

Guaranteed Ride Home: An Insurance Program for HOV Users

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The purpose of this paper is to describe a demonstration program that has been successful in increasing high-occupancy-vehicle (HOV) use among a small group of program participants. The Guaranteed Ride Home program, developed by the Municipality of Metropolitan Seattle, reimburses eligible HOV users for a fixed number of miles of travel to or from work using taxis. The 6-month demonstration project was tested in two distinct areas of Bellevue, Washington, a suburban activity center, starting in September 1987. The objectives of the initial phase were to assess interest in the program, test program procedures for efficient operation, and determine if the program increased HOV use. Major findings of the first phase of the evaluation were that (a) registrants increased their HOV use by 12 percent, (b) 69 percent of the registrants felt the program was important in their decision to continue to ride-share, (c) participants saved their mileage allotment for unanticipated emergency use, and (d) the program was relatively inexpensive to operate.

The Guaranteed Ride Home program was developed by the Market Development section of the Municipality of Metropolitan Seattle (Metro), a full-service public transportation agency providing transit, vanpool, and carpool services. The program was initiated as one component of an overall action plan to improve public transportation services in East King County, a rapidly growing suburban area 10 mi east of Seattle. Research had shown that one reason commuters who drive alone to work do not use high-occupancy-vehicle (HOV) modes is their concern about being stranded without a car in case of an emergency or unplanned change in work schedule. The Guaranteed Ride Home program was designed to encourage those who commute primarily by single occupancy vehicle (SOV) to switch to any of the HOV modes—bus, carpool, or vanpool—by providing a low-cost back-up ride home.

TARGET AREAS

The program was tested in two distinct business centers: the Bellevue central business district (CBD), the fast-growing heart of downtown Bellevue with an employment size of 20,000, and the I-90 area, a series of office park developments along an interstate corridor with an employment population of 8,000.

Although transit service to downtown Bellevue is well

developed, the situation in the I-90 area is much different. During the peak period, there is express service from several Eastside park-and-ride lots to downtown Bellevue and local service from neighborhoods to Eastside activity centers, downtown Bellevue being the primary center. Commuting from Seattle neighborhoods to downtown Bellevue often requires a transfer, however.

Midday, evening, and weekend service on the Eastside is radially oriented to the Bellevue Transit Center, with a pulse of up to 12 buses every 30 min. Thirty-minute service exists between downtown Bellevue and other major activity centers on the Eastside. Transit service to the I-90 corridor is much less extensive. Midday headways are 60 min on average, and travel within the area to access restaurants and other services is especially difficult.

Another major difference in the two areas is the availability of parking. Research has shown that nearly 100 percent of SOV commuters in the I-90 area were likely to have free parking available to them. In the Bellevue CBD, that percentage is approximately 50 percent, and the HOV/SOV mode split reflects this difference. The HOV mode split is about 18 percent in the Bellevue CBD compared to 10 percent in the I-90 area.

PROGRAM GOALS

The goal of the program was to provide an incentive for the SOV driver considering switching to an HOV mode. Because Metro provides transit, carpool, and vanpool services, this study was not concerned with whether commuters chose a ridesharing mode versus transit.

The first phase of the demonstration began September 1, 1987, and ended February 29, 1988. The objectives of the initial phase of the program were to

- Assess the interest of the commute population on the Eastside for this service, as measured by the number of program participants;
- Test the program procedures for efficient operations for the user and administrators; and
- Determine if an increase in HOV use among program participants occurred during the program demonstration.

During the first 6 months, 142 people registered for the program and a total of 11 taxi rides were taken. The program has been extended indefinitely in the Bellevue CBD and until June 30, 1989, in the I-90 area.

PROGRAM DESCRIPTION

Two staff positions for transportation coordinators were created to market and administer the Guaranteed Ride Home program and support other special transportation projects on the Eastside.

