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The Runaround: User-Side Subsidies for Mass Transportation in Danville, Illinois

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Final Report
April 1980

Service and Methods Demonstration Program

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U.S. DEPARTMENT OF TRANSPORTATION
Urban Mass Transportation Administration and
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Transportation Systems Center

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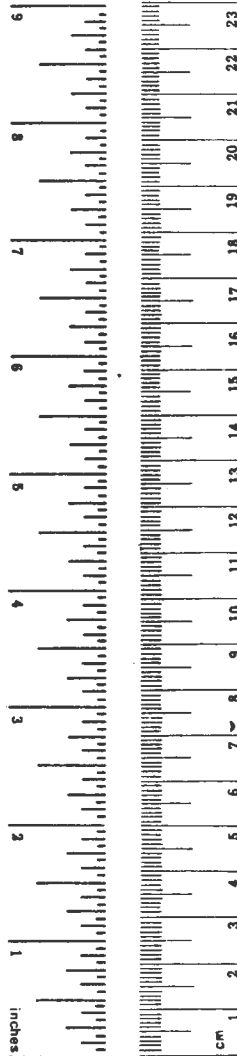
1. Report No. UMTA-IL-06-0034-80-1		2. Government Accession No.		3. Recipient's Catalog No.	
4. Title and Subtitle The Runaround User-Side Subsidies for Mass Transportation in Danville, Illinois				5. Report Date April 1980	
				6. Performing Organization Code TSC-DTS-243	
7. Author(s) David Koffman and Pamela Bloomfield				8. Performing Organization Report No.	
9. Performing Organization Name and Address Crain and Associates* 120 Santa Margarita Avenue Menlo Park, CA 94025				10. Work Unit No. (TRAIS) UM027/R0712	
				11. Contract or Grant No. DOT-TSC-1408	
12. Sponsoring Agency Name and Address U.S. Department of Transportation Urban Mass Transportation Administration Office of Transportation Management & Demonstrations Washington, DC 20590				13. Type of Report and Period Covered Final Report August 1977 - April 1980	
				14. Sponsoring Agency Code UPM-30	
15. Supplementary Notes *Under contract to: U.S. Department of Transportation, Research and Special Programs Administration, Transportation Systems Center, Cambridge, MA 02142					
16. Abstract This report documents the results of a two-year UMTA Service and Methods Demonstration (SMD) project in Danville, Illinois testing the application of the user-side subsidy concept to fixed-route transit. Service was provided by private contractors who were selected on a competitive basis every four months. Payment based on the number of prepurchased tickets used by passengers to pay for rides and then turned over to the City was intended to create an incentive for designing and providing good, low cost service, tailored to the existing demand. The system proved workable. Total costs were comparable to those of similar-size systems operating under more conventional arrangements, although administrative cost may be higher under the user-side subsidy. Only two providers participated, indicating a lack of effective competition, although on most routes good service appears to have been supplied at a reasonable cost. The major provider adopted a very conservative negotiating position with the result that payment was effectively on a fixed-price rather than per-passenger basis.					
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17. Key Words User-side subsidy, fixed-route transit service, contract management, competitive bidding, transit dependent, elderly and handicapped, shared-ride taxi, transit fare prepayment, demonstration project			18. Distribution Statement DOCUMENT IS AVAILABLE TO THE PUBLIC THROUGH THE NATIONAL TECHNICAL INFORMATION SERVICE, SPRINGFIELD, VIRGINIA 22161		
19. Security Classif. (of this report) Unclassified		20. Security Classif. (of this page) Unclassified		21. No. of Pages 369	22. Price

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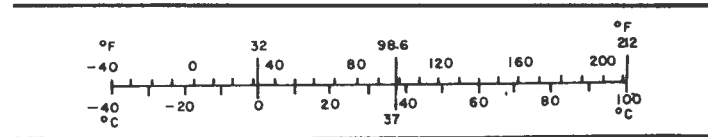
Symbol	When You Know	Multiply by	To Find	Symbol
LENGTH				
in	inches	2.5	centimeters	cm
ft	feet	30	centimeters	cm
yd	yards	0.9	meters	m
mi	miles	1.6	kilometers	km
AREA				
in ²	square inches	6.5	square centimeters	cm ²
ft ²	square feet	0.09	square meters	m ²
yd ²	square yards	0.8	square meters	m ²
mi ²	square miles	2.6	square kilometers	km ²
	acres	0.4	hectares	ha
MASS (weight)				
oz	ounces	28	grams	g
lb	pounds	0.45	kilograms	kg
	short tons (2000 lb)	0.9	tonnes	t
VOLUME				
tsp	teaspoons	5	milliliters	ml
Tbsp	tablespoons	15	milliliters	ml
fl oz	fluid ounces	30	milliliters	ml
c	cups	0.24	liters	l
pt	pints	0.47	liters	l
qt	quarts	0.96	liters	l
gal	gallons	3.8	liters	l
ft ³	cubic feet	0.03	cubic meters	m ³
yd ³	cubic yards	0.76	cubic meters	m ³
TEMPERATURE (exact)				
°F	Fahrenheit temperature	5/9 (after subtracting 32)	Celsius temperature	°C

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Approximate Conversions from Metric Measures

Symbol	When You Know	Multiply by	To Find	Symbol
LENGTH				
mm	millimeters	0.04	inches	in
cm	centimeters	0.4	inches	in
m	meters	3.3	feet	ft
m	meters	1.1	yards	yd
km	kilometers	0.6	miles	mi
AREA				
cm ²	square centimeters	0.16	square inches	in ²
m ²	square meters	1.2	square yards	yd ²
km ²	square kilometers	0.4	square miles	mi ²
ha	hectares (10,000 m ²)	2.5	acres	
MASS (weight)				
g	grams	0.035	ounces	oz
kg	kilograms	2.2	pounds	lb
t	tonnes (1000 kg)	1.1	short tons	
VOLUME				
ml	milliliters	0.03	fluid ounces	fl oz
l	liters	2.1	pints	pt
l	liters	1.06	quarts	qt
l	liters	0.26	gallons	gal
m ³	cubic meters	35	cubic feet	ft ³
m ³	cubic meters	1.3	cubic yards	yd ³
TEMPERATURE (exact)				
°C	Celsius temperature	9/5 (then add 32)	Fahrenheit temperature	°F



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PREFACE

This report evaluates a Service and Methods Demonstration (SMD) project in Danville, Illinois, funded by the Urban Mass Transportation Administration (UMTA). The project was Phase II of a two-phase project. The first year of Phase I is documented in "User-Side Subsidies for Shared Ride Taxi Service in Danville, Illinois: Phase I," (UMTA/TSC Project Evaluation Series, Report No. UMTA-IL-06-0034-77-1, June 1977). The present report documents Phase II and the second year of Phase I.

Crain & Associates conducted the evaluations under a contract with the Transportation Systems Center (TSC). The project director for Danville was Michael Federman; the project manager was Dan Bolton, who was assisted by Rose Hutchins and Margaret Henderson. The project manager for UMTA was Larry A. Bruno. Ron Kirby and Francine Tolson of the Urban Institute advised UMTA on the design and conduct of the demonstration under a separate contract. Robert Waksman was the TSC technical monitor responsible for overseeing the evaluation. Other people whose help was essential to completing this evaluation include Hugh Ashby, Jim Pierson, Tom Kestranek and Charles Ward (American Transit Corp.); Harold Fries (Red Top Cab); and the staff of the Danville Commercial-News. Staff at Crain & Associates who worked on the evaluation include David Koffman (project manager); Pamela Bloomfield, who did most of the work; Cindy Olander (nee Campbell), Sydwell Flynn, Todd Dunn, Bruce Miller and Betty Page (field supervisors and research assistants); Gerald Latter, Linda Taylor-Latter and Paul Ricci (programmers); Molly Shinn, Ruth Campbell, Holly Wong, Lisa Roseli, and Alison Davis (typists); and Richard Blinkal (man Friday).

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1. EXECUTIVE SUMMARY

1.1 BACKGROUND

In August 1977, the City of Danville, Illinois was awarded a two-year amendment to a Service & Methods Demonstration (SMD) Grant (No. IL-06-0034) from the Urban Mass Transportation Administration (UMTA), to test a user-side subsidy scheme for supporting fixed-route transit to be provided by private transportation companies. This demonstration was Phase II of a project; in Phase I, also a two-year demonstration, the user-side subsidy concept was applied to taxi services for the elderly and handicapped in Danville. Total UMTA funding for Phase II was approximately \$1,030,000.

As a test of the user-side subsidy concept for taxis, Phase I proved very successful: the arrangement was shown to be workable and cost-effective. The project, named the Reduced Taxi Rates (RTR) Program, operated for two years and seven months, between December 1975 and June 1978. Bus service was introduced in Danville in December 1977 under Phase II of the demonstration grant; thus, the Phase I and Phase II projects operated simultaneously for approximately seven months. Phase II of the Danville demonstration, the focus of this report, was designed to be the first application of a user-side subsidy to fixed-route transit for the general population. The system named "the Runaround" began operations in November 1977.

1.2 THE USER-SIDE SUBSIDY CONCEPT

The distinguishing feature of a user-side subsidy is that providers of a service receive the subsidy only in amounts proportional to the number of people who use the service. The user-side subsidy arrangement is held to offer a number of strong advantages over more conventional subsidy arrangements, the overriding advantage being its value in promoting efficient use of transportation resources. Specifically: because transportation providers must successfully attract the users in order to receive the subsidy, providers have an incentive to maximize profits by offering high quality service tailored to the travel demands of the user population, and low in cost.



FIGURE 1-1.
THE RUNAROUND ON A RESIDENTIAL STREET

1.3 SETTING

Danville is a city of 41,603 population (1977 estimate) in east central Illinois, 124 miles south of Chicago and 4 miles west of the Illinois-Indiana line. Danville was without regular bus service from 1970 until the start of service under this demonstration, although the former transit operator continued to supply school bus and charter service.

1.4 DESIGN

In Phase II of the Danville demonstration, transit service (including vehicles and facilities) was provided by private contractors who were selected on a competitive basis every four months. There were five four-month contract periods in all. Prepaid tickets constituted the primary method of fare payment as well as the determinant of the amount of subsidy. The City sold the tickets to the public through 32 local businesses and other organizations. Full-fare tickets were sold in books of 5 for \$2 and books of 20 for \$8. Elderly and handicapped riders as well as students 18 years old or younger could purchase books of 10 half-fare tickets for \$2. For the first two contract periods, providers were paid on a per-mile basis. Thereafter providers were paid on a per-ticket basis. For each ticket turned in, the providers were paid an amount, negotiated for each contract period, equal

to the full-fare plus a subsidy. Cash fare payments were allowed; however, the City paid no subsidy on such fares until the last contract period. The major provider set the cash fare at \$1.00 until the City began paying subsidy on cash fares, at which time the cash fare was lowered to \$.50. For three contract periods under the \$1.00 cash fare, passengers paying the cash fare received a coupon worth \$.50 toward purchase of a book of tickets. Figure 1-2 illustrates the overall flow of money, tickets and coupons.

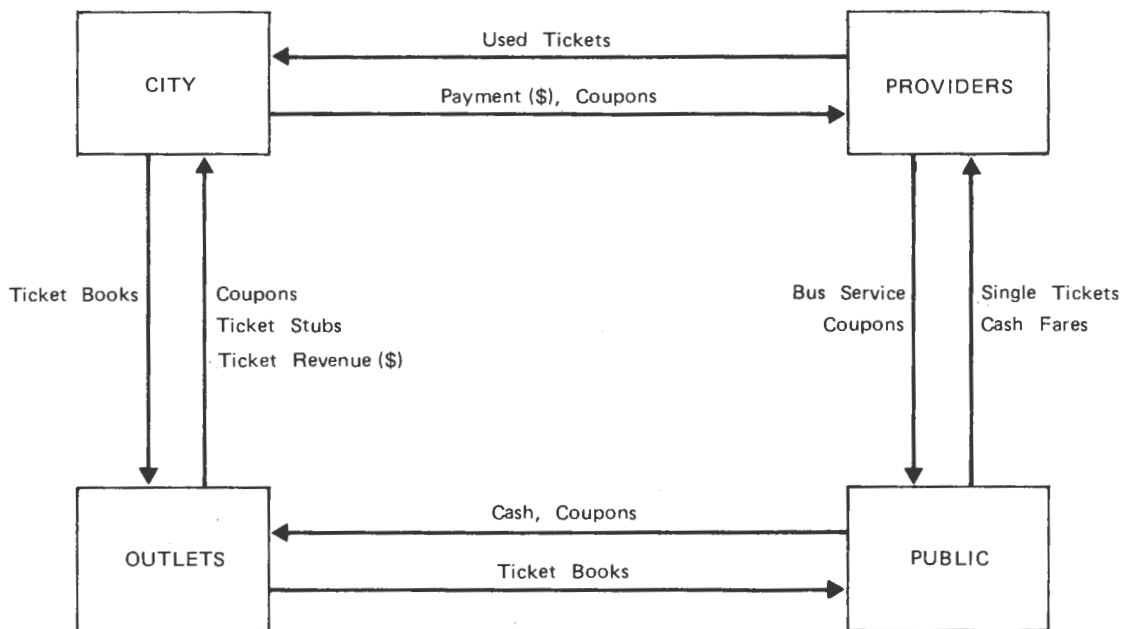


FIGURE 1-2. FLOW OF MONEY, TICKETS AND COUPONS

1.5 PROVIDER SELECTION

The City issued a Request for Proposals about two months before the start of each contract period. Providers had about a month to respond; the winning bidder had about a month to get service started. Although the RFP's were widely advertised there were never more than two bidders. In every contract period the majority of service was awarded to American Transit Corp. (ATC), whose Bee Line subsidiary had operated bus service in Danville until 1970 and continued to operate school bus service until 1979. For the first two contract periods a second bid was received. The first time this firm's bid was judged unresponsive to the RFP. The second time an investigation of the

firm's past performance convinced the City not to award it a contract. For the last three contract periods, the major cab company in Danville, Red Top Cab, was persuaded to bid and was awarded two low-ridership routes to be operated with a minibus and two others to be operated by taxicabs on an on-call basis. The perceived financial risks associated with the four-month contract period and a requirement to furnish all vehicles and facilities, combined with the competitive advantage maintained by ATC throughout the demonstration, appear to have prevented other firms from submitting bids in response to the RFP's sent out by the City.

1.6 PROVIDER REIMBURSEMENT

For the first two contract periods, ATC was to be paid either \$1.20 per ticket or else a guaranteed payment per mile, whichever was higher in each week. Since ridership growth was slow, ATC always received the mileage guarantee. For the third, fourth and fifth contract periods ATC negotiated payments per passenger of \$2.00, \$1.85 and \$1.65 respectively, which were high enough to cover costs and some profit given very conservative ridership projections. To protect itself from paying an excessive amount if ridership grew, the City always established a maximum payment that would be reached with little or no ridership growth. As a result, ATC's payment was always equal to the fixed contract maximum for the three contract periods under the user-side subsidy. Red Top provided service for \$1.50 per passenger for the third, fourth and fifth contract periods. Ridership on Red Top's routes remained low, so that Red Top's payments never reached the established contract maximums.

1.7 THE TICKET SYSTEM

Tickets were used to provide a more fraud-resistant method of tying provider payment to ridership than seemed possible basing payment on reported cash fares. Concerns about the ticket system included the willingness of businesses to sell the tickets, the cost to administer the system, and whether requiring use of tickets would discourage ridership. On the whole, the system of selling prepaid books of half-fare and full-fare tickets worked well; the local businesses serving as ticket sales outlets were generally well satisfied with their participation in the program. However, administration of the ticket distribution system by City staff proved labor-intensive, time-consuming, and thus, costly.



FIGURE 1-3.
BUYING TICKETS

Riders found the tickets convenient. Since the City paid a subsidy on tickets only (until the fifth contract period), ATC required passengers without tickets to pay \$1.00. This feature was very unpopular and received a lot of negative publicity. Beginning with the fifth contract period, and continuing after the demonstration, the City began subsidizing cash fares, and the cash fare was lowered to \$.50. During the following year ridership grew considerably. Other factors may have contributed to the increase, but it appears likely that much of it is due to no longer virtually requiring that bus tickets be bought in advance. There is no reason to think that any fraud occurred after the City began paying subsidy on cash fares. In principle, however, providers could have over-reported cash fares without the City being able to detect that they were doing so.

1.8 MULTIPLE PROVIDERS

One of the most innovative features of the Danville demonstration was that, not only could the City change providers, but more than one provider could operate at the same time, on different routes or at different times. Each provider would provide the service that was most cost-effective for a particular area and time. The entire system would be given a uniform image and made understandable to the public by having the City sell the tickets, which all providers would accept by use of a common system name and logo and City control of marketing. The demonstration provided a very limited test of the multiple provider concept. The second provider, Red Top Cab, participated only after considerable persuasion by the City and Federal monitors. Problems did arise regarding the quality of the service provided by Red Top, acceptance of transfers, and service coordination. When Red Top changed ownership some additional complexities arose which are discussed in the report.

1.9 LEVEL OF SERVICE

Service was initiated with the complete intended network of eleven routes, operating from 6 AM to 6 PM, Monday through Saturday, on half-hour and hour headways. In retrospect it seems service should have been added more gradually. There were initial reliability problems, but these were mostly solved by the end of the first contract period. The amount of service was increased for the second period, despite low ridership, since City officials felt it was necessary to give the system a "fair test." Beginning with the third contract period, however, when the mileage guarantee was dropped, service was cut back on several low ridership routes, which Red Top operated using a minibus and on-call taxis. The fact that the user-side subsidy arrangement focussed attention on costs per passenger clearly provided an incentive to cut back on less productive service. Unfortunately the service provided by Red Top always had reliability problems. In theory, the user-side subsidy arrangement should have given Red Top an incentive to overcome these problems. However, Red Top had financial difficulties which made this impossible.

1.10 PRODUCTIVITY AND ECONOMICS

Costs under the user-side subsidy appear reasonable when compared to those for two similar midwestern transit systems. For the last year of the demonstration unit costs averaged \$1.68 per revenue mile and \$1.87 per passenger. The cost per passenger appears quite high, since ridership (i.e., passengers per

revenue-mile) was low. In the eight months since the end of the demonstration, ridership has risen considerably, probably due to lowering the cash fare from \$1.00 to \$.50 beginning with the fifth contract period. Red Top Cab provided service at a cheaper cost per passenger on its minibus and on-call taxi routes; however, this service was also of poor quality, possibly because Red Top's financial difficulties made improvements impossible.

Administrative costs under the user-side subsidy were much higher than those in the comparison systems, while driver labor costs were lower. However, evidence from the post-demonstration period suggests that some of the difference may be attributable to the demonstration nature of the project, rather than the user-side subsidy arrangement.

1.11 THE RTR TAXI USER-SIDE SUBSIDY

Phase I of the Danville demonstration consisted of a user-side subsidy for use of taxis by the elderly and handicapped. This service began in December 1975 and was very popular, serving about 8000 trips per month. A general price increase and a reduction of the discount after one year of operation doubled the cost of taxi rides for RTR registrants; ridership fell to about 6500 trips per month. When Runaround service began in November 1977, UMTA elected to continue funding RTR through June 1978 in order to observe the choices of RTR users with both discount taxi and bus service available. During this period ridership was around 4500 trips per month. After June 1978, the discount service on taxis was eliminated, since the City was not interested in taking over funding the program.

Runaround service attracted many of the more active users of the RTR taxi discount service, most of whom continued to use the taxi for some trips. Even when the discount was totally eliminated, many elderly and handicapped continued to use the taxi rather than switch to the bus. Of the trips no longer made on taxis, it appeared that only a few switched to the bus, the majority being made either with friends and relatives or not at all. In summary, the bus did not eliminate the need for door-to-door transportation for many elderly and handicapped residents of Danville.

2. INTRODUCTION

2.1 PROJECT OVERVIEW

2.1.1 The Demonstration Grant

Danville, Illinois is a small city of 41,603 in east central Illinois. Danville had been without regular fixed-route public transportation from 1970*, when voters rejected a three-cent sales tax to subsidize service which had become unprofitable for the private operator the year before, until 1977. In August 1977, the City of Danville, Illinois was awarded a two-year grant, under an amendment to a Service & Methods Demonstration (SMD) Grant (No. IL-06-0034) from the Urban Mass Transportation Administration, to test a user-side subsidy scheme for supporting fixed-route transit to be provided by private transportation companies.

This demonstration was Phase II of a project; in Phase I, also a two-year demonstration, the user-side subsidy concept was applied to taxi services for the elderly and handicapped in Danville. As a test of the user-side subsidy concept, the latter proved very successful: the arrangement was shown to be workable and cost-effective. The project, named the Reduced Taxi Rates (RTR) Program, operated for two years and seven months, between December 1975 and June 1978. Bus service was introduced in Danville in December 1977 under Phase II of the demonstration grant; thus, the Phase I and Phase II projects operated simultaneously for approximately seven months. The

*A privately run, five-bus minibus system operated for three months in 1971 before going out of business.

first 13 months of RTR project operations are documented in a prior evaluation report.¹ Chapter 9 of this report discusses RTR project operations over the final 18 months, including the impact of the introduction of the bus service in December 1977.

Phase II of the Danville demonstration, the focus of this report, was designed to be the first application of a user-side subsidy to fixed-route transit for the general population. Federal funds allocated to Phase II totaled about \$983,000; the City of Danville contributed in-kind services. The demonstration grant included funding for a six-month contract in the amount of \$32,415 with a Chicago-based marketing firm, Unimark International, to create a name and logo for the new bus service, to design the initial marketing campaign, and to develop bid specifications. The system, named "The Runaround," began operations in November 1977. Figure 2-1 shows the name logo as it appeared on the Runaround buses.

2.1.2 The User-Side Subsidy Arrangement

The distinguishing feature of a user-side subsidy is that providers of a service receive the subsidy only in amounts proportional to the number of people who use the service. In its purest form, potential patrons, or "users," would receive the subsidy to be spent on transportation of any type, as in the case of food stamps or rent supplements. The mechanisms usually employed are: 1) tickets sold at a reduced price and then redeemed by the provider for the subsidy after they are used, and 2) vouchers signed by patrons and redeemed by the provider. Simple passenger or revenue counts can also be used as a basis for subsidy payments, but may be more subject to fraud.

¹Peter G. FitzGerald, (Crain & Associates) User-Side Subsidies for Shared Ride Taxi Service in Danville, Illinois: Phase I, UMTA/TSC Project Evaluation Series, Report No. UMTA-IL-06-0037-77-1, June 1977.



FIGURE 2-1. LOGO ON RUNAROUND BUS

User-side subsidies are attracting national interest as an alternative to more traditional forms of transit subsidy, termed provider-side subsidies, whereby an operator receives a system-wide subsidy to provide a certain level of transit service. The most common application to date of the user-side subsidy has been in the provision of discounted taxi rides for the elderly and handicapped. However, user-side subsidies can also be used to support more conventional transit for the general population, as in the Danville case. Under a user-side subsidy scheme, the subsidy revenues paid to the transit operator are not predetermined; rather, they depend upon his or her ability to serve the needs of individual passengers who, in effect, hold the power of the subsidy.

Use of tickets sold to users at reduced rates does not by itself constitute a user-side subsidy arrangement. It is important to note that the subsidy payment must be based upon

the number of trips taken by riders in order for the user-side subsidy to operate. Thus, a system which sold reduced-price tickets to users but reimbursed the providers according to vehicle miles of transit service provided would not qualify as a user-side subsidy arrangement.

The user-side subsidy arrangement is held to offer a number of strong advantages over more conventional subsidy arrangements, the overriding advantage being its value in promoting efficient use of transportation resources.² Specifically: because transportation providers must successfully attract the users in order to receive the subsidy, they have an incentive to offer service that is as good as possible, tailored to the travel demands of the user population, and low in cost. The foregoing assumes two conditions:

1. There is some form of marketlike competition (or threat of competition) for provision of the service.
2. Providers have some freedom to set their own service levels and/or fares.

The flexibility afforded localities by the user-side subsidy arrangement constitutes another related advantage. The subsidy can be applied to a wide range of transportation providers, including paratransit operations; correspondingly, the need for commitment to a particular vehicle and service type is minimized. In addition, selective application of the subsidy by type of person (e.g., elderly, handicapped, low-income and so forth), by mode, by type of trip, or by time of day or day of week is possible. Most applications to date have been for taxi service for elderly and handicapped; that the user-side mechanism appears acceptable as a means to subsidize taxi service is another of its attractive features.

In principle, a locality could adjust the amount of transit services provided, and its expenditures on transit services,

²This and much of the discussion which follows draws heavily upon Alternative Subsidy Techniques for Urban Public Transportation, Kirby and McGillivray, The Urban Institute, 1975.

merely by changing the rate at which it is willing to pay for trips. Presumably, the cost per trip provided will decrease initially as more trips are provided (as fixed costs are spread over more trips). However, cost per trip will then rise as more and more marginal markets are tapped. (See Figure 2-2.) In other words, providers will serve those routes yielding the greatest passenger volumes per vehicle-mile first, then add less productive routes only if the available rate of subsidy makes them profitable. The principle is illustrated in Figure 2-2. The locality has announced that it is willing to pay P_0 dollars per trip (i.e. per used ticket turned in by providers). If the cost per trip curve is as illustrated, providers should operate service which will attract T_0 trips per day. Public expenditures on subsidies would equal the shaded area. Raising the price per trip will produce more trips and more expenditure, while lowering the price per ticket will produce fewer trips and less expenditure.

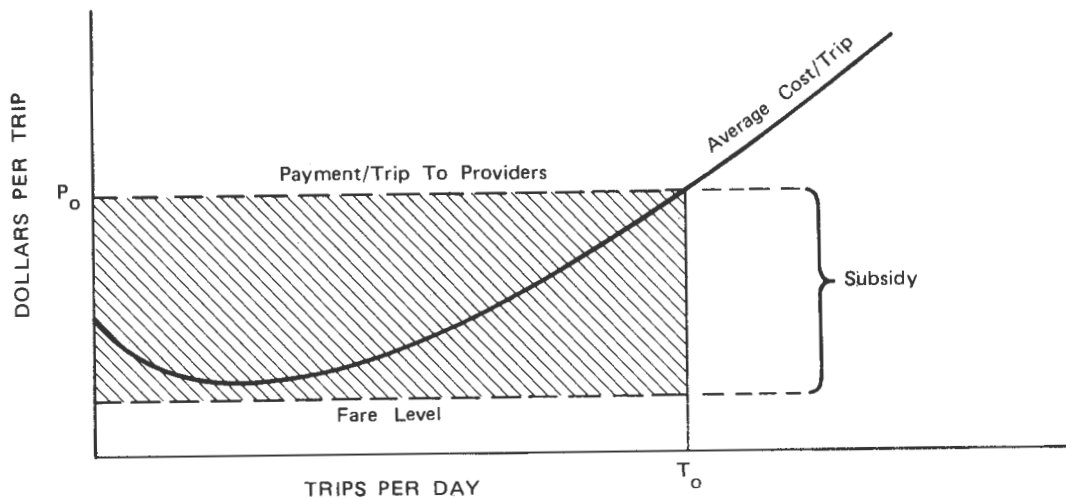


FIGURE 2-2 THEORETICAL RELATIONSHIP OF PRICE PER TRIP TO TRIPS PROVIDED

2.1.3 Project Features

The original design of Phase II of the project incorporated the following features:

1. Transportation providers were selected on the basis of a competitive bidding process, repeated every four months.
2. The City established certain minimum standards (for example, air-conditioned vehicles); however, within those standards, bidders were free in principle to propose any level or type of service they desired. In practice this freedom was considerably restricted.
3. At the outset of the demonstration, it was planned that the City would announce a subsidy-to-fare ratio for each bidding period; this ratio would form the basis for the payment which each participating provider would receive. Each prospective provider would then propose a complete service plan, or several alternative plans, including routes, schedules, hours of operation and fares. This concept was modified over the course of the project.
4. Prepaid tickets constituted the primary method of fare payment as well as the determinant of the amount of subsidy. The City was responsible for selling the tickets to the public at the announced fare. Elderly and handicapped riders as well as students 18 years old or younger could purchase special tickets at a 50% discount; the providers received full reimbursement for such tickets. Cash fare payments were allowed; however, the City paid no subsidy on such fares. Providers could set their own cash fares.
5. The City of Danville was responsible for marketing the Runaround system. Providers were not prevented from pursuing independent promotional campaigns; however, the costs of such campaigns, which were subject to City review and approval, were considered an extra which was not included in setting subsidy levels.

Chapter 4 contains further details regarding the above features and their implementation over the course of the five four-month contract periods during which the demonstration was conducted.

2.2 PROJECT OBJECTIVES

The major objective of the Phase II demonstration was to test the effectiveness of the user-side subsidy as a means of developing an entirely new fixed-route transit service in a small city. This is a unique application of the user-side subsidy concept. Prior application--including the SMD projects in Danville; Montgomery, Alabama; Kinston, North Carolina; and Lawrence, Massachusetts--have been, or are being aimed at reducing fares for special user groups on existing paratransit and transit systems.

The project was also designed to address the SMD program objectives of increasing the mobility of transit dependents, increasing transit coverage and increasing transit vehicle productivity. The fixed-route transit service was to be accessible to all or most of the residents of Danville, and the fares charged were to be generally affordable. For persons with limited mobility, i.e., those who are reliant on other persons for some or all of their trip-making, the fixed-route service was designed to be a viable means of getting to desired locations within Danville. As a result, the project was expected to lead to increased rates of trip-making and increased travel alternatives, both temporally and spatially, by making feasible some trips that were previously available only by the somewhat more expensive taxi mode. It was hypothesized that some persons who had ready access to an automobile and persons who could afford to use taxis for all their local trip-making might also find the fixed-route service a viable travel alternative and switch to transit for some of their trip-making. The project addressed the transit coverage and vehicle productivity objectives in that, in theory, the user-side subsidy mechanism and the competitive bidding process created an incentive to providers to offer the best possible levels of fixed-route service which can draw high ridership, to be responsive to demand changes, and to do so at the lowest possible cost in order to maximize profits and remain competitive.

From the City of Danville's perspective, the primary objective of the demonstration project was to determine whether and to what extent Danville can support fixed-route transit. Recognizing the uncertainty in predicting ridership and operating costs associated with fixed-route service as well as the operating and capital costs required, the City of Danville wished to determine what routes and service levels could be supported by its citizens without establishing a permanent City system. The user-side subsidy and competitive bidding approach for fixed-route service in Danville enabled the City to make this determination without the commitment of large capital expenditures.

2.3 PROJECT INNOVATIONS

As already noted, this project was the first test of the user-side concept applied to fixed-route transit service for the general population. For part of the project at least, elderly and handicapped persons in Danville were also able to ride taxis at discounted rates under the Phase I user-side subsidy project (RTR). In a sense, this group was offered a subsidy which could be spent on either of two forms of transportation. Thus, Phase II permitted some evaluation of the relative effectiveness, attractiveness to the users, and cost to the public of two methods of meeting their transportation needs.

Another unique aspect of the Phase II demonstration was the competitive bidding process, which was repeated every four months. The number of potential providers with the capacity and willingness to initiate service on short notice and under a short-term contract in a small city was unknown, as was the number of potential bidders with an existing local base, or outside bidders willing to establish a local base under these conditions necessary to create the truly competitive situation

which was desired. Additional issues relating to these short-term contracts were possible problems in labor relations, continuity of service in the event of changing providers, costs of paying repeatedly for start-up, and the public acceptability of possible frequent changes in service or fare structure.

A third innovative feature was the use of prepaid tickets as the primary fare payment device. Although patrons could pay cash, such fares were not subsidized and hence were much higher than the ticket fare throughout most of the demonstration: \$1.00 compared to \$.40 per ticket.* The tickets were sold by local businesses in books of five and twenty full-fare or ten half-fare tickets; the ticket system was designed to discourage fraud in the subsidy arrangement. Areas of investigation concerning the ticket system included: its convenience in the public mind; the extent to which it would serve to discourage ridership; the difficulty and expense of administering the ticket system; the willingness of local businesses to serve as sales outlets; the extent to which it discouraged fraud; the size of the cash float (if any) afforded the City by the sale of prepaid tickets; and the value of tickets as a promotional device.

