Feasibility Study: A Public-Private Partnership for Transit Vehicle Purchasing and Leasing

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FEASIBILITY STUDY: A PUBLIC-PRIVATE PARTNERSHIP

FOR

TRANSIT VEHICLE PURCHASING AND LEASING

A study of the Feasibility of Using Expressway Authority Funding to Underwrite Transit Vehicle Purchases to Increase Transit Availability in Miami-Dade County

Prepared for the Miami Urbanized Area Metropolitan Planning Organization

By

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PURPOSE OF REPORT

This report has been written in response to a scope of services prepared by the Miami Urbanized Area Metropolitan Planning Organization in August 1998. The scope calls for determining the feasibility of using Miami-Dade Expressway Authority funds to serve as the local match for federal grants to purchase small transit vehicles. These vehicles would then be leased to private or public sector operators to provide additional public transit services that would complement existing transit services. Those entities leasing the vehicles would be required to pay back the local match to the Expressway Authority over time to satisfy bondholders of the Authority. A primary interest of the scope is to explore the feasibility of employing this financing scheme with private jitneys. In short, this project examines how minimal public funds from the Miami-Dade Expressway Authority can be leveraged to help generate additional, alternative transit services to help reduce traffic congestion in Miami-Dade County.

SUMMARY

The Expressway Authority’s recently adopted five year plan does not anticipate this type of project. While the concept for such a project might be considered in the intermediate future, the emphasis and priority of the Authority during the next five years is to address traffic congestion on the highways for which they are responsible. Any project the Authority funds would have to result in improved traffic flow on their expressways. In addition, it should be noted that the Expressway Authority would be subject to the same federal restrictions and regulations as Miami-Dade County if federal funds were used to purchase the vehicles. However, this does not mean the concept couldn’t be pursued with Miami-Dade County as the sponsor. There are numerous potential applications for “partnering” between the County and public or private entities that could result in increased mobility for Miami-Dade residents.
EXAMPLES OF JITNEY SERVICES IN THE UNITED STATES

This report attempted to determine if there were any public-private funding partnerships between public transportation agencies and jitney operators in the United States that might provide “lessons” for Miami-Dade County. While this research was not exhaustive, it became clear that jitney service, in all but a handful of cities, is an extremely small component of transportation services in this country. In fact, in most cities where they operate, jitneys are technically illegal. However, this research found three examples of partnerships between public transportation authorities and private jitney operators. The following text summarizes the findings from reviewing jitney operations in eight different urban areas.

San Diego, California

Jitneys are legal in San Diego. Jitney operators may propose routes which are then reviewed by the Metropolitan Transportation Development Board (MTDB), the regional transit planning and operating authority. Their review helps ensure the jitneys would not be going the wrong direction on one way streets, or travel on streets that will be closed for construction. While they are discouraged from operating on the exact same routes as the transit system, they are not prohibited from doing so. There are separate stops for jitneys and buses in the downtown area to avoid potential congestion and confusion. Jitney operators are allowed to set their own fares, and must display the fares on the inside and outside of the vehicle. Fares are usually a little lower than those charged by the public transit system in the San Diego area. There is no fare reciprocity between the jitneys and the public transit system (no transfers are accepted between services). While the MTDB does nothing to prohibit jitney service, they do not promote or market its availability, nor do they subsidize the service in any way.

In the 1980's, there were as many as 100 jitneys operating in San Diego. The primary routes linked military installations and the Mexican border with downtown, the airport, and major tourist attractions. This market flourished for a few years before the closure and/or downsizing of military bases, and the opening of the San Diego Trolley from downtown to the Mexican border. There are now approximately 20 jitneys operating in the San Diego area, virtually all serving the international border area at San Ysidro (the busiest port of entry in the world with approximately 30,000 pedestrians a day crossing the border). Passengers are using the jitneys (usually 15-passenger vans) to get to and from the border and communities other than the downtown.

The jitneys in San Diego clearly serve a niche market of Hispanic passengers who need mobility to access communities within just a few miles of the border. Collectively, these jitneys tend to do quite well, carrying approximately 1,000 passengers a day. Although jitneys are allowed to establish service that duplicate transit routes, none do. There is a good level of transit service in the San Diego area, and given the lack of fare reciprocity between jitneys and transit, there is little interest in utilizing jitney services in any areas other than ethnic pockets.
Pittsburgh, Pennsylvania

Jitneys are completely illegal in Pittsburgh, Pennsylvania, but hundreds are reported to be in the area. There might be approximately 30 that operate at any one time in the course of a normal day. Jitney operation is informal and unofficial. They serve as a transportation supplement, primarily in minority neighborhoods that taxis allegedly avoid (while focusing on the airport and hotels). Jitneys are unregulated and have been operating for over 50 years. The city apparently turns a blind eye to the practice. It seems to be common knowledge that a crackdown would cause an uproar. However, the local cab companies would protest any jitney’s request for an official license. Hence, the current informal practices simply continue as a practical compromise that all parties seem to be able to live with. There is no thought of pursuing public/private partnerships with jitneys, and there is no fare reciprocity between jitneys and the public transit system.

In Pittsburgh, jitney operators usually use station wagons instead of vans. While some of the service involves shared rides, most trips involve station wagons carrying one passenger for the purpose of shopping. The station wagons are typically about ten years old. Fares are negotiated for each trip and usually range from $2 to $4. Jitney operators almost always own their vehicles and are retired or work on a part time basis. According to city staff, jitney operators can make up to $40 an hour if they have regular customers. While some jitneys operate in the downtown area and pick up non-scheduled hails, the majority of service seems more personalized, akin to offering their neighbors rides to the grocery store.

As in San Diego, transit service in the Pittsburgh area is quite good, with transit enjoying as much as a 50% mode split in the downtown area (according to Richard Fedder of the Transit Planning Division of the Port Authority of Allegheny County). However, there are certain niche markets within minority communities that find the jitney services to be convenient and practical for limited trip purposes that are either not served by taxis, or would require very inconvenient transfers on the local transit system.

