

# Transportation Planning Process: The Case of the Chicago Region

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## ABSTRACT

In the 6-county northeastern Illinois region, efforts to involve the private transportation sector in the public transportation planning process have advanced further than in most other areas. The formation of the Metropolitan Transportation Association, the purpose of which is to promote private sector involvement in the planning process, is a unique event that has led to this region being in the forefront of this issue. Presented in this paper are the historical background of transportation in the region and a description of the evolution of private involvement in the planning process. Experience in the Chicago region indicates that there are several issues that need to be resolved, such as the role that private operators should have in the process, the organization of the private operators to ensure balance and equitable representation, and the organization of efforts to fund the private operators. The paper concludes with recommendations for other regions attempting or contemplating a public or private cooperative planning process.

There has been great interest in involving the private transportation sector in public transportation. Most of the emphasis has been on the private operation of public transportation, but there has also been a federal-level policy directive (1) and two recent Urban Mass Transportation Administration (UMTA) decisions (referred to in a letter from J.P. Ettinger of UMTA to a grantee on July 19, 1985) stressing the importance of private sector input to the transportation planning process. In the 6-county northeastern Illinois region [i.e., the Chicago standard metropolitan statistical area (SMSA)], efforts to involve the private sector in transportation planning have advanced further than in most other areas. Thus, a review of the efforts in this region can benefit other areas by presenting the prospects and problems of such involvement.

Reviewed in this paper is the involvement of the private transportation operators in the planning process for northeastern Illinois. In the first section, some important background material is presented including the history of public transportation in the area, followed by a description of the private sector operators and an outline of the transportation planning process as it has evolved in the region. This review shows that private transportation operators have been involved in mass transportation, public and private, throughout the area's history. However, the private operators involved in the early stages of the process were conventional mass transit firms (i.e., the operators of rail and fixed-route bus systems). Over the last century, these firms have been closely regulated, subsidized, and sometimes purchased outright by the public sector. Even when still privately owned or operated they have been closely identified with the public sector.

The discussion in this paper is focused on a different group of private transportation providers: the taxi firms, charter bus operators, and limousine

companies. In the past, this group has tended to minimize its involvement with the public sector. In the last few years, this attitude has been reversed somewhat. The expansion of public transportation agencies into such areas as paratransit and special services has placed the public sector in competition with this group of private operators. As a result, these operators have viewed it as increasingly important that they, too, have input into the transportation planning process. It has been suggested that greater use of such private operators could improve transit services at a lower public cost (2).

Following the background information is a section that describes the organization of this "new" private sector and its efforts to become involved in the Chicago region's planning process. Contained in the next section is a description of the private sector's participation in the planning process and the activities associated with its involvement to date. Also included is a discussion on the issues that are yet to be addressed and the future prospects of private sector involvement. Finally, based on this experience, some recommendations and guidelines are offered for other regions integrating private operators into the transportation planning process.

## HISTORY OF PUBLIC TRANSPORTATION IN THE REGION

Discussions concerning public responsibility for urban mass transportation in Chicago started in the mid-19th century. Still, the private sector built and operated in the street railways until the mid-20th century. By the 1930s, however, all the surface lines and elevated companies were in receivership (3). The public sector assumed the responsibility for operating mass transportation in Chicago with the formation of the Chicago Transit Authority (CTA) in 1945. Between 1947 and 1952, the CTA acquired all transit services in the city except commuter rail and formed a unified transit system throughout Chicago and its adjacent suburbs. The CTA has improved the system over the years, adding several rail lines and adjusting bus routes to reflect changes in travel patterns.

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In the 1960s and early 1970s, the CTA began to experience financial difficulties as costs outstripped revenues. These problems eventually led to the formation of a regional organization with a greater capacity to solve them. The Northeastern Illinois Regional Transportation Authority (RTA) was formed in 1974 to plan, coordinate, and fund mass transportation in the six counties of the Chicago SMSA (see Figure 1). The RTA was granted taxing power and responsibility for setting fares, planning a coordinated transit system, and allocating subsidies among the actual operators. These operators included the CTA, several suburban bus operators, many of which were privately owned, and eight commuter rail companies, all of which were privately owned.

To solve the continued financial problems that resulted in a dramatic fare increase in 1981 and equally dramatic ridership losses, the RTA was reorganized in 1983. The new organization consists of an oversight board and three service boards or

operating divisions: METRA, the Commuter Rail Division, became responsible for the commuter rail lines; Pace, the Suburban Bus Division, was made responsible for the bus and paratransit operations in suburban Cook County as well as in the five collar counties; and the CTA continued its responsibility for the system it operated before the reorganization of the RTA. All four entities (RTA, METRA, Pace, and CTA) have their own policy boards. Under the reorganization, the RTA's role is primarily to allocate subsidies and provide financial oversight of the three operating divisions.

