employee unions.

In the end, it is unclear how much of the conflict is the result of a fundamental disagreement about the value of managed competition and how much is the result of a lack of communication and inclusiveness.

When asked what they had learned from the process, Kimberly suggested the need to look at the city council process and structure. Major issues, such as competitive bidding, need the type of deliberative discussion that occurs in most legislative bodies, but is not possible because of the part-time nature of the council, she said. “Two 15-minute hearings in a contentious environment is not adequate.”

Also, the Compete St. Paul issue appears to have been battled out largely between the mayor, the city council and public employee unions, with little involvement of the public. Benanav says he has had little contact from his constituents on the subject. Kimberly also acknowledged that St. Paul residents were not involved enough in the debate.

Marx believes a broader public discussion of the issue would have been very productive and that if presented with a balanced view of the two sides of the issue, the public would be supportive of competitive bidding in city services.

Moving forward

With the city council ordinance passed, vetoed and overridden, it appears that the debate between the mayor, the city council and the public employee unions is over for now. With the appointment and confirmation of the Compete St. Paul Board, the long, slow process outlined by the ordinance will begin, with actual managed competition in St. Paul still more than two years off.

“The issue now is how to move past this and get something done,” says Marx. “Minnesota is woefully behind, both nationally and internationally, in terms of managed competition.”

Kris Lyndon Wilson is a research associate at the Citizens League.

Area codes

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solutions appear not readily forthcoming. One of the unfortunate answers is to add a new area code, thereby creating new large blocks of sequential numbers.

The increased demand for phone lines not only pressures the number allocation systems, but also forces phone companies to upgrade and expand their networks. Telephone companies are having a tough time keeping up with the demand. New subdivisions, relocating businesses and families moving from one home to another are having to wait longer than usual before they can get phone service. Such quality service problems may have been inconveniences before, but now are bottlenecks to economic growth.

The rise of local competition
Consumer demand for additional numbers pales in comparison to the demands for both new telephone numbers and network changes by new telephone service providers. Just as long-distance service was opened up to competitors like MCI and Sprint 15 years ago, local telephone service is being opened to competition, too. As these new competitors enter the market, they need telephone numbers, even if they do not have a single customer. Thus, tens of thousands numbers have been allocated to these new competitors.

The growth of competition is having a much more dramatic effect than just exhausting telephone numbers. The new competitors are replacing monopolies, who are held in check by less-than-perfect government regulation. In the future it will not be regulators who will set prices, but market forces established by what the new technologies can achieve. Competitors in St. Cloud, Worthington, Princeton and Battle Lake are finding that they can offer lower costs, higher quality and greater services when they build their own network, rather than relying on the incumbent former-monopoly telephone company's system.

The rise of competition forces fundamental changes in how the local, and hopefully soon-to-be-former, monopoly phone companies are

regulated. When and how should regulators free the old telephone company from strict regulatory oversight? On one side, regulators must weigh the need to regulate the incumbent utility to protect the public from monopolistic tendencies and promote competitive entry. On the other side, regulators should not unfairly or unreasonably hinder an incumbent utility's ability to respond to competitors entering its service territory.

Technological constraints
As we think about the changes going on in the telecommunications industry, it is helpful to appreciate that in many instances we are building upon a computer network being asked to do things in ways very different from the way it was designed, built and operated until now.

The telephone system is a gigantic computer system. Each telephone is connected to each other by a series of wires that carry electric or digital signals to a number of large computers called "switches." These switches run huge software programs that direct the call to other switches and ultimately to the correct phone. Like all computer systems, the telecommunications system is continuously being improved upon, as new technologies are developed. However, these improvements are generally built on top of the previous network elements. This pyramiding makes economic sense, but it makes each successive improvement more difficult, because it must be compatible with each previous system. Like most systems, the telecommunications network was designed to serve a specific purpose: typical phone-usage patterns and the needs of monopoly telephone providers.

These technological constraints directly affect the area code issue. We are not running out of numbers. The Minneapolis-St. Paul area certainly does not need 32 million numbers. The eight million numbers in the original 612 area code should have

done the trick. But, the technological constraints have created a number allocation problem. The computers are not programmed so that numbers in underused areas can be transferred to high-demand areas.