Atlantic City, New Jersey

The most successful application of jitney services in the nation occurs in Atlantic City. Service on this 48 block long barrier island has been in place since 1915. Since 1917, the number of licenses has been limited to 190. Although the city provides oversight in matters dealing with fares, routing, and licensing, these jitneys operate in a self-regulated manner through the Atlantic City Jitney Association. The jitneys are completely unsubsidized, but provide high quality service at a profit, with virtually no other public transit services in the area. There are three fixed routes serving the city with no fixed schedule. However, service in the peak is provided once every three minutes, and off-peak service is provided approximately every six minutes.
Every jitney operator is also the owner of the vehicle. No subcontracting is allowed. Fares are $1.50 per trip. The 190 jitneys, which are converted bread trucks that carry 15 passengers, enjoy a ridership of 11 million trips per year. One of the major distinctions of this service is that it carries middle class residents, most of whom own cars. Most passengers work at the casinos, hotels, and restaurants along the major corridors of the island, and utilize the jitneys even though they own cars, and despite cheap parking. Drivers earn enough profit to live middle class life styles, while usually working only 30 hours a week.

The Atlantic City Jitney Association provides member services including a jitney station and garage (where all routes begin, multi-ride tickets can be purchased, route maps are available, etc.), vehicle maintenance, on-site fuel, group liability insurance, and a drivers’ cafeteria. The Association elects its own Board of Directors that sets internal policies and provides street supervision. The Association has adopted strictly enforced operating practices and rules of conduct. For instance, a driver cannot pass another driver on a route unless the jitney vehicle in front is stopped while picking up or dropping off passengers. They also have their own traffic court to deal with complaints, and are not reluctant to hand out stiff fines and suspensions to members if warranted.

In short, in Atlantic City there is high quality jitney service that is privatized and requires minimal government oversight and no government subsidies. The Association adopts policies that promote efficiency and fairness, and avoid the practices of cutthroat competition, skimming, and overly aggressive driving. There is no publicly subsidized transit services to compete with or to complement. As Robert Cervero notes in his book Paratransit in America:

"Atlantic City demonstrates that successful fixed-route (para)transit is possible if high-quality services are delivered. Part of the success is attributable to Atlantic City’s unique history, physical layout, and character. However, a large part is also due to the entrepreneurial drive of jitney owner-operators and the evolution of an internal organizational structure that promotes self-regulation and self-enforcement".

New York City, New York

Atlantic City might provide the most successful example of jitney operations in the United States, but the most prominent utilization of jitneys occurs in New York City. Estimates of the number of jitneys operating in New York City range from 2,400 to 5,000. Of course, New York City has the highest concentration of public and private transit services in the country (if not the world). Typically referred to as “vans”, jitneys in New York City do not have a long history of operations. Jitneys first came to prominence during a transit strike in 1980 when vans in Queens began providing feeder service to the Long Island Railroad station in Jamaica. These vehicles continued in operation after the strike, with service provided along some of Queens’ busiest bus routes. The service appeals most to immigrants from the Caribbean. All jitneys in New York City operate without public subsidy, and there is no fare reciprocity with the public transit system.
Jitneys in New York City normally provide one of two types of service. The “feeder vans” normally operate within neighborhoods, providing relatively short trips for people to subway stations and neighborhood activity centers. The “commuter vans” provide longer trips for people who are trying to access Manhattan from the outer boroughs of the city. The feeder vans normally charge a dollar per ride, while the commuter vans charge as much as $4 per ride. In the area of Jamaica, Queens alone, it is estimated that up to 350 vans carry as many as 25,000 passengers a day. The commuter vans are estimated to number approximately 1,000 and carry up to 17,000 passengers a day.

Until 1994, the New York State Department of Transportation had jurisdiction over vehicles larger than taxis but smaller than buses. NYSDOT evaluated requests on a case-by-case basis and granted legal authority through a Certificate of Convenience and Necessity to jitney operators able to show a demand for their services. However, numerous jitneys without authorization also operated, often without observing laws and regulations governing vehicles and drivers who carry passengers for hire. It has been estimated that no more than one out of ten jitneys that operate in the city have a Certificate of Convenience and Necessity. In 1994, the city enacted local legislation that transferred responsibility for jitney regulation and enforcement from the state to New York City. The city adopted several strong regulations that are intended to control the operation of jitneys, such as:

- Jitneys must provide service on a prearranged basis only; street hails are not permitted.
- Jitneys are not permitted to solicit, pick up, or discharge passengers at any points along a NYCTA or private fixed-bus route.
- Seizure of a vehicle by a police officer or deputized agent of the Taxi and Limousine commission is permitted if there is reasonable cause to believe that it is being operated as a jitney without a license.

There have been virtually no certificates issued to jitneys since the city took over regulation of these vehicles in 1994. In spite of this, the illegal jitneys continue to operate because there are not enough regulatory resources to discourage the overwhelming number of operators from continuing their service. The subject of jitney regulation is hotly contested in New York City. Integration of jitneys into the public transportation system is the long-term goal, although there are various opinions concerning how this will be accomplished. While issues of safety are paramount, there is a recognition that the jitneys are part of the landscape, and an extremely harsh approach of regulation may not be the best strategy. The need for consistent enforcement is acknowledged along with the need for a path for jitney operators with good safety records to become legal. The jitneys are perceived as convenient, fast, inexpensive, and desirable for many riders. The employment opportunities offered to the communities in which vans operate are recognized by politicians. If nothing else, New York City transit has modified its fares and services to be more competitive with the services that jitneys provide. However, they have not yet identified how the two types of public and private services can be made to better complement each other.
Puerto Rico

Puerto Rico’s paratransit services represent a model somewhere between Atlantic City and Miami. In Atlantic City, jitneys are essentially self-regulated through an association of owner-operators. They are the only form of public transit available, they are completely unsubsidized, and they operate at a reasonable profit. In Miami, jitneys are a relatively small component of the public transit services available to the public. They are more heavily regulated by a public body, and no public assistance of any kind is provided.

In Puerto Rico, jitneys, known as “publicos”, are a substantial component of the transportation system. The 12,000 publicos carry twice as many passengers (120,000 per day) as the Metropolitan Bus Authority. Passengers are generally lower income and a large percentage do not own autos. However, jitney’s market share of all passenger trips has declined from 9.2 percent in 1964 to 3.7 percent in 1990 as automobile ownership on the island increases.

Publicos are heavily regulated by a Public Service Commission that controls fares, routes, and issues medallions based on needs and public convenience. The Public Service Commission imposes penalties for unsafe vehicles and unacceptable behavior. In addition to public regulation, there are also private publico associations that purchase common commodities, coordinate terminal usage, and pool resources for common objectives.

Puerto Rico differs from other American experiences by virtue of its public investments in facilities used by publicos, and the economic incentives it offers to owners of publicos. Puerto Rico recognizes the substantial passenger benefits offered by publicos, as well as the substantial governmental savings publicos provide through their service. Consequently, the government provides terminal facilities that allow the publicos to offer more organized, safe, and attractive service. The government provides supervision at these terminals as well, to help assure more consistent service. In addition, the government provides low interest loans, excise tax exemptions on vehicle purchases, and discounts on vehicle registration fees.

