Use of Cooperatives for Alternative Rural Passenger Transportation: Report on a New York Study

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ABSTRACT

The New York State Department of Agriculture and Markets conducted a study to examine the feasibility of using the cooperative concept to provide rural passenger transportation. On the basis of interviews with transportation providers in two study counties and an analysis of transportation in each county, three transportation alternatives using the cooperative approach were developed. The first alternative provides for a cooperative composed of public and private human service agency transportation providers and the users of that transportation service. The study details the activities such a cooperative may progressively undertake, beginning with a simple clearinghouse function and moving toward a cooperative that would assume all transportation responsibilities for its members. The second cooperative concept relies on a service club or civic organization to provide rural passenger transportation. Composed of service club members, human service agencies, and community residents needing transportation, the cooperative would depend on volunteers to maintain a transportation network for rural residents. A third alternative incorporates rural postal carriers in either the human service agency cooperative or the service club cooperative. Rural postal delivery routes extend into virtually all isolated rural areas and are a ready-made transportation system that can augment existing passenger transportation services at a low cost. By providing an array of flexible organizational options to supplement existing transportation resources at a low cost the cooperative approach can offer transportation alternatives, which are subject to local control and responsive to local conditions, to rural areas.

The need for effective rural passenger transportation gained national attention only recently. Beginning with rural Poverty Program transportation projects in the late 1960s, interest in rural passenger transportation had developed by 1973 into the Section 147 Rural Highway Public Transportation Demonstration Program. As the first national program to explicitly recognize rural transportation needs, it was designed to test a variety of transportation methods to fit highly variable rural transportation needs. By 1978 the Section 18 Program, the Formula Grant Program for Areas other than Urbanized, became the first full-scale federal program providing assistance for transportation in rural areas (1,2). As part of its continuing interest in developing alternative approaches to providing rural passenger...
transportation, the Office of Service and Methods Demonstration of UMTA funded a study in cooperation with the U.S. Department of Agriculture Office of Transportation to examine the feasibility of using cooperatives for rural passenger transportation. The New York State Department of Agriculture and Markets had previously conducted studies to determine the potential for using cooperatives to provide freight transportation service in areas where rail service has been abandoned, and those studies had indicated that cooperatives can provide a viable mechanism for retaining vital transportation service for rural and agricultural industries (3-5).

STUDY OBJECTIVE

The overall study objective is to evaluate the potential for using the cooperative concept to provide rural passenger transportation. The study was to examine the feasibility of:

- Using vehicles for a combination of freight and passenger service.
- Using existing cooperative organizations to provide passenger transportation, and
- Determining the feasibility of coordinating the use of existing private or public vehicles and resources.

A constraint on implementing any program that might result from the study is that no new federal funds would be available. However, use of local, state, or private funding could be considered.

RURAL PASSENGER TRANSPORTATION IN NEW YORK

National statistics indicate that 15 percent of rural households do not own a car, 57 percent of the rural poor do not own a car, and 52 percent of households with a car own one car only, leaving the family without transportation when the car is used for work (6). Data for New York reflect the national pattern.

A 1981 report by the New York State Legislative Commission on critical transportation choices (7,8) indicated that nearly half the state's rural counties lacked local public transportation. On the average, 40.4 percent of the population in rural counties living in urban places of more than 2,500 population had no access to public transportation. The lack of such local transportation is particularly troublesome for the rural elderly because 39 percent of elderly households have no access to a car and 77 percent of single elderly females have no available automobile.

Although the report indicated that 93 percent of rural places are served by an intercity bus system, examination of bus schedules reveals many inconveniences for the traveler who often must stay overnight in order to conduct necessary activities. Other than intercity and local transportation authorities and systems, rural transportation need in New York has largely been defined at the county level by social services agencies that attempt to meet specialized client needs on an as-needed basis.

No reliable estimates of the total amount of funds expended for social service agency transportation exist. However, a 1973 study of special transit services for human service agencies estimated the cost at between $80 and $100 million annually. A 1981 Office for the Aging study estimated an annual expenditure of more than $800,000 for transportation in 30 rural counties. The Institute for Public Transportation (7) found more than 110 programs in the state providing transportation services for a variety of specified clients.

