Rural Public Transportation: An Alaskan Perspective

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The development and current role of public transportation in the state of Alaska are discussed. The state role in public transit began in 1975, with the hiring of a planner to manage federal transit assistance programs in the state. Statewide annual ridership in 1975 was 500 000 trips, and annual system capital and operating expenses were $750 000. In 1980, annual ridership had risen to 6 million trips and system fiscal requirements amounted to $20 million. Data indicate that there is significant potential for growth of the statewide public transportation system, largely because of the high density of population in most Alaska communities. Steps being taken to ensure the future credibility of Alaska's public transportation program in the areas of planning and policymaking are outlined. Finally, the Alaska experience is related to national issues, including the need for a uniform and effective method of apportioning federal transit funds.

This paper has three main themes: first, the history of transit development in Alaska; second, the sorts of things the state is doing now in order to prepare for the future; and, third, how we view the national scene.

HISTORY

The development of an Alaska state government role in transit as an ongoing set of activities originated in 1975, when the then Alaska Department of Highways hired a planner to manage the Urban Mass Transportation Administration (UMTA) nonurbanized planning program and the UMTA program for the elderly and the handicapped and to develop an urban planning program with Federal Highway Administration metropolitan planning funds.

In 1975, there was one publicly owned general-service bus system in the state and there were three general-service bus systems that were privately held. There were at that time perhaps 15 or 20 paratransit operations in the state serving restricted client groups; these paratransit operations were nearly all supplemental program services operated by private, nonprofit corporations.

Funding for general-service bus operations during the period 1975-1980 entailed a combination of federal demonstration grants [the Section 147 program (Federal-Aid Highway Act of 1973), the model cities program, and other such ventures], UMTA Section 3 funds, Section 5 funds (in Anchorage only), and, more recently, Section 18 funds (Urban Mass Transportation Act of 1964, as amended). In total, it is estimated that these funds accounted for between 10 and 20 percent of general-service bus capital and operating requirements during this period.

State funding during this period consisted of a categorical program for operating assistance, provided on a per capita basis through the state revenue-sharing program, as well as line item appropriations lobbied through the Alaska Legislature by individual communities. State funding during the five-year period amounted to between 30 and 35 percent of capital and operating expenses.

The remaining fiscal requirements for general-service bus operations during this period were derived from farebox receipts and from local taxes.

Ridership in the state grew from perhaps 500 000 trips in 1975 to about 6 million trips in 1980. The combined general-service bus fleet in this period grew from about 12 to about 100 buses. System fiscal requirements rose from perhaps $750 000 in 1975 to about $20 million in 1980; again, these figures are for both capital and operating expenses.

Paratransit characteristics changed very little during this period, although ridership grew from about 300 000 in 1975 to about 500 000 in 1980. Federal funds from all sources contributed about 50 percent of the costs for these systems during this period, state funds contributed about 30 percent, and the remaining costs were derived from contributions by local governments, "fund raisers", and private individuals. Although accounting procedures and program diversity make precise estimates difficult, it is nonetheless believed that paratransit capital and operating requirements during this period grew from $750 000 to $2.5 million.

Until 1980, the staff role in planning and technical assistance changed little from the description given at the beginning of this paper. But 1980 marked the beginning of a very critical period for transit development in Alaska, a period of significant opportunity and of not insignificant potential for a fall from public favor.

STATEWIDE PLANNING

In late 1979, the Alaska Department of Transportation and Public Facilities (DOT/PF) initiated a contract with the local (Juneau) League of Cities, formally called the Alaska Municipal League. The contract was for a modest $40 000 and called for the completion of three tasks through a series of visits to communities:

1. An assessment of the knowledge among community leaders of the availability of transit program funding, their perceptions regarding local mobility constraints and opportunities, and their attitudes toward the viability of general-service transit operations in their communities;
2. Working with the then seven general-service transit providers in the state, the League was to report back to the Department on the feasibility of forming a Transit Operators Association in Alaska as a technical resource center that could assume many of the planning functions required by a growing program, functions that put strong pressure on the Department for staff expansion; and
3. The League was to conduct three technical seminars for transit operators on subjects of interest to the operators.

