Effect of Governmental Capital and Operating Assistance on the Development of Paratransit

Workshop 2 Report
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Objectives
Consider the impact that increasing governmental, particularly federal, assistance to paratransit has on the ownership, cost, services, planning, and labor of paratransit systems.

- Draw on experiences to date with applications for federal assistance for paratransit to identify the forms of paratransit operations that are the most likely to need assistance or most likely to create labor conflicts and suggest actions that might reduce such conflicts or otherwise facilitate worthwhile paratransit projects.

- Consider the impact of UMTA eligibility criteria on paratransit systems that provide exclusive-ride services such as private taxis, rental cars, and limousines and the impact of federal comprehensive planning requirements on the transportation planning process.

- Address ways in which federal and state influence may constructively be directed in the future.

Participants
Robert A. Burco, chairman; Alan A. Altshuler, resource paper author; and David M. Alschuler, Peter Benjamin, Daniel Brand, G. J. (Pete) Fielding, Ronald J. Fisher, Richard V. Gallagher, Martin Gach, Donald A. Maxwell, Thomas M. McNamara, Gerald Miller, Theodore Munter, Sumner Myers, Robert D. Owens, Lew Pratsch, Earl W. Putnam, and Larry F. Yud, members

The principal focus of the workshop discussion was on how federal money will be spent on paratransit in the next few years, most particularly UMTA money, and how the precedents established by the expenditure of these funds will shape the future development of this field of transportation. This discussion was stimulated by Altshuler's resource paper, which emphasized a number of important federal policy issues involved in the overlaps of taxis and paratransit and of paratransit and conventional transit and in the generally complex area of labor protection. Given significant participation by representatives of transit labor and the taxi and transit industries, workshop participants took advantage of these additional resources by exploring the areas of agreement and disagreement among them on the issues identified in the paper.

It was widely acknowledged that much was unknown about the potential impacts of various paratransit innovations on the travel behavior of individuals and hence on the demands for various kinds of service and mechanisms for delivering those services. With both such a wide range of paratransit unknowns and the battery of protective mechanisms against adverse changes in the status quo written into the existing UMTA law, it was felt that a strategic approach to keeping options open was of fundamental importance to the continual growth of experience, knowledge, and performance in para-
transit modes. Conscious mechanisms for avoiding dangerous precedents in the limitation of competition and in labor protection during the learning phases of paratransit development were sought by this group in contrast to the ad hoc policy drift that could emerge out of a series of immediate project opportunities and protections built around present fears or uncertainties.

A go-slow attitude, aimed against locking ourselves into destructive patterns of conflict where conflict may be avoided or mitigated, restrained the participants' ability to answer immediately a number of detailed questions put to them by UMTA representatives in the context of our discussions. If time and experience are needed to gain more definitive expectations about paratransit impacts on consumers, labor, and the transit and taxi industries, participants felt UMTA ought to proceed with sufficient caution in revising its definition of mass transit, in extending financial eligibility to nonpublic specialty forms of transit, and in trickling down its money and its accompanying restrictions, such that the experiences of observable effects of paratransit can be assimilated by major interested parties.

A particular example of such a strategy was cited repeatedly in conjunction with the section 13c agreement reached for the UMTA van-pooling demonstration activities about to be undertaken in Knoxville, Tennessee. There the labor protective agreement lasts for a period of 4 years, the expected operating life of the vans and the project, and ensures transit labor that existing jobs will be protected while the demonstration goes on; but neither creates new jobs nor locks the parties into dealing with uncertainties beyond the initial 4-year period. The information gathered from the service effects of such a demonstration will allow all parties to better judge their interests when future projects of this kind come up so that they do not act in an overly restrictive manner based on relatively unfounded expectations. Applying an experimental philosophy to the development of many forms of paratransit service and emphasizing shared uncertainties such as mutual learning opportunities for the transit industry, private enterprise, labor, and government were basic themes of the consensus reached among workshop participants. In such an atmosphere, section 13c and section 3e conflicts could be minimized during the early stages of paratransit development. Later, when impacts of various service innovations are more fully understood, the range of protective concerns written into current UMTA law will need to be dealt with more directly; those forms of paratransit that provoked unreconcilable conflicts, abandoned; and those that did not, further encouraged.