The statistics indicate that New York is allocating substantial public funds to provide specialized transportation services for rural residents not currently served by the existing transportation system. Yet, if sufficient funding and necessary incurrence of subsidy are available, new cooperatives can only provide transportation services for mandated programs, leaving many other eligible rural residents without access to transportation and, hence, needed services. Further, the continued inability of rural residents not eligible for social service agency sponsored transportation for employment, medical care, and shopping merits a fresh examination of new mechanisms to restructure more traditional transportation services.

SUMMARY DEFINITION OF A COOPERATIVE

Cooperatives have long been part of rural American life, providing agricultural producers with a mechanism for marketing products, obtaining production inputs, and supplying various services necessary to operate a highly capitalized agriculture. Cooperatives have also played an important role in rural electrification.

Although the cooperative concept can be defined in various ways (10,11), the following definition [Savage and Volk cited in Cooperative Principles and Legal Foundations (10,p.2)] describes in some detail what a cooperative consists of:

A cooperative is a voluntary contractual organization of persons having a mutual ownership interest in providing themselves a needed service(s) on a non-profit basis. It is usually organized as a legal entity to accomplish an economic objective through joint participation of its members...the investment and operation risks, benefits gained, or losses incurred are shared equitably by its members in proportion to their use of the cooperative's services. A cooperative is democratically controlled by its members on the basis of their status as members, not as investors in the capital structure of the cooperative.

In New York, the Cooperative Corporations Law, Section 3(c), defines a cooperative as "A corporation organized...for the cooperative rendering of mutual help and service to its members." The law authorizes the formation of general cooperatives, membership cooperatives, and agricultural cooperatives (12).

There is no general federal incorporation statute for cooperatives, so a cooperative wishing to incorporate must do so under an appropriate state law. Along with a general incorporation statute, all states have a "cooperative" statute under which a cooperative may incorporate (10,p.14;13). In evaluating the feasibility of using cooperatives in rural transportation, it is first necessary to review applicable state statutes because several state laws may limit cooperative functions.

Cooperatives were mostly confined to agricultural producer organizations and rural electrification associations until the passage of the Economic Act and the Appalachian Regional Development Act of 1965. Cooperatives now include "buying clubs...consumer stores, craft, credit, fishing, forestry, health, housing, legal services, memorial, migrant labor, mutual insurance, music, nurseries, recreation, religious, sewer, water" (14) and a wide range of other activities. Cooperatives are...
being looked to in rural areas as an economic development tool for medium to low resource producers (15).

Yet, with the exception of the Green Eagle Program in North Carolina and the South Anne Arundel County Project in Maryland (16,p.80), the cooperative concept has had limited application in rural passenger transportation. However, in a period of diminishing overall federal support and of deregulation of various transportation modes, a fresh assessment of the potential use of cooperatives may encourage the development of innovative mechanisms for delivering passenger transportation services.

APPLICATION OF THE CONCEPT

The cooperative, long used in rural America to meet rural needs, is especially well adapted to meet rural passenger transportation needs. A cooperative structure, layered into existing transportation providers and users, has the potential to change the organization and distribution of transportation resources, thereby closing some of the gap between need and access. Several characteristics of the cooperative structure help improve the fit between rural passenger transportation need and existing resources.

Key to a cooperative organization is member-user ownership and operation in conjunction with the cooperative's primary function of providing service to its members. The result is a highly flexible local organization that is responsive to member needs. The members-users define the organizational structure, determine its objectives, set membership criteria, and control its operation.

Although a cooperative can be formed without regard for geographic boundaries, it is suggested that an appropriate organizational level for a rural transportation cooperative would be the county. Many organizations currently providing transportation are organized at the county level, including many human service organizations. Although many trips are intracounty in nature, much out-of-county travel is fairly well defined by commuting patterns, medical facilities, or shopping areas; these trips are being accommodated by county-level transportation providers.

Such a cooperative, by pulling together existing county-level transportation users and resources, could bring about certain efficiencies. For example, by coordinating the purchase of vehicle supplies such as fuel, tires, and parts, the cooperative could reduce costs through discount buying arrangements.

The cooperative structure can thus be a highly flexible organization responsive to local needs and conditions. Member owned and controlled, it can tailor its particular objectives and functions to member preferences. By streamlining certain transportation tasks, it can simplify the provision of transportation and create certain efficiencies in transportation delivery.