2.4 ORGANIZATIONAL ROLES

The organizations involved in the Danville user-side subsidy demonstration and their roles were as follows:

Urban Mass Transportation Administration (UMTA) approached Danville about demonstration concept, awarded grant, oversaw the conduct of the project, and monitored and approved project expenditures and contracts.

City of Danville, as the grant recipient, contributed to the cost of the project in the form of staff time of the Department of Planning. The Assistant Director of

*The \$1.00 cash fare was lowered to \$.50 in the fifth and final contract period.

the department was estimated as spending 20% of his time as Project Director. Full-time personnel included a Project Manager, an Administrative Assistant, and a Secretary. The grantee administered all phases of project operations, and was responsible for providing the evaluation contractor with the data required to evaluate the project. The grantee submitted regular reports to UMTA on project operations and status.

Private Transportation Companies provided transportation services under contract to the City of Danville. Contracts for fixed-route service were awarded for short periods after competitive bidding.

The Urban Institute served as consultant to UMTA, assisted in the initial conceptualization, site selection and grant application (Phases I and II), and continued to furnish advice during the project.

DeLeuw, Cather & Co. prepared the Danville TDP and provided technical assistance to City on transit problems under a current grant.

Unimark, International, under contract to Danville, performed marketing services, including creation of the system image, design of informational materials (e.g., schedules and maps) and design of promotional campaigns.

Transportation Systems Center (TSC), as part of D.O.T., was responsible to UMTA for project evaluation by the evaluation contractor; specified the desired form, scope and budget of the evaluation; provided technical supervision to the evaluation contractor; and reviewed evaluation products.

Crain & Associates, as evaluation contractor to TSC, prepared an Evaluation Plan, coordinated with other parties on the demonstration design, specified the data

to be collected for the evaluation, developed a schedule of evaluation tasks and data collection efforts within a budget established by TSC,

2.5 EVALUATION OVERVIEW

The evaluation has sought to answer the following questions concerning the use of user-side subsidies to support general mass transportation in Danville:

1. Was the concept, as implemented in Danville, administratively and operationally workable? This issue includes the workability of the competitive bidding process, the ticket system, and multiple providers.
2. Did the concept act as predicted to stimulate high quality service, tailored to demand, at the lowest possible cost?
3. Was the concept a good way for Danville to test the viability of transit, and, if so, with what result?

In addition, a follow-up analysis of the RTR, taxi user-side subsidy project for elderly and handicapped was conducted. This analysis, reported in Chapter 9, sought to determine the effect of a price increase after one year of RTR operations; the relative ability of discount taxi service and fixed-route bus service to serve the travel needs of the elderly and handicapped; and the effect on RTR users of the project's discontinuation after two years and seven months of operation.

The evaluation relied on project records, field measurements, surveys, and frequent telephone contact and site visits. Under the terms of its grant, the City of Danville was responsible for providing the first three types of data for the evaluation. The major field measurements were checks of schedule adherence at the downtown transfer point, carried out once in

each of the five contract periods. These checks, plus published maps and schedules, rider opinions, and local staff observations, provided the means for judging service quality.

Eight surveys were conducted by the City of Danville, including two on-board surveys, three general population surveys, two surveys of RTR project registrants, and one survey of firms who requested RFP's to provide service for this demonstration but did not bid. In addition, the evaluation contractor interviewed Runaround ticket outlets and social agencies involved in transportation. These data collection activities are documented in the appendices to this report.

3. DEMONSTRATION SETTING

3.1 GEOGRAPHIC AND DEMOGRAPHIC CHARACTERISTICS

Danville, Illinois is located in east central Illinois, on the Big Vermilion River at the confluence of the Salt Fork and North Fork Rivers, the second of which has been impounded to form Lake Vermilion. Danville is 124 miles south of Chicago and 90 miles west of Indianapolis. (See Figure 3-1). The city, which has an area of 12.9 square miles on mostly level terrain, is the county seat of Vermilion County and the site of numerous and diverse industries. Winters are fairly cold and summers fairly hot, with mean temperatures ranging from 28°-30° in January to 76°-78° in July.

The 1977 population of Danville was 41,603, compared to 41,900 in 1960 and 42,600 in 1970. In recent years, a certain amount of out-migration from Danville has occurred, especially from older sections of the city. Table 3-1, below, compares the age distribution of Danville's population from the 1970 Census with the 1977 Pre-Implementation Survey data collected prior to the start of Phase II. Some of the indicated decrease in the proportion of the population which is elderly is probably due to sampling error in the 1977 survey.

TABLE 3-1.

DANVILLE POPULATION BY AGE

<u>Age Category</u>	<u>Percent of Total Population</u>	
	<u>1970 Census</u>	<u>1977 Survey</u>
0-15	28%	26%
16-20	9	12
21-54	40	44
55-64	10	9
65 and over	<u>13</u>	<u>9</u>
	100%	100%

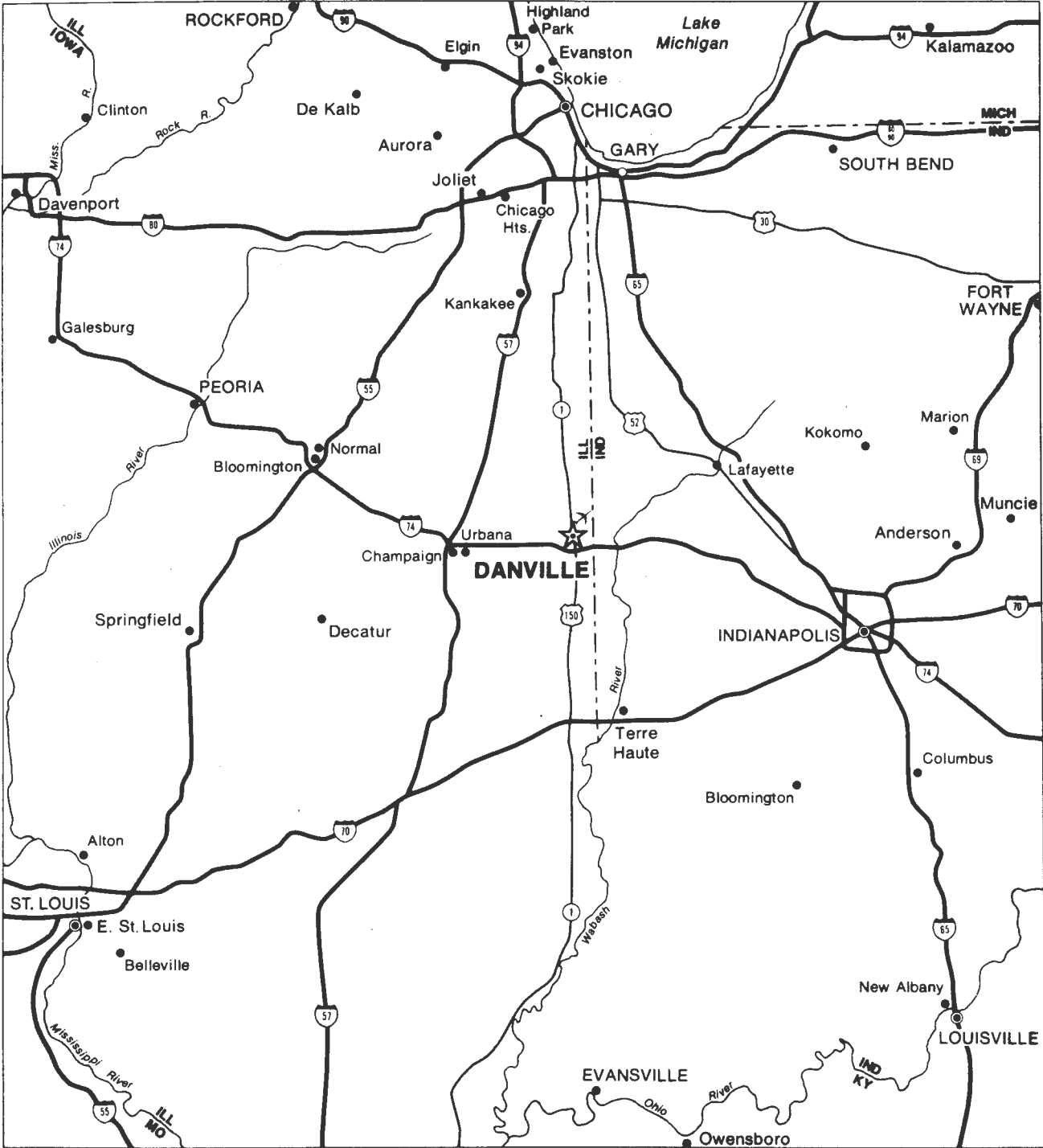


FIGURE 3-1.
 LOCATION OF DANVILLE, ILLINOIS

In 1970, the Danville median family income of \$9,658 was not significantly different from either the national median family income of \$9,433, but somewhat lower than the median family income of \$10,020 for the North Central States. In recent years, Danville's unemployment rate has slightly exceeded the national average: during the period from 1977 to 1979, unemployment in Danville ranged from 6.6% to 8.0%, while the national average ranged from 5.7% to 7.0%. This is largely attributable to the fact that a major portion of the Danville economy involves the manufacture of durable goods, an industry characterized by high unemployment rates in times of economic recession. Other important sectors of the Danville economy include trade, services, the manufacture of non-durable goods, farming, and government.

Danville has a Black population of significant size (12.5% compared to 6.1% in Vermilion County in 1970), with a very pronounced pattern of residential segregation. Black households are concentrated just to the north of downtown, in the southeastern portion of town, and in a housing project at the eastern edge of the city. There is also a substantial Mexican-American population of uncertain size.

Figure 3-2 shows the overall pattern of land use in Danville, which is generally low-density and decentralized. The pattern of development, clearly influenced by the rivers that flow through Danville, spreads mostly north and east from the rivers and hence from downtown. Three major shopping centers are located towards the outskirts, as are Danville Junior College, the Veterans Administration Hospital, and the major industrial employers. There is a well-defined and active downtown, however, with City and County offices, the two-block Vermilion Park Mall, a sizable library and two major hotels. The City boundaries include some of the surrounding farm land; 67% of the city's 12.9 square miles are developed. According to the City of Danville Land Use Plan, about 6% of the developed land area--or about 350 acres--is utilized for industrial purposes; most of the sites used for industry are located along the various railroad right-of-ways.

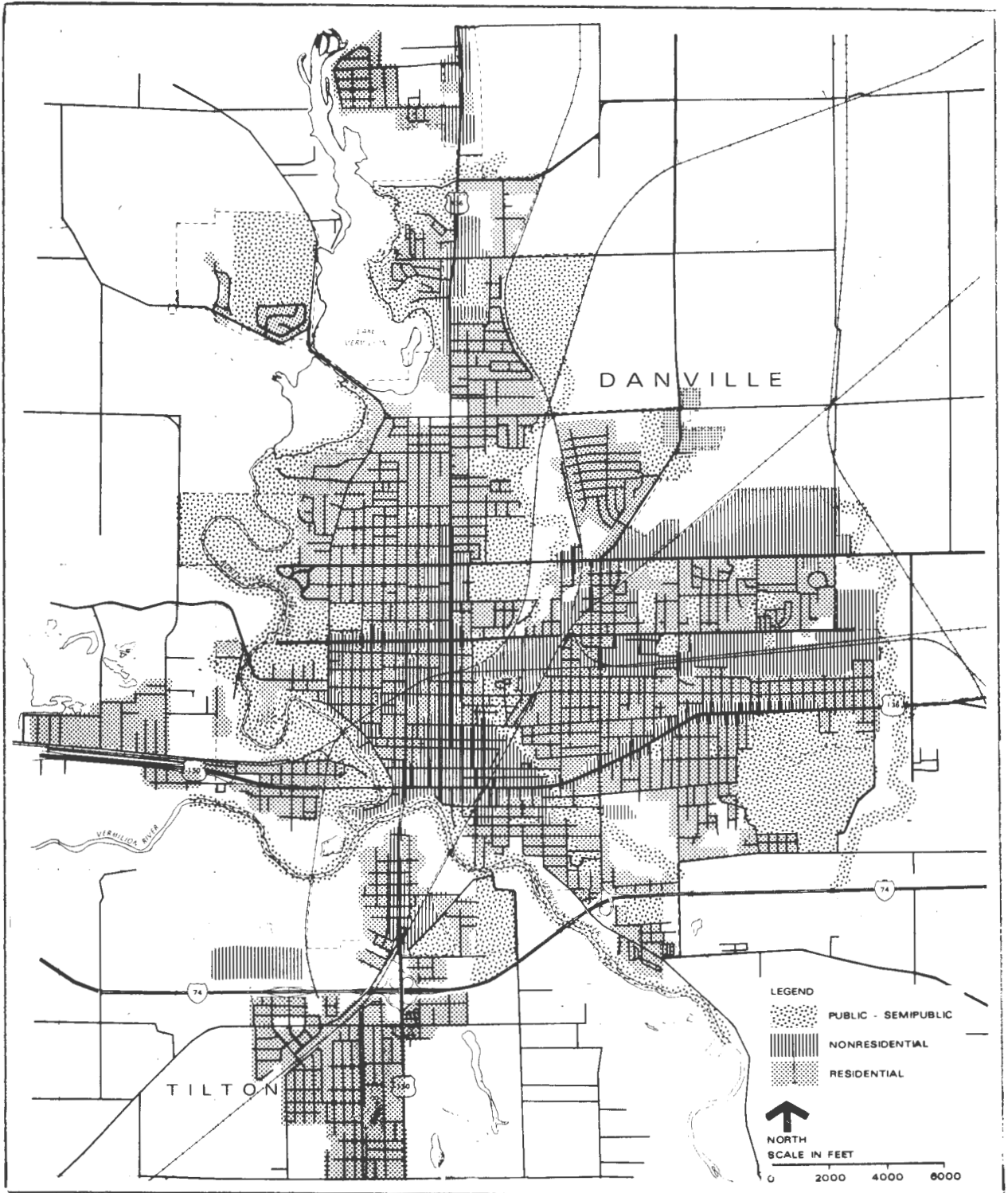


FIGURE 3-2.
LAND-USE MAP OF DANVILLE

Housing occupancy in Danville is very tight: the total vacancy rate is only 3.2%. Although residential development in Danville consists mostly of single-family detached housing, approximately one-third of living units were rented rather than owned according to the 1970 Census. There are increasing numbers of apartment buildings and several low- and moderate-income housing projects, as well as 10 mobile home parks. Substandard housing units account for 14% of all occupied units in Danville; half of these substandard units are considered to be beyond repair. Since 1970, an average of 166 dwelling units per year have been constructed in the city; this construction rate is comparable to that evidenced in the 1960's. However, multifamily construction accounted for only 25% of all new construction in the 1960's; this proportion jumped to over 49% in the 1970's.

3.2 GOVERNMENT

Danville is a Home Rule Unit under the 1970 Illinois Constitution, which affords its government great flexibility in its decision-making powers. Transit services within the city limits appear to be regulated only by city ordinance and not by State agencies, other than for vehicle licensing. The City of Danville is governed by a City Council consisting of an elected Mayor and four elected Commissioners. Elections are held every four years on a non-partisan basis; the most recent election was held in November 1979. Danville is also part of Vermilion County, of which it is the county seat. Vermilion County is also divided into 19 townships, whose primary functions are administration of General Assistance, construction of roads and bridges outside of cities, and the assessment of real and personal property. About three-fourths of the City of Danville is in Danville Township, one-fourth in Blount Township and a small portion in Newhall Township. This is a source of occasional confusion, since statistics are often compiled by township.

3.3 TRANSPORTATION CHARACTERISTICS

3.3.1 Automobiles and Highways

In Danville, as in most places, automobiles constitute the dominant form of transportation, especially since Danville had no bus service from 1970 to 1977. The 1970 Census estimated that approximately 80% of Danville households had an automobile. Comparable Census figures are 80.1% for the U.S. and 83.6% for the North Central states in 1971. Indications are that seven years without transit service, combined with general trends, have greatly increased car ownership rates. The October 1977 Pre-implementation Survey conducted in Danville showed that 91% of all households owned a motor vehicle, and 55% owned two or more motor vehicles.* Auto availability ranged from 55% for school trips, to 72% for work trips and 91% for shopping and social or recreational trips. Of those surveyed, 83% had driver's licenses.

Traffic congestion in Danville is only moderate when compared to bigger cities. Nevertheless, 73% of those surveyed in October 1977 felt traffic congestion to be a major problem. There is a uniform street grid which is intersected by railroad tracks at various points; five railroads run through Danville. Peak period traffic intersecting with train traffic causes the most serious traffic congestion. With the exception of a few primary arteries, streets are quite narrow, as is common in Illinois cities, and occasionally in poor repair. This may pose more of a problem for transit operations than for automobile traffic. The supply of parking spaces is more than adequate.

Interstate highway I-74 runs east and west, south of the city and is not a major local traffic corridor; major north-south streets cross it. The Vermilion River, North Fork River

*It is possible that these vehicle ownership rates are somewhat overstated, due to the exclusion from the sample of households without telephones.



FIGURE 3-3.
LUNCHTIME TRAFFIC IN DOWNTOWN DANVILLE

and Lake Vermilion all border the developed area of Danville and present natural travel barriers in the area; there are only two roadways which connect Danville to Tilton. In general, Danville's automobile traffic suffers from circulation problems (due to natural and man-made barriers) more than congestion.

3.3.2 Bus Transit

From November 1970 until Phase II began in November 1977, the City of Danville was without regularly-scheduled urban public transit service. Such service had previously been provided by the Bee Line Transit Company, a division of American Transit Corporation of St. Louis, Missouri, but was abandoned in Danville for the same reasons that bus services have been

reduced or abandoned throughout the nation during the past 25 years -- increasing costs coupled with declining patronage and revenues. When the system could no longer operate from passenger revenues, the City of Danville stepped in temporarily with financial assistance. Between August and November of 1970, the City provided about \$9,000 to subsidize the operating losses of Bee Line Transit. However, in November 1970, voters rejected a referendum ballot to establish a three-cent property tax to continue the subsidy program and Bee Line discontinued service. At the time of termination, the company operated eight buses over a series of fixed routes, two of which still paid for themselves. The adult base fare was 25 cents and children rode for 15 cents. A review of Bee Line records indicates that during December 1969 (one year before service was abandoned), over 60,000 fare-paying passengers rode the system. A later attempt by a private operator to run a self-supporting minibus service failed in a matter of months. Many older and handicapped persons found it inconvenient to get in and out of the vans that were used for this service.

Bee Line continued to operate Danville's school bus service under contract to the school system until June 1978, when the School District purchased the school buses and maintenance facility from Bee Line. School bus service for handicapped children was provided under contract by Red Top Cab, using two specially-equipped buses, until June 1978; the School District furnished this service thereafter.

Late in 1973, officials of the City of Danville met with representatives of the Illinois Department of Transportation to discuss methods for restoring transit service to Danville. This eventually led to a federal grant for a transit study and for the preparation of a Transit Development Plan (TDP) to provide comprehensive transit planning. The TDP was finalized in September 1976 and called for the City to apply to the State and Federal

Government for capital and operating funds to support a fixed-route bus system with 10 conventional buses. Public opinion on the part of the citizenry favored some generalized public transit service with subsidy.

While the TDP was being prepared, the City of Danville was approached by UMTA as a potential site for a user-side subsidy/taxi-discount project. Danville prepared and submitted a grant application to obtain the funds for the project, UMTA approved the grant application, and the project became operational in December 1975. Subsequently, in 1977, the results of the taxi project experience and the TDP were combined into an expanded demonstration using the user-side subsidy concept to provide fixed-route transit service for all residents of Danville. The original grant to provide taxi service to elderly and handicapped has been amended to allow for this expanded project to be implemented. This report documents the implementation and operations of this transit service over the two-year demonstration period.

3.3.3 Taxi Service

Taxi companies in Danville are regulated on a franchise basis by the City Council, which approves changes in fares and other items of service.* There are no statutory limitations on either the maximum number of vehicles or the number of companies. The taxi companies operate in the traditional taxi mode with calls being handled by a dispatcher and assigned to drivers. When the demonstration began in November 1977, two taxi companies operated in Danville. Red Top/Yellow Cab Company, with 23 licensed vehicles, carried about 95% of the city's taxi trips. Brown Cab Company, operating with one vehicle, primarily served the Black community; much of its business was prescheduled, repeat patronage. A third company, Courtesy Cab, had ceased providing

* A recent change (October 1979) allows operators to set their own fares, with a City Council veto possible for 14 days.

service in Danville in April 1976 because of continued unprofitability of operation. At that time, Red Top/Yellow Cab* expanded its fleet by seven vehicles to serve trips carried by Courtesy Cab during its two years of operation.

At the beginning of Phase II, a total of 24 licensed cabs for the two companies served a total population of 46,500 in three communities (Danville, Tilton and unincorporated Central Park) over a service area of 15.9 square miles, for an average of one active taxi vehicle per 1938 persons and 0.7 square miles. This coverage was comparable to that existing in communities of similar size as surveyed by the International Taxicab Association, in which there is one licensed taxicab per 1800 persons.³ On the basis of a survey conducted by the City in the summer of 1975, it is estimated that 1.5% of all vehicle trips in Danville were taken by taxi prior to the implementation of fixed-route transit service in late 1977. For people with limited or no access to an automobile, taxis play a more important role. For example, interviews with 3252 of the elderly and handicapped people who signed up for the subsidized taxi project showed that taxis were used for 12% of reported vehicle trips.

The taxi fare system is based on four zones, with a price assigned to each zone. Zone 1 is closest to the downtown area; zone 4 is on the perimeter of the city. (See Figure 3-4.) The fare charged for a trip is that of the higher-priced zone, whether it is the zone of origin or of destination. At the outset of Phase II, the fares were: Zone 1 = \$.85, Zone 2 = \$1.40, Zone 3 = \$1.70, Zone 4 = \$2.00. Two subsequent fare increases are detailed in Section 3.4. Mileage beyond the city limits was charged at \$.40 per mile. Group riding allowed additional passengers at an additional charge of \$.15 per person; there was

*Hereafter, Red Top Cab.

³Economic Characteristics of the Urban Public Transportation Industry, Institute for Defense Analysis for the U.S. Department of Transportation, February 1972, p. 2-39.

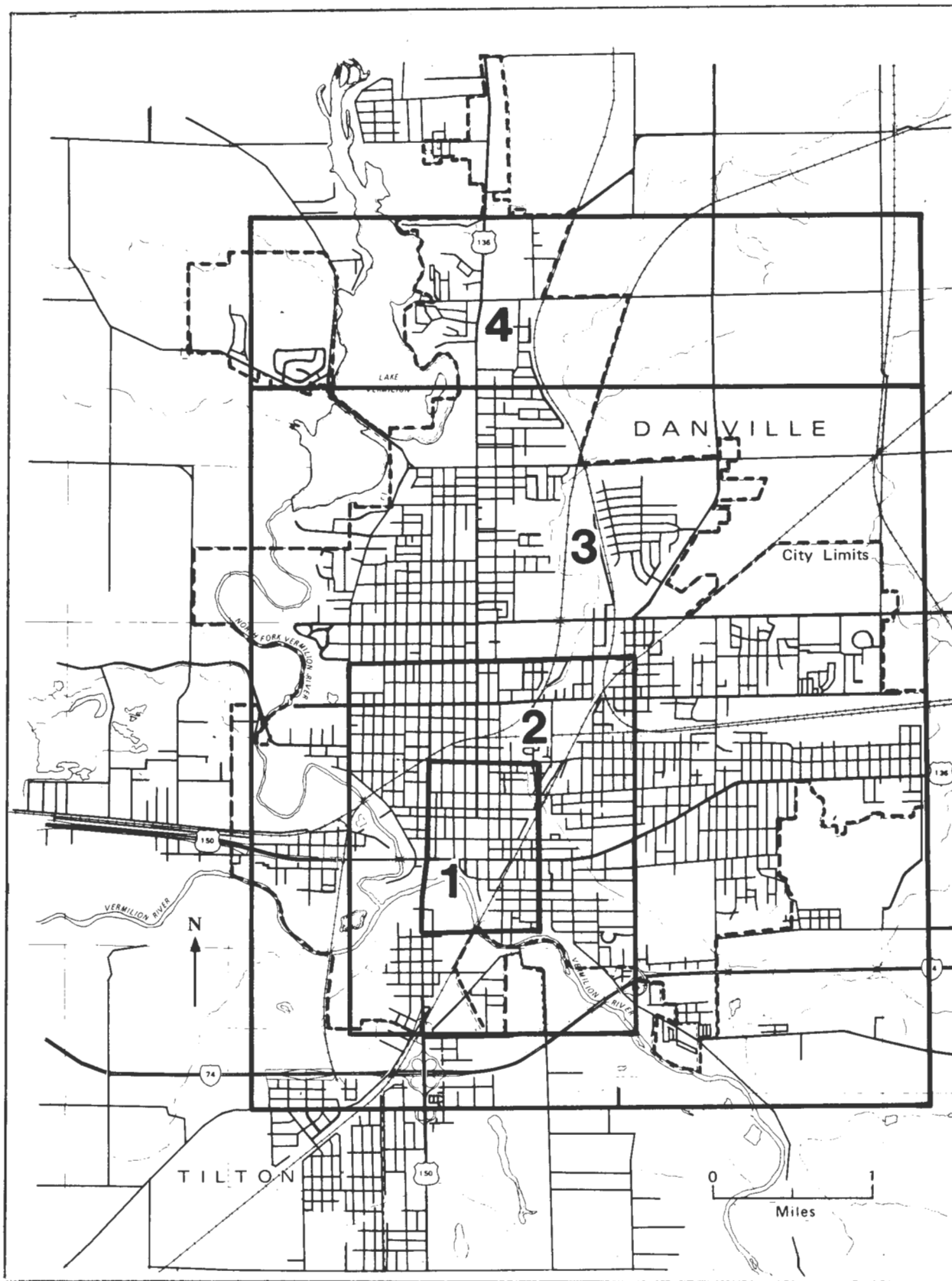


FIGURE 3-4.
TAXI ZONES IN DANVILLE, ILLINOIS

no charge for additional passengers who were under 12 years of age. Drivers were paid a commission of 40% of all fares; under minimum wage laws, Red Top was required to guarantee its drivers \$2.30 per hour, and about half of them received only that.

In early 1974, with the beginning of the energy crisis, the taxi companies received permission from the City Council to introduce shared riding. In this case, each ride is charged the applicable zone fare. The only exception to the rule is that a person may refuse to share a cab if another occupant appears to be intoxicated. Thus, there is both group riding and shared riding in Danville. In the former case, two or more persons ride together from the same origin to the same destination. Any multiplicity of origins or destinations causes the rides to be treated as shared rides and separate fares are charged. Approximately 25% to 30% of all fare trips are shared.*

Data on exclusive and shared rides indicate that shared riding, on the average, increases travel distance by 39% and increases travel time by 47%. The increased travel time for shared rides is due to both the detouring involved and the extra pick-up and drop-off time associated with multiple origins and destinations.** These impacts occur on approximately 25% to 30% of all rides (i.e., those shared).

The average wait time from telephone call for immediate service*** to the vehicle arrival time at the origin was nine minutes; this ranged from one minute to 30 minutes; the median wait time was seven minutes. Loading and unloading time together averaged 2.3 minutes.

*This and all following figures in this section on fares and level of service are the result of analysis of the predemonstration (Phase I) on-board survey conducted in the fall of 1975.

**The analysis assumed that average actual origin to destination distance for shared rides is approximately equal to that for non-shared rides.

***Almost 90% of all requests for service are by telephone and request immediate pick-up as soon as possible; in all other cases, an appointment is made or a taxi is hailed on the street or found at a taxi stand.

The net, direct origin to destination average speed of travel for riders was 18 miles per hour; exclusive rides averaged 20 mph, while shared rides averaged 14 mph when detouring is taken into consideration.

The user-side subsidy/taxi discount demonstration referred to above began operations in December 1975. Under this Reduced Taxi Rates (RTR) Project, persons age 65 and over, and the handicapped, could register with the project and ride taxis for half the usual fare (one-fourth the usual fare until January 1, 1977). Participants signed a voucher for the remaining fare, which the taxi company later redeemed for cash. When the funding under the original grant ran out in August 1977, the City elected not to provide funding to continue the project; however, UTMA decided to allow funds from the Phase II grant to be used for this purpose. The RTR Project continued to operate until June 1978. Chapter 9 contains a more detailed discussion of the RTR Project.

3.3.4 Special Transportation Systems

Prior to the implementation of bus service in Danville in late 1977, approximately 10 social service agencies furnished some form of paratransit service to their clients. For the most part, these services took the form of staff cars, agency-owned vehicles, and purchased taxi and wheelchair van services. The two major providers of special transportation services, Tele-Care and the Danville Township Transportation Service, furnish door-to-door transportation to senior citizens. The impact of the availability of the bus service on the social service agencies and their clients is examined in Chapter 9 of this report.

3.4 EXOGENOUS VARIABLES

This section documents those events external to the demonstration which could have affected project ridership and other

Biting chill again an unwelcome visitor

January 8, 1979

Danville area shivering through another cold January

By DEBBIE BARNES
C-N Staff Writer

Frigid Januarys are becoming "cold" hat for Danville and area residents.

For the third year in a row, the mercury has refused to stay in the mid-thirties, which is considered the normal high temperature for this time of year.

Sunday's high temperature was 20 degrees Fahrenheit (7 below zero Celsius) at Inter-State Water Co.'s pumping station on West Fairchild. The low this morning was 9 below zero F (minus 23 C). That compares to a high of 40 F on the same date last year.

That relatively warm weather a year ago today didn't last long, however.

Two days later, the high temperature was only 7 F (-14 C).

B-r-r-r-r chart

This graph, made up from records kept by Hoopston Weather Observer John Mushrush, shows how much the area has deviated from "normal" temperatures during the last three years:

	1979		1978		1977		Normal	
	High	Low	High	Low	High	Low	High	Low
Jan. 1	33	13	33	12	18	-2	35	19
Jan. 2	14	-7	15	-3	20	3	36	20
Jan. 3	11	-4	22	0	26	17	35	19
Jan. 4	10	2	40	10	28	20	34	17
Jan. 5	11	2	36	31	28	14	34	18
Jan. 6	13	-6	36	31	26	9	34	19
Jan. 7	16	4	40	34	23	-6	34	19

the low was minus 6 F (minus 21 C) and the thermometer didn't register above 28 F for the rest of the month.

That was the story for January 1977, too, one of the coldest on record. That year, the mercury hit 32 F only once — most of the time it

hovered around the teens and mid-20s during the day, plunging to sub-zero temperatures at night.

This January hasn't been quite as cold. But daytime temperatures have been above freezing only once and overnight temperatures have

plunged to subzero readings.

The amount of snow so far this month totals 3.2 inches, according to workers at the Inter-State Water Co. pumping station on West Fairchild. Snowfall in January 1978 totaled about 7 inches.

Sunday's accumulation was 5 of an inch, a water company spokesman said.

The cold is being blamed for minor power outages in the southern part of Vermilion County early this morning.

Residents of Ridge Farm, Chrisman, Indianola, Sidell and nearby outlying areas were without power from 6:45 to 8 a.m. today, according to Tony Lemon, supervisor for Illinois Power.

Lemon said the cold weather caused some transmission lines to snap.

Illinois and Indiana state police said major roads are clear, but secondary roads still have slick spots and some ice.

Danville street crews were out

(Cold, Page 2, please)

measurements taken during the demonstration. The factor most susceptible to quantification is the weather. Danville's "usual" weather patterns are hot, humid and rainy summers, mild spring and fall periods, and cold, rainy, and snowy winters with iced-over streets a common phenomenon. There are seasonal patterns in usage of all forms of transportation in urban areas, volumes generally being highest in winter and lowest in summer. The weather patterns in Danville are seen as an influencing factor in two ways. First, there is the "usual" weather, including seasonal variations, that may have affected project demand. And second, significant changes from the usual weather patterns are seen as an additional exogenous factor that may have further affected project demand. The average high and low temperatures in Danville for each month of the demonstration are graphed in Figure 3-5.