It is anticipated that service patterns of some of the publicos will be altered when the new light rail system referred to as the “Tren Urbano” is opened. More publicos are likely to serve as feeders to the light rail line.

Houston, Texas

Jitneys were banned in Houston for almost 70 years until 1994 when U.S. District Judge John D. Rainey permanently enjoined the city from enforcing an ordinance banning “shared-ride taxi services” from city streets, saying it was arbitrary, outdated, and served no purpose. The judge found in favor of the Landmark Legal Foundation Center for Civil Rights who filed the lawsuit on behalf of a jitney operator who had been shut down by the city. The Metropolitan Transit Authority of
Harris County (Metro) worked with cab operators, the city, and potential jitney operators to design services that would be complementary to the transit agency, while feasible for the jitney operators. Metro defined six transit corridors in which they felt there would be good demand for jitney types of service which would be allowed to go off-route to provide passengers with a customized service that was relatively fast and efficient.

The jitney service, known as "Fastrak", is separate from other Metro services, and there is no fare reciprocity. In addition to identifying corridors that Metro thought would be productive for jitneys, the agency also agreed to provide a subsidy of $25 per day for each vehicle in operation. The jitney operator was to keep all the fares they collected, as well as the $25 provided by Metro, if they provided service at least six hours a day, Monday through Friday. Metro required that the vehicles used by the contractor be no more than five years old. The vehicles used are seven-passenger minivans. Metro has also equipped the vehicles with Automated Vehicle Locating devices, which allows the agency to confirm that the vehicles are in service where and when they are supposed to be.

Only one jitney operator submitted proposals to provide service. That operator has been in service since 1997, and carried about 125 passengers a day at its peak on each of two vehicles that operate from 8 a.m. to 6 p.m. in a corridor with substantial transit service (five minute headways provided by articulated buses). After the jitneys had been in service for a year, the owner requested an increase in subsidy from $25 to $50 per day, which Metro agreed to provide. The contract for this service expired at the end of calendar year 1998. It does not appear the contractor will seek renewal. Ridership on the jitney services has decreased over the past year. The service has appealed primarily to Hispanic passengers who have immigrated to the country and are familiar with jitneys. The jitney operators speak Spanish, and play Spanish-speaking radio stations for the passengers while the vehicle is in service. While passengers tend to prefer the service for cultural reasons, they also appreciate the faster rides they can get from these minivans that, once full, travel to their final destinations more quickly than local buses. However, the service is not integrated in terms of fares with Metro bus service, and this lack of integration has made it less attractive, given the need to transfer in an urban area characterized by severe sprawl.

The operator of Fastrak has indicated he will be submitting an unsolicited proposal to Metro that would allow him to provide service in corridors that run parallel to Metro routes that currently have no service. He has suggested that he will need some sort of assistance in purchasing 15 passenger vans to provide this new service. However, Metro has not officially received his proposal.

Chicago, Illinois

The subject of jitney services has gained more attention in Chicago in the past year. The City has re-established licensed jitney service in order to respond to public demand for safe, available, and affordable transportation options, particularly for minority neighborhoods that are underserved by existing forms of transportation. The program is intended to create a transportation option for
individuals with children, those who cannot drive or those who work late, and others who find the current transportation options inadequate. In addition, the city hopes the program will create and enhance economic opportunities in local communities. Jitney operators may be eligible for a 50 percent credit on the Ground Transportation Tax and other Empowerment Zone tax incentives.

No jitney vehicle may transport more than five adult passengers at any one time. There is a flat fare of $3 for each passenger, per zone, per trip. The fare is $1.50 per zone, per trip for children between the ages of 8 and 12. Children under seven years old ride free if accompanied by an adult. Every licensed public chauffeur in the city is allowed to participate in the jitney program. When operating as a jitney, the public chauffeur must display the designated jitney service sign in the front windshield. There are currently 42 taxicabs that have been registered to participate as jitneys. One of the goals of the program is to abolish unlicensed, uninsured, and potentially unsafe vehicles that currently provide services that are technically illegal. However, it is alleged that some jitney operators remain unlicensed and uninsured to keep fares low and ridership high.

While jitney zones can be established anywhere within the City, there are currently only two narrowly defined zones on the south and west sides of Chicago. Jitney vehicles are not authorized to travel outside the designated zones, therefore, turn-offs outside the zone are not permitted. While there are designated jitney stops at various hospitals, stores, community centers and churches, passengers may also flag a jitney anywhere within the zones.

The Chicago Housing Authority has established an entrepreneurial program encouraging private companies to compete for Community Development Block Grants for both operating and capital expenses to start-up companies that would provide shared ride services. Their primary intent is not to supplement the Chicago Transit Authority’s services. The Housing Authority researched the inadequacy of taxi services in different neighborhoods and issued an RFP for proposers to submit business plans explaining how they would meet the needs of the areas in question with shared ride services. The proposals outline how the providers would ensure that they would be licensed and insured, and operate with vehicles that are no more than five years old. The Housing Authority received two proposals from two companies that outlined the hours and miles they would operate with a subsidy of $25,000 if four vehicles were used, or $35,000 if six vehicles were used. The transportation services secured through this RFP have been in place for almost a year.

Costs incurred by the providers are reimbursed based on invoices submitted for insurance, fuel, salaries, etc. Sedans have been the vehicle of choice by the providers (four sedans are currently in service, with no vans in use yet). There have been problems with drivers of the vehicles being unlicensed. The program is clearly in its infancy, and provides little information of use to Miami-Dade’s circumstances. However, it does demonstrate that there is another city willing to invest public seed money to leverage private interest in providing alternative mobility services in a major urban area. In this case, Community Development Block Grant funds, rather than federal transit funds, are used.
Los Angeles, California

Perhaps the most interesting paratransit experiment in any American urban area is happening in Los Angeles. Reports produced by the Reason Foundation in 1994 stressed the need for more flexible and customized forms of transit to serve severely sprawled urban areas. The Southern California Association of Governments (SCAG), which also serves as the MPO, decided to see just how practical a “Smart Shuttle” concept could be. SCAG was primarily interested in mobility services that could help southern California meet its air quality goals.