Commuters learned about the program by various means, ranging from general notices and newspaper articles, to targeted distribution of brochures and direct telephone contact by the transportation coordinators. Commuters were responsible for initiating their participation in the program by contacting a transportation coordinator. Eligible commuters applied for the program by completing a registration form and certifying that they traveled to and from work by transit, carpool, or vanpool at least 3 days per week and worked in one of the target areas. If both requirements were met, program registrants received vouchers good for reimbursement of 40 mi of taxi travel if they worked in the Bellevue CBD and 60 mi of travel if employed in the I-90 area.

Different mileage allotments were used in each area based on providing four trips at the average commute distance for workers in that area. A fixed mileage allotment and a limit to the number of participants allowed Metro to monitor its project budget easily. The budget was based on each participant using his or her entire mileage allotment. The only travel restriction was that one end of the taxi trip had to be in the test area.

The development of a payment method was based on consideration of four factors: ease of administration, convenience to the user, potential for abuse, and simplicity. A reimbursement system, rather than a scrip method, was selected because it provided more information about the use of the program and was less likely to allow abuse.

Under the reimbursement system, the user was required to contact Yellow Cab Company for a ride and pay the cab driver out-of-pocket. Yellow Cab agreed to provide Metro a variable rate discount based on the level of use, in return for exclusive use by program registrants. The participant was responsible for submitting the voucher to the transportation coordinator, along with a receipt for the cab ride. Transportation coordinators were responsible for keeping track of each registrant's accumulated mileage and forwarding the approved reimbursement request to Metro Accounting. Metro mailed the user a check for the cost of the trip, minus \$1. The user was asked to pay this minimal amount in order to share some of the responsibility for the cost of the service.

The reimbursement method had several advantages:

- The potential for abuse of the program decreased because the user had to pay up-front and out-of-pocket.
- Metro's only paper work was to issue a check and mail it.
- Monitoring of the user's cumulative mileage was automatic. The user would not be reimbursed for a particular trip if his or her mileage allotment had been expended.
- Information could be gained about trip purpose, cost, and distance from the reimbursement voucher.
- The user did not need any special paper work to take a taxi ride.

The burden of administration fell more heavily on the user

with the reimbursement method than with a scrip system. However, in return, the user was able to take 40 to 60 mi of taxi rides for only \$1 per trip. The process was streamlined by using vouchers already stamped with a return address that could simply be folded and sent, postage-free. Metro guaranteed reimbursement within a 2-week period.

EVALUATION

An evaluation was conducted at the end of the first 6 months.

Data were collected in several ways. Information about all 142 registrants' travel mode, trip length, age, and occupation was gathered through the registration form. All participants who took taxi rides submitted a voucher with information about each trip. Information about participants' attitudes and opinions was gathered from a questionnaire sent to all participants at the end of the first 6 months. In order to assess the administrative procedures of the program, staff involved in the program were interviewed at the end of the 6-month trial period.

Finally, two focus group sessions with program registrants and one session with nonregistrants were held in each of the test areas to gather more information on pricing, mileage, and other issues that were being considered for possible changes in the future.

FINDINGS

The number of participants and their interest and support for Guaranteed Ride Home indicated that it is a worthwhile service that fills a need for a particular commuter market. The program was successful from a number of standpoints.

Program Participation

First, commuters were interested enough in the program to register. By the end of the first year, there were a total of 260 registrants. Registration in the I-90 area was about 25 percent less than in the Bellevue CBD, which could be explained by the difference in size of the commute population, less extensive transit service, and an abundance of free parking. In addition, the Bellevue CBD has a well-established network of corporate contacts in major businesses, which facilitated the marketing of the program. Metro is still in the beginning stages of establishing its contacts in the I-90 area. Focus group discussion revealed that most registrants learned about Guaranteed Ride Home from personal contacts, indicating that employer cooperation is a vital factor in marketing the program.

Importance of Guaranteed Ride Home

The second indicator of success was that participants believed the program was important in their commute-mode-choice decision. Overall, 69 percent of survey respondents, including commuters who shifted from an SOV mode to an HOV mode when they joined the program, indicated that the Guaranteed

Ride Home program was somewhat or very important in their decision to continue to take the bus, carpool, or vanpool to work. Twenty-two percent rated it very important. Respondents to the questionnaire were interested enough in the program to suggest changes that would allow greater use of the program, that is, adding more free miles and extending the valid time period to use the subsidized miles.