When you dial a number, the area code tells the computer what region of the country you are calling, the next three digits identify the exchange within the area you are calling and the last four digits identify the phone that should ring. To make this system work, the computers were programmed to allocate numbers in 10,000 blocks. These blocks are allocated to geographic areas called exchanges, which explains why the first three digits in most of your neighbors' telephone numbers are similar. This is also why, when you move from one area of the city to another, you cannot keep your old telephone number and why, until only recently, you lost your old telephone number if you changed local telephone companies. Once a block of numbers is allocated to an exchange, none of those numbers can be used in any other exchange, because of how the computers are programmed.

How else does the network's technological make-up affect our lives? The traditional phone call was quick; we called our friends and family and talked for a couple minutes and hung up. Phone lines could be continually reused throughout the day. But now we log on to the Internet and cruise it for hours at a time. Or, worse yet, from the system's perspective, we log on and stay on throughout the day, using our other line to talk on the phone. Lines are not being freed up as quickly as possible, causing busy signals. Unprecedented network demand due to Internet



"This is your lucky day, Mr. Barnes...not only can you have the phone number you want, you're getting your very own area code!"

usage is forcing telephone companies to not only increase capacity, but redesign the network.

To make matters worse, upgrade capacity is not enough. We now want speed! We want fat pipes that can handle a lot of digital traffic quickly. And as if that is not enough, as wireless, cable and satellite technologies come on line, they want to connect to the network, which requires changes.

Regulators' role
Policymakers and regulators are the final factor affecting both the area code issue and the revolution of the telecommunications industry. It is the Minnesota Public Utilities Commission, working with the Legislature, the Attorney General's Office, the Department of Commerce and stakeholders, that is developing the rules of the future telecommunications marketplace and that decided how to introduce the new area codes.

Policymakers and regulators will have a major impact as we answer questions like: How do we make sure every Minnesotan has adequate telephone service in a free market? How should "adequate" telephone service be defined? Is high-speed Internet included? How should we subsidize those who either cannot afford such adequate telephone service because they are poor or because they live in high-cost rural areas? How do we protect consumers from unfair practices like slamming? The answers to these questions will effect every Minnesotan and, in many respects, are much more important than the inconvenience of having to learn and dial new area codes.

The telecommunications industry is going through dramatic changes. We are in a difficult, confusing and often controversial transition phase. The coming consumer-driven telecommunications marketplace will offer superior value, quality, fairness and choice to today's system, which will benefit all Minnesotans. The need for new area codes is merely one of the highest-profile symptoms of these changes.

Edward Garvey has served as chair of the Minnesota Public Utilities Commission for almost three years. He has resigned as chair as of January 3, but will remain a member of the Commission.

Light rail

Continued from page 1

There's the \$35 million "for-en" cost of the Hiawatha Avenue light-rail corridor right-of-way, purchased 10 years ago. It's now worth \$70 million.

Minneapolis proposes new buildings within a half-mile radius of the light rail stations. How many millions of dollars in future subsidies for those new buildings will be paid by Minneapolis taxpayers? No one knows. And when those buildings are built near the stations, 80 percent of the new people living and working there will bring their own cars.

The airport is spending \$70 million of your airfare tax dollars to help out light rail's budget. The Highway 55 construction budget is shifting away \$43 million in highway funds to build light-rail infrastructure. Plus, another \$80 million of features "stripped" from the Legislature-approved proposal will be back later.

Buses beat light rail to mall
ay, if you want to ride from downtown to the Mall of America, take existing bus route number 80. It's eight minutes faster than light rail will ever be.

If you want to ride to the airport, take existing bus route number 7F. It essentially follows the proposed light-rail route. As one light-rail supporter has said, "If a regular bus route were started on that corridor, light rail would be dead."

The taxpayers' cheapest alternative to a \$548 million light-rail line is a bus line. Light rail is simply one "bus line"—costly, slow and inconvenient. The existing bus route 7F and its companion 7D run only five times a day—due to lack of riders. Route 7F takes 46 minutes, while light rail will take 33 minutes. Wow, \$548 million to save 13 minutes! With a few million dollars of bus and street modifications, Route 7F could beat light rail's time. Add on bus traffic light-override buttons (already installed, amused), reroute along Post Road and HHH Terminal at a higher speed limit, change three route-facing stop signs and improve some street lanes. This "modified"

bus route 7F would beat light rail in cost and performance.