The Los Angeles Metropolitan Transportation Authority (LAMTA), SCAG, and the Los Angeles Mayor’s office selected four areas (West San Fernando Valley, East San Fernando Valley, West Lake/MacArthur Park, and South Central Los Angeles) with different characteristics to serve as demonstration sites for Smart Shuttle projects. LAMTA and the City of Los Angeles set aside a total of $10 million to fund the demonstration project. The project was initially intended to act as seed money to encourage the creation of a jitney model of paratransit, with entrepreneurial owners-operating establishing market-driven services. The agencies had hoped to see the formation of voluntary associations (similar to Atlantic City and Puerto Rico) that would help coordinate and sustain their members’ services.

LAMTA wanted to eliminate some of its less efficient services, such as low productivity bus routes, evening service, or the tail ends of routes that were generating low ridership. LAMTA had indicated it would eliminate some of this service, providing an opportunity for Smart Shuttles to operate where at least minimal transit markets already existed.

Private agencies were invited to respond to Requests for Proposals. Each proposer was required to submit a business plan documenting how they would use their demonstration grants, and how they intended to become self-sufficient within two years. They were encouraged to use information from reports prepared by the firms of Booz-Allen and Transportation Management and Design that had suggested ways transit services could be modified to be more efficient.

The project was not started until October 1997. A number of professionals familiar with the project have offered the following insights. The project has not taken the form that was initially envisioned. LAMTA did not restructure its routes, nor did it discontinue any of its service. This was partially due to LAMTA union resistance, and partly due to a consent decree LAMTA agreed to (based on a lawsuit filed by the local Bus Riders Union) to increase bus service in the region.

According to program evaluators, the initial concept of encouraging owner-operators was somehow “lost in translation”. None of the proposals utilized an owner-operator model of jitney service. All of the proposals were based on services being provided through companies or community-based organizations with owner-employee models similar to contracted transit service.

The demonstration grant funds paid for 59 jitney-type vehicles (all being wheelchair accessible and having between 18 and 22 seats). It also paid for the expense of establishing dispatch and
communication systems in all four areas, and some minimal marketing support. The remaining funds subsidize the operating expenses incurred by the companies, with the goal of phasing out all operating subsidies at the end of 24 months.

The services provided by the four different providers ranges from fixed route service in underserved areas, route deviation services (with different surcharges depending on the length of the deviation) in areas with good transit service, curb-to-curb demand-responsive service, and special feeder service based on contracts with universities and private employers. The providers were granted wide latitude on what services they could provide. They were discouraged, but not prohibited, from duplicating LAMTA’s service. Some jitney routes run on portions of established LAMTA routes.

Some of the most successful service is provided in the West Lake-MacArthur Park area. This area has large concentrations of Korean and Hispanic immigrants. Jitneys operate in portions of key transit corridors and deviate during off-peak hours. These jitneys take advantage of reputed poor performance of LAMTA buses that often run far behind schedule. The drivers of the jitneys speak the languages of their passengers and tend to know most of them by name. These jitneys are recovering 50 percent of their expenses from the farebox with operating costs of $33.17 an hour while carrying over 20 passengers per hour. This compares quite favorably to LAMTA costs of approximately $100 per hour. The providers also reached agreements with food markets to transport passengers from ethnic communities to the markets, with the markets paying for the service. A detailed partnering arrangement with a local hotel to provide ground transportation for the flight crews of Korea Airways has also been successful. In addition, the provider reached an agreement with the California State University at Northridge. The university pays the provider $32 an hour to transport students (who pay no fare) between the university and a major transit terminal nearby.

The four different providers have had varied success with their services. The target for the program is to keep subsidies to no more than $.40 per passenger mile. One demonstration site (West Valley) is operating better than the goal, at $.33 per passenger mile, while the South Central service is nowhere near the goal at subsidies of $4.34 per passenger mile.

According to program evaluator Mary Sue O’Melia, a major factor in the success of any of the services is the marketing effort. The more thorough the outreach efforts to identify potential markets, the more ridership has tended to grow. Some of the providers offer incentives to their drivers if ridership goes up, and this generates entrepreneurial energy resulting in more passengers.
Meeting with Operators of Jitneys in Miami-Dade County

As part of this project, jitney operators within Miami-Dade County were invited to a meeting held in October 1998 at the offices of the Miami-Dade County Consumer Services Department to discuss the concept of public-private partnerships to increase the level of jitney service in a manner that would complement MOTA service. The purpose of the meeting was to determine if jitney operators would be interested in a public-private partnership, and to determine what level of public support would be required.

Unfortunately, only one of the twelve jitney operators in the County attended the meeting. However, this owner provided valuable insights into the operating characteristics of jitneys. He noted that jitney owner-operators need to make a minimum of $125 per eight hour day to make a bare living. In most instances, owners lease vehicles they own to independent drivers who pay a fee of $75 per day to use the vehicle. The driver then keeps all the revenue made for the day, and returns the vehicle to the owner at day’s end. The owner does not know or necessarily care how much the driver has made that day, as long as the owner receives the lease payment. The owner clears approximately $50 per day after his costs are covered, while the driver clears approximately $50 (more if ridership is good, less if ridership is low). The owner insures the vehicle. The drivers must possess an appropriate Commercial Drivers License. As someone simply leasing the van, the driver is not an employee of the owner.

The cost and revenue figures noted above are consistent with data collected for the report prepared by the Urban Mobility Corporation entitled *The Miami Jitneys*. That report, produced in 1992, reported that jitneys incurred an average operating expense of $73 per day per vehicle, with jitney drivers averaging 117 passengers a day, providing a profit of approximately $45 per day for the driver (based on a $1 base fare).

The vehicles used are 15 passenger vans. They are not wheelchair accessible. The owner typically purchases used vans for $10,000 to $12,000 dollars. The vehicles usually have approximately 30,000 miles on them when purchased, and they are kept in service until they have approximately 150,000 miles.

This jitney owner’s routes were typically 10 miles long one-way. He tries to provide 15 minute frequency on his routes which take people from minority communities within Miami to the downtown area and back. Since he does not have permanent employees, the service is not as regular as fixed route public transit. He noted that drivers are there to provide the frequencies noted above about 80 percent of the time. However, jitneys operate on a fixed route, not on a fixed schedule.

The jitney owner who attended the meeting believed there would be interest in a public-private partnership. He noted that if the service was to be provided in areas other than major corridors, there would be a need for some sort of subsidy. He noted that insurance is one of the major expenses an owner must address, and some help from the County in this area could help attract private providers.
THE ISSUE OF DESIGNATED RECIPIENT OF FEDERAL FUNDS

FTA Circular 9030.1B gives guidance on the matter of "Applicant Eligibility" (i.e., those who can be designated recipients of federal transit grants), and the eligibility of particular projects (such as vehicle purchases). The circular clearly states in Chapter II, section 1.a.(1):

"To the extent possible, a single recipient should be designated for each Transportation Management Area or for contiguous areas."