Although the RTA, through the service boards, operates the majority of transit services, there has been a history of providing some of this service with private contractors. METRA has purchase-of-service agreements with five of the original rail operators, and Pace contracts out feeder bus routes, paratransit service, and some local bus systems. The CTA recently signed contracts with four private operators to pro-

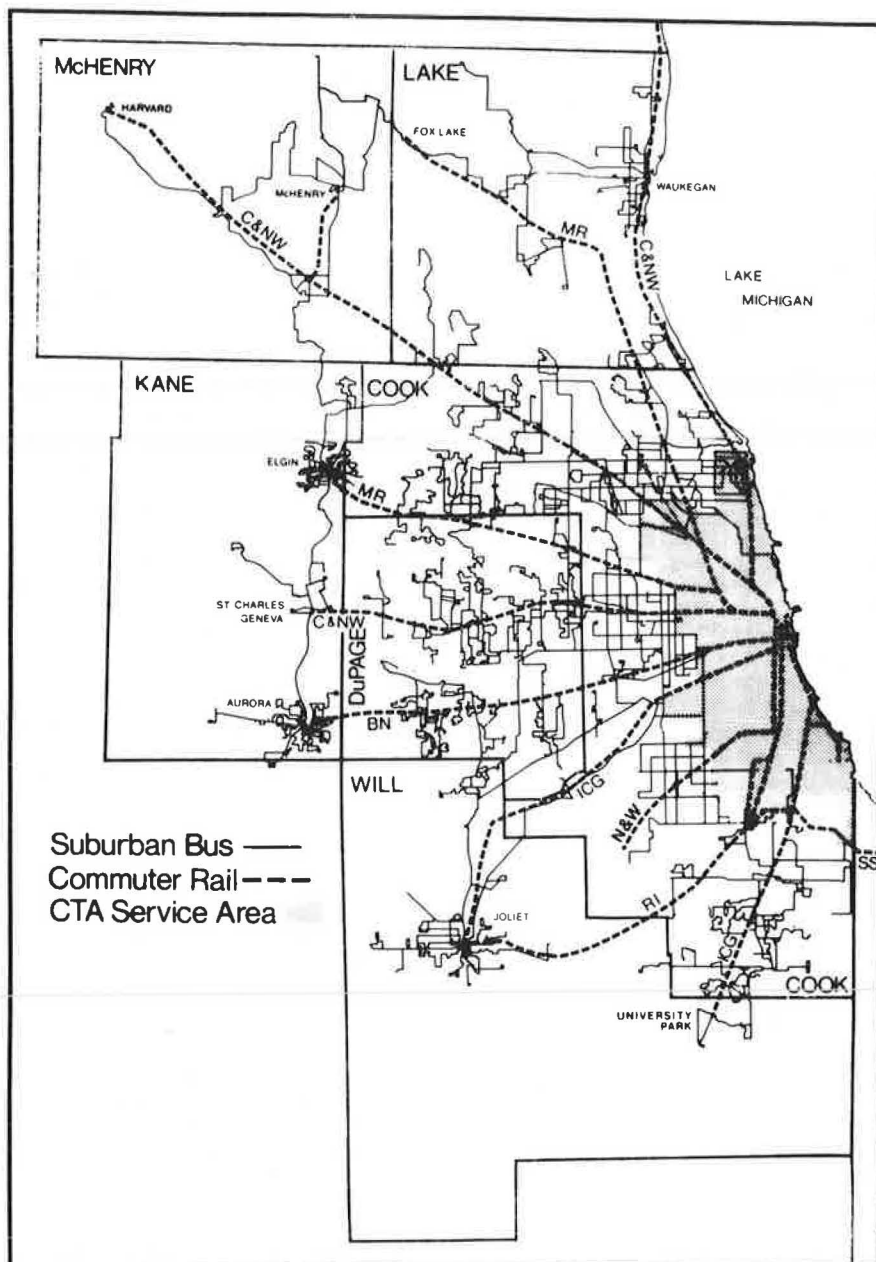


FIGURE 1 Chicago SMSA and transit services.

vide demand-responsive service for disabled individuals unable to access CTA main-line fixed-route service.

#### PRIVATE SECTOR TRANSPORTATION IN THE CHICAGO REGION

In the Chicago metropolitan area, the private transportation sector includes at least 150 taxi companies, 210 limousine companies, and 170 bus companies. Added to these is a large but less well-defined group of companies that offers a variety of services such as dial-a-ride and vanpooling. Finally, there are a number of organizations representing private sector labor including taxi and bus drivers. When taken together, these diverse groups, companies, and labor organizations make up the private sector. (Note that the best available estimate places the region's private fleet at over 8,000 vehicles, which contrasts sharply with about 3,000 buses and 1,800 rail cars operated by the three public operators.)

Private operators offer an array of services ranging from completely private service arrangements to contractual agreements with the public sector. For example, private taxi operators may be organized as associations, cooperatives, or closely held companies. Some operate a strictly street-hail business, while others offer telephone dispatch services or some combination of both. Common taxi driver arrangements include commission drivers, lease drivers, and owner-operators.

The livery and the bus sectors of the industry are also characterized by many companies offering a variety of services and working in all types of operating environments. The limousine industry is a significant resource in the Chicago region in terms of the number of companies, vehicles operated, and passengers carried. In addition to conventional livery service, the industry provides a major link between O'Hare Airport, which is located in Chicago, and the rapidly growing suburban markets, which are generating an increasing number of air passengers.

