Session 7 The Private Sector in Energy Contingency Planning

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We are entering an era of increased public-private cooperation in addressing public issues. Some public issues continue to be addressed exclusively by the public sector, but the limited resources and the burdens of the public sector have made it attractive to involve private sector resources. As we consider means by which to maintain urban mobility in an energy emergency, it is important to consider the role that can be played by the private sector.

EMPLOYER STRATEGIES

A number of employers have instituted programs to assist their employees in making the work trip. These programs can be expanded during an energy emergency. Among the strategies used are:

- Company-sponsored vanpool programs (e.g., Bechtel and Northrup).
- Company-sponsored express bus services (e.g., Hughes Aircraft).
- Company-subsidization of public transit fares and passes (e.g., Arco).
- Emergency ridesharing matching service.

These strategies have also been undertaken on a more general scale by employer associations.

RIDESHARING AGENCY STRATEGIES

Ridesharing agencies have been established across the United States, many during the past energy emergencies, for the purpose of maintaining mobility through the use of existing automobile resources. Ridesharing agencies must avoid the temptation to develop a proprietary interest in massive matching data bases. Most of these agencies do not have the financial or data processing resources to handle the demand that could be expected during an energy emergency. Ridesharing agencies can play an important role, however, in energy contingency planning.

One such role is that of assisting employers and other interested parties in establishing effective standby carpool matching systems on their own facilities. This could range from the preparation of instructional materials to consulting with companies interested in establishing such systems.

PRIVATE BUS OPERATOR STRATEGIES

A surprisingly large number of people are transported daily within urban areas by private bus operators. In the New York urban area, there are more than 1,000 private buses in operation. That number was considerably higher during the Metro North commuter rail strike when additional buses provided alternative transportation for stranded commuters. This situation is a graphic example of the resource that the private bus industry represents in an emergency. In the Chicago area more than 40 private buses are in operation and more than 100 are in operation in the Los Angeles area. U.S. Department of Transportation (DOT) figures indicate that about 15 percent of the urban buses in service are operated by the private sector.

Clearly an energy emergency would open significant market opportunities to private bus operators, and their response would be an important component of an area's response to the energy crisis (as was the case in Los Angeles in 1973-1974). It is important to involve these operators in the planning process early and to make barriers to entry less onerous.

PUBLIC TRANSIT STRATEGIES

Other sessions of this conference have dealt with conventional public transit responses. There are, additionally, private sector strategies that can be employed by public transit operators to maintain urban mobility. During the last 15 years, public transit planners have become accustomed to relying on subsidies for all services. It is natural to assume that more funding is needed to provide additional public transit services. It is important, however, to recognize that the patrons that would be driven to transit by an energy emergency are a market segment that has consciously chosen not to take transit in the past and is likely to have been paying a far higher incremental cost for automobile transportation and parking than the cost of a transit fare. With that in mind the critical issue is price, not service availability.

This market segment can be served by private bus operators providing incremental service under contract to the transit agencies. During an energy emergency, tourist travel, especially the air travel that supports the substantial charter bus industry, would decline, and charter operators would have extra buses. These buses, generally more luxurious than transit buses, have reclining seats and individual reading lights.

The fares on private bus services could be priced high enough to fully cover operating costs. It may
seem burdensome to have a dual fare structure but this strategy is an effective way to address the issue of service availability without having to raise new revenues to support new riders who, in actuality, have no need for public subsidies of their work trips. The fares for such services would be higher than the fares for traditional public services, but a recent study of private bus operator costs compared with public operator costs in Los Angeles showed that private operating costs average at least 50 percent below those of the public sector. These costs, it should be noted, include vehicle acquisition costs for private operators but not for public operators [1].

If the public transit agency finds that its labor arrangements do not permit contracting service to private operators, then it can assist other agencies within the urban area that are not so constrained. In California, city and county governments could contract for such services where there are transit agency prohibitions. In short the role of the public transit agency should be to maintain mobility by whatever means possible, including optimal use of its own resources, contracting with outside resources, and assisting other agencies in facilitating mobility.

CONCLUSION

The present fiscal crisis has necessitated a more complete review of private sector alternatives to address public problems. It is most appropriate that such private sector alternatives be considered in an energy emergency. It is imperative, however, that private sector resources be involved in the planning process early. Through an approach that considers all possible alternatives and involves private sector resources, the goal of maintaining mobility during an energy emergency can be more effectively served.

REFERENCE