All urbanized areas with at least 200,000 in population have been designated as transportation management areas in accordance with 49 U.S.C. Section 5305(a). A recipient or recipients must be designated to dispense the Urbanized Area Formula Program funds attributable to TMAs. The Miami-Dade County Board of County Commissioners is currently the designated recipient of federal transit funds for the County.

Section 3 of Chapter II of the circular addresses "Applicants Other Than Designated Recipients":

"A designated recipient may authorize another public agency to be the direct applicant for the Urbanized Area Formula Program funds. This authorization may be made on a one-time basis or at the time of each application submission, at the option of the designated recipient. FTA must be informed of the arrangement at the time the grant application is submitted. A public agency, other than the designated recipient, may apply for some or all of the urbanized area’s Urbanized Area Formula Program apportionment if:

a. The designated recipient authorizes the public agency to do so;

b. The public agency submits its own grant application; and

c. Upon award of the grant, the designated recipient and the public agency execute a supplemental agreement, which releases the designated recipient from any liability under the grant agreement."

Section 4 of Chapter II of the circular further addresses "Pass Through Agreements":

"The recipient of Urbanized Area Formula Program funds, whether a designated recipient or not, may choose to pass the funds through to another agency to carry out the purposes of the grant agreement. The recipient must enter into a written agreement with the subrecipient and must include in that agreement with the subrecipient the requirements imposed upon the recipient by the grant agreement, modified as appropriate. A recipient choosing to pass through funds must inform the FTA Regional Office of the arrangement, in the grant application or through other documentation. The recipient must also inform the FTA of any changes in that
arrangement during the life of the grant. A pass-through arrangement does not relieve the recipient from its responsibilities to carry out the terms and conditions of the grant agreement."

The last sentence of the above paragraph is particularly important. In general, all federal regulations follow federal money, regardless of who is spending it. Whether the Miami-Dade Expressway Authority (MDEA) received FTA funds as a direct recipient, or via a pass-through agreement, it would be required to comply with all federal regulations and requirements. If the MDEA is intending to become a designated recipient of other federal funds, they are aware of the tremendous amount of work associated with complying with all federal requirements (please see attached list of the various requirements). The MDEA would need to demonstrate "Legal, Financial, and Technical Capacity" to serve as a designated recipient. If they have not already done so, it is unlikely they would want to become a designated recipient, with all the appurtenant responsibilities, for the sake of a pilot project.

It is important to realize that even if the MDEA were the designated recipient of federal transit funds, 13c regulations would still apply, even though the Expressway Authority is not a party to any collective bargaining agreement. Even if CMAQ funds are used (or some other highway source of funds are "flexed" to be used for a transit project), 13c and all other federal requirements would still apply because the funds have been converted to be transit funds through the flexibility provisions to transit funds.

The MDEA can be a "designated recipient" if there is concurrence by the Miami-Dade Board of County Commissioners. However, Elizabeth Martin of FTA has indicated that the MDEA’s source of revenue (bonds and toll revenues) brings an element of complexity to this issue that requires their general counsel’s review. Their concern may stem from language in Section V of Chapter V that speaks to "Financial Capacity":

"A recipient of FTA funds must be able to match and manage those funds, to cover cost overruns, to cover operating deficits through long-term stable and reliable sources of revenue, and to maintain and operate federally funded facilities and equipment."

If the MDEA gained status as an eligible recipient, there is little advantage in doing so for this pilot project. They would be subject to all the federal regulations that Miami-Dade County is currently subject to. The federal regulations "follow the money". This doesn’t mean the MDEA couldn’t serve as a funding partner in the concept being proposed. It just means that MDTA would remain the grant recipient. For that matter, it is doubtful that MDTA would want to relinquish the status as sole recipient. They currently serve in that capacity for the Miami-Beach Electro-Wave Shuttle project. This status as sole recipient is a double-edged sword. MDTA retains financial control of federal transit grant money, but they remain responsible for projects managed by other parties (such as Miami Beach).
THE ISSUE OF PROJECT ELIGIBILITY

FTA Circular 9030.1B also addresses Eligible Grant Activities. Section 1 of Chapter III notes that:

"Any capital and operating project for which assistance is requested from FTA must first be included in a metropolitan transportation improvement program (TIP) approved by the MPO and in a statewide transportation improvement program (STIP) approved by the Governor and approved jointly by the FTA and the FHWA."

Clearly, the purchase of vehicles for the expansion of bus fleets is an eligible activity. The circular does not specifically address the concept of leasing vehicles purchased with grants to private interests. However, section 5f of Chapter III of the circular does note that innovative financing initiatives are encouraged:

"Capital funds may be used to pay for costs incurred to secure or initiate an innovative financing technique. Alternative financing can involve combining multiple, nontraditional sources of funding--Federal, state, local, and private--in support of transit capital and operating needs. Some approaches that grant applicants might investigate include leasing arrangements, joint development, state economic development or revolving loan funds, exchanges of real property, and in-kind contributions."

It is not unusual for transit systems around the country to allow use of vehicles purchased through federal grants to be used by private providers. This is practiced in Reno, Nevada and in Houston, Texas to name but a few. As long as all federal regulations are followed in the procurement of the vehicles, and in the competitive process of seeking private providers to participate, there should be no problems with the eligibility of the project. As the FTA language above implies, they are increasingly supportive of creative approaches that leverage public dollars to result in more transit service at the local level. This project's concept is in keeping with the concept of leveraging scarce local dollars.

It should be noted that federal dollars can be obtained for more than 80% of the cost if the vehicles obtained are in compliance with ADA and Clean Air standards. Section 6c(2) of Chapter I of the Circular states:

"The Federal share is 90 percent for the cost of vehicle-related equipment attributable to compliance with the Clean Air Act Amendments of 1990. Grantees may choose from two options in calculating the Federal and local shares for vehicle-related equipment purchased to be in compliance with the ADA and CAA. In one option--applicable to the purchase of buses, vans, and rail vehicles and the purchase of
equipment for such vehicles—the grant applicant may itemize the cost of specific, discrete, vehicle-related equipment being purchased to be in compliance with the ADA and CAA. The Federal share is 90 percent of the cost for these itemized elements.