#### THE CHICAGO AREA TRANSPORTATION PLANNING PROCESS

Several agencies plan transportation in the Chicago region. Each of the three operating divisions of the RTA undertakes strategic and operations planning for their service areas, while the RTA plans for a coordinated transit system. The Chicago Department of Public Works, responsible for maintaining the city's streets and highways and building its rail guideways, is involved in transportation planning within the city limits. The Illinois Department of Transportation, the Northeastern Illinois Planning Commission, the Illinois Toll Highway Authority, and the planning and transportation departments for the individual counties and municipalities all do some transportation planning. When taken together, there are over 300 public entities responsible for different elements of the region's master plan.

These planning efforts are coordinated through the Chicago Area Transportation Study (CATS), which is the metropolitan planning organization (MPO) for the region. The MPO is the forum through which all the decision makers responsible for public transportation investments and operations cooperatively decide on mutually acceptable transportation plans and programs for the region. It is through this process that federally funded transportation programs are planned and implemented. As the MPO, CATS has the lead responsibility for preparing and endorsing

the region's Long Range Transportation Plan, the Five-year Transportation Improvement Program, the Annual Element for Transportation Investment, implementation studies in support of engineering and construction activities, and the Unified Work Program for transportation planning.

CATS was established late in 1955 by the city of Chicago, Cook County, and the State of Illinois, in cooperation with the U.S. Bureau of Public Roads (later reorganized into the FHWA). Originally, CATS was financed by these four sponsoring governmental entities and acted toward them in an advisory capacity. CATS's purpose was to develop a unified transportation plan for the metropolitan area with a 1980 target year.

It was evident to the sponsors of CATS as early as 1957 that an expanding urban area with a shifting population required continuous changes in the transportation planning and policy process. With this in mind, the sponsors provided for a permanent planning agency capable of updating the region's plans while acting as planning staff to the supporting agencies and other local government entities. Once the original transportation plan was published in 1962 (7), CATS was established as a continuing agency for planning an coordinating the region's transportation system. (Chicago was the first region to receive certification for meeting the "c3" requirements.)

CATS is an unusual organization in that its direction is set by several committees (similar to boards of directors) representing other agencies and interest groups. Heading up the committee structure is a policy committee (PC). The first PC was comprised of representatives of the four sponsoring governments with the Executive Director of CATS acting as secretary. Since then, the PC has been expanded from 4 to 20 voting members with the Executive Director of CATS acting as secretary. Figure 2 shows the expansion of the membership of the PC from its formation in 1955 to the present. [Note that (a) the U.S. Bureau of Public Roads was reorganized into the FHWA under the U.S. Department of Transportation; (b) Commuter Railroads were replaced by the Commuter Rail Division in 1984 after the reorganization of the RTA; and (c) Suburban Bus Operators were replaced by the Suburban Bus Division in 1984 after the reorganization of the RTA.]

Assisting the PC and providing day-to-day guidance of the various agencies responsible for planning are the responsibilities of the Work Program Committee (WPC). Over the years, the WPC has developed into a cooperative planning and programming process in which all the agencies with transportation planning responsibilities are involved. Disputes and inconsistencies between agencies and local jurisdictions are reviewed at this level. The WPC is currently composed of one member from each of the PC agencies plus representatives of the following agencies:

- The Chicago Department of Development and Planning
- The Northwestern Indiana Regional Planning Commission,
- The Division of Public Transportation, Illinois Department of Transportation,
- The Illinois Environmental Protection Agency,
- The Illinois Department of Transportation--District 1,
- The Illinois-Indiana Bi-State Commission, and
- The Chicago Area Transportation Study.

There is also a Unified Work Program (UWP) Committee, which annually recommends to the PC and WPC the transportation-related planning activities to be performed in the region. The UWP is mandated as part of the MPO regulations (8). Members of the UWP Com-