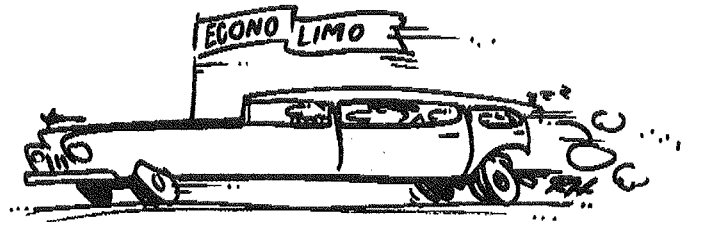
The House Transportation Finance committee should explore this proposal. A new bus route normally costs only \$5 million. We could run today's \$300,000 buses on a modified bus route 7F.

Second, we could lease "advanced," \$1 million, 62-passenger vehicles. These articulated buses, similar to those used on Los Angeles Route 29, use light-weight composite construction and fuel cell zero-emission engines. Each light-rail car costs four times as much, \$4 million. The "advanced" buses would run "modified" bus route 7F route every eight to 10 minutes with 18 station stops—just like the Legislature-promised light-rail proposal. Phase I "better bus" costs only \$8.5 million a year—all capital lease and operating costs included—compared to \$548 million upfront and \$10.2 million annual operating costs for the light railroad. (Editor's note: Woodward says he has now confirmed annual operating costs of \$26.2 million.)

An additional Phase II might include a six-mile, "smart," semi-exclusive transitway from the Metrodome to the GSA building near Fort Snelling. Mn/DOT estimated the cost at \$44 million. We estimate \$70 million today. Completed two years sooner than light rail, it improves speed significantly. An express bus could do 65 miles per hour—faster than rail.

Finally, we could add "smart" vehicles, using sonar and radar, that follow magnets in the special concrete guideway and could travel safely at fast speeds. Using a combination of existing roads and this transitway is \$500 million cheaper, it's faster and it has more stops closer to your destination's door.

Compare light rail to better bus
There are two important criteria for people switching to transit from driving a car alone. One is "visual passing speed"—seeing a bus or rail car pass your auto every morning. Seeing a 25-mph train on Hiawatha, while you drive your car faster, won't get people out of their cars. The second is "door-to-door travel time"—a bus or railroad trip can't take over one-and-a-half to two times your auto drive time



"Light rail, shmight rail...Home, James!"

from your home to your office door. Since few people live or work near train stations, most people must take a bus to and from a light-rail platform. Each transfer from bus-to-rail or rail-to-bus loses 50 percent of the potential riders.

Our proposal beats light rail in both "visual passing speed" and "door-to-door travel time" criteria. Under federal funding rules, the light-rail proposal must be compared to a "better bus" system. If the alternative we suggest was not considered or discounted by Metro Council's application, federal money should not be approved.

A light-rail vehicle can't pass a slower train in front of it. All trains will be "locals." On a smart, semi-exclusive transitway, 65-mph "express" buses bypass local stations and slow vehicles.

Even if nine lines of the \$10 billion light-rail plan were built, only one percent of the metro's population will live within walking distance of a station. Light rail will not solve congestion. Consistent with national figures, 80 percent of light-rail riders will be prior bus passengers. The 3,000 new daily riders projected for the Hiawatha line will cost the taxpayers over \$250,000 apiece. That's \$16-plus each time a rider boards a light-rail train, compared to a \$3 cost per rider for buses.

Many existing bus lines near Hiawatha Avenue will be killed, shortened or "dead-ended" into a light-rail station. In a disputed figure, we believe 7,000 of today's bus passengers will be "forced light-rail riders" to meet opening day projections of 19,500. How low will ridership fall on any day in the second year of operations? In one city's second year, after the excitement died, light rail was called "see-through trains." No one was riding.

Transitway has more "people capacity"
The semi-exclusive transitway

could be used for buses, carpools, taxis and motorcycles, just like a high-occupancy vehicle (HOV) lane. Rail tracks sit vacant four to eight minutes between vehicles. With added electronics and a monthly fee, your drive-alone car could use the excess capacity of a transitway at high speed. The "people capacity" potential is 10 times that of light rail.

The cheapest alternative is a shared-ride jitney/taxi or black limousine on an HOV lane. Compared to light rail, it's one-tenth cheaper for the taxpayers to subsidize a black limousine to pick up the door-to-door commuters. Everyone going downtown from South Minneapolis, Eagan, Bloomington and Burnsville who wants a limo could ride. The limo would have to be shared-ride—at least two other neighborhood people—or we would not be solving congestion.

Serving the rider
We're building a huge financial boondoggle with no sound evidence that light rail is of value or the right solution to the problem of metro congestion. We have many options. The federal money is available for those alternatives, too. Light-rail money could be better spent improving the public/private bus services to existing customers—and serving more people statewide.