CRITERIA FOR COUNTY SELECTION

Early in the study process, it was determined that two representative areas would be selected for detailed analysis. Because the study was to develop a conceptual approach for use in rural areas nationally, the selection process required the use of criteria that could be applied in a variety of rural settings. From the beginning of the project, the study team coordinated its activities closely with the staff of the New York State Department of Transportation (NYSDOT), and relied on their expertise and knowledge of state and local transportation resources.

On the basis of administrative and demographic criteria, the county was chosen as the geographic unit for study. The county is a jurisdictional unit for which a range of data is collected, including the population census, economic information, and human services data. Many state agencies are organized on a county basis, as are many private organizations. The geographic area of a county is also likely to provide a mix of passenger needs that could form a viable base for a transportation cooperative.

Specific criteria used to select counties for study included:

- A large rural population,
- A demonstrated need for passenger mobility,
- Centers of trade and commerce, and
- A current transportation network.

The county selection process took place in four stages. The first step involved elimination of strictly urban counties. In the second phase, counties ranking high on a transportation disadvantaged measure were selected for closer examination. (Ira Kaye, Rural Transportation Specialist, developed the transportation disadvantaged measure to derive an estimate of transportation needs. Using the 1980 Census of Population and Housing data, the measure included population older than 65, disabled and handicapped population, percentage in poverty, and those with no car or one car.) In the third step the Section 18 Service Plans provided by NYSDOT were used to determine availability of transportation resources. NYSDOT then reviewed the counties selected strictly on the basis of available transportation and lack of transportation resources and suggested appropriate study counties based on their first-hand experience with those counties.

STUDY COUNTIES

As a result of the previously discussed methodology, two rural counties were selected for study--Cortland and Otsego. Although these counties are similar in many respects, each exhibits a different pattern of transportation needs and a different use of available resources to meet those needs.

Cortland County

Cortland County, located in the south-central part of the state, has a population of 48,620. As measured by the transportation disadvantaged index, 21.4 percent of the population lacked adequate access to transportation. Eleven percent of its population is older than 65; 54 percent of households have no car or one car.

The largest population center is the city of Cortland, the county seat. Secondary centers, Homer and McGraw, are clustered close to Cortland, and Marathon is located in the south-central part of the county. Approximately half the county population is concentrated in the Cortland-Homer-McGraw area, with the remainder scattered throughout the county in villages of fewer than 2,500 population or in the open country.

Public transportation is provided by Greyhound along the north-south axis of Interstate 81, which passes through Cortland north to Syracuse and south to Binghamton. A second route connects Cortland with Ithaca. Taxi service is provided in Cortland by a taxi company with 10 vehicles and is largely limited...
to the Cortland area because of the high cost of providing service in the more distant areas.

Human Service agencies providing transportation service include the J.N. Murray Center for the Handicapped, the Department of Social Services, the Retired Senior Citizen Volunteer Program, the Office for the Aging, the Community Action Program of Cortland County, and Head Start. Individuals who are not eligible for the programs administered by these agencies and who live off I-81 or Route 13 have no access to transportation if they do not have an automobile. Because the I-81 and Route 13 bus routes cover only the western edge of the county and travel west from Cortland, the major portion of the county east of I-81 has no access to public transportation.

Otsego County

Otsego County is located on the eastern edge of New York's southern tier, a mountainous and generally hilly terrain. The 1980 population was 59,075. The county's largest population center is Oneonta, located on the southeastern edge of the county, with the county seat located at Cooperstown, approximately 20 miles to the north of Oneonta. Several other populated areas, including Unadilla, Schenevus, Laurens, and Otego, are located along I-88, the southeastern boundary of the county. Richfield Springs is located in the north-central part of the county, and several less populated centers are scattered throughout the county.

Twenty-eight percent of the county population is transportation disadvantaged, with 14 percent of the population older than 65. Fifty-four percent of the households have zero or one car. Eighty-one percent of county residents work within the county, and 24 percent of those who work away from home use a carpool.

Public transportation is provided by three intercity bus companies. Adirondack Trailways serves towns along the central part of the county. Pine Hill Trailways serves Oneonta. Greyhound serves towns along I-88, the central part of the county, and several towns along the northeastern edge of the county. The eastern and western halves of the county are served by the bus lines. Three taxi companies serve Oneonta, and two companies are located in Cooperstown. Because of deadhead costs associated with rural trips, taxi service is largely confined to Oneonta and Cooperstown.