The League reported back its findings, and the Department subsequently forwarded those findings on to the Legislature. What the League found was that in Alaska there is significant potential for the expansion of existing systems as well as the creation of new systems. In fact, based on the findings of the report, it is estimated that between 15 and 20 new systems will be created in Alaska in the next five years, which would bring the statewide total of communities providing general-service transit to between 25 and 30 by 1986 and bring the statewide fleet total to between 400 and 500 buses within that same general time frame. This sort of aggressive expansion is a midcase extension of the 1975-1980 growth curve sketched previously and may culminate in the existence of transit in Alaska as a major industry with a ridership of perhaps 40 million and annual capital and operating requirements in the range of $150 million.

It is my opinion that Alaska has this growth requirement for transit because most communities in the state have a very high urban population density. Although this statement may sound ironic, it is nevertheless seen as logical when it is considered that the vast majority of Alaska communities in the 500-3500 population range are not connected to other communities by road and are developed in a linear fashion, along one of the coasts or along rivers. A demonstration of the potential for mobility requirements among these insular, linear communities can be found in Barrow, where a transit system was initiated in 1978. After three years of operation, the Barrow ridership reached about 350 000 last year, and it is my understanding that, due to an increase in seating capacity, this year ridership may increase to between 450 000 and 500 000. Barrow is a town of 2500 people, which means that per capita ridership in 1981 may be between 180 and 200 trips.

State Funding

In 1980, DOT/PF received the first of what will become a series of biannual appropriations for transit capital requirements; this appropriation was authorized by the Legislature and approved by the voters by a 70 percent to 30 percent margin and consisted of about $9 million.

Before the Legislature adjourned, the state revenue-sharing program was amended to reflect a consensus view that revenue-sharing funds should not be tied to state priorities but rather to the development of local decision-making expertise. This basic philosophy culminated in the revenue-sharing program being moved toward a block-grant program rather than a collection of categorical programs. Transit was among the categories removed. In its study, the League found that most communities desired a separate transit operating assistance program tied to a percentage of cost. However the Governor in the meantime agreed to increase the total block-grant funds available to communities by a factor of about 250 percent. Following this announcement, the League repolled its constituents and found that the majority of communities favored holding a categorical transit program in abeyance, provided that certain caveats regarding local tax reduction and diminishing capital funding were not tied to the block-grant increase. So for now there appears to be a truce on the subject of categorical operating assistance for transit in Alaska.

PROGRAM CREDIBILITY

As stated previously, Alaska and the Alaskans involved in transit now face a period of rapidly growing user requirements and thus face great opportunity and considerable potential for error. It is probably true that most (major) errors made in the public sector result in a loss of program funding or at least a lack of funding increases to match what staff may perceive to be program requirements. This reprisal on program funding may be tied to a lack of communication with policymakers, a lack of information to provide to policymakers, or a lack of credibility on the part of those who provide information.

People involved in transit have already witnessed a move in this direction on the part of the Reagan Administration, and it should come as no surprise in this context to find Business Week magazine, in its June 8, 1981, issue, describing transit as one of the worst-managed industries in America (I would also point out here that Business Week has not to my knowledge taken any radically "antitransit" position but has rather approached the question of mobility in a more or less reasonable fashion, as it would approach any other industry). Now it is not only the federal government that is able to make this sort of political maneuver; state and local governments have decision-making powers as well.

We have tried to address this question of information exchange and credibility in Alaska. The Municipal League study was the first venture in this direction and provided a statewide overview to the Department, the Governor, and the Legislature. Statewide efforts will continue in the future; in fact, phase 2 of the Municipal League study is under way.

By the same token, local credibility and sound local management are also important to transit funding and probably more important than anything the state or federal government might do. It should be evident that local government must act before nearly any program, regardless of what priority the state or federal government may place on it, is implemented in an incorporated community. What this means to me is that local elected officials want to know community sentiment, cost, and manageability in order to make effective decisions. And here we are on the grounds of market research.

At the present time, DOT/PF is sponsoring public transit market plans in 20 communities throughout Alaska. These plans involve a survey of the community, an analysis of the data acquired, a segmentation of potential markets, a design of a system based on that analysis, and a summary showing costs and community sentiment for different alternatives. This may sound like old stuff to marketing professionals, but the point here is that local staff must be able to approach local policymakers with information such as, "We conducted an assessment using such and such a methodology; a certain percentage of the population favors this or that proposal; this is the cost of the proposal and these are the life-cycle costs; these are the management and other labor force requirements and opportunities for the proposal. What is your pleasure?" This is the sort of stuff on which local elected officials both maintain their tenure and build good programs.