Honesty in government requires the over-budget, stripped-down and late light-rail plan to be brought back to the Legislature for an up-or-down vote on its own merits.

Rep. Tom Workman (R-Chanhassen) is chair of the Minnesota House Transportation Policy Committee and serves on the Transportation Finance Committee. Lynn ("Dr. Gridlock") Woodward has a Ph.D. in business administration from the University of Wisconsin, with a minor in urban transportation planning. He has collected 1,400 ideas for solving traffic congestion from around the nation and the world.

Voter distrust of government down, centrism is back

The newest analysis of voters from the Pew Research Center for the People and the Press (Nov. 11) found that distrust of government is down and centrism is back. The middle of the electorate is no longer dominated by angry, economically stressed-out voters; rather, the most important swing constituency—the undecided voters who can determine who wins an election—is among the most moderate segment of the voting public.

Political cynicism, while still extensive, has lost some of its edge and there is less interest in political outsiders than there has been for several years. (More details can be found at www.people-press.org.) —Janet Dudrow.

Meanwhile, the Shorenstein Center on the Press, Politics and Public Policy at Harvard is embarking on a major study on “The Vanishing Voter.” They’ll be surveying the electorate every week during the 2000 presidential campaign to determine why citizens follow or ignore the campaign.

One of their first polls (Nov. 30) found that few Americans are paying attention. Why? “It’s too early in the campaign” was the reason given by 54 percent. Thomas Patterson, Harvard professor and director of the project, says, “The public’s attention is a scarce resource and we ought to treat it that way. If the effect of a long campaign is to dull people’s appetite for the election, then we ought to listen to them and find ways to shorten it.”—J.D.

A local health-care expert rejects the notion that screening patients’ requests to doctors was managed care. “Policed care,” he calls it. So he is positive about recent moves, as by United Healthcare, to let the physicians make the initial medical decisions, then for the HMO to review the pattern of doctors’ decisions over time for cost and quality.

Some doctors are now writing frantic letters to the *New York Times* protesting this accountability. Their notion, it seems, is to return to the fee-for-service arrangement in effect before HMOs appeared; to what Anne and Herman Somers described in 1976 as the notion that

“reimbursement (should be) guaranteed for costs that are neither controlled by competition nor regulated by public authority and in which no incentive for economy can be discerned.”—Ted Kolderie.

Last spring, officials at Chesapeake and Ohio Canal National Historical Park in Maryland took an unusual step to reduce litter and park cleanup costs: they removed all 250 of the park’s trash cans. Although park officials acknowledge that the approach seemed a little counterintuitive at first, it has been “surprisingly successful.” The volume of trash in the park has dropped by 75 percent and litter has decreased dramatically. And park rangers who formerly had to spend time emptying trash cans are now able to take care of other necessary resource management and maintenance tasks.—Dave Chadwick.

Washington, D.C., whose poor public schools are legendary, now has 11 percent of its total student enrollment in charter schools, according to the Center for Education Reform. In New York, in contrast, the state school boards association has joined the state’s American Federation of Teachers chapter in filing a legal challenge over the establishment of the state’s first three charter schools, asking the court to annul the charters.—Dana Schroeder.

In January the public will get its best look ever at the decisions Minnesota school boards make about allocating revenue. Districts are to report to the state by Jan. 30 the revenue by school, adding up the dollars that come with each student and multiplying by the number of students at each school.

The ‘99 law does not provide for the schools to decide how the money is spent: That authority remains with the board. At a meeting in January, however, each district board must pass a resolution reallocating the revenue to match its expenditure budget. The allocation reports will be public. Watch your local newspaper.—T.K.

Take Note

No reason to distrust these policy pellets.

A suburban reporter for the *Pioneer Press* saw recently what a lot of people had missed: that “alternative education” now accounts for about 10 per cent of K-12 enrollment in Minnesota. These are the schools quietly set up over the last 30 years for kids for whom regular instruction doesn’t work, often kids the schools don’t want in their classrooms.

The smaller size and different methods that characterize these schools are apparently popular with students. With about 100,000 students “alternative education” is effectively the biggest district in Minnesota, larger than Minneapolis and St. Paul combined.—T.K.

Interesting, and staggering, factoid: According to Hennepin County Attorney Amy Klobuchar, there are 500 people in Hennepin County alone driving around with at least 10 DWIs.—Phil Jenni.