In the other option, applicable for the purchase of buses and vans, the grant applicant may apply for an 83 percent Federal share of the total vehicle cost. The 83 percent is a blended figure representing 80 percent of the vehicle and 90 percent of the vehicle-related equipment to be acquired in compliance with the ADA and CAA."

OTHER RULES AND REGULATIONS

The following documents relating to labor-protection regulations have been reviewed to determine whether labor protection legislation would prevent this pilot project from happening:

♦ “Transit Labor Protection - Guide to Section 13(c) Federal Transit Act”, Legal Research Digest, June 1995 (prepared through the Transit Cooperative Research Program sponsored by the Federal Transit Administration)

♦ “Arrangements Pursuant to Section 13(c) of the Urban Mass Transportation Act of 1964, as Amended Between Metropolitan Dade County and Local 291, Transport Workers Union of America, AFL-CIO"

♦ Pertinent sections of the Collective Bargaining Agreement between Miami-Dade County and Local 291 of the TWU dealing with “Outside Contracts"

♦ Pertinent sections of Article III, Section 31 of the Code of Metropolitan Dade County dealing with the issuance of Certificates of Transportation dealing with jitneys.

It is highly unlikely that representatives of TWU would be enthusiastic of a project supporting jitneys, and they could withhold their approval of the County’s grant application that contains a capital project they believe is against their best interest. However, based on the material listed above, and discussions with MDTA Employee Relations representatives familiar with the labor agreement, it appears that 13(c) should not be a factor that would prevent this conceptual project from moving forward.

The following quoted language is taken from the “Transit Labor Protection” report cited above to provide some background to the subject:

“Section 13(c) generally requires, as a precondition to a grant of federal assistance by the FTA, that fair and equitable protective arrangements must be made by the grantee to protect employees affected by such assistance. The statute requires that provisions addressing five specific matters be included in such protective arrangements:
1. The preservation of rights, privileges, and benefits under existing collective bargaining agreements;

2. The continuation of collective bargaining rights;

3. The protection of employees against a worsening of their positions with respect to their employment;

4. Assurances of employment to employees of acquired mass transportation systems and priority of reemployment for employees terminated or laid off; and

5. Paid training or retraining."

Section 13(c) requires the preservation of rights, privileges, and benefits under existing collective bargaining agreements. The legislative history indicates that transit labor unions and supporters of the labor protection provisions were particularly concerned that, in cases where a public entity acquired a private transit system with assistance under the Urban Mass Transportation Act, rights acquired by workers through collective bargaining (such as wages, hours, working conditions; and benefits) would be lost through the unilateral action of the new public employer. To address this concern, Section 13(c) assures that if a state or local public body desires federal grant funds, it must agree that existing collective bargaining rights will be preserved and continued. Under this provision, rights achieved through bargaining cannot be taken away unilaterally; if they are to be changed, that change must occur through collective bargaining and agreement of the parties.

In reaction to labor's concern that technology and automation would be particularly harmful to transit employees, Section 13(c) requires that an employee whose position is worsened as a result of federal assistance should receive benefits not "less than those established pursuant to section 5(2)(f) of the Interstate Commerce Act." This language, which was borrowed from railroad labor protections, reflects the basic policy determination that employees should be compensated in the event of a "worsening" (i.e., economic harm, such as loss of a job or reduction in compensation) resulting from their employer's receipt of federal assistance. While the concept of "worsening" is clearly reflected in the statute, the scope of that protection (that is, what types of employee impacts are covered under a "worsening") remains a subject of debate.

The definition of "project" normally used in Section 13(c) agreements is not limited to the particular activity being funded, but includes any change, whether organizational, operational, or otherwise, that occurs as a result of the federal assistance provided. The standard definition of "as a result of the Project" is also broad, and includes events occurring "in anticipation of, during, and subsequent to the Project and any program of efficiencies or economies related thereto".
While there is some concern about how the concept of worsening could be interpreted, it appears clear that the conceptual proposal does not aim to displace any existing MDTA worker or cause them to receive less wages or benefits. Under the 13(c) process, which allows unions the opportunities to object to a federally funded transit project, it is hard to see how a legitimate claim of worsening could be made by TWU. As viewed conceptually, this project calls for the establishment of new service that would have no impact on existing service. It could be argued that such service will increase ridership on MDTA routes, resulting in the need for more union personnel.

In short, it doesn’t appear that federal 13(c) legislation will prove to be a major stumbling block to the proposed concept. MDTA’s local 13(c) agreement does not include any “New Jobs Clause” which gives TWU employees the first opportunity for any new jobs created as a result of the project. In addition, there is no “Sole Provider” clause that prevents MDTA from contracting out work. The Department of Labor has determined that Section 13(c) is not an impediment to the contracting out of transit services, nor does it dictate whether service can be contracted out. That is to be negotiated during collective bargaining at the local level.

In that regard, the collective bargaining agreement between TWU and Miami-Dade County addresses the subject of outside contracting in Article 1.10:

“The County shall have the right to contract for outside work or services which in its sole judgment cannot be accomplished economically or effectively with its regular work force.

Except in emergencies or other situations of immediate need, whenever MDTA is considering contracting out work of any kind it shall first discuss the intended contract with the Union in a regular or special labor Management Committee meeting in which the MDTA shall discuss its reasons for the intended subcontracting. The Union may, within twenty days or less if possible, propose an alternative plan by which the work may be done economically and efficiently by appropriate members of the Bargaining Unit. If the County agrees, it may accept the Union proposal on a trial basis, the length of which the County shall have the sole discretion to determine. Thereafter, if not satisfied with the results of the trial period, MDTA shall have the sole discretion to modify or carry out its original intended contracting out. The intent of this provision is to enable the parties to discuss and attempt to agree upon a substitute plan for subcontracting without altering the County’s discretion. The County agrees that the time set for a trial basis of an agreed proposal shall be adhered to except under emergency circumstances.”

The phrase “If the County agrees, it may accept the Union proposal” strongly suggests the County is under no obligation to try the proposal. However, a unilateral rejection could be subject to a challenge, and that leverage alone might be sufficient to cause the County to at least try the proposal. While the politics of the moment might influence exactly how the County acts on this issue, this language does not appear to fatally threaten the conceptual proposal.
POTENTIAL APPLICATIONS OF SERVICE

In areas with existing transit service, jitneys are generally thought of as providing one of four different types of services:

1. **Capacity enhancers** - Jitneys could be used to add service to transit corridors where demand is great and capacity is limited. While market entry is usually restricted for a variety of reasons, utilizing jitneys is an inexpensive way of providing extra capacity, particularly during peak hours. Houston has experimented with this to a limited degree.