The first of these market plans will be completed in late July or early August, and we would hope at that time to begin refining the model for a market plan as well as to assess the viability of different techniques for instituting market planning as an ongoing process. This strategy, if successful, would entail locally generated documents that, when viewed in sum, would provide a statewide picture for the Department, the Governor, and the Legislature of what the fiscal requirements of the Alaska transit industry are and how effective that industry is. Again, at the local level the market planning process provides management with an ongoing method for communicating information to policymakers as well as a method for judging the relative user and interest-group approval of management actions. Through the ongoing statewide process, we are seeking to assist local managers with their technical requirements in order to improve the efficiency side of transit operations.

Over the past three years of this program development, the state and the operators owe a great deal of thanks to groups such as the Transportation Research Board, the American Public Transit Association (APTA), the American Association of State Highway and Transportation Officials, Seattle Metro, the state of Oregon, and the state of Washington for their assistance at meetings and through information exchange.

Before turning to the national scene, I would like to make a few remarks concerning paratransit in Alaska. As I stated above, the nature of paratransit changed little during the period 1975-1980, although ridership increased substantially during that period and costs increased dramatically.

DOT/PF recognizes that significant state and federal funding is currently available for paratransit. Funds for the aging, for nutrition, and for developmental disabilities, to name a few major sources, are provided to a large number of private, nonprofit corporations throughout the state for the purpose of providing clients with certain necessities and some social amenities that those client groups would not otherwise receive for reasons, as we know, of diminished mental or physical capacity. And this sort of service is both good and justifiable.

Transportation services range to about 15 percent of the total budget of any given nonprofit agency. In Alaska, this amounts to about $3 million annually, which accounts for about 550 000 trips (1981 estimates).

DOT/PF does not at this time see its role as a coordinating agency for paratransit activities throughout the state. Department policy at the present time is that paratransit is an important local issue that should receive local attention. To this end, the market planning that we sponsor includes, at the discretion of the local government, a paratransit element.

Given a paratransit market plan as a part of the overall area market plan, DOT/PF will respond to the capital requirements of the local area, including the paratransit capital requirements. But the market plan does more than simply provide a basis for allocating capital resources; the plan also demonstrates who is doing what, where, and when. With the information from the market plan in hand, local decision makers are better able to formulate action plans for coordination and consolidation, and turf fights may be less likely to arise. But again, with few exceptions, DOT/PF does not offer assistance directly to private, nonprofit entities but rather only to local incorporated political bodies.

NATIONAL SCENE

The following discussion of transit at the national level has four main points: (a) an overview, (b) a discussion of categories, (c) a discussion of funding levels within each category, and (d) a discussion of eligible uses of funding.

Alaskans support President Reagan's proposal to scale back the growth in the UMTA program. With the overall budget for the program established, other issues such as categories, funding, and eligible uses of funds within categories come to the forefront.

On the question of categories and the related question of formulas for categories, several existing and emerging interest groups or coalitions have developed identities. Among these groups are the fixed-guideway transit providers (and within this group a split may be emerging between heavy rail providers and other fixed-guideway providers such as light rail interests and electric trolley bus operators). Another broad interest group is the general-service bus operators (and within this group are the subgroups of major urbanized areas, small urbanized areas, and nonurbanized areas). Still another interest group is the paratransit community. On the formula side of the category question, coalitions have developed around service-based apportionment factors, population/population density apportionment factors, and other formula devices such as minimum apportionments and area factors.

Last year, a significant dispute erupted over different proposals to amend the apportionment formula for Sections 5 and 18. This dispute, in addition to a lingering question on the status of paratransit services within the public transit community, precluded passage of legislation.