The human service agencies providing transportation service include the Office for the Aging, the Department of Social Services, Opportunities for Otsego, the Community Action Program (CAP), and the Association for Retarded Children. Taxis and staff cars are used to transport clients on an as-needed basis.

STUDY PROCEDURE

After the selection of Cortland and Otsego counties was made, initial field trips were made to each of the counties to inform the county supervisor and the cooperative extension agent of the project. The county supervisors were invited to bring along either other county legislators or county staff. It was believed that it was necessary to inform the county supervisor as the leading county political officer to avert potential misunderstanding and to solicit suggestions about possible contacts or information sources, or both, that might have been overlooked during initial project analysis. The cooperative extension agent in a rural county is generally a person who has contacts with a wide variety of groups and individuals and can provide useful leads on contacts and information sources.

Following the meetings, project staff visited the major transportation providers in each county and, using a standard questionnaire, obtained information on eligible clientele; location of that clientele; number, condition, and use of vehicles; funding or program restrictions; and coordinating transportation services and insurance limitations. Respondents were also asked to comment on whether a cooperative transportation program might be acceptable and feasible.

The results of the surveys can be briefly summarized as follows:

- Transportation was provided through a combination of taxi companies, agency-owned vehicles, agency employees' cars, and volunteers.
- Clientele was concentrated in the more populated areas.
- Transportation was arranged for the most part on an ad hoc basis as needed, with many organizations counting only actual out-of-pocket expenditures (vehicle maintenance, contract payments, and so forth) for transportation but not including staff or director time spent scheduling or providing transportation.
- Each agency indicated that they were able to provide transportation only for mandated trips (i.e., Medicaid Foster Care visits) and that there were people unable to access their services because the agency lacked transportation resources.
- Each agency indicated a strong preference for giving up their transportation responsibilities and said they would favor an arrangement whereby they could refer clients to a transportation provider from whom they could reimburse for services rendered.
- No funding restrictions on transportation coordination were found, although vehicles purchased with program funds were required to fill program needs first before agency vehicles could be used in a coordinated arrangement.
- Insurance presented no problem; each agency was able to secure adequate insurance, apparently at a sustainable cost.

THE COOPERATIVE AS COORDINATING MECHANISM

A major study mandate was the development of alternatives to rural passenger transportation that did not call for additional federal funds. That mandate led naturally to an interest in exploring the possibility of coordination. Although all agencies interviewed in the two counties indicated a strong interest in coordination, actual coordination activities were limited for the most part to purchase of service contracts, indicating that coordination needs to depend on more than interest and even a desire to coordinate. Another factor appeared to be the simple lack of funds and time available to understaffed agencies for planning and coordination of transportation. The agencies also appeared to be a bit unclear about the extent to which they could coordinate transportation across agencies: the application of the federal and state regulations appeared somewhat hazy at the county level on several issues surrounding client transportation.

Because the number of agencies providing transportation in each county is not high, coordination can be more easily accomplished than in a county with many transportation providers. The agencies had common clients; for example, CAP clients overlapped to some extent with Social Service clients, and the
Office of the Aging had overlap with Social Services as well as with certain CAP activities. Each county also had a Human Services Council, an umbrella organization that met monthly to discuss problems common to all agencies and to develop appropriate responses to those problems. As a result, agencies are aware of their interdependence as well as of service failures and unmet needs that cut across agency boundaries.

The overlap of transportation services and agency clientele and agency awareness of their interdependence creates an environment in which coordination can successfully occur. Use of the cooperative concept as a coordination mechanism can take place across a range of transportation activities and functions. Because coordination would involve only transportation and not programmatic activities requiring substantial policy decision-maker input, the probability of successful coordination may be quite high in the two counties.

Potential Applications

The following cooperative organizations progress from information exchange activities to a full-scale consolidation of agency transportation. It is believed that effective coordination requires time before the cooperating agencies are comfortable working together. Because the emphasis is on beginning with a low-key coordination effort, agencies will not be subjected to inordinate time and funding pressures to initiate a large-scale program. Each agency retains its control over its transportation resources.