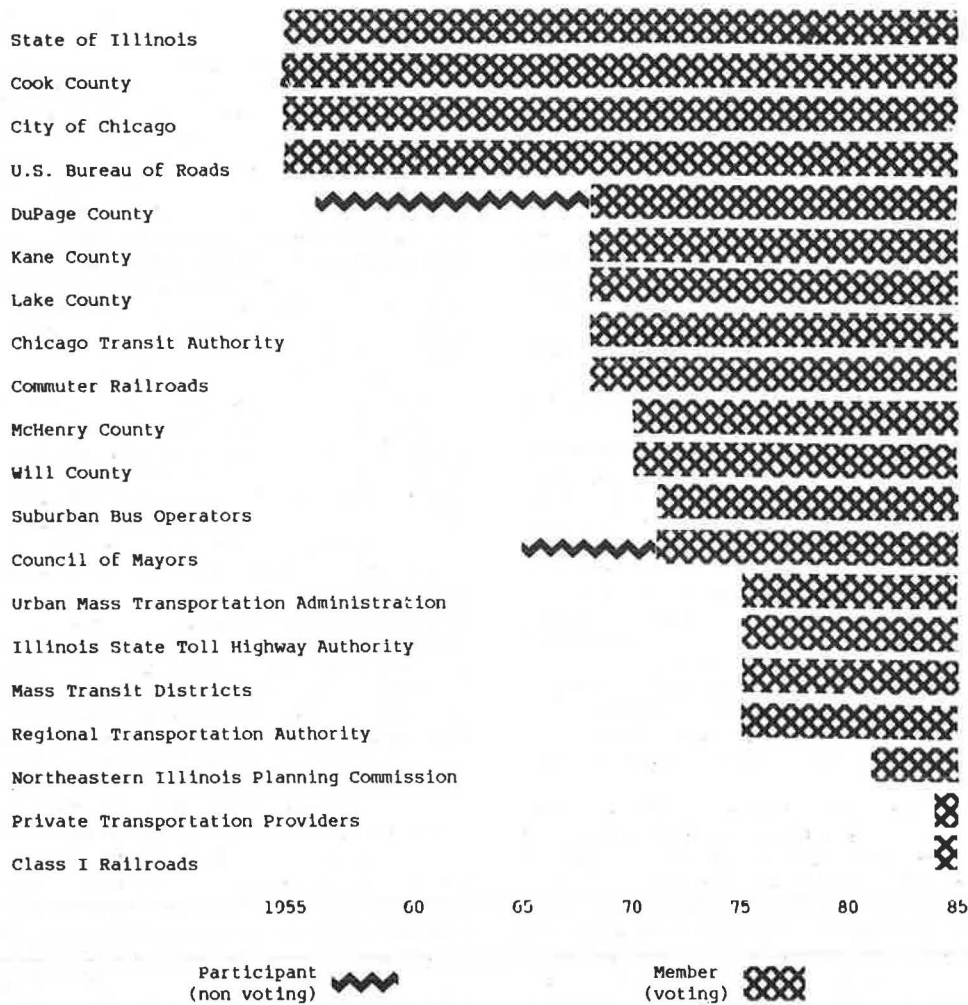


FIGURE 2 History of membership on the CATS PC.

mittee include one representative from each of the following agencies:

- The City of Chicago,
- The Regional Transportation Authority,
- The Chicago Transit Authority,
- The Council of Mayors,
- The collar counties (the five outlying counties of the SMSA),
- The Illinois Department of Transportation, and
- The Northeastern Illinois Planning Commission.

Traditionally, the seats on each of these committees have been held by staff from the member agencies responsible for highway and transit planning and programming. The WPC is supported by a series of standing advisory committees representing a broad spectrum of interests. Through the advisory committees, the planners, local mayors, operators, implementers, special interest groups, and general public provide the input needed to shape a coordinated transportation system. Although most of the advisory committees grew out of specific concerns and interests, many have continued as an ongoing resource, ensuring that decisions are made in a climate of full participation. The current six advisory committees to the WPC are

- Aviation,
- Freight Advisory,
- Transportation Operations,

- Air Quality Advisory,
- Mobility Limited Advisory, and
- Private Providers.

In addition to these advisory committees, several subcommittees and task forces have been assembled whose purposes are more short-term in nature. These groups are formed as needed to address specific transportation issues. The Private Providers Committee (PPC) was originally formed as such a group. However, it became apparent from its first year's work that continuous participation by private operators was desirable. Thus, the PPC has become a permanent advisory committee.

FORMATION OF THE METROPOLITAN TRANSPORTATION ASSOCIATION

The Metropolitan Transportation Association (MTA) is an organization of private transportation providers established to coordinate private sector activities and to inform the public sector about private transportation issues. The events leading to the organization of the private transportation operators in the Chicago region started when the owners of two private carriers, a taxi company and a bus company, approached the same consultant for advice on dealing with the public sector. Recognizing that the two businessmen had mutual interests, the consultant suggested that they meet and discuss these interests



over lunch. Because they found their discussions worthwhile, other lunches were organized involving additional private operators. Over the following year, several informal lunch meetings were held, with six to eight carriers represented. At first, there was no specific objective for these meetings. However, the businessmen soon discovered that they had common problems and concerns.

The individual owners had differing motives for being interested in the public sector. Some owners felt that the public transportation agencies were encroaching on markets that had traditionally been served by the private sector. For instance, publicly owned dial-a-ride services were eroding the taxi business in several suburbs. Other owners were looking for new markets. A few of the owners had less self-interested motives. They were concerned about how the public sector provided, operated, and, in particular, paid for public transit service. The media gave extensive coverage to transportation problems including the financial crisis leading to the 1983 reorganization of the RTA. As a result, much of the general public believed that the public transportation agencies were mismanaged or over-politicized, or both. Several of the owners and managers of the private transportation firms believed that they could provide better transportation at a lower cost.

Eventually, the informational lunches led to the creation of a formal organization. The Metropolitan Transportation Association (MTA) was incorporated in July 1982. Its purposes were to increase the public sector's awareness of the private sector and to provide information to the public sector on the private sector's capabilities. MTA dues are \$100 per year for an associate member and \$1,000 per year to become a director with voting privileges. The MTA started with 14 members and, in the last 2 years, has expanded to 20, 11 of whom are directors.