Other exogenous events over this period are listed in chronological order below.

1. April 1978: In the aftermath of severe winter storms, many Danville roads required extensive repairs. Several Runaround bus routes were temporarily altered to facilitate the repair work.

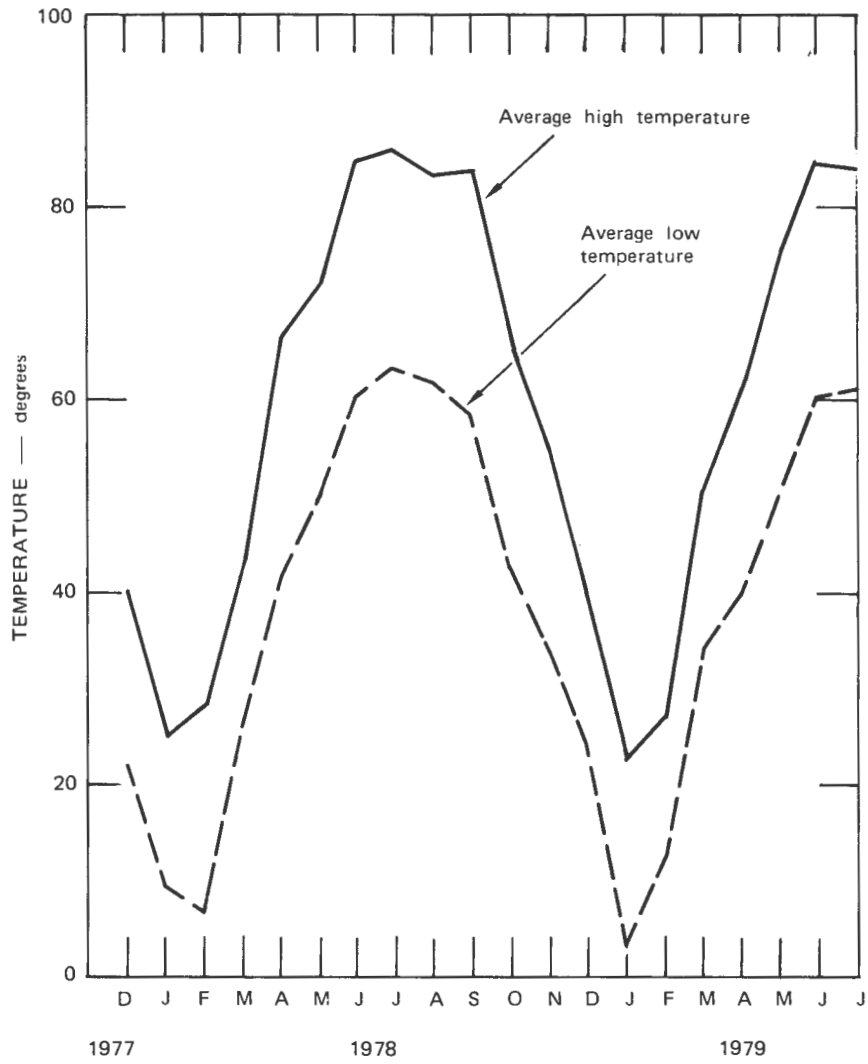


FIGURE 3-5. DANVILLE WEATHER PATTERNS

2. June 1978: The Reduced Taxi Rates (RTR) Program for elderly and handicapped citizens was discontinued. (Chapter 9 examines the impact of this event on program clients.)
3. October 1978: Red Top Cab Company increased regular taxi rates as follows:

	<u>Old Rate</u>	<u>New Rate</u>
Zone 1	\$.85	\$1.00
Zone 2	\$1.40	\$1.60
Zone 3	\$1.70	\$2.00
Zone 4	\$2.00	\$2.25

4. February 1979: Due to mechanical problems with the vehicles, the number of Red Top taxis in operation decreased from 18 to four in late January, to two in February. By March, eight taxis were back on the streets.
5. April 1979: Fire destroyed Red Top's office and garage facilities.
6. May 1979: Red Top Cab Company was purchased from Harold Fries by Mel Wendell, who renamed the company Mel's Red Top Cab. Thereafter, the company operated from the ARCO service station owned by Mel Wendell, who added two new station wagons to the taxi fleet. All vehicles were used to provide Run-around service* as well as regular taxi service.

7. May 1979: The price of gasoline began to rise rapidly; at the same time, many local service stations curtailed their week-day hours and closed on weekends, due to cutbacks in deliveries. Unleaded gasoline was in especially short supply.

Illinois gas shortage should ease in July

Gannett News Service

SPRINGFIELD — Illinois will see a slight easing of the gasoline shortage in July following another weekend of tight supplies and closed stations.

"The trend of the past two months of increasing gas shortages appears ready to change in July," Gov. James Thompson said Thursday.

"We had a 12 percent shortage in June, compared to a year ago. The July outlook is for a 10 percent shortage."

Illinois service stations will receive 389.6 million gallons of gasoline for July, 43 million gallons less than last July, according to the Illinois Institute of

Natural Resources, the state's official energy agency.

Energy officials predicted that adequate gasoline supplies would be available through this weekend, even though seven of every eight stations would be closed in Cook County Sunday and about three of every four would be closed downstate.

"Motorists should continue to restrain their demands at the pumps through Friday and Saturday, because we expect a record number of gasoline station closings on Sunday," Thompson said.

"Nonetheless, we have gasoline for those who need it as long as we don't begin to fill our tanks every time we pass a station.

To help ease shortages this

weekend, energy officials released 8 million gallons of gasoline from its emergency fuel set-aside program this week.

"By the end of June, the entire set-aside will have been distributed either to applicants claiming hardships or to the oil companies maintaining set-asides for distribution to their clients," the institute announced.

Thompson credited motorists with helping to save fuel.

"Illinoisans are driving less and they are driving slower," he said. "We're saving gas as a result."

Illinois Department of Transportation traffic counts, which compared last week to a similar period a year ago, showed

declines in traffic of 28 percent on urban expressways, 13 percent on rural, state and federal highways, and 4 percent on urban highways and main streets.

To help persuade motorists to keep saving fuel, Thompson has ordered the continued strict enforcement of the 55 mph speed limit, with no warning tickets to be issued.

Another factor that apparently is convincing motorists to drive less is the continued rise in the cost of gasoline in Illinois. The cost of most grades of gasoline rose by more than a cent a gallon last week, with one grade increasing by more than 2 cents.

*The Runaround taxi service, introduced in August 1978, is described in Chapter 4.

Friday, June 29, 1979

It's tight here, but fuel is available

- Gasoline crunch choking tourist industry, Page 2.
- Gas or no, some things just can't be canceled, Page 11.

By MARY BETH BALIKA
C-N Staff Writer

Gas will be available this weekend and on July 4, but you may have to do a bit of searching to find an open station.

For what is expected to be the tightest weekend so far for gas-



Gas Gauge

oline supplies, a survey of 25 Danville area stations this morning showed 20 expect to be open at

least some hours on Saturday, with only eight expecting to be open Sunday and five on July 4. One station had not yet decided if it would be open Sunday, with another undecided about Independence Day.

If you are traveling out of town, you can expect a similar — or worse — situation. If you need to find out if gasoline is available in a particular area, you can contact the Chicago Motor Club at 442-1818 or call ahead to friends or relatives for advice.

Holiday Inn also has initiated a program for travelers seeking gasoline information. Motorists may call the toll free number 1-800-238-8000 to receive information on gas availability within a five-mile radius of any Holiday Inn.

8. September 1979: Taxi rates were increased again as follows:

Zone 1 - \$1.75

Zone 2 - \$2.25

Zone 3 - \$2.75

Zone 4 - \$3.25

The charge for additional passengers, with the same origin and destination was increased from 15 cents per passenger to 60 cents for the first and 50 cents for each additional passenger.

TABLE 4-1.
PROJECT MILESTONES

<u>Event</u>	<u>Date</u>
● E & H taxi demonstration (Phase I) began.	December 15, 1975
● City Council voted to seek federal funds for fixed-route transit (Phase II).	April 19, 1977
● City received grant amendment for Phase II	July 25, 1977
● RFP's for the first contract period were advertised and mailed out.	August 25, 1977
● Single contract awarded to ATC.	October 18, 1977
● First contract period service began.	November 25, 1977
● Regular taxi service drastically reduced, due to vehicle breakdowns.	February, 1978
● Second contract period service began; level of service expanded, schedule pulsing instituted downtown, \$.50 coupon introduced.	April 3, 1978
● Federal funding for E&H taxi demonstration (Phase I) ends. City decided not to continue with local funds.	June 30, 1978
● Third contract period began; fixed-route Runaround taxi service instituted.	July 31, 1978
● Taxi fare increased.	October 1978
● Fourth contract period began.	November 27, 1978
● Fifth contract period began; cash fare lowered from \$1.00 to \$.50.	March 26, 1979
● Red Top offices destroyed by fire.	April 28, 1979
● Sale of Red Top Cab vehicles to Mel Wendell.	May 20, 1979
● Mel's Red Top Cab started fixed-schedule, off-peak Runaround taxi service.	June 25, 1979
● Gas prices rose dramatically and supplies were curtailed.	April through June, 1979
● Phase II operational subsidies ended.	July 31, 1979.
● Section 18 and Illinois state funding began.	August 1, 1979

4. PROJECT HISTORY

4.1 PROJECT EVOLUTION

4.1.1 The Danville Transit Development Plan

As discussed earlier, the City of Danville had no regularly-scheduled urban public transportation service from 1970, when Bee Line Transit ceased operations, until Phase II began in 1977. The Transit Development Plan (TDP) prepared for Danville by DeLeuw, Cather and Co. in August 1976 recommended that the City apply to the State and Federal Government for capital and operating funds to support a fixed-route bus system. According to the TDP, 85% of Danville residents surveyed felt that Danville needed a bus system; 33% said they would definitely use such a system, and 36% said they would probably use it. The transit system recommended by the TDP incorporated the following features:

1. Ten buses would serve nine fixed routes, which were designed to provide bus service within walking distance of one-quarter of a mile to 95% of Danville's households.
2. A base fare of 35¢ was recommended; elderly, handicapped, and school-age children would ride for half-fare (two trips for 35¢), and transfers would be free.
3. All routes would originate in the downtown area.
4. No formal bus stops would exist; rather, riders would be able to hail and board buses at any street intersection along the nine routes.
5. The bus system would be owned by the City for the first two or three years; then, creation of a mass transit district would be considered.
6. Anticipated average ridership on the proposed system was 1,400 trips per weekday, half the daily ridership on Bee Line Transit prior to its discontinuation.

7. Based on the recommended fare structure and projected ridership, operating costs for the service during the first year were estimated at approximately \$350,000, \$214,000 of which would be required from the State and the City. Capital costs for the ten buses and related transit equipment were estimated at \$650,000, to be shared by the Federal, State and local governments.

4.1.2 The Demonstration Grant

While the TDP was being prepared, the City of Danville was approached by UMTA as a potential site for a user-side subsidy/taxi discount project. Danville prepared and submitted a grant application to obtain the funds for the project, UMTA approved the grant application, and the project became operational in December 1975. Then, in late 1976, representatives from UMTA and the Urban Institute met again with City officials to propose an alternative to the traditional publicly-owned bus system which had been recommended by the TDP and approved by the City Council. The proposed alternative consisted of an experimental fixed-route transit system based on the user-side subsidy concept. Rather than instituting a City-run bus service or awarding an exclusive franchise to a private firm to provide bus service, the proposed service would be operated by one or more private providers, to be selected on the basis of a competitive bidding process, repeated periodically.

From the City's perspective, one of the main advantages offered by the user-side subsidy system was that it utilized existing transportation providers, thereby avoiding many of the high start-up costs of a new system: e.g., the purchase of vehicles and maintenance facilities; the hiring of drivers, mechanics, and other transit personnel; and so forth. Such a financial investment appeared especially risky in light of the uncertainty and difficulty of predicting ridership levels. The user-side subsidy

scheme offered the City the opportunity to determine which routes and service levels (if any) could be supported by its citizens, without having to establish a permanent City transit system.

From the Federal perspective, the major objective of the proposed demonstration was to test the workability and effectiveness of the user-side subsidy arrangement as a means of developing and operating fixed-route transit. As discussed in Chapter 2, the Danville demonstration constituted the first such application of the user-side subsidy concept.

On April 19, 1977, the City Council voted to seek Federal funds to operate the experimental system proposed by UMTA; and on July 25, UMTA amended the existing grant, then being used to operate the Reduced Taxi Rates (RTR) program.* Under the grant amendment, Danville would receive \$662,787 (later increased by \$220,000) over a two-year period to implement a fixed-route transit system with the user-side subsidy arrangement. In addition, about \$100,000 left over from the original Phase I grant was available for Phase II. The grant included funding for a six-month contract in the amount of \$32,415 with a Chicago-based marketing firm, Unimark International, to create a name and logo for the new bus service, to design the initial marketing campaign, and to develop bid specifications. On the recommendation of Unimark, the system was named "The Runaround."

4.1.3 The Project Design

In early August, advertisements soliciting inquiries from prospective providers were placed in Passenger Transport, Mass Transit, and newspapers in Danville, Chicago, and Indianapolis. Ten firms responded to the advertisements and were sent copies of the Request for Proposal (RFP) on August 25th,** along with a copy of the 1976 Danville Transit Development Plan.

*The two projects funded by the grant operated simultaneously until the RTR Program was discontinued in June 1978.

**Appendix B contains a copy of this RFP.

The RFP asked for bids on fixed-route transit service, to begin by November 15, 1977 (later put back to November 25), and described the following project features:

1. Transportation providers were to be selected on the basis of a formal, competitive bidding process, to be repeated every four months. Thus, in effect, the City would have the opportunity to redesign service every four months, subject to the availability of interested providers. Such redesigns could include reduction or elimination of service on poorly-patronized routes, use of small buses or vans on lightly-used routes, and changes in the level of subsidy.
2. The City had established certain minimum standards (for example, air-conditioned vehicles); however, within those standards, bidders were free to propose any level or type of service they desired. In principle, multiple providers could have contracts simultaneously operating different routes, or the same routes at different times. It is important to note, however, that all transportation providers were responsible for furnishing, garaging and maintaining the vehicles for operation of the service, as well as hiring and training drivers.
3. At the outset of the demonstration, it was planned that the City would announce a subsidy-to-fare ratio for each bidding period; this ratio would form the basis for the payment which each participating provider would receive. Each prospective provider would then propose a complete service plan, or several alternative plans, including routes, schedules, hours of operation and fares. The City was not required to choose the lowest bidder or to implement the exact service plan contained in any of the proposals. To minimize risk to the provider and avoid discouraging potential bidders, providers were guaranteed a minimum payment based on vehicle mileage for the first four-month contract period. Thereafter, the user-side subsidy would take effect: providers would be reimbursed on a per-passenger basis, regardless of vehicle mileage. For the first contract period, the announced subsidy-to-fare ratio was 2:1.
4. Prepaid tickets constituted the primary methods of fare payment as well as the determinant of the amount of subsidy. The City was responsible for selling the tickets to the public at the announced fare. On a weekly basis, the provider would redeem the used tickets for the announced fare plus the agreed-upon subsidy amount.

Elderly and handicapped riders as well as students 18 years old or younger could purchase special tickets at a 50% discount; the providers received full reimbursement for such tickets. Cash fare payments were allowed; however, the City paid no subsidy on such fares. Thus, providers were encouraged to set the cash fare at a level substantially higher than the cost of tickets, in order to encourage use of tickets and to compensate for the absence of subsidy on cash fares. In the RFP issued by the City prior to the first contract period, bidders had a fair amount of leeway in designing the fare structure: for example, zone fares, peak and off-peak fares, and transfer charges were permissible under the terms of the RFP.* However, the City did establish a maximum fare of \$.50, including a \$.10 transfer fee, and a maximum subsidy of \$1.00, for a total maximum per-passenger cost of \$1.50.

5. The City of Danville was responsible for marketing the Runaround system. Providers were not prevented from pursuing independent promotional campaigns; however, the costs of such campaigns, which were subject to City review and approval, were considered an extra which was not included in setting subsidy levels or mileage guarantees. One purpose of having the City assume this function was to give the system a uniform image, even in the event of multiple or changing providers. Also, in order to control the subsidy mechanism, the City had to assume responsibility for marketing the tickets, which were to be sold by local businesses on a volunteer basis, and by the project office at City Hall. Other marketing responsibilities delegated to the City included designing, printing and distributing tickets, maps and schedules; painting (and possibly "unpainting") transit vehicles; designing and placing route markers, bus stop signs, benches or shelters; and conducting advertising and promotional activities to publicize the Runaround system.

Table 4-2 summarizes the responsibilities of the City of Danville and of the transportation providers under the terms of the project.

*To allow for such fare variations, the City planned to print the prepaid tickets in five-cent and ten-cent denominations. However, as will be discussed, this plan proved unnecessary and was changed.

TABLE 4-2 .
PROJECT RESPONSIBILITIES

City of Danville

1. Review service proposals.
2. Award permission to operate routes to selected operators and negotiate service contracts.
3. Market transit service. (The City contracted with an established marketing firm to develop the initial marketing strategy.)
4. Pay for painting vehicles uniform color, and repaint to original colors if utilization in transit services is terminated.
5. Sell tickets to public.
6. Redeem used tickets from operators, calculate subsidy amounts and issue checks on a regular basis.
7. Monitor service.
8. Collect data required by the evaluation contractor.
9. Renegotiate contracts for service.

Transportation Providers

1. Hire and train drivers.
2. Provide vehicles for operation of service.
3. Garage and maintain vehicles.
4. Operate service as specified in contract with the City.
5. Provide information to the City and/or the evaluation contractor as needed.
6. Batch used tickets and transfers by route and by day and submit them weekly to the City for processing.

4.1.4 Start-up Activities

Prospective bidders were given one month to respond to the RFP. Of the 10 firms requesting copies of the RFP, only two submitted bids. The owner of Red Top Cab, the major cab company in Danville, indicated to the City that due to his current financial situation, he was unable to submit a bid for the first contract period, but that he was interested in submitting bids for subsequent contract periods. Several other firms sent letters to the City explaining their reasons for not bidding, which included objections to the project design and the difficulty of setting up operations on short notice. Chapter 5 examines the obstacles to bidding in greater detail.

One of the two bidders was St. Louis-based American Transit Corporation (ATC), which was well-known to the City of Danville and to residents: the bus service which operated in Danville until 1970 was operated by the Bee Line Transit Company, a division of ATC; Bee Line continued to operate Danville's school bus service, under contract to the school system until the summer of 1979. This school bus operation used a large fleet of buses based at Bee Line's extensive maintenance facility in Danville. (See Figures 4-1 and 4-2.) The other bidder was unfamiliar to the City and owned no facilities near Danville.

Although the unit and total costs proposed by ATC were considerably higher than those contained in the other firm's bid, the latter took exception to many details of the RFP--specifically, the concept of multiple providers, the use of prepaid tickets, and the City's role in marketing the tickets and publicizing the transit system. The bid was therefore determined to be unresponsive to the RFP; on October 18, a single four-month contract was awarded to ATC, which offered the advantages of an established reputation as well as a large existing facility in Danville. The contract called for service to begin on November 25, the day after Thanksgiving Day.



FIGURE 4-1. ATC MAINTENANCE FACILITY



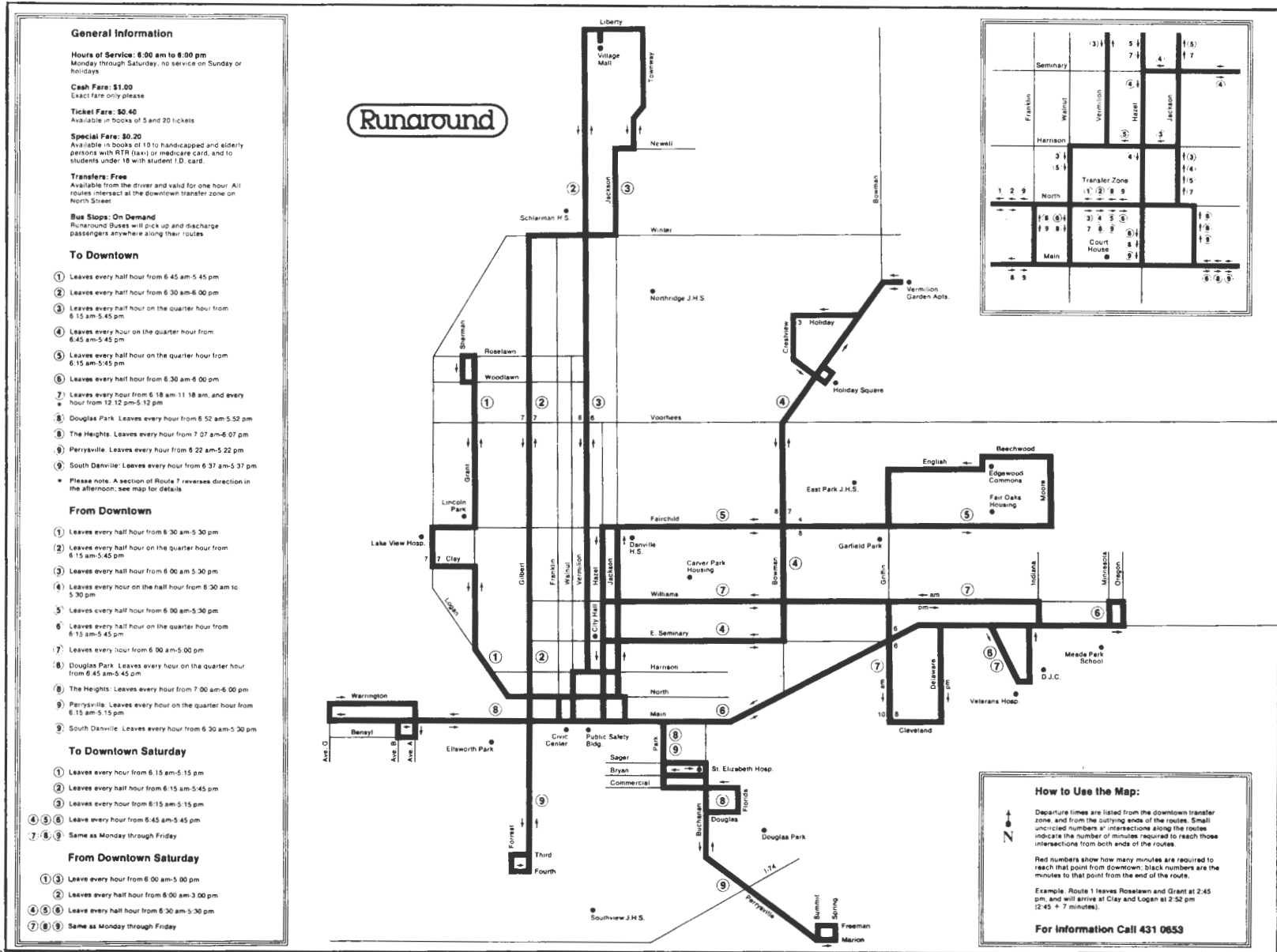
FIGURE 4-2. ATC SHOP

The route structure proposed in ATC's bid conformed closely to the TDP developed for Danville by DeLeuw, Cather & Co.,* as well as to the routes served by Bee Line Transit (operated by ATC) prior to 1970. The initial bid proposed three alternative levels of transit service; the City chose to implement the highest of the three service levels, which used seven 45-passenger buses and two spares to operate eleven routes (see Figure 4-3) from 6 AM to 6 PM, Monday through Saturday. On weekdays five routes would operate on 30-minute headways and six on 60-minute headways; on Saturday one route would run on 30-minute headways and ten on 60-minute headways. All routes would meet on the major downtown street, North Street, at its intersection with the Vermilion Park Mall. To avoid a possible congestion problem, the final schedule which was worked out called for half the routes to leave downtown on the hour or half-hour, and half to leave on the quarter hour.

ATC proposed a flat \$.40 fare for ticket users; riders without tickets could pay \$1.00 in cash, on which ATC would receive no subsidy. Transfers would be free. The price proposed by ATC was \$1.54 per vehicle-mile, including \$.16 per mile (\$20,000) for start-up costs. During contract negotiations it was decided to reimburse start-up costs directly, as separate items, rather than on a per-mile basis. Therefore, the contract specified a mileage guarantee of \$1.38 per vehicle-mile. (ATC was eventually reimbursed for \$32,467 in start-up costs.) At ATC's proposed fare of \$.40 per ticket, the announced 2:1 subsidy ratio produced a total payment per ticket of \$1.20. The city decided to sell half-price tickets at \$.20 to elderly, handicapped, and youth; ATC would be paid \$1.20 for these too, amounting to an effective 5:1 subsidy ratio. In each week,

* As noted earlier, the City enclosed a copy of the TDP with each bid package sent to prospective bidders. Thus, while bidders were technically free to design any type of service, it was expected that bidders would draw heavily upon the TDP, which, in turn, was based upon the route structure operated by Bee Line Transit until 1970.

FIGURE 4-3. RUNAROUND ROUTE MAP - FIRST CONTRACT PERIOD



ATC would receive \$1.38 per vehicle-mile or \$1.20 per ticket, whichever was higher. The final service plan called for 6923 vehicle-miles of service per week, so that ATC would receive the user-side subsidy (per ticket) payments in any week during which average daily ticket-paying ridership exceeded 1327, about the level predicted by the TDP for a similar level of service.* The contract also specified a maximum for user-side subsidy payments of \$249,000, based on a maximum ridership of 2000 per day (about the ridership Bee Line had carried before ceasing operations).

Start-up activities to be reimbursed included repainting ATC's vehicles, relocating and training transit employees, and installing two-way radios in the vehicles. Early in November, arrangements were made to have the buses painted. Bids were solicited, resulting in a purchase order to a firm in Chicago to paint all the buses but one. This one "prototype" was painted by a shop in Danville, with some assistance by the project staff, to have it ready for an official press event. On November 8, officials and members of the press, including television, were met by the bus (an hour late) at City Hall. They then rode to the downtown mall where the Mayor read a speech and the logo panel on the side of the bus was unveiled. Also in early November, ATC hired and began training 20 drivers, 10 of whom were former school bus drivers.

4.1.5 The Ticket Distribution System

In mid-October, City representatives contacted local banks, grocery stores, and other organizations, soliciting their participation in the ticket program for the new bus service. Twenty-six prospective ticket vendors responded enthusiastically, despite the fact that none had seen the materials or accounting

*The TDP predicted 1400 rides per weekday.

procedures involved. The City then designed a vendor ledger form to be delivered and picked up by project staff on a regular basis, while delivering tickets. Chapter 5 examines the ticket distribution and record-keeping system and analyzes the workload imposed upon the ticket sales outlets.

In response to the flat fare structure proposed by ATC, the City decided to sell tickets in books of five and twenty full-fare tickets and ten half-fare tickets. Handicapped persons, seniors 65 years of age or over, and students 18 years of age or younger were eligible to purchase half-fare ticket books; presentation at the outlet of a driver's license, RTR Project card,* Medicare card, or student identification card was required as proof of eligibility for half-fare ticket books. Parents were allowed to purchase half-fare tickets for their children. Children under five years of age could ride the bus at no charge. On November 21, 1977, Runaround project staff made an initial delivery to each sales outlet of 50 ticket books and ledger forms. Many vendors sold all of their inventories on November 25, the first day of bus service. By the end of November, project staff had distributed their entire supply of 3000 half-fare ticket books. Thus, the City was inadequately prepared for the difficulties of administering the ticket distribution system.

4.1.6 The First Contract Period (November 25, 1977 - April 1, 1978)

The new service began without major problems. Minor service problems included occasional vehicle breakdowns, possibly due to bad weather; vehicle delays at train crossings; and vehicle coordination problems, aggravated by the absence of two-way radios in ATC's buses. On December 4, a week after the beginning of service, two routes were modified, and a month later

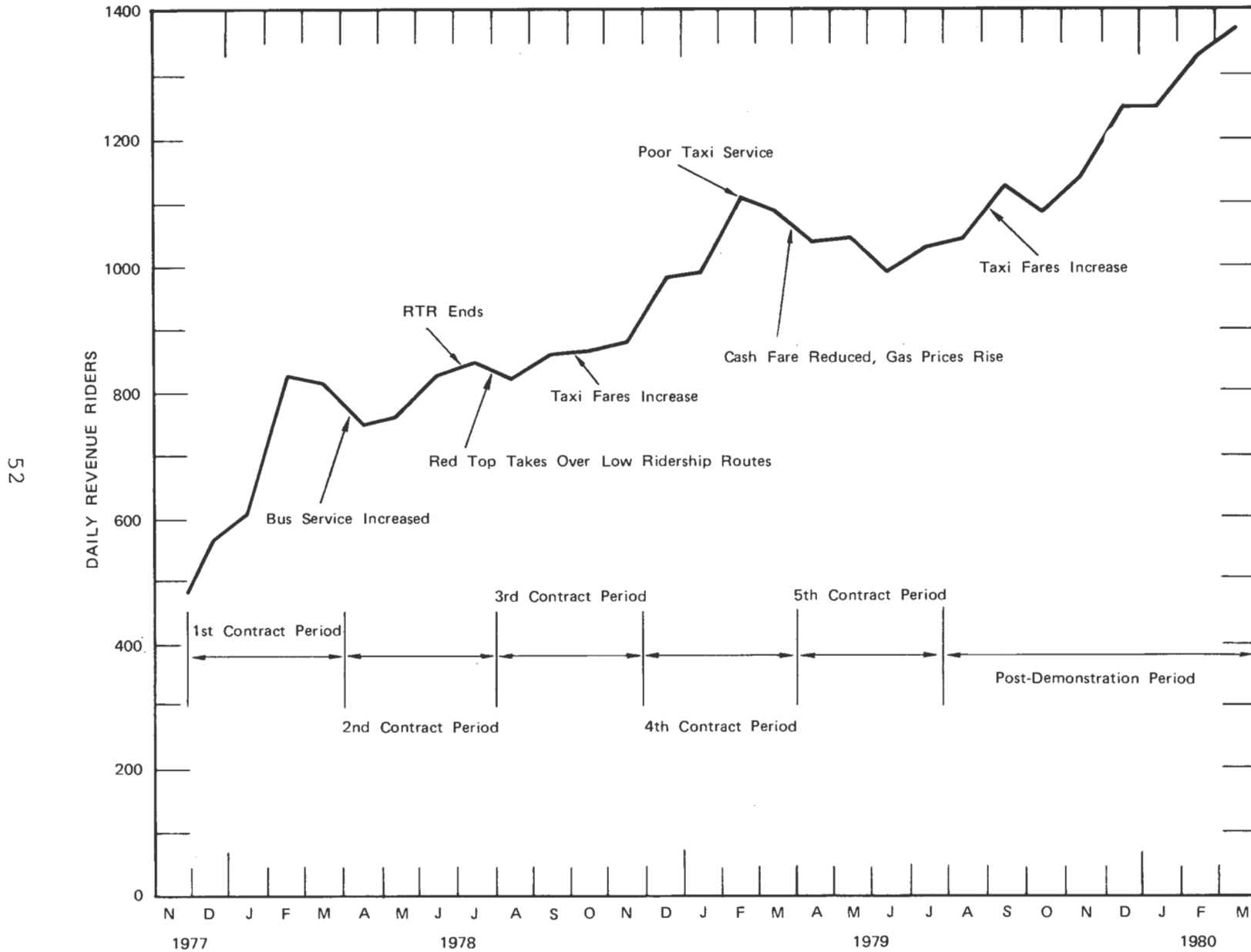
*Any elderly or handicapped person who did not possess an RTR card could apply for a special half-fare card from the City.

three more routes were modified to simplify the routings and eliminate some difficult turns. In late February, ATC finally obtained and installed the needed radio equipment. However, reliability problems continued throughout the first contract period, contributing to uneven service quality in the initial months of service; by afternoon, it was common for buses to run late by 15 minutes or more. Ridership remained low for the first two months of service, and then began to climb (see Figure 4-4). Ridership did not approach the level needed for user-side subsidy (per-ticket) payments to exceed the mileage guarantee.