Cooperative Clearinghouse

A first-level cooperative would engage in what could be termed clearinghouse activities. Each agency now has a list of clients who need transportation and the type of transportation they require. The cooperating agencies could pool client lists and assign an individual in each agency to be responsible for gathering information on client trips. Geographic "pools" could be formed to transport all clients from cooperating agencies to common destinations on specified days of the month.

Purchase of a microcomputer would greatly facilitate the organization, storage, and use of information now stored on 5 in. x 7 in. file cards. Compilation of transportation needs, along with client eligibility, would allow an individual to verify eligibility, check transportation requests from the same location, and schedule a trip with minimum effort. Software packages are being developed for rural passenger transportation. If no software program is available, local colleges and universities could be tapped to develop a package as a computer science course requirement or as a community service project.

Cooperative for Administrative Activities

One step beyond a clearinghouse is a cooperative that performs common transportation administrative activities. Bookkeeping, accounting, client transportation record-keeping requirements, purchase of service billings, and vehicle use records could be handled by a cooperative. Vehicle records could be kept by the cooperative and vehicle maintenance scheduled according to state or vehicle requirements. At this level of coordination, each agency retains full control over its vehicles and other transportation resources. Providers bill users for services rendered, but the administrative functions could be conducted cooperatively.

Cooperative Vehicle Maintenance and Repair

Each agency now bears individually full responsibility for vehicle maintenance and repair. A cooperative could keep records on all vehicles owned by its members and schedule the required maintenance when recommended. A parts inventory could be maintained, with a potential for a discount on volume purchases. A fleet rate could be negotiated for vehicle maintenance and repair. If local garages object to loss of business because individual agencies now go to one facility, a standard rate for repair by eligible garages could be established at the county level.

Cooperative Fleet Purchase

While retaining agency vehicle ownership, the cooperative could explore the potential for joint fleet purchase of vehicles when replacement vehicles are needed. The objective would be to move toward a standard vehicle that meets the majority of the needs of all agencies. Such a purchase strategy would be responsive to local transportation needs while maximizing purchasing power of individual agencies. Maintenance of a fleet of standardized vehicles would be more cost effective because discount parts purchase and fleet rates could be more easily attained than with a fleet of diverse, non-standard vehicles.

Consolidated Agency Transportation Cooperative

The ultimate passenger transportation cooperative would be what is termed a consolidated system, an organization in which the cooperative owns and operates the vehicles for member agencies. At this level of coordination, the cooperative is fully responsible for performing all transportation functions for member agencies. It is important to note that, in a cooperative arrangement, the members jointly own the vehicles and other related transportation resources. Member agencies retain control over vehicle purchase, maintenance, repair, and deployment. They do not lose control; they delegate control as if to a transportation unit within their own agency.

In addition to cost efficiencies brought about by discount purchasing, fleet rates for maintenance and repair, and reduction of redundant routes, a cooperative may also be able to obtain lower insurance rates.

Interagency Coordination: Advantages and Difficulties

Before developing a cooperative structure to assume responsibility for certain transportation-related services, agencies would need to consider both the advantages and the difficulties associated with coordination. Advantages include

- Reduction of time spent by directors and staff of each agency in providing transportation service and
- Possible cost reduction brought about by joint vehicle maintenance, joint bookkeeping, and joint routing and scheduling.
Although coordination can bring about cost savings, there are several difficulties or barriers that may inhibit implementation:

- Agencies that own vehicles may be reluctant to lose control over their use;
- Differences in funding sources, funding cycles, accounting procedures, and reporting standards may complicate financial and billing procedures; and
- An immediate financial incentive, a strong mandate to coordinate by funding sources or an imminent loss of transportation funding, can highlight the need to coordinate transportation; lack of any immediate incentive or need encourages continuing the status quo.

SERVICE CLUB COOPERATIVE

The service club cooperative concept uses a civic organization or several such organizations to provide rural passenger transportation. (The service club cooperative concept is based on the work of Judith Kuba of the Transit Division of NYSDOT.) Civic organizations or service clubs such as Rotary, Lions, Kiwanis, or the Junior League are chartered to provide community service. Establishing a rural passenger cooperative could be done as a community service.

Membership

Membership in the service club cooperative would be open to any community residents interested in implementing a volunteer transportation system. Membership would consist of three classes: riders, volunteer drivers, and volunteers to perform certain administration and operation tasks. Individuals could concurrently hold membership in all three classes.