A new study by RAND argues that government agencies could make dramatically wider use of e-mail for personal communications with citizens, reducing costs and improving service. Drawing on case studies of the Health Care Finance Administration and the California Economic Development Department, the study’s authors suggest that the government could save considerable time and money in postage and administration for routine information distribution and claims processing. Not to mention, the government will need to begin using e-mail simply to keep

up with the demands of the public, who are increasingly going online to shop, work and learn.

The report recommends more action to address security and legal issues, as well as the “digital divide” between those with access to computers and those without. The report also suggests establishing a national system of e-mail addresses, possibly administered by the U.S. Postal Service. The full report is on the web at www.rand.org.—D.C.

A legislative budget staffer was shaking his head about the forecasts for a \$1.6 billion state surplus. “Everything now depends on the growth rate,” he said. The economy doesn’t have to crash: If the state spends or rebates the surplus and the growth rate just declines by 0.6 we’d be in trouble.”—T.K.

Quietly, tests are proceeding at Wold-Chamberlain airport on the new technology for controlling landings. Aircraft can now use the Global Positioning Satellites (GPS) to calculate their location quite precisely. So rather than lining up for landings nose-to-tail, five miles apart, the incoming planes can approach an airport from various directions and land with shorter approaches.

If put into use for scheduled airlines, the new system would likely change noise patterns around the airport. The PR releases and newspaper reports are not making it clear quite how.—T.K.

“Take Note” contributors this month include Minnesota Journal and Citizens League staff members and Janet Dudrow, policy analyst at Dorsey and Whitney.

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PERIODICALS
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Citizens League Matters

December 14, 1999

News for Citizens League Members

Welcome

New and returning members

H. Leonard Boche
Brad Brown
Mark B. Dayton
Carter Delaittre
Reginald Edwards
Walt Fehst
Renee Fredericksen
Maria Gomez
Charles and Marilyn Green
Sharon A. Johnson
Tom Johnson
Daniel Kelley
Jim Long
Jerry Loomis
Terry Lydell
Catherine McGraw
Neala Schleuning
John and Marcia Stout
Richard E. Student
Charlie Weaver
Charles Welling
Thanks to recruiter
William Hedrick

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The Citizens League promotes the public interest in Minnesota by involving citizens in identifying and framing critical public policy choices, forging recommendations and advocating their adoption. The Citizens League is an open membership organization. Suggested dues for membership are \$50 for individuals and \$75 for families. Please call 612-338-0791 for more information about membership.

Census 2000 *counting on you*

After much debate over whether or not to use statistical sampling, the 2000 Census will begin on schedule in just a few months. This decennial process, by which the federal government is constitutionally required to count every resident of the United States, raises several important issues.

This series will examine what we can expect from the 2000 Census. How has the size, age, wealth, ethnicity and geographic location of Minnesota's population changed over the past ten years?

We'll also examine the implications of the Census. What is meant by an "undercount" and what are its ramifications? Who isn't being counted and why? The series will also look at one of the major political outcomes of the Census — legislative redistricting.

Tax deductions expanded to all donors

The 1999 Minnesota Legislature passed the Charitable Giving Tax Relief Act which provides a tax deduction for all charitable contributions—even if donors are nonitemizers and use the short form tax return.

What does the Charitable Giving Relief Act do? The Minnesota Tax Code provides a 50% tax deduction for non-itemizers for charitable contributions over \$500. After an individual or couple who are nonitemizers donate over \$500 in money or goods to any combination of charities, additional contributions are eligible for the 50% deduction. For instance: a couple that donates \$1000 to nonprofits in 1999 will be able to deduct 50% of everything over \$500.

So that taxpayer would get a \$250 deduction from his/her taxable income.

Which nonprofits are eligible charities? Any 501 (c)(3) is an eligible organization. Contributions to any public charity, including churches, synagogues and mosques are eligible. The Citizens League is also eligible.

What do taxpayers need to do to claim the deduction? Taxpayers should save receipts for goods and monetary contributions. Tax forms for 1999 and for all subsequent years will include instructions and a line where nonitemizers can report their charitable giving for the year.

DEC. MIND-OPENERS

Tuesday, Dec. 14, 1999

Allan Malkis

Research Analyst, Urban Coalition

Thursday, Dec. 16, 1999

Tom Gillaspay

MN State Demographer

Tuesday, Dec. 21, 1999

Dee Long

former Speaker of the Minn.
House of Representatives

Lyall Schwarzkopf

former Chief of Staff to Governor Carlson
and former legislator

Make the League your favorite charity

Twice a year the Citizens League asks its members for financial support beyond the regular dues. By now you should have received the League's 1999 Annual Report and a contribution card. Please make a contribution to the League as you consider your year-end charitable giving.