4.1.7 The Second Contract Period (April 3 - July 29, 1978)

Prior to the second contract period, the City again attempted to induce prospective operators to bid on the Runaround service. Because ridership levels in the first contract period were much lower than anticipated, the guaranteed mileage payment was extended through the second contract period. Copies of a new RFP were sent on January 16 to all those who had requested RFP's prior to the first contract period. Although advertisements were placed in a variety of newspapers and trade journals as before, no new requests for RFP's were received. A bidder's conference was scheduled for late January in Danville; however, no prospective bidders expressed an interest in attending. The second-period RFP explained the policy regarding half-fare tickets and required the use of free transfers. It also made the negotiated arrangement with ATC concerning reimbursement for start-up costs a standard feature, adding it to the list of City responsibilities. Although the RFP stipulated that bids be postmarked by February 3, this deadline was moved to February 6 to compensate for blizzards just prior to the original deadline. By February 7, only two bids had arrived: From ATC and

FIGURE 4-4. AVERAGE DAILY RIDERSHIP BY MONTH



from the other firm which had bid previously. The possibility of having the other firm provide small-bus service on lightly-patronized routes was closely examined. However, following an investigation into this firm's past performance, a single contract was again awarded to ATC. The other firm submitted no further bids thereafter.

ATC's proposal offered two alternative levels of service, both of which would reduce service by dropping low patronage routes. City officials felt strongly, however, that only by increasing system coverage could the Runaround receive a "fair test." Therefore, a contract with ATC was negotiated which called for an increase in weekday service to thirty-minute headways on all routes except one. Schedules were changed so that most buses pulsed at the downtown transfer zone on the quarter-hour, and the hours of service were changed to 6:15 AM to 6:15 PM Monday through Saturday. Although the City had planned to drop one low-demand route, over 200 residents along the route petitioned City officials for continuation of service. As a result, this route was combined with a higher-demand route, and service frequency was increased from hourly to half-hourly service.

At the new service level, ATC's fixed costs were spread over more vehicle-miles, so a lower mileage guarantee payment of \$1.26 per mile was negotiated. The per-ticket payment remained at \$1.20. At the new service level and mileage guarantee, a week's ridership level would have had to exceed 1416 per day in order for the user-side subsidy payment to exceed the guaranteed payment for that week. ATC agreed to deduct cash fare receipts from weekly billings to the City. Previously, ATC had retained the cash fares, which were received as payment for about 4% of all trips at that time. Delays

in negotiating the final contract and the time required to implement changes to the existing service caused the initiation of service under the new contract to be delayed by one week to April 3; the old contract was extended a week.

The changes introduced at the start of the second contract period, plus adjustments

during the first contract period, affected nearly every route in the system. As a result, the system route map and schedule prepared by the marketing firm at the start of the demonstration were completely obsolete. The newspaper carried a series of articles explaining the service changes, and a map of

the new routes appeared as a paid advertisement; however, new route maps or schedules were not available until the end of May.

In April 1978, in response to complaints from the press and the community regarding the steep \$1.00 cash fare, the City introduced a \$.50 coupon to be distributed to all riders paying the cash fare. The coupon entitled the bearer to a \$.50 discount on a book of half-fare or full-fare tickets; the sales outlets were responsible for accepting the coupons as partial payment for the ticket books. Service quality improved significantly during the second contract period. Ridership showed a slow, steady increase, consisting mostly of half-fare passengers. However, it did not approach the level needed for user-side subsidy payments to take effect.

Runaround riders face route revamps

April 1

This is part of a series of stories and maps on changes in the Runaround bus system which will take effect Monday.

Route 7 (Williams) & Route 8b (The Heights)

6:15 a.m. through 5:15 p.m. Monday through Saturday. Previously, the bus has left the downtown on the hour.

The bus will reach the outer end of Route 7 every hour from 6:30 a.m. to 5:30 p.m.

The only change affecting the Vermilion Heights bus (Route 8b) is the scheduling of a special bus on this route at 6:30 a.m. Monday through Saturday to serve those who have to arrive at work early.

Otherwise the bus will leave the north side of North Street every hour beginning at 7 a.m. until 6 p.m. The bus will arrive at the outer end of the route -- Avenue G -- every hour at 7 minutes after the hour.

The Vermilion Heights bus follows North, Gilbert, Main, Avenue G, Warrington, Avenue A, Bensyl, Avenue G, Main, Gilbert and North.

FREE PATTERN WITH purchase of fabric for that pattern. Sat., Sun. only The Thimblefull 17 E. Liberty Lane.

Clarification
Runaround Bus Route Number Three, which will stay the same amid some changes in other routes, will continue to use Seminary to get from Franklin to Vermilion. An incorrect street was inadvertently named instead of Seminary in Friday's Commercial-News.

ST. PAUL SCHOOL
Registration & Open house, Apr 3 through 7 Kindergarten-8th

--Adv. --Adv.

4.1.8 The Third Contract Period (July 31 - November 25, 1978)

The RFP's for the third round of competitive bidding were sent out in early May; as stated earlier, the mileage guarantee was to be dropped in favor of the user-side subsidy arrangement after the first two contract periods. The RFP said it was "the City's current policy" to pay \$1.20 per ticket, but that other payment levels would be considered. In addition to specifying the details of the ticket reimbursement scheme, the new RFP allowed bidders to propose demand-responsive service. The latter feature apparently sparked a fair amount of interest: 25 firms requested copies of the RFP. Interested providers were invited to attend informational meetings in Danville; however, only ATC and Red Top Cab, the local taxi provider, sent representatives.

Wednesday, July 5, 1978

City okays changes in transit system

By DEBBIE BARNES
C-N Staff Writer

The City Council today tentatively approved a new Runaround service schedule but not before pushing for one alteration in the proposed new format for Danville's public transportation system.

The council approved a resolution authorizing its representatives to begin negotiating contracts with American Transit Corp. and Red Top Cab Co. — the two companies which have offered to provide transit service for the four-month period beginning July 31.

The proposed changes in the system are designed to reduce operating costs. They include the use of mini-buses on the Bowman and Williams routes and the use of taxis on a "demand-response" basis on the Perryville Road and South Danville routes, which have had relative-

ly low ridership.

Under the current Runaround format, large buses are used on all routes and all run specified routes at regular intervals. Demand-response means that no vehicle would be sent on a route until a resident telephoned in a request for a ride.

The demand-response taxi service on the Perryville and South Danville routes is what some council members would like to see changed before negotiated contracts are brought back to the council for final approval.

"I'm opposed to sending taxicabs," Finance Commissioner Joseph Huffman said. "In my opinion, if those areas didn't use the service, they should lose it."

But Mayor David Palmer said he wouldn't be satisfied with stopping service altogether on those routes. "There are still some people who want to ride," he argued.

The mayor suggested that taxis be run at regular intervals on those two routes — a proposal that other council members agreed with.

Runaround project manager Dan Bolton agreed to present the council's request to officials of the U.S. Urban Mass Transit Administration who presumably will try to determine an alternative to demand-response service.

The council is concerned about the costs of operating the Runaround because the City of Danville will be required to assume partial operating costs when the special UMTA grant it is receiving for the bus system is all spent.

Bolton said the taxi service would be a way of providing transportation to the low-ridership areas without incurring the cost of constantly running a bus that picked up only a few

riders.

If demand increased with the taxi service as people became accustomed to using public transportation, the route could be changed so some type of vehicle ran it regularly, he said.

Under the proposed changes, American Transit Corp. will continue running large buses on most routes. Red Top Cab Co. will provide the mini-buses and cabs — which cost less to operate than large buses — for the other routes.

Red Top will offer hourly mini-bus service on the Bowman and Williams routes.

With the demand-response service on the Perryville and South Danville routes, residents will be picked up at their door and taken along the established routes to the North

Street boarding zone in downtown Danville. There the customer can go anywhere on the route, stay downtown or transfer to a bus and go elsewhere.

The one-way fare will be the same as that for a bus — 40 cents for adults and 20 cents for children and senior citizens. Riders without tickets would still pay a \$1 fare.

American Transit will receive a \$1.60 subsidy for each passenger. Red Top will receive a \$1.10 subsidy.

Over the four-month period from July to October, the new system is expected to cost \$133,000 — a \$42,000 savings from the cost of \$175,000 during the current four-month period.

Other changes include running an hourly schedule on the Grant Street and Douglas Park routes instead of the half-hour service provided now. The other three Runaround routes will remain as they are.

By the May 30 deadline, two bids were received. ATC proposed a "basic service level" consisting of seven of the original 11

routes; Red Top Cab offered to provide demand-responsive taxi service on six routes, including the four low-demand routes not included in ATC's basic service level. ATC offered options including these routes, but quoted only a cost per mile, without any fixed price per passenger, as would be required under the user-side subsidy arrangement. Table 4-3 lists the productivity figures for all routes during the first two contract periods; as the table shows, the four routes in question (marked by a footnote "a") carried significantly fewer passengers per revenue mile.

Considerable effort was devoted to encouraging Red Top Cab to bid on the Runaround service. When it became clear that ATC service on four of the routes would be prohibitively expensive on a per-passenger basis, Federal monitors aided City officials in devising a service plan whereby Red Top would operate the four routes. The two lowest-productivity routes (routes 8c and 9) would be served by Red Top taxis. It was agreed that Red Top did not have to dedicate the vehicles exclusively to Runaround service, but that all vehicles should display a Runaround sign while serving Runaround routes. It was decided that the other two routes (routes 4 and 7) would be operated by a small van or minibus; Red Top then purchased a 21-passenger minibus, which operated for the duration of the project.

In other words, the decision to serve the less productive routes with minibus and taxi service was not a product of free market forces at work. Rather, the multiple provider arrangement was designed by the Federal monitors and supported by the City; intense negotiations with all parties were required to design an arrangement that was workable and satisfactory to ATC, Red Top and the City.

The bids received at the end of May formed the basis for contract negotiations, which resulted in the following arrangements.



FIGURE 4-5. RED TOP CAB OFFICE



FIGURE 4-6. RED TOP CAB SHOP

TABLE 4-3.

PRODUCTIVITY COMPARISON

<u>ROUTE</u>	<u>PASSENGERS PER REVENUE MILE (Average)</u>	
	<u>First Contract Period</u>	<u>Second Contract Period</u>
1. Grant	.74	.58
2. Gilbert	.66	.72
3. Vermilion	.72	.74
4. Bowman ^a	.40	.41
5. Fairchild	.71	.79
6. Main	.62	.73
7. Williams ^a	.41	.48
8a. Douglas Park	.77	.36 ^b
8b. The Heights	.53	.50
8c. Perrysville ^a	.25	-- ^b
9. South Danville ^a	.30	.33

^a Service on these four routes was transferred from ATC to Red Top Cab prior to the third contract period.

^b Prior to the second contract period, ATC combined routes 8a and 8c and added 24 revenue miles to the combined mileage. The number of passengers per revenue mile dropped accordingly.

ATC operated seven routes from 6:15 AM to 6:15 PM on weekdays and from 8:15 AM to 6:15 PM on Saturdays. On weekdays four of the routes operated on thirty-minute headways and the rest on sixty-minute headways; on Saturdays, two routes operated on thirty-minute headways and the rest on sixty-minute headways. Red Top Cab operated the 21-passenger minibus along two routes on sixty-minute headways, Monday through Saturday at the same hours as ATC's buses. Taxis would furnish fixed-route, fixed-schedule, hourly service on an on-call basis along the remaining two routes. That is, after receiving a call for Runaround taxi service, Red Top would dispatch a taxi along the route at the next scheduled hour. In addition, the taxis would wait at the downtown transfer zone for passengers transferring from other routes at specified times during the day. Taxis providing Runaround service would display magnetic, removable Runaround signs on the sides of the vehicles; and would accept bus tickets, transfers, and cash fares in payment for service. Taxis could operate regular taxi service when not in use for Runaround service.

The fare structure for all routes remained unchanged: ticket fares were \$.40 and \$.20; and the cash fare was \$1.00. By the start of the third contract period, it had become clear that initial forecasts of rapid ridership increases had been unrealistic. Moreover, since service was to be cut back considerably, there was reason to fear a drop in ridership. The drop in ridership at the outset of the second contract period made it seem that any major service change was likely to depress ridership at least temporarily. Thus, in negotiating the per-passenger (or user-side subsidy) payment to be instituted at the start of the third contract period, ATC took a very conservative stance. As the City received no other bids to provide service on most routes, ATC's bargaining position was very favorable. The resulting contract with ATC specified a payment of \$2.00 per ticket collected; Red Top received \$1.50 per ticket.



FIGURE 4-7. THE MINIBUS ON ITS ROUTE

To compensate for the high per-ticket payment, the contracts also specified a maximum payment to each contractor; the providers would receive the negotiated payments up to the limit set by the maximum payment. Trips beyond that limit would not be reimbursed. The maximum payments negotiated with ATC and Red Top were \$130,000 and \$25,500, respectively, corresponding to an average daily ridership of 820 (650 for ATC plus 170 for Red Top). ATC ridership grew, so that the maximum payment was reached about two weeks before the end of the contract period. User-side subsidy payments to Red Top totalled \$15,866.

At the outset of the third contract period, the new services provided by Red Top encountered a variety of difficulties. Due to problems obtaining the proper license for Red Top's minibus, ATC was obliged to provide service along routes 4 and 7 for the first few days of the new contract period. The minibus also experienced some mechanical failures resulting from inadequacy

of the generator. For the rest of the demonstration, ATC provided occasional back-up service on routes 4 and 7, usually on short notice. Some confusion arose over the boundaries of one of the routes served by Runaround taxis; at the outset of the contract period, taxis were mistakenly picking up some passengers along ATC routes.

In addition, the fixed-schedule taxi service did not work as planned. Red Top responded to calls for Runaround service by dispatching a taxi immediately, rather than operating according to the printed schedule. Taxis were not always available at the transfer zone for passengers transferring to routes 8c and 9; when taxis did wait there, they waited at the taxi stand rather than in the bus transfer zone. The magnetic Runaround signs also caused problems. Because they required the drivers to get in and out of the taxis to attach or detach them, some drivers simply left them on the vehicles all day; as a result, prospective Runaround riders were hailing taxis with Runaround signs in areas of the city not assigned to Red Top. After the first few weeks of the third contract period, many drivers stopped using the signs altogether because of the following difficulties: the signs blew off the vehicles on windy days; they were sometimes stolen from parked taxis; and attaching and removing them required too much effort on the part of the drivers.

There was also a problem involving transfers between buses and taxis. Red Top received no subsidy payments for transfers collected, and the taxi drivers received no commission on transfers. Unlike the ATC bus drivers and Red Top minibus driver, who were paid a straight hourly wage, the taxi drivers' income depended on commissions. This situation created an understandable reluctance on the part of the drivers to take Runaround passengers who wanted to pay for their trips with transfers from the ATC bus or the Red Top minibus.

After two months Red Top proposed several changes. Rather than having the taxis wait at the transfer zone at specified times, transferring passengers would call Red Top Cab for service on a free telephone to be installed just inside a large drugstore facing the transfer zone; a taxi would arrive within five minutes of each call. (By this time, the concept of fixed-schedule taxi service had been abandoned.) This suggestion was implemented and publicized in the newspaper and via direct mailings to Danville residents living on or near the two taxi routes. In addition, Red Top began to pay the drivers \$.40 for each transfer received; thereafter, the City received no more passenger complaints regarding the taxi driver's reluctance to accept transfers. In addition, official cardboard Runaround signs for use on the dashboard inside the taxis were delivered to Red Top Cab. Because of these and other problems, Runaround staff postponed promotion of the redesigned Runaround taxi service until midway in the fourth contract period. In the meantime, project ridership on non-taxi routes continued its slow, steady growth.

4.1.9 The Fourth Contract Period (November 27, 1978 - March 24, 1979)

The bidding process for the fourth contract period began on September 12; RFP's were sent to the 25 firms which had requested or been sent RFP's for the previous period. The new RFP dropped the subsidy-to-fare ratio concept in favor of suggesting a total payment per ticket between \$1.50 and \$1.90. As before, the only bidders were ATC and Red Top Cab. ATC's bid proposed a per-ticket payment of \$1.90; throughout October, negotiations continued with ATC to lower the amount of subsidy as well as the maximum payment. Finally, ATC agreed to a lowered per-ticket payment of \$1.85. Red Top's per-ticket payment remained at \$1.50. ATC's maximum payment was increased from \$130,000 to \$138,000,

while Red Top's remained at \$25,500. The new maximums corresponded to an average daily level of 934 tickets (761 for ATC and 173 for Red Top). There were no changes to the hours and frequency of service provided by either operator. For the first time during the demonstration, ridership did not drop at the outset of the new contract period. Rather, it increased, reaching a peak of just over 1000 rides per day. Payments to ATC reached the maximum almost three weeks before the end of the contract period. Payments to Red Top totalled \$17,756.

The fourth contract period was relatively uneventful with the exception of two free-ride Saturdays in December. (These and other promotional activities are described at length in Chapter 5.) Toward the end of the contract period, the number of Red Top taxis in operation decreased sharply, due to mechanical problems; for several weeks in late January and February, there were only four taxis on the street. Taxi service along the two Runaround routes was correspondingly unreliable.

4.1.10 The Fifth Contract Period (March 26 - July 23, 1979)

The RFP for the fifth contract period indicated that used transit vehicles might be available for operators to lease from the City. (These buses had been bought for another UMTA demonstration which had ended.) The RFP also modified the suggested per-ticket payment to be \$1.50 to \$1.80.

The only bidders on the fifth and final contract period were, once more, ATC and Red Top. ATC's bid was for \$1.75 per ticket, Red Top's for \$1.50 per ticket. Following issuance of the RFP, the City and Federal monitors decided that, as a test, cash fares should be subsidized and lowered to \$.50, and the \$.50 coupons discontinued. This undoubtedly influenced the negotiations with ATC which led to an agreement on \$1.65 per passenger. In other words, the City would pay ATC \$1.65 per

ticket, and match each \$.50 cash fare with \$1.15. In Red Top's case, the City paid \$1.50 per ticket, and matched each \$.50 cash fare with \$1.00. Red Top's maximum payment remained at \$25,500, while ATC's was increased to \$142,000, including cash fares.* The hours and frequency of service provided by both operators remained unchanged. The route map and schedule was redesigned. (See Figure 4-8.)

Taxi service was gradually restored during the fifth contract period. Then in April, a major fire destroyed Red Top's office and garage facilities. One month later, in May, Harold Fries sold Red Top Cab to Mel Wendell, who renamed the company "Mel's Red Top Cab" and installed the taxi fleet at the ARCO service station he owned. However, Harold Fries continued to operate the minibus along Routes 4 and 7. In the meantime, the City held another free-ride day and conducted a number of other promotional activities (to be discussed in Chapter 5).

On June 25, Mel's Red Top Cab began hourly fixed-route service along the two taxi routes between the hours of 10 AM and 3 PM; service was provided by a new air-conditioned station wagon. The Runaround office sent flyers to residents along those routes, informing them of the new service.

An increasing number of riders began paying the lowered cash fare. At the same time full-fare ticket ridership was dropping. In retrospect, this latter trend appears to be primarily a seasonal effect, but at the time it appeared to be a shift from tickets to cash. Since ridership dropped somewhat, ATC reached the contract maximum within only one week from the planned end of the contract period. As in previous periods, Red Top did not approach the maximum payment. Total fifth

*I.e., progress toward the maximum was to be computed at \$1.65 or \$1.50 per passenger regardless of payment method.

FIGURE 4-8.

HOW TO USE THIS MAP & SCHEDULE

For information call 431-0653 or 442-0532
 Departure times are listed from the North Street transfer zone, and from the end points of each route. (See "o" on map.) Examples of midway schedule times are given also.
 Please refer to map below-up for downtown routing.
 Routes with similar color patterns connect. No Transfer Required between these routes.

GENERAL INFORMATION

HOURS OF SERVICE

Monday through Saturday. See schedule. No service on Sunday or holidays.

CASH FARE

\$1.00. Please ask driver for coupon worth 50 cents towards the purchase of RUNAROUND tickets.

FULL TICKET FARE

\$4.00. Available in books of 5 and 20 tickets from stores throughout Danville.

HALF FARE TICKET

\$2.00. Available in books of 10 to handicapped persons over 65 and those under 18 years of age. Drivers license, RTR (Taxi) card, Medicare card or student ID card necessary to purchase these tickets. Tickets for children may be purchased by parents. Children under 5 ride free.

TRANSFERS

Free. Transfers are available from driver when boarding and are valid for one hour. Transfers can be made wherever routes intersect. Transfers can not be used on the same route they were issued. Please note: ALL routes connect with other routes. This means many trips can be made without transferring.

BUS STOPS

RUNAROUND vehicles will pick up and discharge passengers anywhere along the routes. Be sure to wave to the driver so he will stop.

SCHEDULES

1 - GRANT (Remnant House)			
Outbound From	Inbound From	Outbound From	Inbound From
Grant to	Logan to	Grant to	Logan to
North	Fairchild	Roadway	Fairchild
6:15 A	6:22 A	6:30 A	6:38 A
7:15 A	7:22 A	7:30 A	7:38 A
ETC	ETC	ETC	ETC
5:15 P	5:22 P	5:30 P	5:38 P

2 - GILBERT (Remnant House)			
Outbound From	Inbound From	Outbound From	Inbound From
Gilbert to	Gilbert to	K Mart	Fairchild
North	Fairchild	6:15 A	6:20 A
6:45 A	6:50 A	7:00 A	7:10 A
7:15 A	7:20 A	7:30 A	7:40 A
ETC	ETC	ETC	ETC
5:45 P	5:50 P	6:00 P	6:10 P

3 - VERMILION (Remnant House)			
Outbound From	Inbound From	Outbound From	Inbound From
Vermilion to	Village Vermilion to	Vermilion to	Village Vermilion to
North	Voorhees	Mail	Voorhees
6:45 A	6:51 A	7:00 A	7:08 A
7:15 A	7:21 A	7:30 A	7:38 A
ETC	ETC	ETC	ETC
5:45 P	5:51 P	6:00 P	6:08 P

4 - BOWMAN (Prescription Shop)			
Outbound From	Inbound From	Outbound From	Inbound From
Bowman to	Verm. Bowman to	Gardens	Fairchild
North	Fairchild	6:15 A	6:22 A
6:45 A	6:53 A	7:00 A	7:08 A
7:15 A	7:23 A	7:30 A	7:38 A
ETC	ETC	ETC	ETC
5:15 P	5:22 P	5:30 P	5:38 P

5 - FAIRCHILD (Prescription Shop)			
Outbound From	Inbound From	Outbound From	Inbound From
Fairchild to	Moore to	Fairchild to	Moore to
North	Bowman	Beechwood	Bowman
6:15 A	6:23 A	6:30 A	6:34 A
6:45 A	6:53 A	7:00 A	7:04 A
7:15 A	7:23 A	7:30 A	7:34 A
ETC	ETC	ETC	ETC
5:45 P	5:53 P	6:00 P	6:04 P

6 - MAIN (Prescription Shop)			
Outbound From	Inbound From	Outbound From	Inbound From
VA Bldg	Griffin	#8	# Main
North	# Main	6:15 A	6:21 A
6:45 A	6:51 A	7:00 A	7:04 A
7:15 A	7:21 A	7:30 A	7:34 A
ETC	ETC	ETC	ETC
5:45 P	5:51 P	6:00 P	6:04 P

7 - WILLIAMS (Prescription Shop)			
Outbound From	Inbound From	Outbound From	Inbound From
Williams	Cannon	Williams	Cannon
North	Griffin	6:45 A	6:53 A
7:45 A	7:53 A	8:00 A	8:08 A
8:45 A	8:53 A	9:00 A	9:08 A
ETC	ETC	ETC	ETC
5:45 P	5:53 P	6:00 P	6:08 P

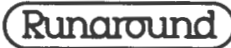
8 - DOUGLAS PARK (Prescription Shop)			
Outbound From	Inbound From	Outbound From	Inbound From
Douglas Park	Florida	Douglas Park	Florida
North	Florida	6:45 A	6:52 A
7:45 A	7:52 A	ETC	ETC
5:45 P	5:52 P		

9 - HEIGHTS (Remnant House)			
Outbound From	Inbound From	Outbound From	Inbound From
Heights	Warrington	Heights	Warrington
North	6 Ave G	7:00 A	7:07 A
8:00 A	8:07 A	ETC	ETC
6:00 P	6:07 P		

10 - PERRYVILLE (Prescription Shop)			
Outbound From	Inbound From	Outbound From	Inbound From
Perryville	Trailer Court	Perryville	Trailer Court
North	only	6:25 A	6:35 A
ETC	on	7:25 A	7:35 A
5:25 P	call	ETC	ETC
		5:25 P	5:35 P

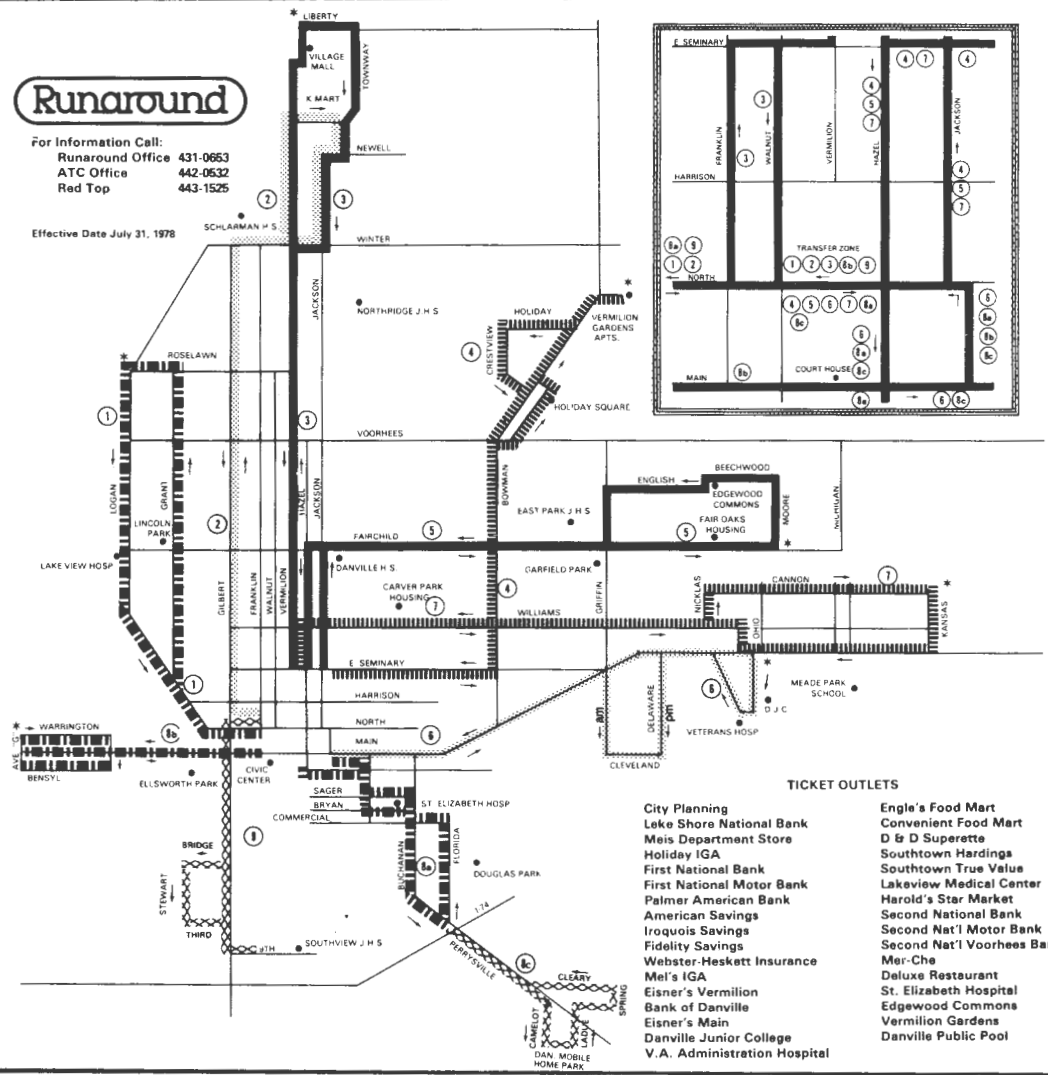
11 - SOUTH DANVILLE (Remnant House)			
Outbound From	Inbound From	Outbound From	Inbound From
South Danville	Southwest	South Danville	Southwest
North	at High	6:25 A	6:35 A
ETC	call	7:25 A	7:35 A
5:25 P	call	ETC	ETC
		5:25 P	5:35 P

NOTE
 Routes 8, and 9 are operated only when a request is made for service. To request service call 443-1525. Talk operator you want Runaround Service and the intersection along the route where you will wait. Service will be operated only once each hour at the scheduled times.
 Cabs will be available at the North Street Transfer Zone for return trips.
 *Will not run on Saturdays



For information Call:
 Runaround Office 431-0653
 ATC Office 442-0532
 Red Top 443-1525

Effective Date July 31, 1978



- TICKET OUTLETS**
- City Planning
 - Leke Shore National Bank
 - Meis Department Store
 - Holiday IGA
 - First National Bank
 - First National Motor Bank
 - Palmer American Bank
 - American Savings
 - Iroquois Savings
 - Fidelity Savings
 - Webster-Heskett Insurance
 - Mel's IGA
 - Eisner's Vermilion
 - Bank of Danville
 - Eisner's Main
 - Danville Junior College
 - V.A. Administration Hospital
 - Engle's Food Mart
 - Convenient Food Mart
 - D & D Superette
 - Southtown Hardings
 - Southtown True Value
 - Lakeview Medical Center
 - Harold's Star Market
 - Second National Bank
 - Second Nat'l Motor Bank
 - Second Nat'l Voorhees Bank
 - Mer-Che
 - Deluxe Restaurant
 - St. Elizabeth Hospital
 - Edgewood Commons
 - Vermilion Gardens
 - Danville Public Pool

period payments for Red Top operations were \$17,698.50. Red Top reported very few cash fares. Unlike ATC, Red Top did not have registering fare boxes, so dealing with cash fares was always a problem. When ATC provided service on the minibus routes, 4 and 7, as back-up to Red Top and in the post-demonstration period, cash fares reported were much higher than under Red Top. Taxi drivers serving the on-call Runaround routes did not generally accept cash fares.

4.1.11 Post-Demonstration Period (July 25, 1979 - June 30, 1980)

As the demonstration period came to an end, the City of Danville submitted applications to the State of Illinois Division of Public Transportation for operating assistance grants under Article III of the Downstate Public Transportation Act, and to UMTA for operating and capital assistance grants

Runaround choices weighed

June 14, 1979
By TIM GREEN
C-N Staff Writer

City officials decided Wednesday to try to keep two private companies in the Runaround business for another year.

That will give the city time to figure out if it wants to run the bus system itself or let a private firm operate city-owned buses, officials said.

Mike Federman, assistant planning director, is to meet with officials of American Transit Corp. (ATC) of St. Louis to see if they are willing to

continue running most Runaround routes at least through June 30, 1980. He will make a similar agreement with Red Top Cab Co., which provides service on a few bus routes.

The federal money which now pays for Runaround will run out later this summer. The city has applied for state and federal grants totaling about \$610,000 to continue the operation for another year.

The City Council has decided to buy buses for the system, but has not decided whether the city should run the system or hire a private firm to manage it.

"For the money we're paying now, we'd be money ahead to put up a garage and run it ourselves," Health Commissioner Gerald Arnholt said.

He said there now is an overlap of services provided by ATC and city officials such as Federman and Dan Bolton, mass transit coordinator.

Federman has said that a city-run bus service would be more expensive than a service operated by a private firm.

ATC, if it agrees to a new contract, would have to get a new garage for its buses, Federman said. Beeline Transit Co. where the buses now are kept, has been bought by Danville School District 118.

In the negotiations with ATC, the city wants to discuss keeping costs down and improving service to certain areas of Danville, Federman said.