The time is now right for a uniform, rational, and effective method of apportioning federal transit dollars, and to this end the following categorical formula approach to apportioning transit assistance is presented:

1. Separate transit services into three broad categories: (a) fixed guideway, (b) general-service bus, and (c) restricted-service bus or paratransit.
2. Within each of the first two categories, it is recommended that assistance be apportioned on the basis of revenue miles. As was argued correctly last year, apportionment on the basis of revenue miles would make the UMTA program more rational by giving assistance to transit providers who operate effective transit systems rather than on the basis of how many people happen to live in a certain place. In addition, the separation of fixed-guideway from general-service bus operations would help to avoid repeating the dispute that erupted between these interests last year.
3. It is recommended that the former Section 147 Program (rural demonstrations) be reactivated and made a demonstration program for both urbanized and nonurbanized areas. The recommended two-category program apportioned on the basis of (the previous year's) revenue miles would mean that new systems would face a "dry year" during startup. Although this is particularly true among potential nonurbanized systems, many new urbanized areas that do not currently have transit systems may also face a dry year (this urbanized factor was discussed at some length last year, as I understand the history of developments). A comprehensive demonstration program would help solve the dry-year problem.
4. Operators that provide services to restricted client groups should be kept separate from the two broad categories discussed earlier. Further, the federal government should conduct an assessment of all programs of assistance currently available to restricted client operators to determine what programs currently exist, the funding levels for those programs, and the relative benefit in terms of program effectiveness and savings to be derived from a partial or complete consolidation of those programs within an agency of the federal government.

The final categorical recommendation addresses a problem that is perhaps well-known to practitioners in the field of rural transportation. I refer to the facts presented by the Carter Administration at the White House Conference on Rural Transportation in 1979. There it was stated by high Administration officials that the federal government provided more than $1 billion annually in capital and operating assistance to nonurbanized paratransit providers through some 60 separate programs spread throughout nearly every department within the government. These figures are for nonurbanized areas only and represent only the federal portion of such assistance. Three conclusions can be drawn from these figures: (a) that federal assistance to paratransit operations for urbanized areas is as complex and as significant as it is for nonurbanized areas, (b) that local and state contributions perhaps equal or exceed the federal contribution, and (c) that these figures have grown significantly since 1979. The point to be drawn here is quite simple--namely, that with this major level of federal involvement in support of paratransit operations already in place, it is unclear why additional funds should be drawn away from general-service operations to further support paratransit activities. As recommended above, it is strongly urged that the federal government assess these many existing programs to show clearly just what programs are currently at work, at what level they are funded, whom they impact, and what the potential is for consolidation of federal paratransit activities, either through the U.S. Department of Transportation or through some other agency.

The next major point here has to do with funding levels for each of the recommended categories and for the overall program. APTA has developed a staff position in some respects similar to the categorical approach just outlined. Although it is unclear whether the APTA constituency has been fully polled with regard to this position, it is understood that what the APTA proposal would do in terms of funding is to take certain portions of the Section 5 and Section 3 programs and allocate those portions to a fixed-guideway category and a bus-service category, respectively. It is my further understanding that (in very rough terms) this allocation would result in more or less equal amounts being appropriated to each of the two broad categories. My recommendation is that \$1.5 billion be appropriated to a fixed-guideway category and \$1.5 billion be appropriated to a general-service bus category. Given a \$4 billion program, this would leave about \$1 billion to be put to three uses: (a) to fund the demonstration program entailed by this proposal, (b) to fund a reduced discretionary program, and (c) the remainder to be used for the purpose of budget cuts.

My final point concerns eligible uses for funding. In this regard, I would like to stress that those who provide resources to transit operations, be they federal interests, state or local governments, private industry, taxpayers, or riders, are concerned first and foremost with effective and efficient services and other concerns are secondary. To this end, it is unclear why federal assistance should be limited to "capital" or "operating" or "maintenance" uses. Rather, the federal share could and, I feel, should be a block grant, which, in conjunction with state and local funds and farebox receipts, would provide a composite financial package for local transit operations. The allocation of the individual component pieces of the transit funding package to operations or maintenance or capital improvements would be a direct and necessary function of the local process of transit program prioritization.

CONCLUSIONS

By way of summary, I would state that ups and downs in the supply and price of fuel should not have a significant impact on the development of transit services, in either rural or urban settings. The key is to know what the market wants and to respond to that demand. There are "fiddlers in the crowd," as the saying goes, but, if industry professionals make a good-faith effort, then mutual problem solving and hard work among local property managers will together bring about more efficient operations. With effective knowledge of the market and with efficient management practices, I think the transit future is bright.