During 1983, because some members of MTA wanted to take a more active role in soliciting public contracts, they formed a second group called the Transit Service Corporation (TSC). TSC has eight members, all of whom are also members of the MTA. TSC's first project was to do a comparative cost study of several CTA bus routes showing the savings that the CTA could achieve by contracting for service rather than operating its own service (9). This study led to a TSC proposal to operate CTA's special services for the disabled. Since that time, CTA has signed contracts with four private operators, including TSC, to operate its special services.

In the meantime, MTA has continued as an informational organization. In April 1983, the MTA gave testimony before the Illinois House Transportation Committee concerning the private sector's role in the transportation planning process. The following April, MTA made a presentation at a locally sponsored forum on the same topic. In October 1984, an MTA member was a speaker at an UMTA-sponsored conference on private and public involvement. In November, the governor of Illinois appointed an MTA member to a task force on transportation for individuals with disabilities. Because MTA has acted since its formation as a unified voice for the private transportation operators, it has received the attention and respect of the public sector.

#### THE EVOLUTION OF PRIVATE SECTOR PARTICIPATION

In March 1983, the MTA petitioned the CATS PC for membership. The By-Laws Subcommittee of the PC discussed the appropriateness of the MTA being a member of the PC, possible duplication with other interests, and the overall makeup of the PC. Members suggested

that if the MTA was to be considered an appropriate member, then other private interest groups, such as the Illinois Road Builders or the Chicago Motor Club, should also be considered. It was concluded that because the MTA represented service operators while the other organizations represented support to service operators, the MTA should be considered for membership. The Chicago Motor Club and other consumer groups were felt to have input to the process through the Regional Council of Mayors, which represents the general public on the PC.

The By-Laws Subcommittee agreed that there was a need for input from private providers at the advisory level and recommended that a meeting be convened of the private for-profit and not-for-profit nonrail transit carriers. The purpose of the meeting would be to explain the transportation planning process and the role of CATS as the MPO. The attendees would be asked to appoint representatives to the Mobility Limited Advisory Committee and the Transportation Operations Committee. Through these committees, the private providers would have input to the process. The appointed representatives would report back to the other private providers at quarterly meetings if desired. The Subcommittee felt this level of involvement would be appropriate for a 1-year trial period. After 1 year, private provider input and participation would be evaluated to see if further involvement, such as WPC membership, would be warranted. This approach is commonly used for agencies seeking membership on the PC (i.e., they are welcomed as observers for 1 year before becoming full voting members).

In May 1983, the PC discussed the Subcommittee's recommendations. One member supported putting the MTA on the WPC as well as the advisory committees. Other PC members were concerned that it would be inappropriate to put the private operators on a committee that they perceived as a governmental body. The PC finally voted to accept the Subcommittee recommendations, giving the private operators an advisory role, but not a vote, on the policy and planning decisions. It was also decided that representatives to the advisory committees should be chosen at a meeting of all private operators. Although MTA had initiated the effort to get private input into the planning process, the response of the CATS PC was to deal with all operators rather than a single association.

In September 1983, CATS convened the first meeting of the private transportation providers. The invitation list was assembled from regional telephone books. Invitations were sent to over 480 carriers from the bus, taxi, and limousine industries. About 50 people from private transportation firms attended the meeting at which representatives from CATS and RTA made presentations. CATS staff explained the transportation planning process and a model taxi ordinance that they had developed. The RTA representatives explained how new service was planned, RTA policy on using private carriers, and the process for bidding fixed-route and paratransit services.

As the discussion progressed, it became apparent that many of the private operators felt that they still were not connected to the public planning process. They raised several concerns about public decisions and programs that were being implemented and the impact of these decisions on their businesses. One person questioned whether the transportation planners really knew what problems faced the private operators. Many expressed the opinion that they should have some formal link to the planning process.

To establish this link, a CATS representative proposed that the private operators begin functioning as an advisory committee within the planning process.

As a starting point, three activities were proposed as follows:

1. A Private Providers Steering Committee (the Steering Committee) to shape the direction and activity of the full committee. The full committee would continue to be composed of all the private operators.
2. Individual semi-annual meetings of all the operators and the full Steering Committee.
3. A quarterly newsletter speaking to and representing private carriers. The newsletter would provide a forum through which information affecting the carriers could routinely be disseminated. Suggested items for the newsletter were articles covering the RTA's solicitation of bids, legislative changes, and other issues of relevance to the carriers. A bulletin has since been added for items of interest that cannot wait for a quarterly publication.

It was clear from the first and subsequent meetings that there were many issues facing the private operators. Bus and taxi firms were concerned about the opportunity to operate public systems through contractual agreements, municipal regulations, government interference, and public sector competition. The livery firms had two overwhelming concerns: traffic congestion and regulations at O'Hare Airport, and conflicting municipal regulations. Initially, this division of interests led to the objection that the discussions and meetings only held the attention of a few operators.