The League relies on this year-end campaign. Individual members account for nearly 30 percent of the League's budget. The recent stock market run-up makes this an especially good time to give gifts of appreciated assets. For more information, please call 612-338-0791.

Millennial Musings, or how we learned to stop worrying and love Y2K

Forget the millennium. Who cares about the end of the century. At the Citizens League we like to think in decades. So we thought it would be fun to take a look back to see what the League newsletter was concerned with at the end of the 1950s, 60s, 70s and 80s. — Here's a quick tour.

CL News headlines on December 31, 1959*:

Action Group Formed to Push for Adoption of Joint Committee on Charter Reform proposals
CIVIC (Charter Improvement Voluntary Information Committee) was appointed by the League to help implement changes to Minneapolis' city charter.

League Group Asks Help in Improving Assessments
Purchasers or builders of homes within the last five years were asked to provide construction or purchase price in an effort to raise the standards of assessment practices in Hennepin County.

Minneapolis School Expenditures Compared
The League compared Minneapolis school spending with other school districts in cities of more than 300,000 people.

* The *Minnesota Journal* didn't appear on the scene until 1984.

CL News headlines on December 20, 1969:

State Group To Explore Issues In the School Report
Governor Harold LeVander proposes a commission to explore issues raised by a League committee, chaired by John Moity, on Stretching School Salary Dollars.

Annual Meeting Highlights: Minority Representation; Reapportionment; State Revenue
State Sen. Stanley Holmquist; State Rep. Martin Sabo; Metro Council chair Jim Hetland; and GOP issues task force chair Rollin Crawford responded to questions and outlined the issues for the 1971 Legislature (which met only every other year).

Also of note, and keeping with the theme of decades, it was announced that Cal Clark would join the League staff on January 1, 1970. He would serve on the staff until December 31, 1979. Other staff members at the time: Ted Kolderie, Paul Gilje and Clarence Shallbetter.

CL News headlines on December 25, 1979*:

League Adopts Desegregation Report, Urges More Choices
This seminal report set the stage for the League's subsequent work on choice and options programs which culminated with the charter school legislation in 1991.

Top Officials Call for City Input to Public Schools
Minneapolis Mayor Al Hofstede and City Council President Lou DeMars told a League breakfast meeting that the Minneapolis School Board ought to be under the umbrella of city government. (St. Paul Mayor Norm Coleman suggested something similar at a recent Mind-Opener.)

In other news: Minneapolis Park Superintendent Charles Spears reported that half of Nicollet Island would be devoted to a new park; the League's past presidents met; the Public Affairs Directory was available.

* Since the League was founded on Valentines Day in 1952 it's only fitting that it would date a newsletter for Christmas Day.

Journal headlines on December 12, 1989:

State revenue shortfall of \$161 million seen
Revenue Commissioner Tom Triplett said the Legislature will have to cut spending, raise taxes, dip into reserves or hope for an upswing in the economy. He also announced that he would be the new executive director of the Minnesota Business Partnership.

Minnesota needs materials policy to assist economy and environment

David Morris argued that the toxic-waste crisis, the garbage crisis, greenhouse effect, ozone depletion and groundwater pollution are all the result of a misuse of materials. He urged that state policy shift from a reliance on hydrocarbons to carbohydrates. (Today, Morris heads the Institute for Local Self-Reliance and is editor of a publication called the *Carbohydrate Economy*.)

Other News: Former research director Paul Gilje was interviewed by National Geographic; The Joint Light Rail Transit Advisory Committee was eyeing fiscal disparities for additional revenue for LRT; League released telecommunications report.

Citizens League Y2K readiness disclosure

League President George Latimer has certified the League to be 100 percent Y2K ready. Exhaustive tests have demonstrated that the turnover of calendars and clocks at midnight on December 31, 1999 should have no effect on the ability of League members to discuss sewer rates, light rail transit, urban service boundaries, education reform, or tax increment financing. In the event that the League does experience any Y2K-related emergencies, Latimer has authorized a special League Emergency Rapid Response Team. This team is authorized to hold three breakfast meetings, two open-mike discussions, and an eighteen-month study to generate a "vision framework" to guide preparation for Y3K and Y4K.

Have a safe and happy
holiday season!