In addition, most respondents said they would pay a greater portion of the trip cost, from 10 to 50 percent of the cost of the trip. Most survey respondents (58 percent) indicated they would pay about 10 percent, slightly more than the current \$1 copayment.

HOV Use

A third indication of success was that there was a significant increase over the 6-month trial period in the number of HOV passenger trips for Guaranteed Ride Home participants responding to the survey. A 12 percent increase in trips can be attributed entirely to the 12 commuters—8.5 percent of total program participants—who had changed from driving alone to an HOV mode after they heard of the Guaranteed Ride Home program.

Those who were already using an HOV mode and met the HOV requirement without changing their commute pattern (91.5 percent of registrants) actually showed a slight decrease in HOV use since participating in the Guaranteed Ride Home program. In terms of passenger trips per week, HOV use for those people decreased by 1 percent. The opportunity to increase HOV use for this group of people was limited, because 96 percent of participants were already using an HOV mode at least 4 days per week (72 percent, 5 days per week) when they registered for the program. Table 1 shows the total change in the number of passenger trips by each travel mode. The net increase in HOV trips for those participants who responded to the questionnaire was 12 percent. Correspondingly, there was a large decrease in the number of SOV trips for this group.

Program Cost

The fourth indicator of the program's success was its low cost. Out of \$8,000 budgeted for the program in each of the two areas, approximately \$3,500 was actually spent. Forty-two percent of this amount was attributable to salaries of Metro

TABLE 1 TWO-WAY PASSENGER TRIPS PER WEEK
(N=71)

	Beginning of Program	End of First Phase	Percent Change
SOV	52	15	-71
HOV			
Bus	65	73	12
Carpool	180	177	-2
Vanpool	42	69	64
Combination ^a	10	15	50
Total HOV Trips	297	334	12

^aTwo different modes to and from work.

Market Development staff; 28 percent to evaluation; 19 percent to postage, printing, and promotional materials; and only 11 percent to taxi-ride reimbursement. Because this was a demonstration program, much of the salary cost can be attributed to program planning and evaluation. This level of effort would not be required in successive years. However, some administration will still be necessary, either centrally located or done by field representatives. The two transportation coordinators spent only a small fraction of their time promoting the Guaranteed Ride Home program as distinct from overall promotion of public transportation at individual buildings. The time required to send information packets to potential registrants, track cumulative mileage of users, and forward reimbursement vouchers to Metro was minimal.

Taxi-Ride Use

The actual number of rides taken was low, between 2 and 4 percent of the maximum number of subsidized miles available for registrants to use. Survey data showed that most participants did not use their free miles because they had no need, were saving the miles for a real emergency, or had solved unplanned schedule changes in other ways. A more detailed discussion in the focus groups verified that users were intentionally saving their miles in anticipation of an emergency. In response to a question about how their use would change if more miles were subsidized, most participants agreed that they would probably continue to save the miles.

Regardless of how many miles were subsidized, most of the focus group participants indicated that they would use the taxi miles as a last resort, when no other transportation arrangements were feasible. The fact that registrants did not plan to use the miles did not diminish its perceived importance to them as a "safety net" for emergency use.

Several aspects of the program structure helped to minimize actual taxi-ride use: low mileage subsidy, reimbursement payment method, slow taxi response, and negative attitudes about taxi drivers. Another factor contributing to low program use was that most of the program participants were already using an HOV mode when they signed up for Guaranteed Ride Home. As experienced HOV users, they had already had to manage day-to-day schedule changes and were probably more likely to save the taxi rides for a real emergency. Some focus group participants indicated that they tried to take a taxi ride for a nonemergency purpose, but, when told of a 20 to 30 min wait, they simply took the next bus or arranged for a more convenient ride home.

The potential benefit to the user, along with elements of the program that limit its use, proved to be a successful combination from Metro's perspective. The high degree of importance of the program to commute-mode decisions indicated that it appealed to the commuter market. The low use in terms of taxi rides reduced program costs significantly and proved that little, if any, abuse had occurred.

