

- Define how the issues should be perceived by the public.
 - Look at the contribution public transit is making on a daily basis and then sell that story to the press and the taxpayers.
 - Transit should quantify and report on the true cost of auto subsidies, including costs of parking, air pollution, and other “hidden” costs.
 - Sell transit’s successes in comparison to this subsidy.
 - Consider cutting back on service.
 - Cutting service, finding an appropriate niche, and then slowly and intelligently building service back up may be politically unpopular and difficult, but it may also make good sense.
 - Transit might create a crisis by pulling service and providing only what it can truly supply.
- New avenues of funding should be explored:*
- Seek public-private partnerships.
 - Non-traditional public sources, such as U.S. Department of Health and Human Services and other social service agencies, can contribute to transit’s operations.
 - Non-profits and community-based organizations can help too.
 - Interaction with the disabled community should be mutually beneficial. Too often, these groups demand things of transit, but then, at other times, they are not on transit’s side.
 - Transit should understand the private sector’s needs when pursuing private contributions to projects. This means that transit needs to make transparent its bureaucracy.
 - Seek out and secure any new funding sources.
 - Most transit funding sources are not truly dedicated; they can be stripped away. New sources should be more closely tied to transit.
- Pricing strategies that tie in parking taxes to transit revenues are an option consistent with transit policy. Such pricing provides funding and encourages greater transit (less auto) use.
 - Real estate value capture is starting to be done more and more. If there is a joint development project, then the transit agency captures the value that is associated with the development near transit stations.
 - A special transit tax that is assessed to support the transit development. For example, Los Angeles Metropolitan Transportation Authority (MTA) has created benefit assessment districts surrounding the Red Line train stations.
 - Employer-based subsidies that leverage employers to pay their fair share.
 - A general use pass. For example, in St. Louis, they have assessed a very small property tax on property owners within so many miles around the Air and Space Museum. As a result, there is no charge to enter the museum. How can transit apply that concept?
 - Technology may be the next area for advertising. What other creative ways can we use technology in our vehicles as a revenue source?

ONE GENERAL MANAGER’S PERSPECTIVE

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Introduction

As a general manager, it is hard not to be constrained by the “real world” when our federal, state, and even local legislators are taking adverse actions that directly affect how we can provide service. We have to find ways of doing with less, because having less is the reality we must deal with. To the degree we can turn this situation into an opportunity, we are going to be in good shape.

When we start talking about markets and market share, public transit presents a pretty pathetic picture. In San Diego, for instance, we get about two percent of the regional daily trips. That is not much! While we have done some good things in trying to increase the market share, our competitor still has 90 percent or more of the market.

However, we cannot give up, because we are making a positive impact in serving various market niches, as well as high activity centers and major travel corridors. When we compete for trips, we're competing with the automobile and, in San Diego's case, the automobile has a very nice system within which to operate. The majority of employers have free parking, except in limited cases downtown. That is our real and everyday challenge, and it is not going to go away.

Despite this competition, we are proud that in San Diego over the last 13 years, since the start-up of light rail (LRT) in San Diego, our total Metropolitan Transit System (MTS) bus and LRT ridership has doubled. That positive trend is despite the adverse impacts caused over the last couple of years by economic recession as well as the impacts of several fare increases.

At the same time that ridership has increased, our farebox recovery has also increased. In the late 1960s we went from a private operation to a publicly owned system. As the company transitioned from private to public, our farebox recovery went from 100 percent to about 30 percent by 1976. We brought that ratio up to about 40 percent with the start-up of LRT service in the early 1980s. Now it is around 50 percent systemwide. We have been able to show that you can raise fares, you can improve the quality of service, and you can increase ridership — all at the same time. There is no secret to it; people want good quality service and they are willing to pay for it. I think San Diego proves quality does pay off.

As much as I would like to be a mobility manager, that goes against my grain. I am in the business of getting as many people as possible to ride transit. Mobility management gets into trying to make available a range of alternatives for a large range of trips. I look at myself as somebody that is in the *mass* transit market and I am trying to boost ridership. More and more this ridership objective is being frustrated by the fact that land uses are creating dispersed origins and destinations and by a highway/freeway transportation system, at least in San Diego, that is expanding. My prime competitor is simply doing more than I am.