"I think we should expect to keep the costs down," he said. "But I don't know if we can."

under the newly created Section 18 of the Urban Mass Transportation Act of 1964.* While waiting for new funding, the fifth period contract was extended from July 23 to August 1; then, during the month of August, the two providers continued to furnish Runaround service under the existing financial arrangements. On September 18, still prior to receiving approval of grants, the City signed contracts with ATC and Mel's Red Top Cab to provide Runaround service, retroactive from August 1, 1979 through June 30, 1980. The contracts stipulated that in the event that the City was unsuccessful in obtaining the necessary

*Section 18 funds are available to public transportation systems in non-urbanized areas.

State and federal funds to operate the transit system, the contracts would be invalid.

Under the new contracts, both providers received \$1.65 per ticket and \$1.15 per cash fare, up to a maximum (including cash fares) \$486,000 for ATC and \$14,000 for Mel's Red Top Cab, over the eleven-month contract period. Under the terms of the contracts, the City or the provider could request revisions to the service plan (including changes in the reimbursement rates) every three months, subject to negotiations and agreement by both parties. If neither party requested such revisions, the contracts were renewed automatically for the next three-month period. (Table 4-4 lists the subsidy arrangement negotiated with providers of Runaround service for each contract period.)

In April of 1979 the Danville School District had voted to purchase ATC's Danville school bus operation. As a result, a new maintenance facility had to be found to house the Runaround operations. The City leased a garage in the downtown area, to which the Runaround vehicles and offices were moved on August 20, 1979. ATC deducts \$1000 per month from its bill to the City as rent on the facility.

In the late fall of 1979, the State and Federal capital grants were approved, enabling the City to proceed with plans to purchase seven 32-passenger buses as well as other equipment. The new buses, originally to be delivered in mid-1980 (following expiration of the present contracts), were more fuel-efficient than those used by ATC; in addition, they would be equipped with wheelchair ramps and lowered front steps. By spring of 1980, delivery was expected in January 1981. It was anticipated that the provider (ATC or its successor) would be required to use the City-owned vehicles, which they would lease from the City for a token payment.

TABLE 4-4.

SUBSIDY ARRANGEMENT

<u>Contract Period</u>	<u>Contractor</u>	<u>Subsidy</u>	<u>Maximum Payment</u>
1	ATC	\$1.38 per mile*	\$175,000
2	ATC	\$1.26 per mile*	\$172,000
3	ATC	\$2.00 per ticket	\$130,000
	Red Top	\$1.50 per ticket	\$ 25,500
4	ATC	\$1.85 per ticket	\$138,000
	Red Top	\$1.50 per ticket	\$ 25,500
5	ATC	\$1.65 per ticket \$1.15 per cash fare	\$142,000**
	Red Top	\$1.50 per ticket \$1.00 per cash fare	\$ 25,500**
Post-demonstration period	ATC	\$1.65 per ticket \$1.15 per cash fare	\$486,000**
	Mel's Red Top	\$1.65 per ticket \$1.15 per cash fare	\$ 14,000**

* Or \$1.20 per ticket collected, whichever amount proved higher. During both contract periods, ATC received the mileage payments.

**Including \$1.50 cash fares.

5. THE USER-SIDE SUBSIDY AND PROJECT ADMINISTRATION

This chapter describes the administrative mechanisms under which the user-side subsidy arrangement was implemented, and analyzes the impact of the user-side subsidy arrangement on the City, on the public, and on the participating transportation providers. Specifically, the competitive bidding and provider selection process, the ticket distribution and reimbursement system, and the fare payment system are examined. Finally, this chapter documents the advertising and promotion activities conducted as well as the labor arrangements in effect during the demonstration period.

5.1 PROVIDER SELECTION AND CONTRACT NEGOTIATION

5.1.1 Provider Selection

Every four months during the demonstration, the City solicited competitive bids to furnish Runaround service. It was clear from the outset that four-month contract periods had some disadvantages. For example: 1) potential bidders might not consider it worthwhile to bid on providing service for such a short period of time; 2) the City would probably end up paying higher, short-term rates for vehicle and facility rents; and 3) frequent bidding would consume a lot of the staff's time. Nevertheless, Federal monitors felt that short contract periods were necessary to provide an adequate opportunity to observe the effects of the user-side subsidy within the two-year demonstration period.

In a sense the four-month periods were a compromise between the City's desire for stable, more-or-less conventional contracts, and the desire on the part of representatives of UMTA and the Urban Institute to maximize opportunities for open entry and service adjustments. An early proposal to the City by UMTA and

the Urban Institute called for three-month contract periods. One Urban Institute representative has expressed the opinion that only very short contracts are needed, and only to provide for a minimum commitment by bidders, thus discouraging non-serious providers. An important related issue is: would such frequent adjustments to service, including possible changes in providers, cause public confusion and loss or ridership? (See Chapter 7.)

The level of City staff effort required by the process of soliciting bids, selecting a provider (or providers) and negotiating contracts varied from contract period to contract period; generally, however, the work tasks proceeded as follows. At least two months before the start of each contract period, the City's project manager prepared the Request for Proposal (RFP) to be sent out to prospective bidders. The initial RFP for the first contract period was modified for each successive contract period; prior to the third contract period, the RFP was rewritten substantially to explain the change in subsidy arrangements from the mileage payments to the user-side subsidy payment. Each RFP outlined the terms of the responsibilities of providers participating in the demonstration, and provided information to aid prospective bidders in designing a service proposal. For the first RFP, the primary aid provided was a copy of the 1976 Transit Development Plan. Subsequent RFP's described the existing service and gave ridership data by route since the start of the demonstration. Appendix C is the RFP for the third contract period. On several occasions bidders' conferences were held to better explain the City's desires for service.

Approximately seven weeks before the start of each contract period, advertisements soliciting inquiries from prospective providers were placed by the City in Passenger Transport, Mass Transit, and newspapers in Danville, Chicago and Indianapolis.

The City mailed copies of the RFP to responding firms, who were usually given one month (but sometimes, only two to three weeks) to submit proposals.

When the proposals arrived in the City offices, the project manager examined the proposed route structures and costs in preparation for contract negotiations. As documented in Chapter 4, the City never received more than two proposals to provide Runaround service. Prior to the first two contract periods, the City had to evaluate the proposals of the two firms submitting bids. This process is described in Sections 4.1.4 and 4.1.7. Thereafter, provider selection was not an issue, since the two companies bidding on the service--ATC and Red Top--were proposing to provide complementary services. This complementarity was the result of pre-proposal discussions between the City and the two companies.

After receiving each provider's bid, preliminary discussions with the bidders were conducted by telephone; then, City staff met with each bidder to negotiate the final contract terms. Over the course of the five contract periods, ATC representatives from St. Louis visited Danville three times; Danville staff attended contract negotiations with ATC management in St. Louis twice.

When the City and the bidders had reached an agreement on the level of service to be provided and the subsidy payments to be received by each operator, City staff prepared a resolution authorizing the Mayor of Danville to enter into the contracts with the operators. The project manager presented the resolution to the City Council, along with the details of the proposed service plans, route changes, and monies involved. Upon Council approval of the resolution, contracts were prepared by the City staff, aided by the City attorney, and sent to UMTA for approval. In the meantime, the new service plans and subsidy arrangements

were publicized by the local press, and the City often ordered new route maps and schedules for the new contract period. Generally, contracts with ATC (and Red Top, for the last three contract periods) were signed two or three weeks before the start of the new contract period; however, in one instance, service began before the contract was signed. The contract was then signed and postdated.

According to estimates by City staff, the project manager spent approximately 40 to 50 hours per contract period on preparation of the RFP, analysis of the proposals submitted, contract negotiations, and Council presentations. Other City staff time devoted to placing advertisements, retyping and mailing the RFP, and answering inquiries regarding the RFP totalled approximately 30 to 35 person-hours per contract period. Thus, the entire competitive bidding process consumed roughly 70 to 85 person-hours of City staff time for each contract period during the demonstration. Chapter 4 described in detail the bidding process, negotiations, and contractual arrangements which took place for each of the five contract periods.

5.1.2 The Subsidy Level

The original plans for Phase II of the Danville project included the concept of a "subsidy-to-fare ratio" to be set by the City at the outset of each bidding period. The purpose of the subsidy-to-fare ratio, as envisioned in the original project design, was to indicate to prospective bidders the subsidy level at which the City was willing to support transportation service. Each bidder would then propose a fare structure and service plan based upon his estimation of project ridership and of the profit level at which the operator was willing to furnish service.

In practice, the subsidy-to-fare ratio proved too cumbersome a concept, and was replaced by a negotiated payment per rider, covering both fare and subsidy. In the first two contract

periods, the subsidy-to-fare ratio was set at 2:1, at which rate payments under the user-side subsidy would always have been much less than the mileage guarantee. The RFP for the third contract period repeated the 2:1 ratio (5:1 for half fares), but left the door open for different rates.

Both bidders found it easier to simply specify the total desired payment per ticket--\$2.00 for ATC and \$1.50 for Red Top. Since the City, not the providers, received the fare revenue from the ticket outlets, the proportion of fare to subsidy was of little importance to bidders. This was especially true since it was more or less understood that the full fare was to stay at 40 cents. When cash fares were lowered for the fifth contract period, it was the City staff who set the new cash fare at 50 cents. Moreover, the City requirement for half-fare tickets would result in different subsidy-to-fare ratios for the two ticket types, whereas the total payment per ticket would be the same. In subsequent biddings, the total payment per ticket was adjusted each time, in some cases following a period of intensive negotiations, while fares remained constant.

5.1.3 The Contract Maximum

Each contract with ATC and Red Top specified a maximum payment to the operator, as noted in the previous discussion in Chapter 4; trips provided beyond the specified limit were not reimbursed. The per-ticket payment received by each operator during the last three contract periods was designed to cover the cost of providing service as well as to furnish a reasonable profit to each operator; thus, the contract maximum was designed to allow for the possibility that the providers' profits would be far higher than anticipated. In theory, the maximum payment should be very high and thus, almost impossible to attain at projected ridership levels and a projected operator profit margin of, for example, 10-15%. Thus, on

one hand, the high maximum should serve as an incentive for the operator to increase ridership by furnishing high-quality service. On the other hand, it is designed to function as a safety mechanism in that it limits the City's liability in case of unusual ridership growth. It should be noted that most public bodies, including the Federal Government, cannot legally enter into open-ended contracts; thus, the maximum payment was an administrative necessity. It also offers potential advantages to the City in conducting contract negotiations with transit providers: if an operator furnishes a conservative ridership estimate and thus, negotiates a high per-ticket payment, the City can lower the maximum payment, thereby reducing potential profits to the operator. The reverse may also hold: the City may offer to increase the maximum in order to negotiate a lower per-ticket payment.

In general, ATC took a very risk-averse position. ATC always assumed ridership could stay constant or even fall, and therefore insisted on high per-ticket payments for the three contract periods during which the user-side subsidy arrangement was in effect. The City, therefore, had to protect itself from high costs in case ridership grew, as hoped for and expected. It did this by setting the maximum payments at levels which were attainable at the negotiated per-ticket rate with little or no ridership growth. Figure 5-1 shows the average daily subsidized trips* provided by ATC each month, and the average number of subsidized trips per day corresponding to the maximum payments, for the last three contract periods. Note that for the three contract periods, ATC's daily ridership was over that needed to reach the contract maximum; and, in fact, ATC reached the contract maximum before the end of each of the three final contract periods.

*For the fifth contract period, cash fares are included.

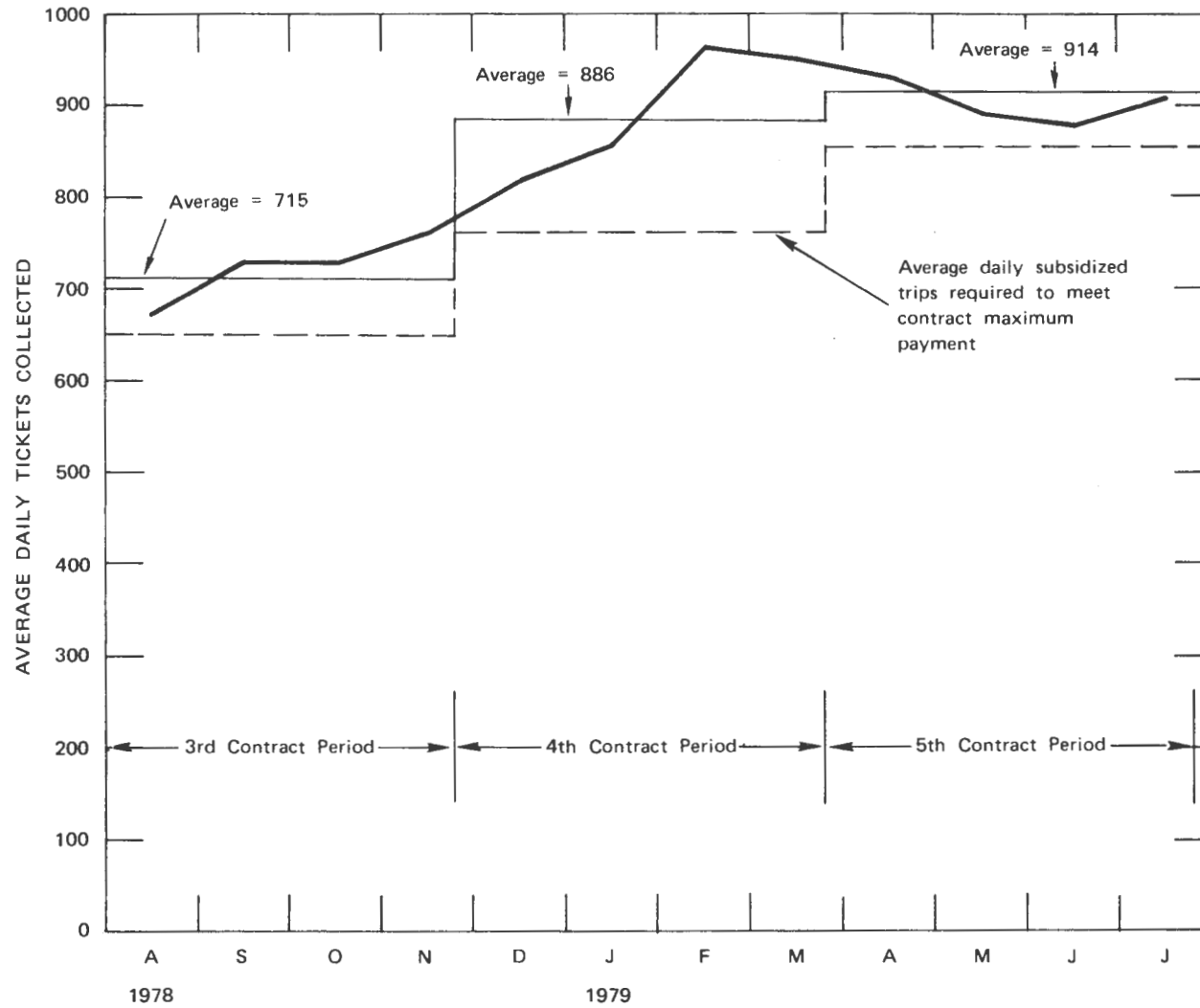


FIGURE 5-1. AVERAGE DAILY SUBSIDIZED TRIPS PROVIDED BY ATC (CONTRACT PERIODS 3, 4 AND 5)

It turned out then that the user-side subsidy mechanism of reimbursement had little relevance to ATC, which received--in effect--a fixed amount of money to furnish service during each contract period. To be sure, in the early weeks of each contract period, ATC did not know for certain that ridership levels would cause the maximum payment to be reached. Since the maximum was so low, however, the user-side subsidy arrangement can, at best, be credited with adding to ATC's motivations to maintain sufficient service quality to prevent great losses in ridership.

The other provider, Red Top, never reached the contract maximum and thus operated under the user-side subsidy arrangement for three contract periods. However, due to a multitude of factors, the service furnished by Red Top was of inferior quality to that of ATC; correspondingly, ridership on the routes served by Red Top remained low throughout the demonstration.

5.1.4 The Lack of Effective Bidding Competition

At no time did more than two firms bid on providing Run-around service. This might be taken to indicate a lack of potential competition for service under a user-side subsidy arrangement. In order to determine the reasons behind the lack of actual competition, in May of 1979, during the fifth contract period, the City of Danville sent a mailback questionnaire to 28 firms which had requested copies of the RFP to furnish Runaround service over the course of the demonstration, but had not submitted bids. The purpose of the survey was to determine the main reasons why the firms chose not to bid on the service. (The cover letter and questionnaire are contained in Appendix I of this report.) In addition, several firms sent "no bid" letters in response to RFP's. Two of the more interesting letters are reproduced in Appendix K.

Fifteen firms responded to the survey, with filled-out forms or letters, including the other firm which submitted bids to furnish Runaround service prior to the first and second contract periods. The firm which was not selected responded with a letter which reiterated the firm's objections to the project design and stated that bad recommendations unfairly jeopardized the firm's chances to operate the Runaround. The firms were asked to check all project features which were important factors in their decision not to bid; many checked more than one feature. The frequency distribution of their responses is shown in Table 5-1.

TABLE 5-1.
NON-BIDDER RESPONSES

<u>Service Feature</u>	<u>#</u>
Limitation of contracts to four-month periods	11
Unfavorable competitive position with existing provider	5
Possibility of multiple providers	3
The subsidy method	3
The level of subsidy	2
Short time allowed to get service started	2
Project location	2
Need to find and set up facility	2
Requirement for use of prepaid tickets	1
City responsibility for marketing	1
Time allowed to respond	1
Two year demonstration grant	1
Size of the system	1
Insurance problems	<u>1</u>
	35

The survey results indicate that the most important factor inhibiting competition was the short contract period. Two firms indicated that two-year contracts would be necessary to induce them to bid. Some comments made about the contract period include:

"Quite frankly, we find the length of the contract, four months, a serious constraint. We see no way we could recover the considerable costs we typically incur during the first months of the contract. . .in so short a time."

"Too short a contract to recoup front-end costs."

"A four-month contract period is inadequate to implement a service and for it to settle into stable operating conditions on which to base an evaluation. . ."

Regarding "front-end costs," only after the first contract period did the RFP's specify that the City would pay for moving vehicles to Danville, for painting the vehicles, and for training drivers. In fact, ATC was paid \$32,467 in start-up costs, including the cost of moving seven buses from Tucson, Arizona and radio-equipping the buses (not mentioned in any RFP). Other providers may not have understood the amount of reimbursement available, or may have felt they would incur considerable costs in non-reimbursable categories. The suggested cost format given in the RFP's did not ask bidders for an estimate of start-up costs.

The second most important problem, according to the survey, was ATC's competitive advantage. However, ATC's involvement in Danville is a matter of history, which could not be changed once Danville was chosen as the demonstration site.* Other aspects of the competitive environment which enhanced ATC's competitive edge could have been changed, at least in principle. In addition to the short contract periods, such aspects include

*To be fair, its on-going involvement in Danville could also have been a problem for ATC, since the school bus service provided by ATC's Bee Line subsidiary was a matter of controversy throughout the demonstration. Finally, in April 1979, the school district voted to purchase the school bus vehicles and facilities from ATC.

the short time allowed to get service started (one month), the time allowed to respond (one month), and the need to provide facilities and vehicles. One respondent made a strong-worded comment which contains these ideas:

"Incumbent or local operator has an unrealistic advantage due to short time and size of system; cost to an outside firm to set up and operate the system under the program (is) too high. It is an ideal arrangement for keeping outsiders out."

Longer response times and start-up times ought to be feasible in a new application, especially if longer contracts are used. One model for longer contracts is the arrangement used for the post demonstration period in Danville: a long-term contract subject to frequent renegotiation at the request of either party (see Section 4.1.11). The city or other local authority could also provide facilities and vehicles. In Danville, following the demonstration, ATC began leasing a new facility from the City, and, beginning in mid-1981, the City will have its own vehicles. This has the disadvantage of locking providers into one vehicle type, without the possibility of using more efficient vehicles on certain routes.

Three firms objected to the possibility of multiple providers, which was, however, considered an essential part of the demonstration concept. Likewise, the three objections to the subsidy method appear unresolvable, unless the problem was inadequate explanation of the concept in the RFP's. This may have been the case, considering the difficulties with the "subsidy-to-fare ratio" concept described previously (see Section 5.1.2). Additional evidence in this regard is the objection by two firms to the level of subsidy. In fact the user-side subsidy level was irrelevant during the first two contract periods (when the mileage guarantee was in force), and subject to negotiation thereafter. Of 11 firms answering the survey question about the clarity of the RFP, four indicated that the RFP's were "very clear," six that they were "fairly clear," and one wrote in that they were "adequate." The

confusing parts of the demonstration design were not a problem for ATC, which was in close contact with the City staff, even during the demonstration design phase, and therefore had a clear understanding of the situation.

It was feared during the design phase of the project that many potential providers would be deterred by the lack of assured funding for transit in Danville following the demonstration. At that time UMTA funding for cities of less than 50,000 population was not available. However, only one firm indicated that the demonstration nature of the funding was a problem. None of the lengthy no-bid letters received mentioned continued funding as a concern.

In summary: in a formal sense, the bidding process was competitive. However, the process failed to foster a truly competitive environment in any of the five contract periods. The prospective bidders were given only one month's lead time to plan service, procure vehicles, establish a maintenance facility, train drivers, and perform related pre-implementation tasks. Thus, ATC maintained a clear competitive advantage over other bidders from the start, by virtue of its existing facility as well as its well-established reputation in Danville. The perceived financial risks associated with the four-month contract period, combined with the competitive advantage maintained by ATC throughout the demonstration, appear to have prevented other firms from submitting bids in response to the RFP's sent out by the City. The removal of the mileage guarantee after the second contract period probably enhanced ATC's competitive advantage, by creating a greater financial risk for new providers. Future applications should use longer contract periods, response times, and start-up times; and should attempt to clear up any possible confusion about the conditions of competition, reimbursement and provision of service. When more conventional services are sought, many firms will bid on the assumption that

points in the RFP which they do not understand can be ironed out in later negotiations. With an unconventional concept this may be less likely.

5.2 THE TICKET DISTRIBUTION SYSTEM

5.2.1 Introduction

At the outset of the demonstration, prior to the first contract period, representatives from the City of Danville contacted local banks, grocery stores, and other organizations soliciting their participation as ticket vendors. Twenty-six potential sales outlets responded enthusiastically to the City's inquiry, although they had not yet seen the materials or accounting procedures involved. Additional outlets began to sell tickets during the first few months of service; by March 1978, tickets were available at 32 locations throughout Danville, including the Runaround office at the City Planning Department. About half the sales outlets were located in the downtown area near the bus transfer zone; most of the rest were located in the area extending three miles north and three miles east of downtown. A handful were located just north and west of downtown (see Figure 5-2). Bright red stickers on their windows identified ticket sales outlets to Runaround passengers (see Figure 5-3). Most outlets also carried a supply of route maps and schedules, displayed in a rack near the ticket sales window or both.

All outlets participated on a volunteer basis. In return, the City offered to furnish advertising space on the buses at no charge to the outlets. Those wishing to utilize the advertising space provided the City with heavy cardboard posters, 11 by 21 inches, which were displayed inside the ATC buses. Over the course of the demonstration, approximately 20 outlets took advantage of the City's offer.

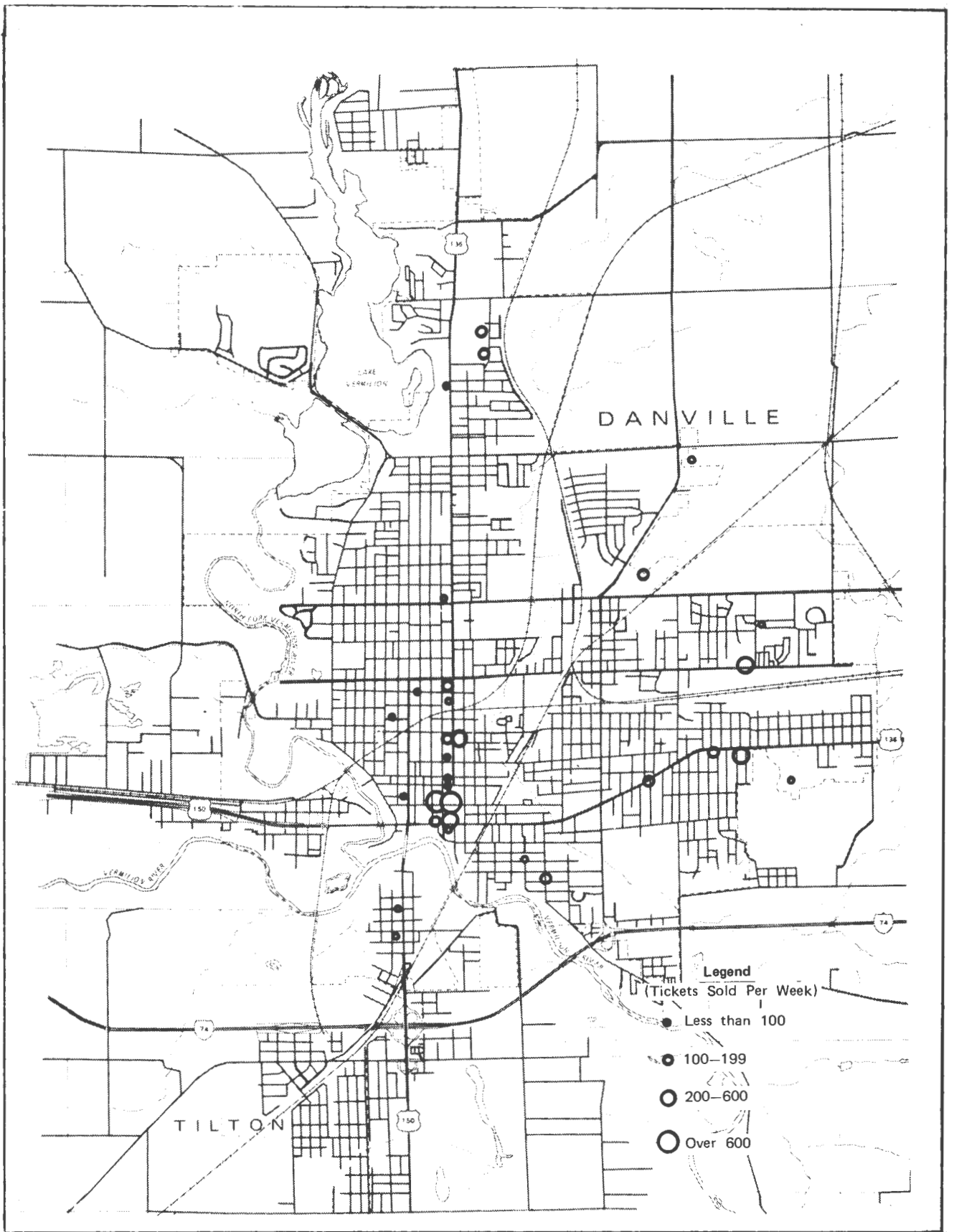


FIGURE 5-2. TICKET SALES OUTLET LOCATIONS



FIGURE 5-3.
TICKET OUTLET WINDOW STICKER

5.2.2 Vendor Responsibilities

Most outlets sold all three types of Runaround ticket books: books of five and twenty full-fare tickets, which cost \$2.00 and \$8.00, respectively; and books of ten half-fare tickets, which cost \$2.00. The denominations and prices of the ticket books remained the same throughout the demonstration. Figure 5-4 shows the entire contents of a Runaround ticket book. As the figure shows, each ticket book had a two-part stub on the front, to be completed at the time of purchase with the purchaser's name, address and telephone number. The stubs were included primarily for evaluation purposes, e.g., surveys, and as an anti-fraud measure, to make it difficult for providers to purchase tickets in bulk. On one

Runaround

Name _____

Address _____

Phone _____

5 Tickets/\$2.00
For Information
Call 431 0653
A000427

Runaround

Name _____

Address _____

Phone _____

5 Tickets/\$2.00
For Information
Call 431 0653
A000427

A000427	A000427	A000427	A000427	A000427
Runaround	Runaround	Runaround	Runaround	Runaround
1	1	1	1	1
Full Fare	Full Fare	Full Fare	Full Fare	Full Fare
City of Danville	City of Danville	City of Danville	City of Danville	City of Danville

DANVILLE

Runaround

400 North Hazel
Danville, Illinois 61832

Name _____

Address _____

Phone _____

To Reorder:
Send Check
or Money Order

For Information
Call 431 0653

FIGURE 5-4.
RUNAROUND TICKET BOOK

occasion, the City did use the stubs to send revised Runaround schedules to current bus riders. In the case of multiple purchases, the outlets generally asked the purchaser to complete one stub; the other, blank stubs were then stapled or clipped to the completed stub. The top part of the form was torn off and held by the ticket sales outlets to be turned in to the City along with the money collected. The second part, also the book cover, stayed with the purchaser; in theory, it served as a receipt which the purchaser could use to get a replacement for a lost ticket book. Both parts of the receipt form and every ticket in the book were imprinted with a sequence number; all the tickets in one book had the same number. The number consisted of six digits, with a letter prefix that identified the book type.

The sales outlets were required to keep records of ticket sales and returns; for this purpose, the City designed a vendor ticket sales form to be delivered and picked up by Runaround staff with each bi-weekly delivery of tickets. (Figure 5-5 is a copy of this two-page form.) In addition to recording the number of ticket books sold and their dollar value, sales outlets were responsible for collecting and honoring \$.50 coupons. During the second through fourth contract periods, coupons were distributed by the bus drivers to passengers paying the \$1.00 cash fare; each coupon entitled the passenger to a \$.50 discount on a book of Runaround tickets. The dollar value of all coupons received by the outlet was deducted from the dollar value of the ticket receipts collected by the outlet and recorded on the vendor ticket sales form, yielding the net amount of money owed to the City by the outlet.

Every two weeks --and often, more frequently-- a Runaround representative visited each outlet to deliver a new supply of ticket books and to count and collect the ticket stubs, coupons and cash from the sale of ticket books: in most cases, the cash received by the outlets balanced with the net value of the

RUNAROUND TICKET SALES
431-0653

Beginning Date

Ending Date

Vendors Name: _____

ID Number _____

Vendors Address: _____

Phone _____

	\$2 Reg. A	\$2 Reg. B	\$2 Spec. C	Sellers Initials	Total amount of Sale
Beginning Inventory (Quantity)					
Date of Sale					
Sub Total					

FIGURE 5-5.
VENDOR TICKET SALES FORM

Sub Total Cont'd				
Total Sold				
Remaining Balance				
Am't Books Replenished				
New Beginning Inventory				
Computation of Dollar values				
Amount due Runaround				
Books Returned				
Books Unaccounted				

Amount Due \$ _____

Amount Paid \$ _____

Date _____ Check Cash

Vendor's Signature _____

City Representative _____

FIGURE 5-5 Cont.
 VENDOR TICKET SALES FORM

ticket stubs less the value of the \$.50 coupons collected. The Runaround representative then recorded all of the above information on a Runaround receipt form (see Figure 5-6), counted the remaining inventory of tickets at the outlet, added the new delivery, and recorded the new beginning inventory of each ticket type on the sheet. She and the vendor each signed the sheet; the vendor kept one copy, and the other was filed at the City offices.*

If the ticket sales represented by the stubs and the cash received from the outlet did not balance, the City's records were checked for discrepancies. In most cases, the outlet was at fault. Most of these outlets cooperated by paying the difference, which rarely exceeded a few dollars.

In sum, the responsibilities of ticket sales outlets during the demonstration included the following:

1. To request appropriate identification from persons wishing to purchase half-fare ticket books (as discussed in Chapter 4);
2. To ensure that the purchaser's name, address and telephone number were recorded on the ticket stubs, and to collect all stubs;
3. To record, on the vendor ticket sales form, the number and dollar value of all ticket books sold;
4. To redeem and collect the \$.50 coupons;
5. To collect and store the cash received from ticket book sales;**

*This procedure was changed and substantially simplified in May 1979.

**Outlets were not authorized to accept personal checks for bus tickets. However, all outlets could accept CETA checks which had been signed by the purchaser.

