

REFERENCES

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Stanley Hirsch, Orange and White Taxi Systems, Hicksville, New York

I am vice-president of the following enterprises: Orange and White Systems, which operates 100 shared- and group-riding taxicabs; White Carriage Corporation, which operates more than 100 school buses; and STAT Ambulance Service, which is the largest ambulance company on Long Island. All of these businesses are privately owned, and none of them receives direct subsidies. I and my associates are seldom accused of altruism. On the other hand, we are not money hungry. We are simply attempting to sustain a good living for ourselves and our employees. Economic and political pressures aimed toward destroying our profit-making ability are constant. Yet, in each of our transportation companies, we have managed to keep the ledgers in black ink.

I hasten to add that we are not tycoons of industry. Our growth beyond the taxi business has been forced on us, both to enhance our buying power and to achieve maximum economical use of facilities, personnel, and vehicles. We remain solvent by working hard—7 days a week and 365 days a year—at the things we know best.

We strenuously resist the trend toward socialization of transportation. We find that not all but a significant number of politicians are anxious to give away the same services that we sell. For example, last year several of our county legislators borrowed a van and ran a free DRT experiment in the Brentwood, Long Island, area. The experiment was conducted for 2 weeks during which time all volunteer workers were used. The program was not properly insured, was not properly licensed, violated the previous sanctity of a CB radio channel, and spent no money for salaries and employee benefits. All this was done in an area served by 2 taxi companies, who had no prior knowledge of the experiment and whose cooperation was not requested. When interviewed by reporters, the perpetrators of this farce termed the experiment a huge success in attracting riders. Thus, these unverified newspaper accounts succeeded in keeping the legislators' names in the newspapers. Thus encouraged, they even wrote a 60-page report that compared taxicab fares, transit fares, census tracts, and so on.

On a less grand scale, I would suppose that this sort of thing is repeated almost daily in the United States. Local politicians seem to love to get up and give away anything, particularly DRT systems. Even UMTA has published an operating manual, which I sometimes think was intended as a primer for politicians to learn how to get government money for anything.

The creation of such a climate, particularly on Long Island, has brought a bonanza to consultants and consulting firms. Unfortunately, some of these consultants are hired not to make professional surveys, studies, or recommendations, but to produce reports that will lend credence to the current boondoggle. Sometimes they do not even take time to ascertain entry regulations, jurisdictional rights, or local custom. Source material for demographic profiles is often years out of date. A favorite gambit for consultants during a developmental study is to form an advisory council of local business people and residents. These councils meet irregularly, if at all, but the names of the members are always used to dignify, by implied endorsement, the final published report. I know of one instance in which members of a technical advisory group were not even given the courtesy of receiving a draft and final copies of the consultant's report.

Most everyone knows that every DRT system in existence has been, as a financial experiment, a complete failure. In some cases, the word disaster is not too strong. Even as an experiment in innovative transportation, regardless of cost, most systems cannot be termed a demonstrable success for the population they are supposed to serve.

The marketing of low-fare transportation systems, without ridership, becomes an expensive experiment and places an unwarranted burden on the taxpayer. The life-styles necessary to support any transit system will not be changed overnight. We can force motorists out of their cars by raising sales taxes on automobiles, by creating gasoline shortages, by elevating parking fees and use taxes, and by emphasizing ecology problems. Whether most of the existing transit systems would be able to sustain the passenger burden is questionable, however.

On Long Island, we think that our industry is perhaps doing something right. For more than 25 years our taxicab business has, in fact, been a DRT system. It has paid its own way; fares have risen, but in proportion to those of other products and services. In fact, on the basis of cost per mile, our fares are still almost one-third lower than those of the most efficient DRT systems in America. We have done this while working within the confines of our existing socioeconomic system and without any direct subsidy through transit bills, tax relief, or price support for inequitable fuel costs.

Fortunately, on Long Island, we do have some public servants and politicians who are trying to do the right thing. For these people, we have the utmost respect and we demonstrate it daily by working with them to create the best and most economical transportation possible. These people are rare, but my industry is doing its best to educate more government people to the realities of public transportation. Meanwhile, we spend an enormous amount of time fighting the giveaway artists, and we fight doggedly to persuade politicians and technical committees that it is impossible for us to continue to exist if there is to be a proliferation of unfair subsidized competition. This nation's needs for demand-responsive transportation can be met by independent tax-paying businesses.

Discussion

KENNETH HEATHINGTON: Will shared riding or group riding be more pronounced in certain urban communities than in others or with a certain size of taxi operation than with others? For example, will it be the same for an operation of 1,000 vehicles in Chicago as for an operation of 100 vehicles in Little Rock?

CHARLES BOYNTON: The emphasis will be different in different cities depending on the size of the business involved. Because of regulations, what one cab company does in the town, the others do. Maybe in the future that barrier ought to be knocked down. But, if one cab company is allowed to share rides, that benefit passes on to other cab companies. The service being offered is proliferated.

NICK PINE: What percentage of systems now lease vehicles?

CHARLES BOYNTON: Leasing is occurring throughout the country. In 4 years we have gone from about 25 percent leasing to nearly 40 percent. The pension act and the passage of a national health insurance plan will push the emphasis because of increased labor costs.

ROBERT BERMAN: In the city of Fairfield, California, drivers under the leasing plan do not seem to get the same benefits as bus operators. Is this a union problem?

CHARLES BOYNTON: A self-employed driver pays less FICA taxes than one that is employed by someone else. It is just a matter of revenue sharing. I think unions