Membership fees for riding members could be contributed by the individual or a third party. Riding members could earn a reduction in their fees by volunteering to perform administration or operation tasks. Membership fees for volunteer drivers would be the lowest on the schedule because drivers would contribute time and the use of their personal vehicles.

Organization

In the state of New York, the cooperative could be organized as an organization separate from the service club under the provisions of the Not-For-Profit Corporation Law. The operation of the cooperative would need to be consistent with requirements specified in the New York State Business Corporations Law, the Transportation Corporation Law, and the Transportation Law. Articles of incorporation and by-laws would be submitted to the New York State Department of State for review and approval. The New York procedure is briefly outlined as an example of the categories of laws that may affect a service club transportation cooperative. Because each state has its own cooperative statute, interested organizations would need to review appropriate state statutes before moving to establish a passenger cooperative.

A primary advantage in setting up a separate not-for-profit corporation is that liability for the management and operation of the transportation system would be limited to the cooperative and would be independent of the sponsoring organization. The disadvantages include incurring legal costs to file a certificate of incorporation and develop by-laws for the cooperative and obtaining liability insurance coverage for the cooperative.

An alternate organizational structure would be for an already incorporated service organization to amend its articles of incorporation to include a statement of purpose to permit the operation of a volunteer transportation service. However, before making such an amendment, a civic organization needs to consider the liability implications for the organization because the organization may become liable for operating and managing the system.

The service club cooperative would be governed by a policy board elected by vote of the general membership with by-laws adopted by the general membership. It is suggested that committees be established from the general membership to

- Recruit members;
- Supervise driver selection and training;
- Manage finances;
- Coordinate volunteer operation activities including scheduling, dispatching, and routing; and
- Direct public relations and fund-raising activities.

Other committees could be established to divide cooperative management responsibilities and tasks in a different manner. However, each of the committees outlined would perform specific functions necessary to the operation of a cooperative that uses volunteers for drivers and other operating responsibilities. A clear outline of responsibilities is necessary to facilitate the effective operation of an organization that relies on volunteers.

Service Orientation

The cooperative would need to fill requests for transportation service in priority order because arranging a trip would depend on the availability of volunteer drivers. Ride requests for routine medical appointments (nonemergency), social services, employment, and grocery shopping should be given preference.

Transportation service would be limited to fee-paying riding members of the cooperative to ensure the safety of both the drivers and their passengers. Drivers would continue to be responsible for vehicle registration, licensing, and insurance, and the cooperative would purchase additional insurance to cover the excess liability a driver would assume in transporting riding members. The driver selection and training committee would arrange for all certified drivers to participate in a defensive driver training course, cardiopulmonary resuscitation classes, and other safety programs. These procedures would minimize risk factors commonly used by insurance carriers to determine insurance premium rates and thereby reduce insurance costs of the cooperative.

Advantages and Disadvantages

The concept of a cooperative building on a local organization established to provide a community service to set up a rural transportation network is especially attractive. That no federal operating or capital assistance is needed makes the concept even more appealing. However, the advantages and disadvantages need to be considered by localities interested in implementing the service club concept.
The advantages of the service club cooperative center primarily on cost savings resulting from the use of volunteers and joint community effort:

- Because of its dependence on volunteers the cooperative could provide rural transportation at reduced cost.
- Professionals who are members of the cooperative could denote their service to assist the cooperative. For example, an attorney could prepare the articles of incorporation, by-laws, and any other necessary legal work or an accountant could set up the bookkeeping and accounting procedures.
- It brings private and public organizations with a community service objective together to meet a recognized community need. Civic organization membership often includes local government, business, and agency officials; bringing the service club membership together with agencies needing transportation can draw the community together to develop strategies to meet other local needs.

The disadvantages of the service club cooperative rest on the difficulty of maintaining a sustained volunteer effort:

- Because most civic organization members have full-time employment, it may be difficult to assemble a sufficient number of volunteers to operate a transportation cooperative on a daily basis.
- Because primary liability coverage would remain with the volunteer driver, individuals may be reluctant to volunteer as drivers; claims for personal injury or negligence resulting from an accident would be filed first against the volunteer's insurance carrier.