Market

Because the long-term goal of the program is to increase HOV use, the obvious target market for the Guaranteed Ride Home

program is commuters who drive alone to work. In this phase of the program, an increase in HOV use was achieved because of the number of SOV commuters who shifted to an HOV mode and joined the program (8.5 percent of total participants). At the time of registration, nearly all of these commuters indicated that Guaranteed Ride Home was somewhat or very important to their decision to shift to an HOV mode. By the end of the first year of operation, SOV commuters shifting to an HOV mode had increased to 25 percent of the total number of registrants, as a result of an increased emphasis on targeting SOV drivers with information about Guaranteed Ride Home. Although it cannot be concluded from these data that Guaranteed Ride Home was the one thing that influenced a commuter who drove alone to shift to an HOV mode, it was important to those who did shift.

There may be value in continuing to market the program to commuters who are already using an HOV mode to travel to and from work. Metro plans to continue to monitor the participants in the program to try to ascertain how Guaranteed Ride Home influences their stability and longevity in an HOV commute mode.

FUTURE CHANGES TO THE PROGRAM

Based on the results of the demonstration project, the Guaranteed Ride Home program is being extended, and some program changes are being planned.

Program Expansion

The rate of taxi-ride use has provided Metro with a different basis for projecting program costs. Little of the budgeted funds for taxi-fare reimbursement was spent in the first 6 months (11 rides), and this amount remained low in the second 6 months (21 rides) from a pool of 260 registrants. Based on the assumption that new registrants will continue using the program at a low rate, Metro is planning to lift the limit on the number of registrants per area as well as expand the program into several other areas. The program is being marketed to major employers, such as Seattle's First Hill hospitals and King County government as an employee incentive funded by the employer.

Pricing

Current registrants appear to be comfortable with sharing some portion of the cost with Metro. Focus group discussion about pricing alternatives was inconclusive, varying from enthusiastic support of paying up to 40 percent of the cost of a trip to questioning why even \$1 was charged. It is clear from the variety of responses to pricing alternatives that increasing the cost of the program to the user will limit the potential market.

The second year of the demonstration project will include some experimentation with different pricing structures in target areas. The response to various pricing scenarios will provide more information about the program's market potential and target markets, with the goal of reducing the subsidy provided by Metro, the sponsoring organization. Some alternatives include

- Promoting Guaranteed Ride Home as an actual insurance program, in which users or employers pay an up-front premium for coverage of a certain number of subsidized miles;
- Increasing the amount the user pays per trip by a flat fee or a percentage; and
- Establishing subscription levels, that is, allowing the user to pay a small percentage (10 to 15 percent) of the trip cost for a limited number of miles, increasing to 25 percent or more for additional miles.

Procedures

Registrants in the focus groups made two suggestions, which will be tested in the future:

- Open the program to the use of any taxi company, instead of limiting it to Yellow Cab. With the minimal number of trips taken, the discount provided by the cab company was negligible. One of the major complaints of users concerned the unreliability of cabs. Although this may improve the taxi response time for the registrants, it may also result in more taxi rides taken and, thus, higher cost.
- Base the subsidy on a number of trips rather than a fixed number of miles. Focus group discussions revealed that users felt that a fixed number of miles excluded those commuters with long commutes and that it was more equitable to provide each commuter with a trip equal to his or her commute distance. Cost calculations show that this approach could be structured to cost no more than a fixed-mileage approach. However, it will be important to monitor if this is more attractive to commuters and if it results in more taxi rides, in order to measure its long-term impact on the success of the program.

The focus group discussions confirmed the experience of the transportation coordinators that the Guaranteed Ride Home program, in conjunction with other ridesharing activities and incentives, is an important factor in encouraging SOV commuters to shift to HOV modes. The challenge to Metro is to maintain a balance in the program elements between offering the most attractive service to the public and keeping costs low. Costs could be minimized by structuring the program so that taxi use continues to be low or by shifting more of the cost to users or employers.