RUNAROUND RECEIPT

Beginning Date

Ending Date

Vendor's Name

I D Number

	\$2 Reg."A"	\$8 Reg."B"	\$2 Spec"C"	Value
Beginning Inventory				
Books Sold				
Balance Remaining				
Am't Books Replenished				
New Beginning Inventory				
Books Returned				
Books Unaccounted				

Amount Due: \$ _____ Check
 Coupon Value _____ # _____ Cash
 Amount Paid: \$ _____

Date: _____

Vendor's Signature

City Representative

FIGURE 5-6. VENDOR RECEIPT FORM

6. To collect any unused ticket books returned by customers;*
7. To supply the Runaround representative with the ticket stubs, coupons, cash collected, and completed vendor ticket sales form, which was signed by the vendor;
8. To order and sign for the new inventory of ticket books delivered by the Runaround representative (usually bi-weekly); and
9. To telephone the Runaround office if more tickets were needed before the next scheduled delivery.

5.2.3 Vendor Perceptions of the Ticket Program

In August 1978, interviews were conducted with a number of the 35 local businesses and other organizations selling the Runaround tickets. The purpose of the interviews was to document existing procedures for the consignment and sale of tickets; to evaluate the extent to which this service was burdensome to the outlets; and to elicit their comments, suggestions and complaints. In general, the procedures established by the City worked smoothly; with several exceptions, most outlet personnel did not perceive their ticket-related responsibilities as unduly time-consuming or inconvenient.

One of the exceptions was a Veteran's Administration Hospital, where hospital personnel estimated that ticket sales and related record-keeping consumed almost three hours of staff time per day. This seemingly high estimate was partially explained by the fact that many patients buying tickets were handicapped, and therefore unable to complete the name-address stubs; the staff then assumed this additional function. Hospital staff also expressed concern over the security risks posed by keeping the

*Since the name-address stubs on these books had already been used, these books were voided and returned by the outlet to the City.

tickets and cash in an envelope in an unlocked drawer; apparently there was not enough room for them in the hospital safe. Nevertheless, despite these disadvantages, the staff felt that they could continue to sell tickets, thereby furnishing a valuable service to the veterans at the hospital. The other sales outlets indicating that the ticket-related functions were time-consuming tended to serve elderly customers; like the Veterans Administration Hospital, these outlets found that waiting for these customers to complete the name-address stubs, or completing the stubs for the customers, absorbed the most staff time. However, even these outlets expressed overall satisfaction with their responsibilities.

In sum, the system of ticket consignment, sales and accounting worked well for most outlets. While no outlet personnel expressed the belief that the outlet had gained patronage as a result of participation in the Runaround program, all of those interviewed cited convenience to customers as well as community service as advantages associated with ticket sales. In addition, all outlet personnel were enthusiastic in their praise of the service they received from the City.

5.2.4 Administration of the Ticket System

The process of consigning and delivering Runaround tickets to the 35 sales outlets entailed the following procedures. First, the Runaround staff person responsible for administering the ticket program telephoned a contact person at each outlet to assess ticket needs once every other week; this contact person then ordered a specific number of each type of ticket book. The Runaround representative then delivered the requested tickets to the outlets the following week. Ideally, she would service outlets on only two days over a two-week period; in practice, however, she generally made additional deliveries to outlets which called the Runaround office to request more tickets before the two weeks had elapsed.

Prior to delivering the ticket consignments to the outlets, the consignment to each outlet was recorded in a ledger labeled "Ticket Sequence Issued." For each consignment, the ledger showed the name of the outlet; a two-digit outlet identification number; the date; the serial numbers of the tickets consigned, by type of ticket; and the total number of tickets consigned. Then, the consigned tickets were placed in a large envelope along with the vendor ticket sales form shown in Figure 5-5. The outlet's name as well as the number and types of tickets delivered were marked on the outside of the envelope.

Then, the Runaround representative delivered the ticket consignments to the outlets. At each outlet, she counted the ticket stubs, coupons, returned ticket books and cash collected, balanced the account; counted the remaining ticket inventory; and completed the receipt form shown in Figure 5-6. Midway through the demonstration, the City sent a letter to all outlets requesting ticket payment by money order or check rather than cash, thereby reducing the security risks to the Runaround staff member of carrying large amounts of cash. Several outlets apologetically refused, citing the impracticality and inconvenience for them of such an arrangement. However, most banks and grocery stores agreed to the new procedure. Thus, the time spent by the Runaround representative at each outlet was further increased, since she had to wait for the outlet personnel to prepare a money order or write out a check. The total time spent at each outlet generally averaged at least twenty minutes, and was often half an hour or more.

After the tickets had been consigned, the stubs, coupons, voided ticket books, and cash or checks were returned to the Runaround office. The cash and checks were delivered to the City's Finance Department which deposited them in the bank daily. The Finance Department then sent the Runaround office a receipt for the cash delivered. The receipt forms completed

at the outlets, the Finance Department receipts and the coupons collected were then filed in the Runaround office by month; the ticket stubs collected were filed by serial number. The book-keeper in the Runaround office then recorded the ticket sale information in three different ledgers:

1. The Sales Ledger, organized by outlet identification number, contained the following data for each outlet: the date, number of tickets consigned by type, number of tickets returned by type (if any), remaining inventory, and the dollar value of the ticket sales after deducting the value of the \$.50 coupons collected.
2. The Revenue Ledger contained the names, dates, and cash amounts received from the outlets as well as the serial numbers of tickets used for promotional purposes (e.g., advertising displays).
3. The Coupon Ledger contained the date and serial numbers of all \$.50 coupons which ATC and Red Top Cab had in stock for distribution to cash paying customers; sample coupons were also provided to all ticket outlets. Representatives from companies and outlets receiving coupons were required to sign the Coupon Ledger opposite the date and number of coupons received. (When the coupons were discontinued in March, 1978, this ledger was no longer used.)

As the above discussion indicates, the ticket distribution system proved quite time-consuming -- and thus, costly -- to administer. During the first year or so of operations, two project staff members spent at least eight person-days per month on ticket-related activities: e.g., resupplying the outlets with tickets, taking inventory and counting cash at each location, and keeping detailed records of all transactions. Various procedural changes designed to reduce the burden on City staff were introduced midway through the demonstration; for example, outlets were asked to order larger ticket consignments less frequently and to pay by check rather than cash for tickets sold. However, for the remainder of the demonstration period the ticket system continued to absorb a relatively

large amount of staff time: about five person-days per month. No further ways of reducing this amount of time are immediately apparent. While Runaround staff perform a number of functions which could, theoretically, be assumed by outlet personnel (e.g., counting the cash, name-address stubs, and ticket inventories), experience with ticket programs in other cities - Austin, Texas and Phoenix, Arizona - has revealed serious problems in retaining ticket outlets which perceive ticket sales as overly burdensome. In Danville, by contrast, the ticket outlets were generally well satisfied with the existing system.

5.2.5 Outlet Ticket Sales Volumes

The combined sales volume of the 32 ticket outlets (including the Runaround office) averaged approximately \$1500 per week. As already discussed, tickets were sold in books of five and twenty full-fare tickets and ten half-fare tickets. Of the full-fare ticket books, the five-ticket books outsold the twenty-ticket books in a seven-to-one ratio; midway through the demonstration, a few outlets stopped stocking the twenty-ticket book, which sold for \$8.00, because demand for them was very low or non-existent. During the demonstration, the total number of full-fare books sold weekly (including both denominations) was roughly equal to the number of half-fare ticket books sold weekly. Table 5-2 shows average weekly ticket sales data for four groups of ticket outlets. The first group generally sold less than 100 tickets per week;* the seventeen outlets in this group comprised over half the total number of ticket outlets. The second group, consisting of nine outlets, generally sold between 100 and 200 tickets per week. The third group sold over 200 tickets in a

* Note that the figures shown refer to tickets and not ticket books.

TABLE 5-2.
WEEKLY TICKET SALES DATA*

Number of Tickets Sold	Number of Outlets	<u>Total Weekly Sales</u> (dollars) (tickets)		<u>Weekly Sales/Outlet</u> (dollars) (tickets)		Percent Full-fare Tickets Sold	Percent Half-fare Tickets Sold
1. Less than 100	17	\$238	830	\$14	49	43%	57%
2. 100 - 199	9	\$370	1358	\$41	151	36%	64%
3. 200 - 600	4	\$397	1406	\$99	352	41%	59%
4. Over 600	2	\$476	1680	\$238	840	42%	58%
TOTAL	32	\$1,481	5274	\$46	165	40%	60%

*Based on weekly sales data collected for 40 weeks between December 1977 and September 1978.

typical week; this group included the Runaround office, located in City Hall. The Veteran's Administration Hospital, which sold half-fare tickets to ambulatory patients, was also included in this group. Finally, two outlets, the Second National Bank and the Deluxe Restaurant sold over 600 tickets per week. Of the six outlets selling more than 200 tickets per week, three were located very near the bus transfer zone downtown, the City Hall is a few blocks away, and the other two outlets were located on the eastern and northeastern fringes of the city. Figure 5-2 shows the outlet locations by group. Outlets in the lowest-volume group are designated by the smallest circles; the two highest-volume outlets are designated by the largest circles.

5.3 THE TICKET REIMBURSEMENT SYSTEM

5.3.1. Provider Ticket Counts

All ATC buses were equipped with hand-operated mechanical counters, with which the drivers recorded the number of passengers boarding with full-fare tickets, half-fare tickets, transfers, and cash fares. Every time the bus turned around at the end of a route, or passed through downtown and started on a different route, the driver recorded the current totals of the four counters on a "paddlesheet" showing the route number and time the bus was scheduled to be at the point of the reading. This form constituted the only source of passenger count data by route or by time of day.

As each ATC bus was brought back to the garage at the end of a day, its vault contents were transferred in a marked envelope to a safe. The contents of the envelopes were hand-counted by management the following morning, and the numbers of full-fare

and half-fare tickets, the number of transfers, and the amount of money taken from each vault was recorded. The cash total was converted to an approximate count of passengers paying cash fares.* The bus totals were then checked against the drivers' paddlesheets.

Although the Red Top minibus was also equipped with hand-counters, they were rarely used. Instead, the drivers counted the tickets, transfers and cash collected after each run, and recorded the totals on paddlesheets designed for Red Top by the city. They then submitted all materials to Red Top's office at the end of their shifts. Similarly, the taxi drivers collected Runaround tickets and transfers in separate envelopes which were turned over to Red Top's office. The office manager/bookkeeper in the office counted and recorded the tickets, transfers and cash fares collected on each route. Although the taxi drivers were instructed to mark the route number on each Runaround ticket received, most drivers failed to do so, thereby forcing the office manager to pore over the dispatcher's records attempting to reconstruct each Runaround trip and correctly mark each ticket. She estimated that she spent eight hours per week on Runaround-related paperwork.

5.3.2 Invoicing and Payment

The providers of Runaround service, ATC and Red Top**, delivered all tickets collected on the buses and taxis to the Runaround office once a week; the tickets were accompanied by a weekly operations statement from each provider; samples of the weekly statements submitted by ATC and Red Top are reproduced as Figures 5-7 and 5-8. As the figures show, each statement

* Although the cash fare was \$1.00 for the first four contract periods and \$.50 thereafter, fractional vault totals were common throughout the demonstration.

** During the first two contract periods, ATC was the sole provider. Thereafter, both companies provided Runaround service simultaneously.

TO: DANVILLE RUNAROUND
402 North Hazel
Danville, Illinois 61832

DATE: 4-1-78 FROM: AMERICAN TRANSIT CORPORATION
827 East Cleveland
Danville, Illinois 61832

ROUTE	DAY OF WEEK						TOTALS
	3 M 27	3 T 28	3 W 29	3 T 30	3 F 31	4 S 1	
1 - GRANT	40	53	33	30	41	12	209
Tickets	59	47	23	33	66	35	260
Cash Fares	3	7	2	3	4	1	25
Transfers Collected	13	17	13	13	9	7	76
Actual Mileage	120	120	120	120	120	63	663
Charged Mileage	120	120	120	120	120	63	663
2 - GILBERT	77	76	65	63	82	67	430
Tickets	127	55	65	86	77	82	492
Cash Fares	9	5	6	6	5	13	12
Transfers Collected	20	10	6	7	6	9	58
Actual Mileage *	195	195	195	187	195	195	1162
Charged Mileage	195	195	195	187	195	195	1162
3 - VERMILION	73	88	47	45	66	21	340
Tickets	108	93	90	101	78	39	509
Cash Fares	8	10	7	8	8	3	44
Transfers Collected	22	16	12	10	10	16	86
Actual Mileage	202	202	202	202	202	101	1111
Charged Mileage	202	202	202	202	202	101	1111
4 - BOWMAN	16	30	27	23	20	9	125
Tickets	33	31	23	21	12	27	147
Cash Fares	2	1	1	1	1	3	9
Transfers Collected	13	9	14	10	2	12	60
Actual Mileage	92	92	92	92	92	92	552
Charged Mileage	92	92	92	92	92	92	552
5 - FAIRCHILD	75	54	52	30	57	36	304
Tickets	65	100	84	77	74	75	475
Cash Fares	5	7	6	5	5	2	30
Transfers Collected	33	21	10	16	14	7	76
Actual Mileage	169	169	169	169	169	84	929
Charged Mileage	169	169	169	169	169	84	929
6 - MAIN	34	61	77	66	61	39	338
Tickets	72	70	69	46	62	40	359
Cash Fares	7	5	4	5	4	5	30
Transfers Collected	8	23	14	15	21	16	97
Actual Mileage	178	178	178	178	178	90	980
Charged Mileage	178	178	178	178	178	90	980
7 - WILLIAMS	22	21	18	22	14	19	116
Tickets	24	20	23	20	14	42	163
Cash Fares	4	2	3	2	2	3	21
Transfers Collected	3	11	8	11	11	6	50
Actual Mileage	94	94	94	94	94	94	564
Charged Mileage	94	94	94	94	94	94	564

FIGURE 5-7.

ATC WEEKLY OPERATIONS STATEMENT
(FIRST CONTRACT PERIOD)

Tickets	81	252	120	137	136	14	120	79
Cash Fares		0	0	0	0	0	2	4
Transfers Collected		4	6	5	2	5	5	23
Actual Mileage		211	31	31	31	31	31	186
Charged Mileage		211	31	31	31	31	31	186
- THE HEIGHTS	82	20	7	8	8	11	11	65
Tickets		14	9	11	15	13	9	71
Cash Fares		0	0	0	0	0	1	1
Transfers Collected		5	3	3	2	2	7	22
Actual Mileage		41	41	41	41	41	41	246
Charged Mileage		41	41	41	41	41	41	246
- PERRYVILLE	91	2	6	5	4	10	3	30
Tickets		9	7	1	11	6	8	42
Cash Fares		0	0	0	0	1	0	1
Transfers Collected		5	3	2	2	4	9	25
Actual Mileage		54	54	54	54	54	54	324
Charged Mileage		54	54	54	54	54	54	324
- SOUTH DANVILLE	92	1	8	4	2	7	5	28
Tickets		7	10	6	12	6	9	50
Cash Fares		0	0	0	0	0	0	0
Transfers Collected		5	2	2	2	2	2	15
Actual Mileage		33	33	33	33	33	33	198
Charged Mileage		33	33	33	33	33	33	198
TOTALS	Full	373	412	348	310	381	230	2054
Tickets	Half	542	454	418	435	422	376	2647
Cash Fares		43	35	30	30	31	32	207
Transfers Collected		106	121	89	92	84	96	588
Actual Mileage		1209	1209	1209	1201	1209	873	6915
Charged Mileage		1209	1209	1209	1201	1209	878	6915

GUARANTEED SUBSIDY PER MILE: Chargeable Mileage 6915

X 1.38 Per Mile

Amount Due 9542.70

SUBSIDY PER FARE TRIP: Total Tickets Collected 4701

X \$1.20 Per Ticket

Amount Due 6487.38

Electronic Scale Count on Tickets _____ Pay This Amount _____

REMARKS: * EIGHT (8) Miles LOST ON Route # 2 3-30-78

Due To Bus Trouble.

Charles K Ward

FIGURE 5-7. Cont.

ATC WEEKLY OPERATIONS STATEMENT

STATEMENT

TO: DANVILLE RUNAROUND
402 North Hazel
Danville, Illinois 61832

DATE: *Mar 5-79*
Thu
Mar 10-79

FROM: RED TOP CAB CO.
13 Franklin
Danville, Illinois 6181

	DAY OF WEEK							
DATE:	M	T	W	T	F	S	TOTALS	
	5	6	7	8	9	10		
BOWMAN (4)								
FULL FARES	28	23	34	25	15	11	146	
HALF FARES	45	54	50	38	31	27	303	
SUB-TOTAL	73	77	84	63	46	38	449	
CASH FARES	5	-	-	1	-	1	7	
SUB-TOTAL	78	77	84	64	46	39	456	
Transfers Collected	24	24	17	1	10	13	89	
WILLIAMS (7)								
FULL FARES	22	20	15	11	14	5	87	
HALF FARES	39	37	23	21	20	30	203	
SUB-TOTAL	61	57	38	32	34	35	290	
CASH FARES	-	-	-	-	-	-	-	
SUB-TOTAL	61	57	38	32	34	35	290	
Transfers Collected	11	10	14	15	12	3	65	
PERRYSVILLE (8c)								
FULL FARES	3	6	2	2	3	7	23	
HALF FARES	6	7	3	5	3	7	36	
SUB-TOTAL	9	13	5	7	6	14	59	
CASH FARES	-	-	-	-	-	-	-	
SUB-TOTAL	9	13	5	7	6	14	59	
CASH FARES	-	-	-	-	-	-	-	
SUB-TOTAL	9	13	5	7	6	14	59	
Transfers Collected	-	2	2	-	1	-	5	
SOUTH DANVILLE (9)								
FULL FARES	7	3	2	4	3	1	20	
HALF FARES	4	4	3	2	1	1	15	
SUB-TOTAL	11	7	5	6	4	2	35	
CASH FARES	-	-	-	-	-	-	-	
SUB-TOTAL	11	7	5	6	4	2	35	
Transfers Collected	1	2	1	-	2	-	6	
TOTALS								
FULL FARES	60	52	54	46	45	24	281	
HALF FARES	94	97	74	64	61	45	469	
SUB-TOTAL	154	149	128	110	106	69	850	
CASH FARES	5	-	-	1	-	1	7	
SUB-TOTAL	159	149	128	111	106	70	857	
Transfers Collected	36	38	34	16	29	16	179	

FIGURE 5-8.
RED TOP WEEKLY OPERATIONS STATEMENT

reported mileage operated, the number of passengers served, and the number of tickets collected by type; the statement also served as the operator's invoice to the City for the transit services provided. For the first two contract periods, the invoice showed payments due under both the mileage guarantee (less cash fares in the second period) and the user-side subsidy, and then used the larger number (which was always the first one) as the amount due. In the third and fourth periods, the amount due was always computed based on tickets collected, up to the maximum payment. In the fifth contract period, the subsidy on cash fares was also added onto the amount due.

Until the fourth contract period, the City did not verify the ticket counts reported by the providers. Thereafter, the tickets were weighed on an electronic scale; in the rare event of a discrepancy between the reported counts and the scale readings, the tickets were counted by hand.

After the reported counts had been verified, the Runaround office sent the weekly operations statements, attached to a City voucher form, to the City's Finance Department; copies of the weekly operations statements were filed with the project records in the Runaround office. Checks payable to the transit providers in the amounts specified on the voucher form were then made up and sent out by the Finance Department.

The reimbursement procedure described above generally took eight days. On the Monday following the six days of service to be reimbursed, ATC and Red Top delivered the tickets and operations statements. After weighing the tickets, the City sent the statement and accompanying vouchers to the Finance Department the next day, Tuesday. On Tuesday of the following week, the providers were paid. The tickets turned in by the providers were stored at the Runaround office for a month; then, they were burned.

Until the fifth and final contract period, providers received no subsidy on cash fares, which were reported, along with tickets collected, in the weekly operations statements. (See Figures 5-7 and 5-8.) During the first contract period, ATC kept the cash fares collected over and above the mileage payments received from the City. In the second contract period, with the mileage guarantee still in effect, ATC deducted the dollar amount of the cash fares collected from the mileage payments charged to the City. For the third and fourth periods, when payment was based on tickets collected, both ATC and Red Top reported the cash fares collected, but did not deduct them from the weekly billings to the City. When the cash fare was lowered from \$1.00 to \$.50, ATC and Red Top were reimbursed on the basis of the number of cash fares reported each week. The City did not attempt to verify these numbers, which did not appear unduly high or otherwise suspect.

ATC's reimbursement for providing back-up service on Red Top's minibus routes was always on a mileage basis, rather than on a per-ticket basis. The rates were \$1.26, \$1.38 and \$1.62 for the third, fourth and fifth contract periods respectively.

5.3.3 The Issue of Fraud

One justification for the ticket system of payment was to minimize opportunities for fraud. It was always recognized that, in principle, the City could pay providers by matching cash fares received at an agreed-upon rate. Indeed, precisely such an arrangement was instituted beginning with the fifth contract period. Initially, however, provision of service by multiple, small companies unknown to the City was still considered a possibility. Therefore it was thought essential to guard against a provider "stuffing the farebox" in order to

collect extra subsidy money. It seemed impractical to require all operators to have registering fareboxes, especially since use of taxicabs or other unconventional vehicles was anticipated.

Reimbursement for tickets only appeared to offer safeguards against fraud, despite possible inconvenience to riders. The possibility of on-board ticket sales was considered but rejected by both the City and ATC, since it required drivers to handle cash and might provide opportunities for fraud. Therefore, the City assumed complete responsibility for marketing tickets. Under this system the only way for a provider to create an artificially high ticket count would be to have employees or friends purchase extra tickets with which to stuff the farebox, or else to reuse tickets after they were turned in to the City. The second possibility was easy to prevent. The first would probably be noticed if it occurred on any significant scale. The requirement that ticket purchasers fill out the book covers with their name and address made this channel for fraud even harder to use and easier to detect.

Experience with ATC and Red Top over the first four contract periods led City and Federal monitors to discount the danger of fraud enough to try paying subsidies on cash fares in the fifth contract period. As discussed in Chapter 7, it seems quite likely that lowering the cash fare (which was possible when cash fares were subsidized) did stimulate increased ridership. This makes it very important to determine whether cash fares can be subsidized without creating undue opportunities for fraud.

The anti-fraud procedures conducted by the City during the demonstration consisted of the following:

1. The City verified the ticket counts submitted by ATC and Red Top by weighing the tickets on an electronic scale.

2. Periodic on-board surveys were conducted as part of the evaluation effort. The survey data on method of fare payment were compared to reported ticket and cash fares for each route and for each survey day.
3. After keeping the used tickets for a month, the City burned them in order to prevent their illegal reuse.

Overall, the first two procedures listed above revealed no evidence of attempted fraud or forgery. On one or two occasions the count yielded by the procedure of weighing the tickets did not coincide with ATC's reported figures; the City then counted the tickets by hand. This method yielded a slightly lower count--by no more than 20 tickets--than ATC's count; the City's count was accepted as the basis for payment without question by ATC. On other occasions involving discrepant counts, the electronic scale was discovered to be malfunctioning. Eventually, the City decided to count the tickets by hand only if the discrepancy between the reported counts and the scale readings exceeded 100 tickets. Thereafter, no hand counts proved necessary.

The on-board survey data generally coincided with the reported counts, although the results were rarely identical, usually due to missed survey runs. Finally, there was no evidence that used tickets were being retrieved and reused during the demonstration.

As the above description illustrates, the anti-fraud procedures employed by the City were minimal. It is important to note that, except for the comparisons yielded by periodic on-board survey data, the City devised no means of checking the cash fare counts reported by each provider. During the fifth contract period, both providers received subsidies on the cash fares collected; although the City monitored the reported figures for any sudden, improbable increases, no further precautions were taken.

It is not clear that rigorous, extensive validation procedures were necessary in Danville. ATC had served the Danville community for many years, operating the public transit system until 1970 and the school bus system until 1979; the company was well-known to and trusted by the City and the community. Moreover, City officials were well aware of the elaborate record-keeping procedures required of ATC's Danville operation by the central office in St. Louis; it seemed to the City highly unlikely that ATC would attempt to defraud the City and thereby endanger the company's local and national reputation.

In the case of Red Top Cab, the number of cash fares reported on the minibus routes was very low throughout the demonstration; thus, verification procedures did not seem warranted. However, the City did observe some indications that the minibus drivers might have been pocketing cash fares instead of submitting them to the Red Top office. On numerous occasions, ATC had to serve the two minibus routes, due to the mechanical failure of the minibus. On many of these occasions, the number of cash fares reported by ATC was higher than the counts typically reported by Red Top. This observation was corroborated when ATC assumed responsibility for the two routes in August 1979: immediately, reported cash fares jumped. Because the minibus never had a farebox, theft of the cash fares--which were deposited in an open box near the driver--was an easy task. Although the City discussed this problem with Red Top management, the latter apparently took no remedial action. From the City's perspective, the situation was troublesome: although no money was lost, the City was concerned that the Runaround ridership figures used to assess the success and feasibility of the system were lower than actual total ridership, due to the underreporting of cash fares on the Red Top routes.

Two other problems are worthy of mention. First, on a handful of occasions, full-fare riders paid for their rides with two half-fare tickets. While not technically illegal under the terms

November 14, 1979

City tries to stop bus 'cheaters'

City officials say they are taking steps to stop Runaround riders from using half-fare tickets when they should be using full-fare tickets.

Runaround bus drivers will begin on Nov. 26 checking the identification of those using half-fare tickets, according to Assistant City Planning Director Michael Federman, who coordinates the city's bus system.

Federman said Runaround officials have been receiving reports from riders, bus drivers and ticket agents that some persons who are using half-fare tickets are doing so illegally.

Those who are eligible for half-fare are full-time Danville Area Community College students, persons 65 and older, those 18 and younger, and the handicapped.

DACC has begun stamping student identification cards to indicate full- or part-time attendance, Federman said. Elderly persons generally have age identification and high school students may use their student identification

cards, he said. Persons whose handicap isn't immediately apparent also generally carry cards indicating their handicap. The identification

check will be at the discretion of the driver and will be conducted only if the driver has reason to doubt a person's eligibility, Federman said.

of the ticket system, this practice was clearly undesirable from the City's perspective: since the provider's subsidy was the same on both ticket

types, the provider would then receive two subsidy payments on one passenger-trip. In Danville, there was no evidence that this practice was systematic or widespread; however, for transit systems served by multiple, unknown providers, this practice could prove more damaging. And second, the City was informed by ATC drivers that a number of regular riders who did not appear to be under 18, 65 or over, or handicapped paid for their rides with half-fare tickets. As parents were allowed to purchase the half-fare tickets for their children, the outlets did not require that purchasers

of half-fare tickets show the proper identification. When the demonstration ended, the City decided to address this problem by having the drivers check the identification cards of passengers boarding with half-fare tickets.

Otherwise, however, the City experienced no major fraud-related problems. In sum, then, while the anti-fraud procedures employed by the City were minimal, they appeared to have been sufficient in view of two factors:

1. Only two providers participated in the user-side subsidy arrangement, and both were well-known to the City and the community; and
2. The discrepancies in reported and actual ticket totals were sufficiently small that the administrative expense of increased verification procedures would have exceeded the amount of the discrepancies.

Clearly, then, many other sites administering a user-side subsidy arrangement would require a more rigorous verification system.

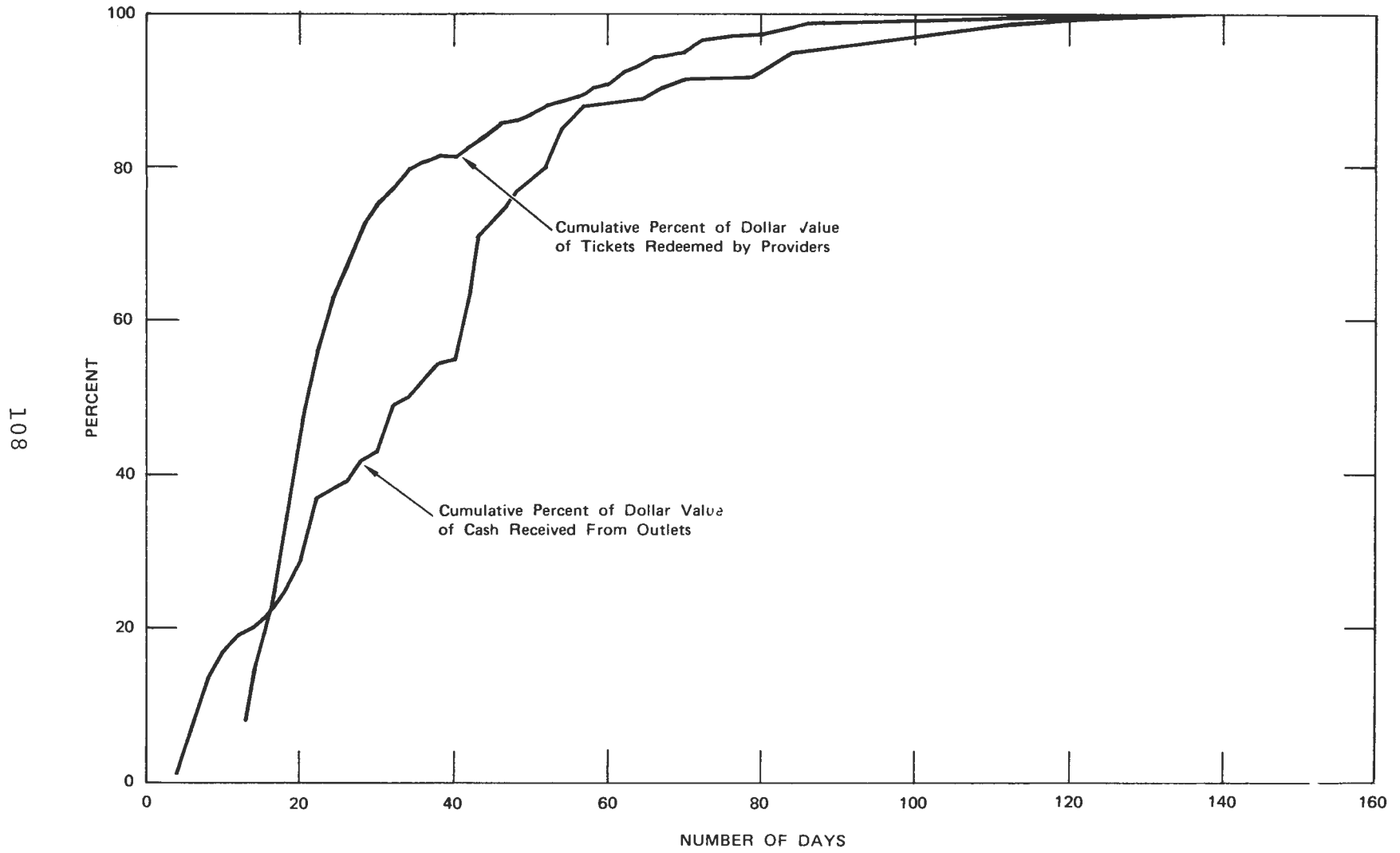
5.3.4 The "Cash Up-Front" Theory

One alleged advantage of a user-side subsidy system is the cash float yielded by such a system. That is, riders pay the City for their rides in advance, and the City reimburses the operators for transit service after it has been provided; thus, in theory, the City would have a cash float for the amount of time between riders' purchase of tickets and the City's payments to providers. In the Danville case, although the ticket payments did not cover the cost of the trips, a cash float would still have been possible if the City had received the cash from the outlets for tickets purchased before having to redeem those tickets for the subsidy payments to the providers.