At its first meeting in November 1983, the Steering Committee discussed the nature of the involvement that they, as private operators, should have in the planning process. In looking for some guidance or precedents, CATS staff reviewed federal laws and regulations and contacted MPOs in other regions. They found that published federal policies encourage the involvement of private operators in the process but leave the structure of this involvement to local officials. A telephone survey of nine MPOs discovered no private involvement at the policy level or on a permanent basis, although several regions had organized task forces involving private operators to address specific issues.

The discussions at the first meeting of the Steering Committee ranged over many topics, including the following:

- The nature of the influence that the Steering Committee might have in the planning process;
- Problems inherent in allowing local units of government to make spending decisions that are not cost-effective;
- Private operator avoidance of the mass transit market because of the bureaucratic requirements and red tape;
- Organization of the MTA and its efforts to influence spending policies given its ability to provide service at a substantial savings to the public;
- The interface between the Steering Committee and the MTA;
- Educating the policy makers and implementers to the problems of the limousine industry;
- Reducing the expenditure of tax dollars by using more private carriers;
- Lack of understanding of the issues facing private companies by the policy makers;
- Enforcement of the rules and regulations that are currently in existence at O'Hare Airport; and
- The need to operate by the dictates of a few government planners who do not really know what the issues or industries are all about.

In December 1983, the first issue of a newsletter entitled Transit Dispatch was published by CATS staff after review by the Steering Committee. The first issue and later ones present three types of articles: reports on the meetings and other actions of the Steering Committee; articles on issues of general interest to the private operators, such as explanations of the structure and purpose of the various public agencies or current legislation; and announcements of specific public transportation contracts that are up for bid or that are being considered for future letting.

Following its initial meeting, the Steering Committee has met on a monthly basis. Much of the agenda is informational. In the summer of 1984, the issue of private-operator representation on the PC was renewed. The reorganization of the RTA required that the membership of the PC be reviewed. This review offered an opportunity for reconsideration of a PC seat for the private operators. Several changes in the PC membership were made as a result of this review. First, the Suburban Bus Division of the RTA (Pace) took over the seat previously held by the suburban bus operators (most of whom had been taken over by the public sector). Second, the Commuter Rail Division (METRA) assumed the seat that had been held by the commuter railroads. Third, the Class I railroads, which retain ownership of the right-of-way used by METRA carriers, were allocated a seat. Finally, the private transportation providers received a seat on both the PC and the WPC, which included full voting privileges.

Although the PC could not implement these changes until its December meeting, the Steering Committee drew up a slate of representatives for both the PC and the WPC. The Steering Committee chose representatives who were familiar with CATS and the planning process in order to reduce the need for an educational period. It was recommended by the Steering Committee that the representatives be capable of putting aside the interests of their own firms and their specific industry (e.g., taxi, livery) in favor of the general interests of the private sector.

The slate chosen by the Steering Committee was presented at the semi-annual meeting of the Private Providers Committee held in November 1984. One operator objected that Chicago taxi drivers were not represented, indicating that at least some of the operators still had a sectarian attitude toward the private sector representation. It was pointed out that several drivers had been invited to participate on the Steering Committee, but none had responded. The slate was accepted by acclamation. The taxi drivers' groups were again invited to participate on the Steering Committee. Since that meeting, there has generally been more active participation by this segment of the private sector.

In December 1984, the private provider representatives assumed their positions on the respective committees. Reporting back to the Steering Committee, they noted the complexity of the issues being discussed and that the planning process covered a broader range of issues than was initially perceived.

In the spring of 1985, several changes were made to the structure of the Private Providers Committee and the Steering Committee. Initially, CATS staff had acted as chair and guided the development of the Steering Committee. Although much progress had been made, the CATS representative suggested that this organization was inappropriate, and the committee agreed. A chair and co-chair were elected from the operators, and a fixed schedule of monthly meetings was established. It was felt that this would strengthen recognition of the committee as a legitimate part of the planning process and provide a focal point for private representation within the industry.

## SOME EARLY OUTCOMES OF PRIVATE INVOLVEMENT

The development of private participation in the planning process has been gradual, while the benefits of such participation are most likely to occur several years hence. Thus, a discussion of outcomes at this stage is preliminary. The major benefit has been that of educating both the public and private sectors about each other. More specific outcomes have been the provision of a forum for the operators to express their concerns, further organization of the private sector, and the expansion of private contracting options. These are briefly discussed.

The meetings of the private operators through the Private Providers Committee and the Steering Committee have provided an opportunity for a wide range of participants to discuss issues of broad interest. Many of these issues are complex and often difficult to identify. One product of the meetings has been a concerted effort by the private operators, with support from the CATS staff, to have a voice in the decisions concerning ground traffic at O'Hare Airport.

In May 1984, the Chicago Department of Aviation (DOA) developed a ground plan and a related city ordinance for the airport. Although the Chicago City Council held public hearings on the plan and the ordinance, the operators believed that their input had not been seriously considered or used by the planners in developing the program. The private transportation operators, particularly the liveries, felt that the DOA did not understand the problems of ground access and was ignoring the expertise and needs of the carriers. Interestingly, these accusations are similar to those made previously against the regional transportation planning agencies. Through the forum provided by the Private Providers Committee, discussions involving operators (many of whom operate competing modes at the airport) were undertaken on a neutral ground.

