



December 6, 1985

Mr. Todd Lefko
Chair, Policy Committee
Regional Transit Board
270 Metro Square Building
St. Paul, MN 55101

Dear Mr. Lefko and Members of the Policy Committee:

In response to the Policy Committee's study of Metro Mobility, the Citizens League wants to encourage your proposal to restructure Metro Mobility.

The plan to allow more transit providers into the system of providing rides for the handicapped and elderly is consistent with the Citizens League position that a public service can be improved by allowing providers of services to operate more as entrepreneurs in a competitive environment, rather than as sole suppliers of service in a monopoly environment. Allowing providers to charge varying fares for the different levels of service provided will preserve competition between them.

The user-side subsidy proposal is an important part of enlarging people's opportunity to manage and control the transit system through the choices they make. By basing their choice of transit provider on the cost and quality of the service received, the riders will be determining the content and the providers of the service. We would encourage real price competition through a wide dissemination of the different fares which should reflect both the varied costs and the varied service levels of the providers.

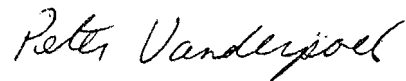
The policy committee should also consider a payment system that goes to the riders instead of the providers. With an allowance worth a predetermined amount of subsidy, the riders could call a low-cost provider and pay a relatively low fare. Or the riders could choose to spend more of their income on the ride and call the higher-cost provider. As an incentive to riders to purchase no more rides than are needed, riders should be expected to pay a fare commensurate with the level of service provided. Low-income riders should receive vouchers worth higher subsidies, so no one is priced out of transportation.

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As the RTB debates the restructuring, keep in mind a user-side subsidy requires that riders have the economic power and the information necessary to make meaningful choices.

We hope these remarks are helpful to your discussion of restructuring Metro Mobility.

Sincerely,

A handwritten signature in cursive script that reads "Peter Vanderpoel".

Peter Vanderpoel
Chair, Community Information Committee
Citizens League