Further, more of our riders are people who are dependent on transit. We are losing that choice rider because the alternative is too good, or because he or she is afraid to walk to and from a bus stop or a trolley station after dark, or because there is a perception that it is unsafe to ride through certain neighborhoods.

Planning

Knowledgeable planning: Knowledge is the foundation for good planning and really that comes down to knowing your market. In some cases, it is not just who is riding the system, but who is making decisions that influence what happens in the future with regard to the system. We are trying to do more and more surveys in our area, of those people who do ride as well as those people who do not ride. We have focus groups that we are now conducting on an annual basis so we can compare one year's views with another year's views.

Informed Boards: It is not sufficient just to have the information and the facts, if it is not understood what the information really means. The information must be understood by the boards and by top management. Furthermore, the information must be communicated down in the organization in a very consistent fashion. It can be tough communicating knowledge to a board, especially if they are elected officials. Their attention may really be on a lot of other things. Often the knowledge does not get through to individual board members, either because there is not sufficient time or their attention span wanes. For example, in San Diego, we had a budget workshop in April. We have had four Board meetings over the last two months specifically to discuss the budget. These meetings total 10 to 12 hours, yet, after we have gone through all these meetings, there are still members who will not appreciate or recall critical facts.

Customer focus: The basic foundation for ridership is today's riders, the people currently using the system. Transit has to give them a good ride. It must satisfy them. Managers must respond to customers' needs and complaints. And they have to keep bringing customers back. Then, on top of that, transit must go after infrequent riders. Finally, transit must encourage those people who have a choice of modes to ride.

Even more important are those people who would really like to use transit, who have tried it, but don't ride anymore for one reason or another. Maybe their car was vandalized at a park-and-ride lot, maybe they

did not like going through a particular community, or are uncomfortable riding. That is the biggest market we have in San Diego. We need to bring them back to transit and give them a good trip.

Management

A critical task of transit management today is to tap into the "influence network." That is, the area business leaders, who might not use transit but can influence employees and decision-makers. I find, as management, that I have to spend, or should be spending, as much time dealing with the influence network as I am in managing, because the perception of how well I do and how the system is performing is often in the minds of those people. They are the ones that talk to elected officials and they are the ones that talk to editorial boards, and so on.

Another aspect under management is training at all levels. In San Diego, we have a customer outreach program where management gets out to ride the system. They conduct a brief survey as an icebreaker in approaching people. This has been very helpful. Management then gets back together as groups and try to share what we have learned.

Funding

In some ways I think the Intermodal Surface Transportation Efficiency Act (ISTEA) was oversold for transit, since it was not completely funded. I think the flexibility offered by the ISTEA is great if one has a major capital program, but it did not offer the operator any more flexibility regarding operations. And that is where we need help in San Diego.

When it comes to the next ISTEA, one of the important things for transit is to be involved, sitting at the table, and getting an increased share of money and increased funding flexibility of transit dollars. I, for one, would consider getting less money if I had more flexibility. I could do more and better things if I had increased flexibility.

Also, the idea of "funding pockets" may have great application. This concept allows local areas, maybe subregional in nature, to have greater flexibility in how the service is provided in that area. It gives more flexibility in saving costs and reducing the unit costs, whether by way of competition or just providing service in another way.

I would also like to see Congress and the state legislatures eliminating or relaxing regulations, especially those that are counterproductive to efforts to reduce costs and that add inefficiencies to the service. I think an opportunity is present in the next couple of years, when more money is not going to be available and perhaps even less going to be available, to go to our legislators to ask them for relief on things that add cost burdens.