**POSTAL CONTRACT ROUTES AS COOPERATIVE VENTURES**

The use of the rural postal contract route has been gaining attention in recent years as a possible transportation alternative in sparsely populated rural areas (10-20). Highway contract routes are contracted mail pickup and delivery routes serving rural post offices. The carriers deliver mail, generally twice a day, to outlying post offices from regional processing centers or larger post offices. The processing centers and larger post offices are located in populated areas that are also medical, shopping, and human service centers. If passenger service were added to the mail delivery routes, residents of more isolated areas could use an already established transportation system and could do so with little additional cost.

Although the practice is not common in the United States, postal buses are used for passenger transportation in England, Scotland, Switzerland, Germany, Austria, and Sweden. In Switzerland, Germany, Austria, and Sweden passenger service is confined to bulk mail delivery along major truck lines. In Britain and Scotland the postal bus is used in town or village mail delivery routes that connect to larger urban centers, a situation more closely matching rural transportation needs in the United States.

In the United States, few examples of the postal bus exist. California has two such operations; both offer passenger transportation as a secondary service. Both have remained limited in size: the Mount Lassen Motor Transit Company transported 1,204 passengers in 1980, and the Kernville Stage and Freight Lines averages two one-way trips per day six days a week.

As part of the study effort, project staff met with regional post office distribution center officials in Buffalo, New York. After they were briefed on study objectives and the selected counties, the postal officials indicated serious interest in pursuing coordination of postal service with passenger transportation. They saw no restrictions on a postal contract carrier also transporting passengers. The only requirement was that the mail be carried in a locked box or security compartment, a condition they did not perceive as prohibiting the transportation of passengers. They provided project staff with postal routes in Cortland and Otsego counties. The material detailed vehicle requirements, delivery and pick-up locations, routes, and schedules.

Review of the routes in both counties indicated that the postal service provides regular daily service to many of the more isolated rural communities. Although all the routes do not lead to county centers, they do link with larger centers where rural residents could receive medical care, shop, or link with transportation to county centers containing human service agencies. Because postal routes in the two study counties appeared to form feasible passenger transportation routes or links to such routes, cooperative structures using postal routes were developed as rural transportation alternatives.

**A Cooperative Opportunity**

The potential for increased service and cost savings accruing from the use of a coordinated postal-passerger transportation service would apply to either of the passenger transportation alternatives discussed previously. Each of the alternatives (i.e., the consolidated agency transportation cooperative or the community service cooperative) could include coordination of passenger service with postal routes.

The transportation cooperative would need to contact postal carriers currently operating in the area to determine whether joint operation was possible. Time schedules for each route would be matched with transportation needs of people living along those routes.

Another possibility is to use the layover time of the postal carrier to provide passenger transportation. Because many postal routes require service in the morning and afternoon only, the carrier would be available for service during the middle of the day. Human service agency clients and other eligible rural residents could be transported to service centers during this time.

After a passenger transportation cooperative becomes operational, it could bid on a postal contract. The cooperative would keep its vehicles productively employed and could generate more income than with passenger transportation alone.

**Advantages and Disadvantages**

The coordination of postal routes with passenger transportation has several advantages for rural passenger transportation:

- The postal route offers a ready-made transportation system to many isolated areas the residents of which have little or no access to transportation.
- Adding postal routes to existing agency transportation service would cost little to implement and could expand transportation available to rural residents.
- Postal carriers would be able to earn additional income with little extra cost.
- Drivers are preselected by the Postal Service and carry specified insurance coverage, thus eliminating the need for agencies to screen drivers.
A postal-passenger transportation cooperative would be a local organization controlled by local agencies and residents.

There may also be several disadvantages associated with postal-passenger cooperatives:

- Not all postal routes may be usable for passenger transportation; they may not go to service centers of interest to rural residents.
- Postal routes are set and no route deviations are allowed to pick up individual passengers living a distance from the post office.

SUMMARY AND CONCLUSIONS

A study conducted by the New York State Department of Agriculture and Markets and funded by UMTA/SMD in conjunction with the U.S. Department of Agriculture Office of Transportation developed three cooperative alternatives to provide rural passenger transportation.

Each cooperative alternative relies on local resources, local interest, and local initiative. These cooperative approaches would thus be under local control and responsive to local conditions. Each approach, by combining available local resources in an innovative organizational structure, can provide additional low-cost transportation services to those community residents without access to transportation. Although each alternative requires substantial local input and dedication, each alternative also provides local communities the opportunity to enhance necessary transportation services without making significant financial outlays.

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