As the private providers were struggling to have a collective voice on the airport issue, a new Commissioner of Aviation was appointed. The new Commissioner had been a member of the CATS PC and was familiar with the committee planning process. One of his first actions was to establish a task force of all city departments and other interested individuals involved in ground transportation at the airport. This task force has worked closely with the Steering Committee and has been receptive to the private operators' concerns.

The second outcome of private sector participation in the planning process is the continuing organization of the private operators. As the private sector representatives attend PC meetings, they become more aware of the complexity of the issues being addressed and the need for specialized knowledge if they are to have meaningful involvement in setting policy and contributing to the plans being considered. Because of the time required to attend the requisite meetings, it is costly for any single company to participate in the planning process. Therefore, in November 1984, MTA presented a proposal to the UWP Committee to be funded by the region's UWP. Initially, this proposal called for public funding of staff for the MTA. The MTA felt that support for a staff person would allow better participation. As stated by a representative of MTA, the intent of the proposal was to ensure private input and guarantee coordination.

The MTA request for UWP funding resulted in considerable discussion about the use of public funds to support a private organization. Although the UWP Committee declined to provide funds, they did recognize the problem faced by the MTA. The CATS staff, at the direction of the Steering Committee, developed

a cooperative project proposal to provide public funds to support private sector participation. After considerable negotiation among CATS, MTA, and the public agencies, a final proposal was prepared and submitted to the WPC and the PC in June 1985 for their endorsement (10). Following its acceptance by the PC, the proposal was submitted to UMTA for funding. Administrator Stanley announced funding for the "Private Initiatives" project at a July 1985 press conference in Chicago. For the first time, public funds would be used to support private sector involvement in the planning process. The project emphasized coordination of private involvement and also funded three technical studies aimed at developing and evaluating opportunities for increased use of private carriers to operate transit services.

The third outcome is the expansion of service contracting. Although it is not clear if the public transportation agencies are contracting for more service than they would have without the private sector participating in the process, it is clear that more carriers are being informed of such opportunities. At an early meeting of the Private Providers Committee, the chairman of the Suburban Bus Board (the policy board of Pace) expressed interest in developing innovative ways to meet the pressures created by reduced federal operating subsidies and encouraged the private operators to present to the board any ideas they had concerning suburban transportation alternatives. In addition, a CTA representative informed the operators of CTA's interest in contracting with private operators for the CTA's \$4 million special service program for the disabled. Interested operators were requested to contact the CTA. As noted, the CTA ultimately did select four private contractors to operate this service. Clearly, these actions suggest an increased role for the private operators in the future.

There are, of course, many other emerging issues that will require the planners, operators (public and private), funders, and decision makers to work together. With the existence and actions of the Private Providers Committee and associations, the private sector is assured that it will have serious, as opposed to token, input to the issues and influence on the decisions affecting it.

## ISSUES RAISED BY PRIVATE SECTOR PARTICIPATION IN THE PROCESS

There are several issues concerning the involvement of the private sector in the public planning process that have yet to be resolved. This section contains a review of some of these issues, which will be resolved gradually as the process evolves.

The most basic of these issues is the nature that private sector involvement should take. Few people would object to the private operators acting in an advisory role to inform the public transportation planners and providers of their needs and capabilities. An advisory role, however, frequently means limited participation in the decision-making process.

On the other hand, many people object to the private operators being in a policy-making or decision-making role. The representatives of the public agencies in decision-making positions on the PC and other MPO committees are either elected officials, appointees of elected officials, or the staff of appointees. The goal of these officials is to serve the public good. In contrast, the goal of the private representatives on these committees has not been clearly stated. Are they to represent only the interests of the private transportation operators, or are they to represent the interests of the public from the perspective of the private operators?



Another issue is the appropriate organizational structure for representing the private sector. As noted, these private transportation companies vary in many ways. There are school and charter bus companies, taxi companies, limousine companies, and several types of paratransit companies, all of which have differing problems and interests. Even within a particular mode, there are many different groups with opposing views. For instance, within the taxi industry, there are taxi companies, taxi associations, owner-operators, and labor organizations. Geographic differences are also important. For example, taxi regulations are set by the individual municipalities, sometimes causing conflict between the Chicago and suburban taxi and limousine operators over markets.

Finding a means to achieve a balanced representation of these interests and ensuring fair and continuous representation of all the operators is a difficult task. In many ways, the involvement of the firms and operators parallels the political involvement of the American electorate. Some companies are always concerned; some are concerned only at certain times; others are not concerned at all. The reasons motivating private sector concerns also vary. There are some who see this process as a way of capturing new or expanded markets through increased involvement; others who have a particular complaint about government regulations and encroachments on their markets; and the altruists who want to help public sector planners develop a better transportation system.