2. **Service extenders** - Jitneys could be used in currently unserved or underserved corridors when there are limited funds available for extending regular transit services. Los Angeles is in the midst of funding demonstration projects of this nature.

3. **Circulators or feeders** - Jitneys could be used to take residents to activity centers within their communities and/or to major destinations such as transit stations, hospitals, employment centers, etc. The best examples of this type of jitney service is in New York City.

4. **Service Replacers** - Jitneys might be utilized to replace regular transit routes with noticeably low ridership. As with the first type of service noted above, this service is politically controversial. Los Angeles wanted to do this initially, but failed to follow through. Puerto Rico is more open to this option than any area in the United States.

Representatives of MDTA's Division of Service and Mobility Planning report that there are considerable portions of Miami-Dade County that are underserved (or unserved) by existing county transit service. They have identified portions of the northwest, central-west, and southern parts of the county as being in particular need of new service. One specific idea was to have this type of service in place when the Palmetto extension of the northern leg of Metrorail opens in June of 2001. This type of service could feed people to and from residential and employment areas near that new station. Other areas in need of more service are the Airport West section of the county, and the areas near the Busway in the southern portion of the county.

There are currently 140 legal jitneys operating in the county, and in at least two cases (Conchita and South Dixie Jitneys), companies are operating in non-downtown environments and staying in business. This provides hope that other jitneys could operate in similar environments in heavily developed new areas. In the case of Conchita, the County has reached an agreement to honor each others' transfers, making travel more convenient for passengers through the ability to make economical connections between the public and private services.

It is possible that matching funds for operating service under this concept could come from Access to Jobs funds if the services will help people get to and from employment opportunities. MDTA
representatives believe there are jitney companies with enough wherewithal to participate in such a program, but they warned that when presented with similar opportunities in the past, jitney companies declined unless operating subsidies were offered.

In the early 1990's, jitney operators demonstrated a clear preference to operate on the major corridors. They argued from a position of strength based on the emphasis the federal government was putting on the concept of privatization of public transit service. That emphasis has diminished, but the federal government remains interested in public-private partnerships and leveraging of funds.

PARTICIPATION BY THE MIAMI-DADE EXPRESSWAY AUTHORITY

The Miami-Dade Expressway Authority was created in December 1994. In spite of its name, it is not an agency controlled by Miami-Dade County. It is an independent special district of the State. In December 1996, the Florida Department of Transportation transferred operational and financial control of the following assets to MDEA:

♦ State Road 112 from Miami International Airport to I-95
♦ State Road 836 from Florida's Turnpike to I-95
♦ State Road 874 from Florida's Turnpike to State Road 826
♦ State Road 878 from SR 874 to US 1
♦ State Road 924 (Gratigny Parkway) from SR 826 to just west of Northwest 27th Avenue

The mission of the MDEA is to be "an innovative transportation agency dedicated to the enhancement of mobility in Miami-Dade County." The enabling legislation creating the MDEA gives it the right to finance or refinance, from surplus revenues, the planning, design, acquisition, construction, maintenance or improvement of a public transportation facility or transportation facilities owned by Miami-Dade County or any programs or projects that will improve the levels of service on the expressway system. The enabling legislation further gives the MDEA the ability to enter into both private/public and public/public partnerships.

This project's scope was premised on the idea of utilizing MDEA funds to help pay for the capital expenses of providing matching funds for federal grants to purchase vehicles which would then be leased to private jitney operators. This premise was discussed with one member of the MDEA Board of Directors who asked why the Authority would want to do this. The Board member did not dismiss the concept, but suggested that such an idea would have to go before the full board, and would have to show how it would help the Authority achieve its goals.

The Executive Director of the MDEA (Servando Parapar) was contacted to gain his insights on this concept, and to see if it was an idea he would agree to forward to the Board of Directors. He was most gracious in discussing the concept, and suggested that it might be something that could be more strongly considered in the mid-term (five year) future. However, he indicated that the concept was
not consistent with the recently-adopted Five Year Work Plan of the Authority. That plan clearly emphasizes improvements to the highways that have come under the jurisdiction of the Authority in the past two years. In 1998, the CEA dedicated all its funds toward highway improvements including expressway expansion, road widening, interchange improvements, and electronic toll collection improvements. As most county officials know, the Miami urbanized area is now recognized as having the third worst traffic congestion of all urban areas in the nation. The first priority of the MDEA is to create an integrated transportation system that provides a seamless and balanced movement of traffic on the highways for which they are responsible. The MDEA Board has adopted certain principles and guidelines for MDEA projects that are as follows:

♦ Projects must contribute to the ‘connectivity’ of the MDEA system
♦ Projects must produce a positive impact on traffic congestion
♦ Priority must be given to projects included in the Miami-Dade Metropolitan Planning Organization’s Long-Range Transportation Plan
♦ Priority must be given to road enhancements that have been overlooked for a significant amount of time
♦ Processes must encourage ambitious partnering programs
♦ Projects must provide measurable results for MDEA customers as well as benefit the Miami-Dade community overall

Mr. Parapar believed that by the year 2004, the Authority will set aside a percentage of toll revenues to help fund projects of other modes, including transit, with a caveat - those funds will be provided for services that will enhance the level of service on roads their patrons are paying for (the toll roads under the jurisdiction of the Authority). For instance, funds could be provided for major transit improvements along State Road 836, since such a project would help relieve traffic congestion on that road and provide a benefit to those who pay the tolls on that highway. Similarly, if a jitney project could demonstrate that it would somehow benefit users of the MDEA Expressway System, it too could be funded. Mr. Parapar also noted that CEA funds could be used for both operating and capital expenses associated with such projects, with no repayment required. However, there must be a clear connection between the transit project and benefits to users of the roads administered by the MDEA. Mr. Parapar consistently emphasized the importance of the Authority serving its “customers”, defined as the bondholders and toll-paying users of the MDEA Expressway system.
CONCLUSIONS

The Miami-Dade Expressway Authority does not appear to be a likely funding partner for the transit vehicle and leasing program described in the scope of services for this research report for the following three reasons:

1. The MDEA’s mission is focused on funding projects that would directly improve conditions on the highways under its jurisdiction. A pilot program designed to supplement existing transit services with new jitney services would be difficult to justify within the Expressway Authority’s relatively narrow project criteria. The MDEA has recently adopted a five year plan that dedicates all its funds to expansion of highway capacity through expressway widening, extensions, interchange improvements, and electronic toll collection systems. Since the Expressway Authority is likely to increase tolls to pay for these improvements, its initial budget priorities will be directed toward projects that will directly benefit the highway users who will pay the tolls.