Figure 5-9 indicates that this was not the case. The horizontal axis shows the number of days outstanding between the purchase of the tickets and: (1) the receipt from the outlets, of cash representing user payments for the tickets; and (2) the City's payments to the providers for the tickets, representing transit service provided. The right-hand curve shows the cumulative percentage of the cash (in dollars) received from the outlets X days after the tickets were purchased; the left-hand, steeper curve shows the cumulative percentage of the dollar value of the tickets redeemed by the providers for payment by the City X days after the tickets were purchased. The figure shows that the City did not realize a cash float; in fact, the receipt of cash from the ticket outlets lagged far behind the subsidy payments to the providers. Viewed another way: the City paid for 50% of the tickets sold within two weeks after they were purchased; however, the City did not receive the payments for 50% of those same tickets until 26 days, or almost a month, after they were purchased.

In some sense, it could be argued that the "cash up-front" theory did not receive a fair test in Danville. The City paid the providers out of the grant money rather than out of the

FIGURE 5-9. CASH FLOW ANALYSIS.



NOTE: Based on a sample of tickets collected during the week of November 13-18, 1979.

account in which the cash received from the outlets was deposited. Therefore, the City had little incentive to attempt more frequent collections from the outlets. On the other hand, more frequent collections would have incurred higher administrative costs; as has been discussed earlier in this report, the amount of staff time devoted to the ticket distribution system was quite high. In any event, these findings do carry important indications for transferability to other sites: specifically, if a user-side subsidy arrangement involves the sale of prepaid tickets through numerous geographically-dispersed ticket outlets, it is likely that the site will not realize a sizeable cash float. In fact, the reverse situation - i.e., a negative cash flow position - is likely, as in the Danville case. The problem (or opportunity if a float could be realized) is not a large one, however, since the 40 cent ticket price covered only from 20% to 27% of the per-ticket payments to providers.

5.3.5 Legal and Administrative Problems in Changing Providers

The reporting forms submitted to the City by ATC had to be redesigned for Red Top Cab prior to the third contract period (see the previous Figures 5-7 and 5-8); the inclusion of Red Top in the system created no other administrative problems. Then in May 1979, during the fifth and final contract period, the owner of Red Top Cab sold his vehicles to a new owner, who adopted the name Mel's Red Top Cab.

This event complicated the contractual arrangements which were in effect. The former owner, Harold Fries, continued to operate the 21-passenger minibus along routes 4 and 7; the new owner, Mel Wendell, assumed operations of the Runaround taxi service along routes 8 and 9. However, the City's contract for these two routes was still officially with Harold Fries; thus, the City was legally required to pay Harold Fries, and not Mel Wendell, for the Runaround tickets collected along the two taxi

routes. Consequently, the new operator refused to redeem the tickets until he could be assured of receiving the payments. The new agreement between the City and Mel Wendell did not receive final UMTA approval until early August. At that time, four months after purchasing the taxi company, Mel Wendell finally redeemed the Runaround tickets he had collected during that period, and received payment from the City for the services Mel's Red Top Cab had provided.

5.4 ADVERTISING AND PROMOTION

5.4.1 City and Provider Responsibilities

Under the terms of the demonstration grant, the City assumed primary responsibility for marketing the new transit system to the public. There were several reasons for this arrangement. First, it was designed to ensure that the transit system had a uniform image, regardless of the number of providers operating simultaneously and the frequency with which they were changed. (In practice, of course, the concern over the impact of multiple, changing providers on the system's image proved to be a moot issue, since ATC and Red Top were the sole providers throughout the demonstration.) In addition, since the purpose of the ticket system was to control the possibility of fraud (see Section 5.3.3), it was necessary that the City assume responsibility for marketing tickets, which also constituted a likely medium for promoting the system.

The City's marketing responsibilities therefore included the following activities:

1. Establishing a system name, colors, and logo;
2. Painting (and possibly "unpainting") transit vehicles;
3. Arranging and conducting the sale of tickets, including design and printing of tickets;

4. Designing, printing and distributing maps and schedules;
5. Designing, placing and maintaining route markers (or bus stop signs), benches and shelters;* and
6. Conducting paid advertising and promotion as well as public relations activities to publicize the service.

It was hoped that the user-side subsidy arrangement would create an incentive for the private operators contracting with the City to conduct their own advertising campaigns and promotional activities, in order to attract potential riders to their routes. However, any such campaigns required review and approval by the City; moreover, the costs of provider-initiated marketing efforts were not to be considered in the negotiations of the mileage or per-ticket payments received by providers.

5.4.2 Runaround Publicity: Description and Costs

Table 5-3 contains a detailed chronology of the advertising programs, promotional activities, news and editorial coverage, and other types of publicity which were carried out over the course of the demonstration. Various examples of the advertising campaign conducted by the City are shown in Figures 5-10, 5-11, and 5-12, which are interspersed throughout Table 5-3. As the table shows, the City initiated and paid for the majority of advertising programs and promotional activities. Table 5-4 lists the total costs to the City of these programs and activities, excluding City staff time. Radio advertising accounted for the largest share of City costs, followed by the three free-ride days and newspaper advertising.

Under the terms of the contracts between the City of Danville and the two transit operators, ATC and Red Top Cab, these providers received no reimbursement for promotional activities. Nevertheless, ATC did conduct a number of low-cost

*Due to budgetary constraints, the City did not install route markers or shelters. However, the Parks Department donated several benches which were installed at the downtown transfer zone; in addition, the City purchased two signs, listing the routes served, which were installed on either side of the transfer zone.

TABLE 5-3.

CHRONOLOGY OF RUNAROUND PUBLICITY

CONTRACT PERIOD #1 (November 27, 1977 - April 1, 1978)

- The City ran an introductory, two-page newspaper advertisement in the Danville Commercial News (C-N), containing bus routes, schedules, and two clip-out bus tickets, valid for two weeks. (During the first eight days of service, ATC collected 749 "tickets." The introduction of the new bus service also received news and editorial coverage. (See Figure 5-10).)
- The C-N ran an editorial announcing that the newspaper would furnish C-N employees with free Runaround tickets for transportation to and from work, for a six-week trial period. (Initially, 30 signed up.)
- The City ran a full-page C-N advertisement containing two clip-out bus tickets, valid for two weeks. (ATC collected 456 "tickets".)
- The Mayor of Danville issued a plea, publicized in the C-N, that one member of each Danville family ride the bus once a week, in order to boost ridership to the breakeven level. (According to City staff, the public was "responsive".)
- The City sent a letter containing ideas for promotion of the Runaround by local businesses to local business representatives. (No responses were forthcoming.)
- Five Danville banks published a full-page C-N advertisement containing route map and schedules as a public service.
- 800 coupons, redeemable for a Shamrock Shake at McDonald's, were distributed on-board the Runaround buses on Saint Patrick's Day, courtesy of McDonald's.

CONTRACT PERIOD #2 (April 3, 1978 - July 29, 1978)

- The City published a 3/4-page C-N advertisement containing new routes, ticket outlets and locations, and a \$.50 coupon toward the purchase of a book of Runaround tickets. (The City redeemed 4,025 coupons over the next several months.) See Figure 5-11.
- The City posted route maps and schedules in most businesses and offices located on the Runaround routes.

TABLE 5-3 Cont.

CHRONOLOGY OF RUNAROUND PUBLICITY

- The City mailed route maps and schedules to persons who had purchased tickets in the past. (The names and addresses were obtained from the name-address ticket stubs.)
- The City supplied Runaround information to a local radio station and asked them to design radio advertisements; Subsequently, a series of four advertisements was aired.
- From May through September, Runaround passengers could request passes worth \$.10 toward admission to the Danville Municipal Pool. The promotion was sponsored by the Danville Recreation Department.
- The 100,000th Runaround passenger won a free book of 20 bus tickets; the event received local news coverage.
- The Danville Public Library set up a Runaround display consisting of bus schedules, a list of ticket outlets, a Runaround fact sheet, and various books on transportation. The Library Board also volunteered to distribute schedules at the inquiry desk.
- City staff conducted a special bus excursion for handicapped persons at the Vermilion County Rehabilitation Center, to familiarize them with transit procedures. (ATC furnished the bus at no charge.)
- The C-N published several news articles explaining the service changes to take effect at the outset of the new contract period.

CONTRACT PERIOD #3 (July 31, 1978 - November 25, 1978)

- The City ran a full-page C-N advertisement listing recreational activities accessible via the Runaround and 32 ticket outlets.
- During Danville's annual "Fall Festival", ATC ran a special bus to Ellsworth Road on two days. ATC paid for the bus (\$130); the City ran C-N advertisements informing the public of the special service.
- The 200,000th Runaround passenger received news coverage.
- The City purchased a series of three radio advertisements; they were aired for two months.
- The City contacted personnel managers of several large industries located on East Voorhees, to discuss the possibility of an experimental bus route to the Industrial Park. (After analyzing the residence patterns of employees, the ideas was abandoned as impractical.)

TABLE 5-3.

CHRONOLOGY OF RUNAROUND PUBLICITY (Cont'd)

- The Runaround celebrated its one-year anniversary at the Vermilion Park Mall. ATC provided candy and balloons; McDonald's donated breakfast coupons. Two hundred helium balloons, many containing bus tickets, were released. A City representative distributed bus schedules and answered questions about the transit system. The event received newspaper and television coverage.

CONTRACT PERIOD #4 (November 27, 1978 - March 27, 1979)

- Two "free-ride" Saturdays were conducted in December; they were publicized in radio advertisements and in full-page C-N newspaper advertisements placed by the Danville Merchant's Association. On the second Saturday, an ATC driver dressed up as Santa Claus rode throughout the system. Total ridership was 2724 on the first Saturday and 2155 on the second Saturday. (ATC agreed to accept payment based on an "average" Saturday ridership of 775; Red Top's payment was based on actual recorded ridership.)
- The City sent out a packet to residents along the South Danville and Perrysville routes; the mailing included: a brief questionnaire with stamped return envelope, a fact sheet concerning the Runaround taxi service along those routes, and two free Runaround tickets.
- McDonald's contributed 800 milkshake coupons, which were distributed on the buses on Washington's Birthday.

CONTRACT PERIOD #5 (March 26, 1979 - July 23, 1979)

- The City ran a 3/4-page C-N advertisement containing a reprinted C-N editorial and announcing the reduction of the cash fare to \$.50. (See Figure 5-12).
- System maps and schedules were inserted into the following day's issue of the C-N.
- A "Read & Ride" campaign was conducted during National Library Week: senior citizens and students could request a "coupon", verifying that they had taken the bus, from the Runaround driver; the coupon was redeemable for two bus tickets at the library.
- On the day before Easter Sunday, children riding the bus were given free carnations to give to their mothers for Easter, compliments of ATC.

TABLE 5-3.

CHRONOLOGY OF RUNAROUND PUBLICITY (Cont.:

- The City ran a C-N advertisement containing a \$1.00 coupon, valid for one week, toward the purchase of one \$8.00 full-fare ticket book. (The City redeemed 19 coupons.)
- For one day, the Greyhound Citycruiser bus was displayed on the mall for public inspection. (The City had announced tentative plans to purchase a fleet of buses.)
- The City sent another mailing containing two free bus tickets to residents along the South Danville and Perrysville routes.
- A "free-ride" Monday was sponsored by the City; 2500 riders took advantage of it. The event was publicized via a full-page C-N advertisement, paid for by the City. (Payment to ATC was based on an "average" weekday ridership of 950; Red Top's payment was based on actual recorded ridership.)
- A series of Runaround advertisements was aired by three local radio stations throughout the contract period. The stations carried four or five spots per day for two weeks, stopped for two weeks, reran the spots four or five times per day for two weeks, and so forth.
- During May, an essay contest for students in grades 3-6 and 7-9 was conducted. The topic was: "Does Danville Need the Runaround Mass Transit System?" The contest drew 110 entries; prizes consisted of \$25 savings bonds donated by a local bank. The City awarded a book of Runaround tickets to each classmate of the prize-winning students. (Approximately 150 ticket books were given out to six classes of students.)
- The Runaround carried its 400,000th passenger; the event received local news coverage.
- The Runaround conducted 12 field trips for school groups, on regular routes at regularly scheduled times. City staff visited the schools and sold tickets to the students; teachers were allowed to ride free of charge.

Free Passes To The Runaround

Are we giving you the Runaround... just this once we are, but after this you'll have to pay for it.

We want you to have an opportunity to try the Runaround as our guest. After you've used both your passes, you'll want to buy your own ticket books.

Regular Books:
\$8.00 for 20 tickets
\$2.00 for 5 tickets

Special Books:
\$2.00 for 10 tickets
(See Qualifications)

Qualifications for Special Fares: Handicapped persons may buy special tickets by showing a red RTR (taxi) card. Elderly persons can qualify by showing an RTR or medicare card. Students under 18 can qualify by showing a student I.D. card.

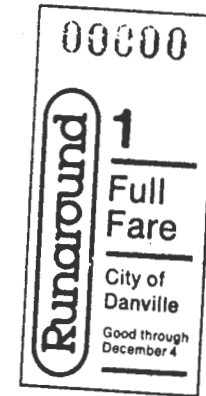
You'll find that tickets purchased in advance are a really convenient way to use the Runaround. Beyond that, there's another good reason to use tickets. They'll help us keep track of the number of riders so that we can receive the "per-rider" subsidy established by the Urban Mass Transportation Administration plan. Cash fares aren't covered by the subsidy so they will be \$1.00.

Many local people have thoughtfully volunteered to provide tickets and schedules to the public. The locations where you can purchase them are listed in this advertisement.

Runaround the city wherever you want to go... the downtown area, schools, hospitals, parks, or shopping centers.

For information, please call Runaround Central: 431-0653

Service Starts Tomorrow . . . November 25th.



Once You Go You Can Always Come Back

Where You Find Tickets And Schedules

First National Bank
15 West Main

Palmer National Bank
2 West Main

American Savings & Loan
714 North Vermilion

Iroquois Federal Savings & Loan
619 North Gilbert

Second National Bank
27 North Vermilion

Fidelity Savings & Loan
137 North Vermilion

Webster Heskett Insurance
137 North Vermilion

Mel's I.G.A.
17 North Vermilion

Eisner Foods
422 North Vermilion

Walgreen
56 North Vermilion

Bank of Danville
100 North Gilbert

City Hall Planning Department
400 North Hazel

Lake Shore National Bank
2431 North Vermilion

Harold's Star Market
106 West Voorhees

Meis
Village Mall

Genies Wienies
Village Mall

I.G.A.
Holiday Square

Zayre's
Holiday Square

Eisner Foods
1112 East Main

Danville Junior College
200 East Main

Veteran's Hospital
2000 East Main

Engle's Food Mart
1618 East Fairchild

Convenience Food Mart
1814 East Main

D&D Food Mart
309 South Buchanan

Southtown Hardings Pharmacy
525 South Gilbert

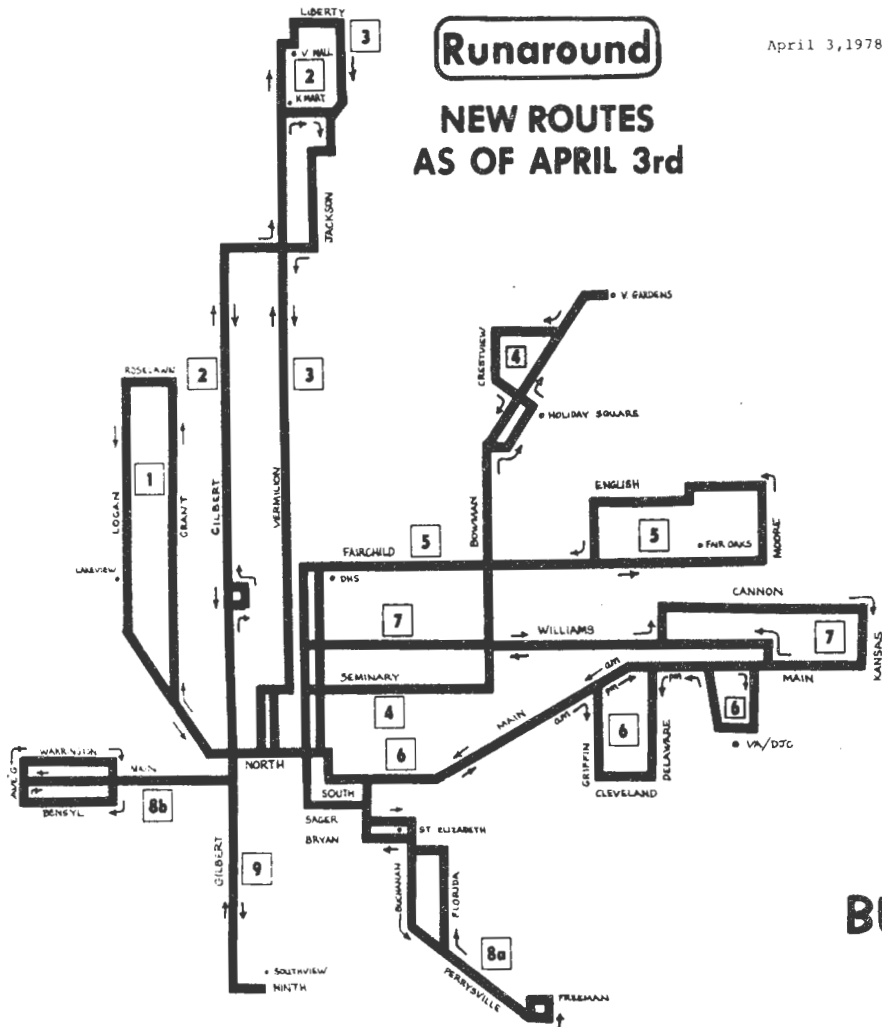
Southtown True Value
15 West 4th Street

Lakeview Medical Center
812 North Logan



The Runaround Gives You More

● Extended Routes ● More Frequent Service ● Easier Transfers ● Discounted Cash Fare



Runaround

April 3, 1978

**NEW ROUTES
AS OF APRIL 3rd**

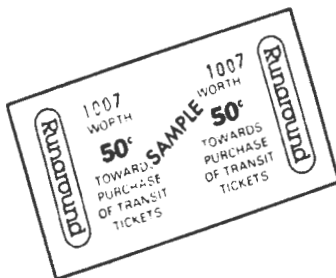
TICKET OUTLETS

Convenient

NAME	ADDRESS
CITY PLANNING	400 N. HAZEL
LAKE SHORE NATIONAL BANK	2431 N. VERMILION
MEIS DEPARTMENT STORE	2917 N. VERMILION
GENIE'S WIENIES	2917 N. VERMILION
HOLIDAY IGA	HOLIDAY SQUARE
FIRST NAT'L BANK	15 W. MAIN
PALMER AMERICAN BANK	2 W. MAIN
AMERICAN SAVINGS	714 N. VERMILION
IROQUOIS SAVINGS	619 N. GILBERT
FIDELITY SAVINGS	137 N. VERMILION
WEBSTER-HESKETT	137 N. VERMILION
MEL'S IGA	717 N. VERMILION
EISNER'S VERMILION	422 N. VERMILION
BANK OF DANVILLE	100 N. GILBERT
EISNER'S MAIN	1112 E. MAIN
DANVILLE JUNIOR COLLEGE	2000 E. MAIN
V.A. HOSPITAL	1900 E. MAIN
ENGLE'S FOOD MART	1618 E. FAIRCHILD
CONVENIENT FOOD MART	1814 E. MAIN
D&D SUPERETTE	309 S. BUCHANAN
SOUTHTOWN HARDINGS	525 S. GILBERT
SOUTHTOWN TRUE VALUE	15 W. 4th
LAKE VIEW MEDICAL CENTER	812 N. LOGAN
HAROLD'S STAR MARKET	106 W. VOORHEES
SECOND NAT'L BANK	27 N. VERMILION
SECOND NAT'L BANK (MOTOR)	300 N. VERMILION
MER-CHIE MANOR	723 OAK
DELUXE RESTAURANT	21 NORTH ST.
ST. ELIZABETH HOSP.	600 SAGER
EDGEWOOD COMMONS	1103 FOWLER
VERMILION GARDENS	1213 GARDEN DR.

**BUY A TICKET . . .
RIDE THE BUS!**

FOR INFORMATION PHONE 431-0653 OR 442-0532



Now it is a good deal to ride the Runaround even if you don't have a ticket.

For \$1.00 you get one ride and a coupon worth 50c towards the purchase of Runaround tickets.



FIGURE 5-11.
ADVERTISEMENT AND COUPONS.

Ride into Spring on the Runaround

It's worth repeating

Our views

Runaround faces critical period

Continued increases in Danville's Runaround ridership totals are encouraging. Terms of the most recent contract approved by the City Council include a much-needed provision that should attract many more passengers.

Many who had reason to be spur-of-the-moment passengers simply did not like the arrangement that made them pay a dollar even though they got a 50-cent coupon back. To many, this smacked of a contrivance to make them buy tickets.

The contract which takes effect on March 26 will let people board buses and pay 50 cents for each on-way ride. This eliminates what many considered an unreasonable penalty against cash fares.

The real bargain still is in advance purchase of tickets at 40 cents each. People who probably will be more attracted to the system under the new cash fare provision no doubt will see the sense of buying advance tickets. Regular ridership should increase even more from that angle.

Stability is an important factor in keeping ridership totals on the upswing. The new contract starts the third successive four-month period of leaving routes and schedules unchanged. This perhaps gains more friends for the system than any other single effort.

Drivers deserve a salute for the way in which they have maintained schedules during winter's worst months. Even when people

were finding it difficult to drive cars on city streets, late starts were infrequent and run-skips were rare.

The new contract period is a critical one for mass transit in Danville. Not long after the new contract takes effect, the City Council must decide if the system will be kept in operation beyond July. The most important factor in this decision will be ridership.

Recent increases in passengers made it possible to drop the subsidy level by more than 10 percent during the new contract period. A much greater increase in passengers during the next few weeks is needed to assist the City Council in its decision because more riders mean less subsidy which is the biggest factor to consider.

We could call it a referendum of sorts. "Yes" votes — for the continuation of mass transit in Danville — will be cast by getting on the buses.

As the country faces more severe shortage of automobile fuel, a mass transit system takes on new significance in months ahead. This makes bus ridership not only a bargain in money but in saving of gasoline for those trips that cannot be made except by auto.

Much work on the part of many has gone into making Danville's mass transit system succeed so far. The only way to keep from wasting all the effort is to give the system what it most needs — more passengers.

Now is the time to make a special effort to ride the Runaround. Weather is getting better, the price of everything is going up and prudent financial planning is required. During the coming weeks, we will be attempting to better explain how the Runaround works, why you should support it, and assist you in getting acquainted with this service. The following are some initial announcements.

For Your Convenience . . .

1. Cash fares are now just 50¢
2. Get 2 free Runaround tickets.

During National Library Week (April 1-7), students and senior citizens riding the Runaround to the Library will receive two free tickets. Just ask your driver for a Library Coupon.

3. Watch for your Runaround map and schedule in tomorrow's newspaper.

Runaround

For information call 431-0653
442-0532
443-1525

Reprinted from
The Commercial-News
Friday, March 2, 1979

FIGURE 5-12.

NEWSPAPER ADVERTISEMENT AND EDITORIAL

TABLE 5-4.

RUNAROUND ADVERTISING AND PROMOTION COSTS

Newspaper advertising	\$ 4,415
Radio advertising	12,371
Printing and reproduction ¹	1,131
Free-ride days ²	743
Value of \$.50 (cash fare) coupons redeemed	2,013
Value of newspaper coupons redeemed	334
	<hr/>
TOTAL COSTS	<u>\$21,007</u>

¹ Includes printing and/or reproduction of \$.50 coupons, counter cards for ticket outlets, posters, flyers, mailings, and special promotions. Does not include cost of printing regular tickets, route maps, or schedules.

² Foregone ticket revenues based on average ridership levels.

transit events to publicize the Runaround service; these included distributing balloons and candy on the anniversary of the Runaround, distributing prizes and flowers on-board the buses on special days, and outfitting the drivers in Santa Claus costumes on the free-ride Saturday before Christmas. (See Table 5-3.) Thus, while ATC's net out-of-pocket expenditures on Runaround publicity totaled less than \$1,000 or so, the company did devote a certain amount of staff time and resources to planning and coordinating promotional activities in conjunction with the City of Danville. Red Top Cab was included in a few such activities; but the cab company did not initiate or finance any publicity for the system.

5.4.3 Public Relations

When the Runaround service was first introduced in late 1977, City staff contracted a number of local businesses and suggested ways in which they might promote the new transit system. In addition, a member of the Advertising Department staff at the Danville Commercial-News took it upon himself to encourage local organizations to underwrite the cost of newspaper advertisements publicizing the Runaround. As a result of these efforts, a number of paid advertisements and promotional activities were donated to the City over the demonstration period. (See Table 5-3.) For example, a full-page Runaround advertisement was placed in the Commercial-News by five Danville banks on one occasion, and by the Danville Merchants Association on another. The Danville Recreation Department gave a \$.10 discount on use of the municipal pool to bus riders; the Danville Public Library distributed free bus tickets during National Library Week. On several occasions, the local McDonald's franchise donated free food coupons, which were distributed on the buses. In December 1979 (following the official end of the demonstration), a downtown variety store sponsored a free-ride Friday, paying \$500 to replace the ticket revenue corresponding to

typical weekday ridership. The store manager felt that the investment paid off well in publicity and increased business. In sum: a number of local businesses and organizations in Danville actively promoted the Runaround system; in addition, 32 served as volunteer sales outlets for Runaround tickets. (The vendor responsibilities associated with this function were outlined earlier in this chapter.)

5.4.4 News Coverage and Editorial Support

The Danville Commercial-News, the local newspaper, lent enormous support to the Runaround throughout the demonstration. The newspaper furnished in-depth news coverage of the grant application process, the terms of the UMTA grant, the bidding process, and the details of the service when it was first introduced; thereafter, changes in routes, service levels, schedules, and providers were prominently publicized. Moreover, the newspaper ran frequent editorials urging Danville residents to use the Runaround. Early in the project, the Commercial-News distributed free tickets to employees of the newspaper for their transportation to and from work; a concurrent newspaper editorial called upon other local businesses to follow suit. Also, as already noted, Commercial-News staff were instrumental in procuring donated Runaround advertising from local businesses and organizations. While the dollar value of the extensive news coverage and enthusiastic editorial support is difficult to estimate, it is clear that the role of the Danville Commercial-News in promoting the Runaround was substantial, and that at least some of the success of the system in building ridership must be attributed to the efforts of the newspaper's publisher and staff.

5.4.5 Transit Information Sources

In July 1978, eight months after the Runaround service was introduced, a survey of the Danville population was conducted to determine the impacts of the new transit system. In the

survey, respondents were asked: "By which of the following methods have you heard about the new transit service?" Table 5-5 shows the percentages of survey respondents who had heard via each information source. Many respondents had heard about the Runaround through more than one source.

TABLE 5-5.
TRANSIT INFORMATION SOURCES

<u>Information Source</u>	<u>% (n=563)</u>
Seeing buses on the street	91
Newspaper	89
Word-of-mouth	70
Ticket sales displays in local businesses	63
Radio	54
Television	27
Calling the transit information number	<u>14</u>

As the table shows, the Runaround buses themselves constituted the most effective publicity for the system. Almost as effective was the local newspaper, which had informed an extremely high proportion of the Danville population, 89%, about the existence of the new system. Word-of-mouth and the ticket sales displays at outlets were the other two most frequently-cited sources of information about the Runaround.

5.5 LABOR RELATIONS

5.5.1 ATC: Union Labor

For most of the demonstration, all full-time drivers belonged to the Beeline Drivers Association, which was affiliated with the Illinois Education Association, and also represented the drivers on ATC's school bus operation. During both years of the demonstration, ATC management was able to negotiate very favorable contracts with the union. The financial risks associated with the short-term, four-month contract periods were used by ATC management as a negotiating point with the drivers. Table 5-6, below, compares ATC drivers' wages and benefit packages in 1978 to those of two transit systems in Midwestern cities of similar size: Quincy, Illinois and Fond du Lac, Wisconsin.

TABLE 5-6.
COMPARISON OF 1978 DRIVER WAGES AND BENEFITS

	<u>Average Hourly Wage</u>	<u>Fringe Benefits (%)</u>	<u>Wages + Fringe Benefits</u>
American Transit Corporation (ATC) Danville, Illinois	\$4.50*	8%	\$4.86
Quincy Transit Lines Quincy, Illinois	\$4.21	22%	\$5.14
Fond du Lac Area Transit Fond du Lac, Wisconsin	\$5.30	26%	\$6.68

*Drivers of four-months' duration received \$4.75 per hour.

After ATC's school bus operation was bought by the School District, the Runaround drivers formed their own, unaffiliated union: the Danville Mass Transit Driver's Union. By the end

Labor dispute may disrupt Runaround

September 13, 1979

By Mary Beth Balika

C-N Staff Writer

Unless an agreement is reached by midnight Sunday, drivers of the Danville Runaround bus system will go on strike Monday, the leader of the drivers union said today.

A strike could force the buses off the streets, a company spokesman said. He added that company officials were to decide this afternoon or Friday whether they would take any steps to keep the buses running if the drivers do strike.

Jim Pierson, regional manager for American Transit Corp., the St. Louis firm that owns the buses, said contract negotiations between the company and the 11 bus drivers reached an impasse this week.

Today, a federal labor mediator was to be called in to help settle the dispute, which centers largely around the drivers' demands for fringe benefits.

The drivers have formed an independent organization, the Danville Mass Transit Drivers Union, headed by driver Anita Cessna of Oakwood, Ill.

Mrs. Cessna said this morning that the drivers and management "are way far apart in getting a settlement."

The last contract expired this summer but was extended till midnight Sunday. The company, Mrs. Cessna said, wants a second extension so that work will continue until the federal mediator arrives to help settle the dispute.

But the drivers, she said, think a second extension would be a waste of time.

"We met last night and they said they wanted us to have an extension to let things simmer down. We said we would meet through Sunday and if we got some real progress, we could have an extension. But if not, an extension would just waste time," Mrs. Cessna said. "If they are sincere and want the strike to be prevented, then we should meet now."

No meetings have been scheduled before the Sunday deadline, she said, and unless they are, with a resulting tentative agreement, "we strike Monday."

Pierson said the company wants an extension of the contract, and if the drivers request one, it will be granted.

Edward Armon, resident manager for the Runaround, said no decision had been made yet this morning on whether meetings will be held before the federal mediator arrives, nor was it known yet when the mediator would arrive.

No decision had been made either on what the company will do if the drivers strike, Armon said. Drivers, he said, must have a Class C chauffeurs license from the state, be 21 years old and have training.

"We can't just haul anyone in off the street and have them drive a bus," Armon said. "It may be that

'We can't just haul anyone off the street and have them drive a bus (in case of a strike). It may be that (the Runaround) will be shut down...'

—Edward Armon,
Runaround manager

(the Runaround) will be shut down for a couple of weeks.

The decision on whether the bus company will bring in other personnel to pilot the buses during any strike was to be made today or Friday, Armon said.

"Time is getting short. The extension runs out at midnight Sunday and we can meet till then. But we have to let the public know soon so they're not waiting for a bus Monday morning if there aren't any," Armon said. About 1,000 persons ride the Runaround each day, officials said.

Mrs. Cessna said the biggest issue on the contract is vacation and holiday pay. Right now, the drivers — who are paid \$5.20 an hour — receive only one paid holiday, Christmas, and no vacation pay, she said.

They also have no company insurance and no pension plan.

"But the drivers have worked so long without the vacation and holidays — that is what we're after. If we get that, we'll go after the insurance and pension on our next contract," she said.

Armon agreed that the fringe benefits are the contract's major issue. The bus system, he said, had a shaky beginning because it had to reapply quarterly for its operating grant. "You can't negotiate a contract in those conditions and that's one reason why the drivers never got much in the way of benefits. Now they want them all and we can't afford it," he said.

Mayor David Palmer said Wednesday that the drivers' dispute is with the bus company, not the city.

American Transit manages the Runaround bus system under contract with the city. The council approved a new contract with ATC Tuesday, which is almost the same as the contract the city had with the bus company last year.