There are also problems of time and size. Attending the many meetings required to coordinate transportation planning in a large metropolitan region is time consuming. Business people tend to have tight schedules, particularly owners of small firms who tend to have little time to attend meetings. Thus, the large firm with an owner or manager who has the time may have a disproportionate voice in the process. This was a major concern of CATS when setting up the Private Providers Committee. On the other hand, MTA feels that the Private Providers Committee is, to some extent, redundant. From their point of view, the MTA may provide a more orderly and continuous representation of the private sector. In spite of these early differences, the MTA has continued to work closely with the Private Providers Committee and the CATS staff to the benefit of all the operators and the public planning process.

A public official who had worked with the private sector before either the MTA or the Private Providers Committee was established reported the difficulties in reaching a consensus among the various companies. The small firms would attend some of the meetings, perhaps taking strong stands on an issue, but then either they would stop attending or, at the last minute, withdraw their support for an action on which it had taken months to reach agreement. An organization such as the MTA provides a forum for the development of consensus or compromise where the various degrees of financial responsibility are given some weight. However, the current MTA membership is a small fraction of all the private firms in the region, and it is mostly biased toward the largest firms. It should be pointed out, though, that the most enthusiastic private operators are members of the MTA. Most of the seats on the CATS committees are held by MTA members. Thus, although MTA is not the official organization representing the private sector in the MPO planning process, it is perhaps the de facto representative.

A closely related issue is funding. CATS has spent a large amount of staff time in organizing committees to represent the private sector. To keep the small and less-involved firms informed, it publishes a quarterly newsletter and frequent bulletins that add

to the cost. A simple, low-cost alternative would be to accept the first volunteer to represent the private sector in the process. But, as previously discussed, this approach would not provide balanced or equitable representation.

The funding issue also raises questions as to the appropriateness of using public funds to support private sector involvement in the process. In the formative stages of the region's planning process, the private operators paid dues to support their participation. However, with the availability of Section 8 planning funds, this policy has been relaxed. Obviously, the CATS' current involvement with, and staff support to, the private carriers is paid for from public planning funds. With the approval of the Private Initiatives proposal, some public monies will now be devoted to supporting private sector participation in the process.

#### CONCLUSIONS AND RECOMMENDATIONS

The northeastern Illinois region has taken the lead in private sector participation in the transportation planning process. From the experience in this region, it is clear that developing a process for involving the private sector is not simple nor can it be done overnight. Attitudes of both the public officials and the private sector need to change. There has been a basic mistrust on both sides that is gradually dissipating. As noted earlier, decisions on the appropriate role and representation of the private operators must be made.

In the Chicago region, the ice has been broken. Because the members of the public sector have met the individual private operators and found them to be conscientious and reputable business people, they have developed a greater respect for them and a better understanding of their problems. Although some public officials are still not receptive to private sector involvement, this is slowly changing. Similarly, the private sector representatives participating through the MTA or on the Private Providers Committee have begun to understand the public planning process. They have seen that the need for coordination and cooperation among many agencies requires a slower and more deliberate decision-making process than exists in their private business negotiations. They also have come to realize that participation in the process will not resolve all their problems. Conflicts over the appropriate actions (for instance, whether a particular service segment should be operated by a public agency or private firm) will continue. However, the ability of the PC to make these decisions based on the maximum information about the capabilities and needs of both sectors has increased substantially. The results of the technical studies to be done as part of the demonstration project should provide more information on the benefits and difficulties of private sector participation in specific planning projects.

The experiences in this region suggest the following recommendations for MPOs in other regions that are attempting to involve the private transportation operators in the planning process:

1. The MPO should form a committee of private operators as an advisory group to the MPO. Membership on the committee should be open to all private operators. Initially, the committee will act as an educational forum. The private operators will learn about the planning process and the public transportation agencies. The public agencies will learn that the private operators have legitimate concerns and that they can provide capabilities and resources to assist them in providing service. To this end, rep-



representatives of public agencies should attend the meetings of the committee.

2. Task forces should be established to resolve specific transportation issues of interest to the private operators. The task forces should report to the private operators committee as well as the MPO on their deliberations or progress.

3. The MPO should consider providing support staff and resources to organize the private operators. To ensure serious commitment from both sides, the private sector should be required to match public sector funding after an initial start-up period.

4. After the private operators have become informed concerning the planning process and issues, the MPO should consider giving them a voice in the process. This voice should be at a policy level directly involved in the decision-making process in addition to the advisory level.

The private operators should also take an active role in developing participation in the process. To this end, they should (a) establish a region-wide industry association of all private operators that will focus on public and private interaction and (b) educate themselves on the public planning process, including the public officials and agencies responsible for planning and operating transportation, the specific functions of the agencies, the coordination and funding roles of each agency, and the goals and values behind the public process.

There is still a long way to go to reach a fully developed participatory process in Illinois as well as elsewhere. However, the time and effort devoted to that end should result in a more efficient and effective transportation system. This improved system will benefit the private sector transportation operators, the public transportation agencies, and the general public.

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Publication of this paper sponsored by Committee on Public Transportation Planning and Development.