2. The MDEA would become subject to all federal transit regulations if it became the recipient of Federal Transit Administration funding. Federal regulations apply to any agency utilizing such funds. Hence, the County gains no “streamlining” advantage of avoiding federal regulations if the MDEA is the recipient.

3. MDEA dollars are not needed to procure vehicles that might be leased to private providers. Virtually all transit agencies in Florida now utilize toll revenue credits, made available by the Florida Department of Transportation, as “soft match” toward the purchase of new vehicles. While the use of toll revenue credits reduces the size of a local agency’s total capital program, it relieves the local agency of the need to provide actual cash match to procure vehicles with federal grants.

Although the initial concept of using the MDEA as a funding partner for a vehicle leasing program might not be feasible at this time, the concept of the County partnering with private or other public providers to supplement existing transit services should be further explored. Of course, a myriad of questions would still need to be answered regarding how jitneys should be integrated into the existing transit system’s services. None of the areas studied in this report, except Puerto Rico, have found the right method and mix. Any concepts of implementation will be subject to the interests of political stakeholders, including the local transit union, taxi medallion holders, and existing jitney operators.

Jitneys work best in high density corridors with significant demand for transit service, further aided by either high parking costs and/or cultural acceptance of the service. Clearly, jitney operators would like to work in corridors such as Flagler Street or Miami Beach, with no public subsidies. Indeed, it would be interesting to see how well such services could operate in those corridors. It is not a stretch to think that jitneys, whether regulated by the County or through a sophisticated private association, could operate on Miami Beach as they do in Atlantic City. If well regulated, safe jitneys
(perhaps leased by the County) could operate on the Beach, or on Flagler Street with no subsidy (hardly a far-fetched notion), all the existing transit buses and corresponding miles of bus service could be redeployed to other areas of the County in need of better service. The details of fare reciprocity and service integration could be easily worked out. Such an action would result in minimal cost to the taxpayers (the reduced farebox revenues from less productive routes), and no loss of jobs within the transit union. While this is a concept not likely to gain acceptance by all stakeholders, it is a model that works in other places and could work in Miami-Dade if there is a shared goal of expanding quality transit service at the lowest cost to the public.

**Other Options**

Other options include partnering with public or private providers for services that complement existing transit services. This could take the form of service enhancers (such as additional frequency on routes that provide only hourly service), service extenders (that effectively serve rapidly growing areas not currently served by transit), or feeder services that enable people to get back and forth from major destinations such as malls, hospitals, employment centers, or transit stations.

Broward County Transit currently partners with nine local municipalities to provide circulator services within their cities. The County leases minibuses to the cities, provides $20,000 per year to help pay the costs of operations, and provides extensive technical assistance in terms of scheduling, bus stops, etc. As noted earlier in the report, Metro in Houston pays private jitney operators $50 per day in operating subsidies that the providers are allowed to keep regardless of how much revenue they make that day. In Puerto Rico, the government provides no cash subsidy to jitney owners, but it does provide tax breaks and other economic incentives to jitney operators, as well as transfer facilities and supervisors to help ensure safe and coordinated service. In Chicago, jitney operators are eligible for a 50 percent credit on the Ground Transportation Tax and other Empowerment Zone tax incentives. In Los Angeles and Chicago, public authorities have provided private companies with seed money to help them establish market-driven services that are intended to become self-sufficient.

In short, there are numerous ways the County could partner with other entities to expand transit services at relatively low cost. The chances are good that Florida Department of Transportation Service Development grants could be obtained to help fund pilot projects that make good sense. The challenge is finding projects that stakeholders will endorse, that also help reduce traffic congestion in Miami-Dade County.

It is tempting to say that the classic jitney owner-operator model would not work in the more suburban areas of the County that are currently underserved by the transit system. These areas are generally not low income, and might not have the same cultural characteristics as areas currently served by jitneys. However, it is encouraging that a few jitney routes have been established in Hialeah and the South Dixie Highway area that are viable. There might be more such services that could be viable if the County offered some minimal form of capital and/or operating assistance. Such partnerships would most likely be less expensive than the County’s paratransit division.
For most areas of the County without transit service, applying the classic jitney model would be similar to trying to put the square peg in the round hole. Jitneys operate fixed routes, but not on fixed schedules. This is perfectly acceptable in major corridors where the frequency of service is high enough to make passenger schedules virtually unnecessary. However, in more suburban areas where higher frequency is not warranted, unscheduled service would simply be unacceptable. The County would better serve such areas with reliable, scheduled service. Fixed route service, provided through contracts with strict service standards, would at least provide the assurance of reliability. The County would be better off contracting for such service at first to test the market before committing its own personnel resources to serve such areas. The County could provide any number of incentives to encourage proposals, including low-cost leasing of vehicles, daily operating subsidies, marketing assistance, and any other provision that might lower the operators’ costs.

A final option for the County to consider is developing a pilot project that tests technology that allows more flexible and responsive service to be provided in the suburbs. Fixed route transit may be reliable, but it is very inflexible and not accessible enough to attract many people in spread-out suburbs. Given the low density of much of the new development in western and southern Miami-Dade County, fixed route transit service will not be that attractive or efficient, even if it is designed with route deviation possibilities. There are concepts being explored to test the feasibility of utilizing shared-ride vehicles such as vans with on-board computers that would take requests for trips while the vehicles are in service. People interested in using this service would become eligible by entering their names, phone numbers, and addresses into a databank that would allow passengers to request trips by pressing buttons on their telephones. The vans’ computers would receive the requests, communicate with each other, and optimize the trip requests to determine which vehicle is best suited to respond. These vans would operate in a many-to-few mode (unlike taxis, providing the many-to-many model of service). Passengers could be transported to certain major destinations such as malls, transit stations, or major employment centers. Such a service would be faster, more flexible, and more expensive than a bus, while being less direct, slightly slower, but less expensive than a taxi. This service model would provide the flexibility and convenience that might be able to attract those in the suburban developments that would like to avoid buying a second or third car.

In short, there are numerous opportunities for Miami-Dade County to pursue if they wish to increase transit service at lower costs. Many areas of the country are recognizing that mobility management is best served through the development of an array of services that try to provide the proper levels of supply to the different levels of demand. Non-traditional partnerships are the key to developing a continuum of services.
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