Since many of the forms of paratransit that came up for discussion, such as certain forms of van pooling, subscription bus, and car pooling, fall entirely in the private sector, the type of assistance needed may be of a technical or informational nature rather than financial. Thus, the workshop expanded its definition of governmental assistance to include technical assistance in addition to capital and operating assistance. The tone of the discussion was to encourage as much local initiative as possible, to "let a thousand flowers bloom," and thus to avoid red tape where possible, relying on information rather than rules, and self-interest rather than subsidy, to stimulate widespread implementation of certain forms of paratransit.

Where state government can assist in either the technical or the financial areas, it may be better able to hand tailor responses to local needs. However, discussion in the workshop really did not bring the state role into focus, although several states with differing interests and capabilities were represented in the group. As with the roles of all other interests, the role of state government in paratransit development will need to be experimented with during the next few years, evaluated, and communicated to broaden the information base for further implementation.

In keeping with these cautions and strategic perspectives, participants worked with considerable cohesion on the potentially abrasive conflict areas identified in Altshuler's resource paper. In doing so, we arrived at agreement on a number of findings, recommendations, and areas of inquiry.
FINDINGS

1. Where new services are being created (particularly demonstrations), potential conflicts can be reduced by dealing directly with the uncertainties. However, bringing in all concerned parties early in these discussions is crucial. The arrival at satisfactory section 13c agreements in Knoxville for van pooling and Rochester for dial-a-ride is evidence of this.

2. User-side subsidies for approved paratransit and transit seem least likely to adversely impact labor and private operators and most likely to benefit target groups with specific identified transportation needs.

3. Mechanisms of cooperation that render the greatest efficiencies of all available resources are to be preferred to the creation of numerous isolated projects that have separate client groups and paratransit equipment. Emphasis on services rather than suppliers ought to foster the fuller use of private sector resources, existing transit systems, and centralized paratransit systems for specialized client needs.

RECOMMENDATIONS

1. The analysis of community-level transit needs in major metropolitan areas should be strengthened by putting teeth in the recent UMTA policy statement on major capital investments such that all regional resources are not drained off by central-area, fixed-rail, or major conventional bus improvements.

2. To strengthen the role of the private sector in urban transit, encouragement should be offered to the taxi industry in the provision of paratransit services by requiring during the planning process that careful analysis of alternative roles of private providers be included in deciding on the public and private mix in delivering services. UMTA could move more effectively toward implementation of the intent embodied in section 3e in which concern is expressed for the vitality of the private sector in provision of urban transportation services.

3. All forms of paratransit receiving governmental assistance should have adequate standards of vehicle and driver safety and insurance. No agreement could be reached among workshop participants on proper levels of regulation and performance governing paratransit services.

4. A distinction should be made between paratransit services designed primarily to deal with high-density flows at the commuter peak and those designed for low-density, nonpeak use insofar as governmental assistance is concerned.

5. For van pools, car pools, subscription buses, and other paratransit modes dealing primarily with commuter travel at peak periods, governmental assistance should be in the form of technical assistance, promotion, and coordination rather than financial aid. Governmental efforts aimed at reducing regulatory roadblocks to the operation of such voluntary transit forms should also be encouraged.

6. For the low-density, nonpeak forms of paratransit, the rationales of social service and equity of access would seem to justify governmental financial assistance for both capital and operating expenses. Therefore, we recommend that emphasis be placed in governmental programs on financial assistance to those forms of service.

7. The program of financial support for nonurbanized transit services should be opened to operating subsidies as well as the existing capital support.

8. Special services for elderly and handicapped under section 16b2 should be reviewed with a view to allocating the 2 percent of the funds earmarked for those programs more broadly to section 16 as a whole and not expressly to section 16b2. If such action were taken, a fuller range of participation by the transit industry and private suppliers could be encouraged in providing services to what now amounts to a major element of both transit and taxi markets.

9. States should be encouraged to play an active role in the support of paratransit implementation both through programs of their own and through coordinative functions involving portions of the existing federal programs. Particular attention should be
paid to state technical assistance to smaller communities in developing programs and services.

AREAS OF INQUIRY

1. Whether the relation between ride sharing and other paratransit modes and conventional transit and taxi modes is competitive or complementary should be subjected to careful, continuing study. The proposition that they do not compete but stimulate a mutually supportive social and institutional attitude should be tested.

2. Several areas of concern to the workshop on which no consensus could be reached related to standards of regulation for various modes, eligibility requirements for federal subsidies, and broadening the definition of mass transit. Caution and experimentation in these areas should lead to better grounds for consensus or disagreement in the future.