Another very important area under the funding banner is coming up with creative ways to get people to pay a fare that is more than a dollar a ride. We are dealing with larger and larger fares. In fact, in San Diego we are setting some fares at two dollars and more for many of our trips. In San Diego 70 percent of our ridership is paying by prepaid means, that is, with single-ride tickets, transfers, and passes. I think we have to continue to do more of that, because it resembles people use of the automobile; people drive their automobiles without really knowing how much they are paying for that trip. I think we also have to concentrate our fare collection efforts in doing things that make it easier and easier for people to pay fares.

Conclusions

We need to remember the basics of the market that we serve. In my case, I still think it is ridership. That is the most important thing that I am judged on. If ridership is not increasing, I feel I have not done my job. But another thing is the opportunity that less money gives us, that is, to look for ways of restructuring how we do our jobs and doing them better.

Let me conclude with the "five C's" of basic transit management:

1. *Credibility.* As I said, credibility is very important. However, when you have someone who's a board member counteracting you that really hurts credibility. You have to work on credibility to your employees, to your board members, to your users, and to all external groups.
2. *Communications.* Up, down, externally, board members, riders, employees, influence groups — communication really is a very important key, especially for management. As much as my job is motivating employees and carrying out policy, it is also communication. Employees need to know where I am going, what my philosophy is, and what things I feel are important. It is also

important that your board, the community, the chambers of commerce, and so on have to know where you are coming from.

3. *Customers.* Customer orientation is not just a new "buzz term." It is real, and you need to focus on it continuously. You need to know who your customers are, where they are coming from, and where they are going.
4. *Common vision.* Establish a common vision so everybody knows where you are going and everybody can get behind that common vision.
5. *Clear understanding.* Have and project a clear understanding of your policies and objectives, and mission. I do not think there is anything worse than a manager providing a message that is not consistent and clear.

ONE BOARD MEMBER'S PERSPECTIVE

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Introduction

When I was on the National Commission on Intermodal Transportation, everyone on the commission made it very clear that they always watched California because that was where the rest of the nation was going. Unfortunately, if that is true, transit is in a bad way.

The state government has stolen from the counties for the last several years, so the counties have figured that, if it worked for them, then it will work to go steal from somebody else. We are slowly eating our young and it is very distressing. It is distressing that one can be a good local manager and build up an organization, but then be raided by other powers. It is indeed a strange time of transition, and the outlook is going to be rather frustrating for the next couple of years.

Policy Boards

I want to present my perspective as a policy member, although I no longer serve on a transit board. However, I did serve for fourteen years. Now it is interesting to watch the process from outside. Credibility has been

sorely hurt by the very weakest link in the chain of transit, and I have to say that the weakest link is the policy board.

Policy board members come with many different perspectives, different levels of dedication, and different attention spans. These differences are actually both a strength and a weakness. A policy board that is only transit oriented does not create the needed linkages to local government, land use, and to other societal issues. On the other hand, a policy board that is all over the map has so many things on their plate that they are not focusing on transit. A happy medium must be struck where board members can be engaged in transportation as it relates to other societal issues. Transit is like the foundation upon which we lay the rest of our services and community needs. If you can build the linkages, then transit affects land use, health care, and social services. In order to do this, board members must broaden their perspective so that they can see that those linkages are made possible and those services enhanced by an efficient transportation network.

When I started serving on the Los Angeles County Transportation Commission, there were 23 people there and we had just validated the sales tax to start collecting money for rail. I have found that the difference between our board and today's is that we said openly to the world that we did not know everything. We had to learn, and we learned together. We were all on the same team. Today's policy board members need to know that the answers are not only for the staff to bring to them, but for them to seek as well.

To accomplish this there is a tremendous amount of training that has to go on, a tremendous amount of working with them, but remember you are working with people who have tremendous egos. You have to help them by feeding those tremendous egos. One of the things we fed them was by deeming each of them specialists in a certain area. Each of the chairs of the committees were the specialists. When the finance committee gave its report, it was not staff, but rather the board member, who gave the report on what was going on in that particular area. There were chairs that did not know what they were talking about, so the staff had written that report. We all knew that, but if a board member is making a report, it is more difficult for another board member to really go after them and they really do not know what they are talking about. Board members simply do not do that to other board members. The meetings became much more civil.