While the City Council has verbally passed a resolution to approve the contract with ATC, the contract has not been signed because some minor points have to be hammered out, city officials said.

of the demonstration, Runaround drivers' wages had increased to \$5.20 an hour. When the existing agreement expired at the end of July 1979, the new union held out for increased wages and fringe benefits. Negotiations went on past the expiration of the agreement and the beginning of ATC's 11-month post-demonstration contract.* Assistance of a Federal mediator was required before agreement was reached on October 19, 1979. The new two-year agreement raised wages for drivers of six-months' duration to \$5.45, effective August 1, increasing to \$6.10 after February 1981. It also added the following fringe benefits: uniforms, bus passes, paid holidays and paid vacation.

The modest wages and benefits paid to ATC drivers and other operating personnel during the demonstration and the apparent ease of negotiating the contracts illustrate that labor relations did not interfere with the conduct of the demonstration, nor did they adversely affect project administration costs.** In fact, the demonstration nature of the service appears to have created a favorable bargaining situation for management,

considering the changes won by the drivers in the post-demonstration period. Apparently the user-side arrangement itself

*ATC's contract was signed on September 19, 1979, retroactive to August 1.

**Further, more detailed cost comparisons of the operating and administrative costs of the transit systems cited above are presented in Chapter 8.

cannot be given sole credit (or blame, depending on one's point of view) for holding down labor costs.

5.5.2 Red Top Cab: Non-Union Labor

Because the drivers employed by Red Top Cab were not unionized, the Runaround project encountered no organized opposition to the institution of fixed-route transit service in Danville, despite the clear competition to the taxi business posed by the new system. Of the 15 Red Top Cab drivers, seven leased their vehicles from the company, and therefore were legally considered to be independent contractors and not employees of the company. The rest received a 40% commission on regular taxi fares.

5.5.3 The Issue of Section 13(c)⁵

Section 13(c) of the Urban Mass Transportation Act of 1964 states:

It shall be a condition of any assistance under section 3 of this Act that fair and equitable arrangements are made, as determined by the Secretary of Labor, to protect the interests of employees affected by such assistance. Such protective arrangements shall include, without being limited to, such provisions as may be necessary for (1) the preservation of rights, privileges, and benefits (including continuation of pension rights and benefits) under existing collective bargaining agreements or otherwise; (2) the continuation of collective bargaining rights; (3) the protection of individual 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 of employees terminated or laid off; and (5) paid training or retraining programs. Such arrangements shall include provisions protecting individual employees against a worsening of their positions with respect to their employ-

⁵This section of the report draws heavily on "Labor Protection, Labor Standards, and the Future of Paratransit," a paper by David M. Alshuler, Multisystems Inc., Cambridge, Ma. (presented at the 58th Annual Meeting of the Transportation Research Board, January 1979).

ment which shall in no event provide benefits less than those established pursuant to section 5(a)(f) of the Act of February 4, 1887 (24 Stat. 379) as amended. The contract for the granting of any such assistance shall specify the terms and conditions of the protective arrangements.

Briefly stated: This provision of the legislation was designed to protect the interests of mass transportation employees whose jobs might be adversely affected by the application of federal funds to new or existing mass transportation services. Section 13(c) is administered by the U.S. Department of Labor (DOL). Prior to the award of UMTA funds, DOL must make a determination regarding the applicability of Section 13(c) to the site in question; that is, DOL must identify employees who might be potentially "affected" and ensure that "fair and equitable arrangements are made". Protective coverage is potentially available, then, not only to the employees of mass transportation systems, but also to individuals who spend a significant portion of their time providing transit or paratransit services. The issue of the extent to which employees of private companies providing paratransit services--e.g., taxi services--are entitled to 13(c) protection has yet to be fully resolved.

In the past, DOL has generally administered Section 13(c) via negotiations with local bargaining units (i.e., unions) representing employees of existing mass transit systems. If no such bargaining unit exists, the nature and extent of the protective arrangements required are determined by DOL on a case-by-case basis, and then incorporated into the UMTA contract with the grantee.

Prior to the award of UMTA funding for Phase II of the Danville demonstration, DOL examined the existing labor situation in Danville and gave the site "non-union certification." In effect, this allowed the City to proceed with the demonstration without signing any protective agreements with local companies or employees. At that time no bus system operated in Danville; thus, the only local individuals whose jobs were potentially

affected by the new, Federally-funded transit service were the local taxi drivers. Brown Cab Company consisted of only one owner-operator providing exclusive-ride taxi service. However, Red Top Cab employed 16 taxi drivers, many of whom spent a substantial portion of their time providing shared-ride taxi service to elderly and handicapped persons enrolled in the RTR program, also a Federally-funded demonstration project. These drivers were not unionized; DOL did not recognize them as an "affected" group; and the fixed-route transit demonstration was implemented without further delay.

In fact, the Runaround service had a clearly identifiable adverse effect on Red Top Cab's taxi business. Chapter 9 of this report documents the impact of the Runaround service on the RTR shared-ride taxi program: RTR ridership dropped sharply when the bus service was implemented. In addition, general taxi revenues and ridership declined steadily over the two years of the demonstration; the owner of the Red Top Cab eventually sold the company, and the new owner attempted to rebuild the business.* While Section 13(c) does not extend protection to the owners of mass transportation companies, it does protect the employees of such companies. Thus, it seems likely that certain employees of Red Top Cab - in particular, those who provided shared-ride taxi service under the RTR program - could legitimately have raised the issue of their right to 13(c) protections at the time of the grant application. If Red Top Cab employees had been unionized, the union would have been contacted by DOL; and conceivably, the funding for the Runaround service could have been delayed or even cancelled altogether as a result of 13(c) negotiations with the union. Moreover, the

*As of April 1980, it appeared this attempt would probably not succeed. As discussed elsewhere in this report, Red Top Cab provided Runaround taxi service on two routes for 18 months of the demonstration. However, the combined ridership on these routes was low, and thus did not compensate for the regular taxi business lost to the Runaround.

negotiations might have resulted in substantial changes in the demonstration design, in order to guarantee Red Top employees "assurances of employment," "paid training and retraining programs," or other protective arrangements as specified by Section 13(c).

This is not to say that DOL would have ruled in favor of Red Top employees; in fact, in a recent case in Akron, Ohio involving taxi company employees providing shared taxi service, their claim for protection was rejected by DOL. Nevertheless, Danville's experience with 13(c) may not be widely transferable. Other sites may not be able to institute new, Federally-funded transit services so easily; i.e., without extensive negotiations with local bargaining units. Because Section 13(c) places the burden of proof on the grantee, the latter assumes a high risk of liability for damages if "affected" employees should sue the City (or other local governmental unit). In the Danville case, the Red Top taxi drivers were clearly ignorant of the protective arrangements which might have been available to them; they were not unionized; and many leased their vehicles from the company (and therefore, operated as independent contractors rather than as employees). Under other circumstances, the issue of Section 13(c) could have had a significant effect upon the design and execution of the demonstration.

5.6 IMPACTS ON TRANSPORTATION PROVIDERS

5.6.1 Impacts on ATC

Overall, ATC personnel regarded the demonstration as a successful test of the workability of the user-side subsidy arrangement and the viability of public transit in Danville. The main drawback to the demonstration design, from ATC's perspective, was the four-month contract period: the frequent

biddings and negotiations consumed large amounts of staff time, and the service changes associated with most new contract periods appeared to cause decreases in transit ridership. The ticket reimbursement system worked smoothly for ATC; the company experienced no security problems, nor did the ticket counts require an inordinate amount of staff time. While ATC personnel generally believed the multiple provider arrangement to be workable, they also felt that the system would have worked more efficiently had Red Top Cab been more financially secure and thus, able to repair malfunctioning equipment and keep back-up vehicles ready for emergency breakdowns. While ATC experienced no severe problems in furnishing back-up transit service on Red Top's routes when necessary, the need to do so did increase ATC's operational costs in the form of driver overtime wages. ATC was reimbursed on a per-mile basis for this backup service. The negotiated rates were \$1.26, \$1.38, and \$1.62 per mile for the third, fourth and fifth contract periods, respectively.

According to ATC, coordination with the City worked very well; the City assisted the company in designing and carrying out promotional activities and kept ATC well informed of all events and activities pertaining to the demonstration. Although close cooperation between the City and ATC was essential to efficient operation of the Runaround, the amount of ATC personnel consumed by this function over the course of the demonstration did not exceed that required by other, conventionally-funded transit operations managed by ATC in other sites. Thus, the various unique aspects of the user-side subsidy arrangement did not discourage ATC; while minor problems arose, the overall reaction of the company to the demonstration project was very favorable.

5.6.2 Impacts on Red Top Cab

The attitudes of Red Top Cab management toward the demonstration were far less favorable. In May of 1978, the President

of the company wrote a guest column, published in the Danville Commercial-News, which outlined his opposition to the Runaround. In essence, the column argued that the transportation demand in the City of Danville was insufficient to support a taxi company and a bus company, and that the government-subsidized bus service posed unfair competition to the taxi company. At the time of publication, the RTR Program--which subsidized taxi trips for elderly and handicapped Danville residents--was scheduled to terminate a month later.

Figure 5-13 shows total taxi ridership for Red Top Cab and Courtesy Cab (which went out of business in May 1976) from January 1976 until April 1979. (Note that the RTR program began in December 1975.) The picture is complicated by several confusing factors. Taxi ridership, like bus ridership, is subject to seasonal variations, with peaks in winter and lows in summer. Other events are the exit of the second largest taxi operator, Courtesy Cab, from the market after April 1976; two general fare increases; and the introduction, reduction and finally elimination of discounts on fares for elderly and handicapped through the RTR program. Prior to the start of RTR (not shown in Figure 5-13), total taxi ridership in Danville ranged from a summer low of about 24,000 fare trips per month to winter highs of 30,000 to 33,000 fare trips per month. In early 1976, combined Red Top and Courtesy ridership rose to a three-month-long high of around 35,000 fare trips per month, probably as a result of unusually severe winter weather. Courtesy's exit from the market in May caused some service disruption; however, by August Red Top had added enough vehicles to its fleet to serve the increased demand. By late 1976, it is estimated that taxi volumes were running at roughly 3,000 fare trips per month above historic levels; the increase is believed to be a result of the RTR program.

The series of fare increases, elimination of RTR, and introduction of bus service which occurred in 1977 and 1978

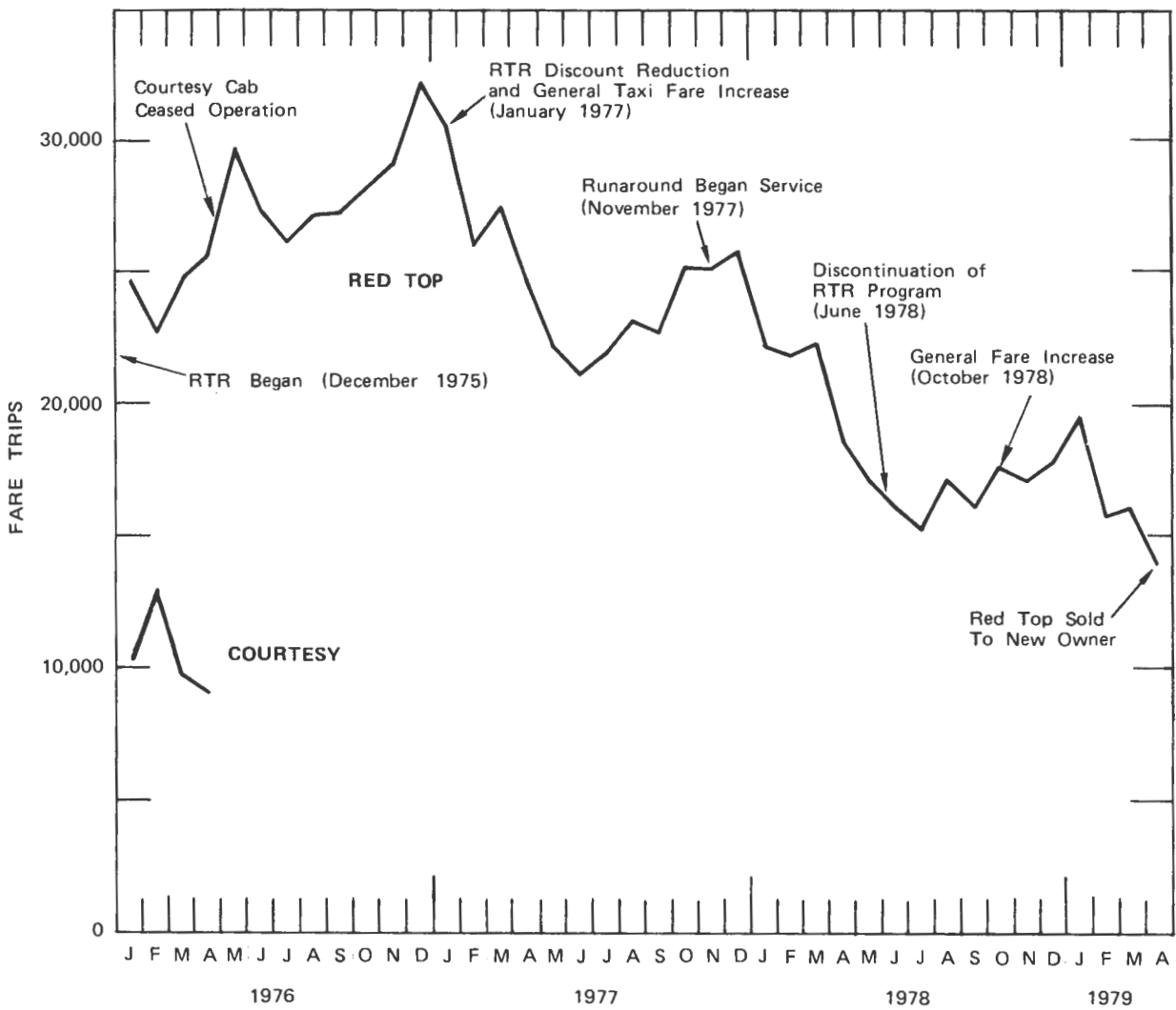


FIGURE 5-13. RED TOP AND COURTESY CAB TOTAL TAXI RIDERSHIP BY MONTH

Subsidized buses unfair to cab firm

By HAROLD FRIES
President, Red Top Cab Co.

For about a year now we have heard and read in The Commercial-News about a bus company getting started in the city of Danville and how badly it is needed. Well, we finally got the buses and they are called the "Runaround."

Our local newspaper and even some business places have endorsed it and given their employees free rides to get them started riding the bus. We have read editorial after editorial about the "Runaround" system urging the people of Danville to ride the buses and support them.

Now, the editorial in the issue of May 2, 1978, suggests that all service clubs, fraternal organizations, etc. get in the act and support the bus system.

In all, we have heard, seen and read more about the bus system in one year's time than we have ever heard, seen or read about the local cab company in the past 27 years!

Yes, the Red Top Cab Company has been in service in this city for more than 27 years. In all this time it has never closed its doors and has given 24 hours a day service, seven days a week, regardless of weather or any other extenuating circumstances. During the worst snow storm the Runaround Bus service pulled off the street for two days. Red Top tried to continue to give some service (especially in emergencies) and in so doing lost five transmissions, one rear axle, and had to absorb the cost of an enormous towing bill.

Red Top started in business in September, 1950, taking over a bankrupt taxicab firm. At that time there were two other cab companies, plus a well-established bus line. Red Top was able to build itself up even against existing competition and finally bought out the Yellow Cab Company. Later the bus company had to call it quits for lack of ridership and funds to keep it operating.

We also have seen another bus line try it with the mini-type bus and it, too, had to quit because of lack of ridership and funds.

The city then saw fit to let another cab company start against our advice. We maintained that this city is not large enough to support three

cab companies. Courtesy Cab Company was in business less than two years and had to close its doors for lack of funds. In the two years it was in business, it lost money.

Red Top had to borrow money to stay in business during that time. These borrowed funds still have not been recouped. Now we are facing competition from a bus company that is fully subsidized by the government — costing between \$9,000 and \$10,000 per week to operate. Even at this "rate" and after they have this cab company "broke" they are talking of cutting back on the bus service.

Red Top has never been afraid of competition. We've had it for years and survived. The government says

FRIES



it doesn't want to infringe on "private enterprise" or "small business." We feel it's very unfair competition — a bus company fully subsidized by the government, a township transportation service for elderly and handicapped, paid for from revenue sharing, Tele-Care, Community Action and other subsidized transportation services. All these are being paid for by you, the people, from your tax dollars. We have never been subsidized directly. UMTA has had a program going called the "RTR" (Reduced Taxi-Rates) for elderly and handicapped. This has been of some help but is due to stop June 30.

Red Top Cab Corporation applied to the city for some kind of help or subsidy or we must go out of business. We were refused any help (even with city license). Now if the city cannot subsidize a local taxicab company for the small amount it needs to stay in business, how does the city figure it can subsidize a bus company for \$5,000 to \$10,000 a week after UMTA stops supplying funds and turns it over to the city government?

We think it is past time that the people of Danville do indeed decide whether they do want to get behind the Runaround system and support it. Remember, citizens of Danville, this is your tax money. The Runaround has been here only six months and already there is talk about cutting back service. Remember, these are fixed routes and stops that are being talked about! Red Top has never had a "fixed route to travel, it goes wherever it is called at any time or the day or night, to any part of the city or country, regardless of the weather.

We think we are a very necessary type of transportation and are entitled to some consideration.

clearly combined to produce a drastic drop in volume. Throughout this period Red Top's owner claimed to have financial difficulties. When a number of taxis had mechanical problems in February, the number of vehicles available for service reportedly dropped to as low as three. Red Top's financial problems, the fare increases, and some loss of business would probably have occurred even without introduction of bus service; however, there seems to be little doubt that the Runaround at least hastened Red Top's decline. In April 1979, Red Top's office and garage facility were destroyed in a fire, and in May, the President of Red Top sold the company's vehicles to a local service station operator. The new owner was very aggressive in attempting to rebuild the taxi business. He introduced new services and succeeded in getting the City Council to lower licensing fees, deregulate fares, and permit meter fares. Nevertheless, taxi ridership and service quality have not returned to their former levels.

With respect to Red Top Cab's participation in the Runaround service, Red Top experienced no major problems in keeping track of Runaround tickets, coordinating with City Staff, and communicating with ATC on those occasions

when ATC was obliged to provide back-up service on routes normally served by the Red Top minibus. The original plan to operate

GRAFFITI

IT ISN'T
FLATTERY
IF YOU
DESERVE IT

on-call, fixed-route, fixed-schedule taxi service along two Runaround routes proved logistically and financially unworkable for Red Top, as the taxis were rarely able to pick up more than one passenger on a single run. However, the direct telephone line to Red Top, installed inside one of the stores near the transfer zone worked well: thereafter, demand-responsive taxi service was furnished on the two Runaround routes.

Although the two Runaround routes served by taxis did not generate a substantial amount of revenue for Red Top, the company was able to operate the two minibus routes profitably. However, when the demonstration period ended, the President of Red Top decided not to continue to operate these routes: he could not afford to purchase a new, larger vehicle to accommodate the increased ridership and to replace the malfunctioning minibus. Several months before the demonstration period ended, the new owner of Red Top Cab began fixed-route, fixed-schedule service, using a nine-passenger station wagon, along the two taxi routes between 10 AM and 3:30 PM daily. No significant increases in ridership along those routes were observed over the next few months.

In sum: some aspects of the operational design of the Runaround demonstration worked well for Red Top Cab, which furnished taxi and minibus service along four Runaround routes during the last three contract periods. However, the overall impact of the demonstration on Red Top ridership levels was clearly negative. Moreover, the service problems on all four routes operated by Red Top were compounded by the company's insecure financial position.

6. SERVICE DESIGN AND QUALITY

A key objective of Phase II of the Danville demonstration was to test the effectiveness of the user-side subsidy arrangement as an incentive to the provider(s) to furnish high-quality transit service, with coverage appropriate to the existing demand. Chapters 4 and 5 described the subsidy arrangements in effect over the five seventeen-week contract periods: for the first two contract periods, ATC received payments based on vehicle-miles of service provided; for the last three contract periods, ATC and Red Top Cab were paid on the basis of the number of tickets (and, in the fifth contract period, cash fares) collected. One might hypothesize that these two types of arrangements would have created different incentives to the providers: i.e., mileage payments would have encouraged providers to expand service (regardless of demand), whereas per-passenger payments would have created an incentive for the providers to improve service on routes with high or growing ridership, and to cut back service on low-demand, unproductive routes. Similarly, one might have expected that under the user-side subsidy arrangement, providers would have had a stronger incentive to furnish "high-quality," reliable service, since loss of ridership translated directly to loss of provider revenues.

This chapter will examine these issues in light of the coverage and reliability of the Runaround system under each type of subsidy arrangement. The effect of these indicators of level of service upon Runaround ridership will be analyzed, with particular attention to those aspects of service design and quality over which the providers had control.

6.1 COVERAGE

According to on-board survey data, 80% of the Runaround ridership lived within two blocks of a bus route, as noted in Chapter 7. Thus, the effective geographic coverage of the system--shown in Figure 6-1--consists of the four-block area surrounding each bus route.

Table 6-1 shows the total revenue miles of service furnished by the Runaround system for each contract period.

TABLE 6-1.
REVENUE MILES OF SERVICE*

<u>Contract Period</u>	<u>Revenue Miles</u>
1	115,429
2	141,704
3	109,537
4	109,532
5	109,450

*The above figures constitute actual reported mileage. Revenue miles of service on the two routes served by Runaround taxis were computed by multiplying actual ridership by the estimated average trip length for each route.

As described in Chapter 4, the level of service was increased substantially in the second contract period. This decision was not made by ATC; rather, the City favored the service increase in order to ensure that the Runaround received a "fair test". For the third contract period, during which the guaranteed per-mile reimbursement was dropped, ATC would have required very high per-passenger payments on four low-productivity routes before shifting to the user-side subsidy arrangement; and therefore did not submit per-passenger bids on operating those routes. Therefore, it was arranged for Red Top Cab to participate in the

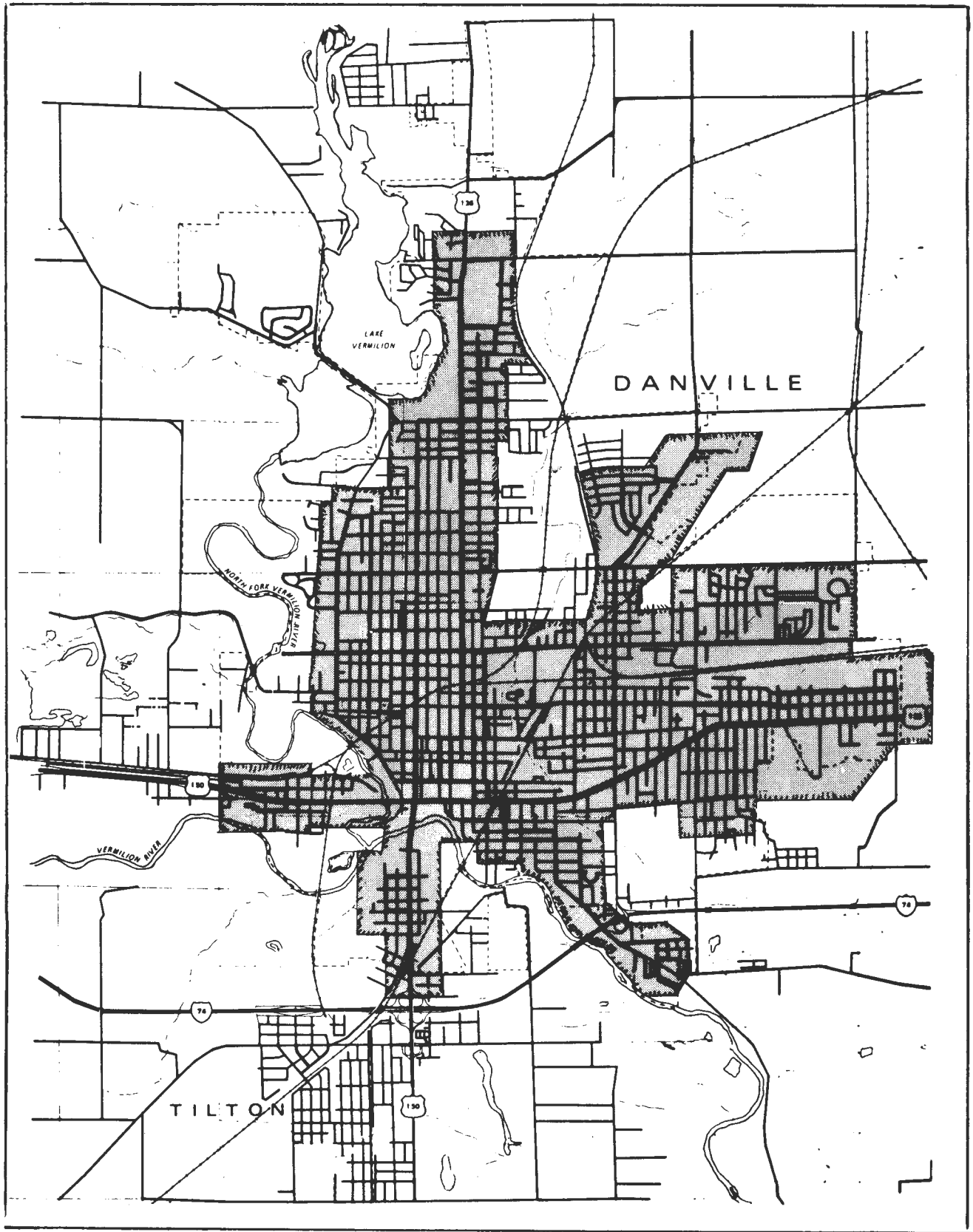


FIGURE 6-1.
RUNAROUND SYSTEM COVERAGE

system, as described in Chapter 4. Two routes were served on an on-call basis and headways were lengthened on others. Saturday hours were shortened. Accordingly, total revenue miles of Runaround service dropped again for the final three contract periods.

Thus, it appears that the user-side subsidy arrangement did create an incentive to drop unproductive service. The four Runaround routes discarded by ATC were operated by Red Top Cab's minibus and taxis for the last three contract periods. During that time, the number of revenue miles of service furnished by the minibus did not change. The Runaround taxis provided on-call service; thus, vehicle mileage for those routes was determined by the number of requests for service received by the Red Top dispatch unit. However, the sudden, temporary decline in the number of regular taxis in operation during the early months of 1979 severely reduced the availability of taxis for on-call service along the two Runaround routes for several months during the fourth contract period. (Other reliability problems associated with the taxis are examined in the following section.) In short, the changes in Runaround taxi coverage which were observed during the latter part of the demonstration were the result of mechanical problems with the vehicles and other exogenous events; they were not foreseen by Red Top Cab, and thus, bore no relation to any incentives or disincentives associated with the user-side subsidy arrangement.

6.2 TRAVEL TIME

The most direct measure of transit level of service is travel time, including time spent walking to and from the bus, waiting for the bus, riding in the bus, and transferring. In the Danville

demonstration, providers had relatively little control over travel times. The primary way a provider could keep travel times at a minimum was by providing reliable, on-schedule service, which would permit riders to time their arrivals at the bus stop, and so minimize wait times. Keeping on-schedule would also minimize time spent transferring at the downtown transfer point. Service reliability and the extent to which the user-side subsidy arrangement can be credited with creating the incentive for operators to provide reliable service are discussed in the next section.

Nevertheless, it is important to examine travel times on the Runaround in order to put the public response to the system into context. To see how good or bad travel times are by bus, it is customary to compare, for all the trips that people actually take, the time it would take to make those trips by bus and by auto. This is done in Figures 6-2 and 6-3, using data on 2817 trips from the October 1977 pre-implementation survey. None of the trips surveyed was actually taken by bus, since there was no bus service available at the time. However, knowing the origin and destination of each trip, the time it would take to make the trip by bus and by auto was estimated.

Since Danville is a small city, it is not surprising that, as shown in Figure 6-2, the great majority of all trips can be made by auto in ten minutes or less, and virtually no trips take over 15 minutes. Parking is rarely a problem. These same trips would take much longer by bus. One reason is that so many trips go across town, requiring a bus ride downtown and then back out again. To this is added several minutes walk time at each end, and an average of five minutes waiting for the bus. (Assuming reliable service, transfers at the downtown transfer point should not add to total travel time as indicated by the schedules.)

Figure 6-3 shows the results of a trip-by-trip comparison of travel times by bus and auto. The curve gives the percentage of trips such that the extra time by bus is less than or equal

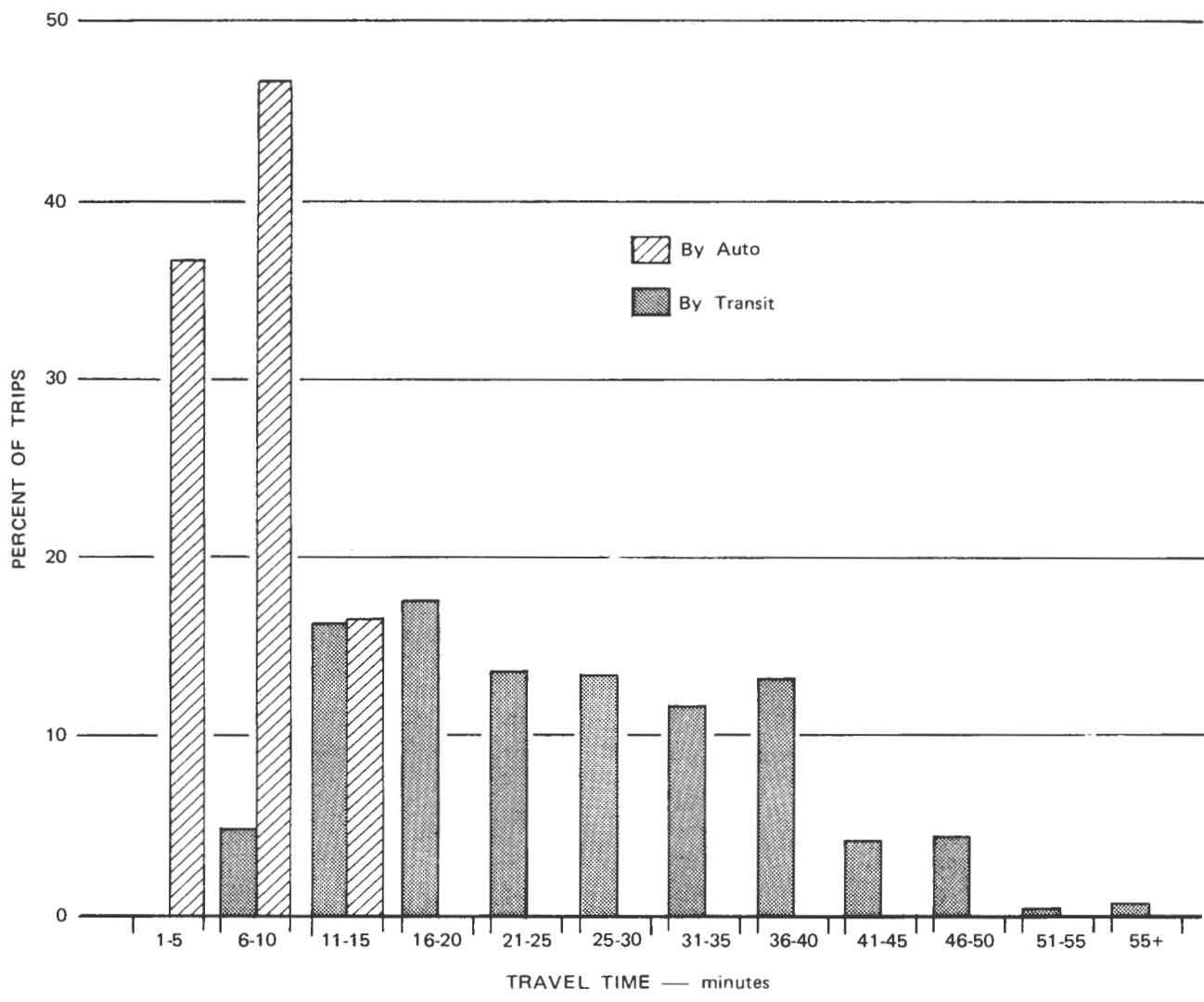


FIGURE 6-2. TRAVEL TIMES BY AUTO AND TRANSIT

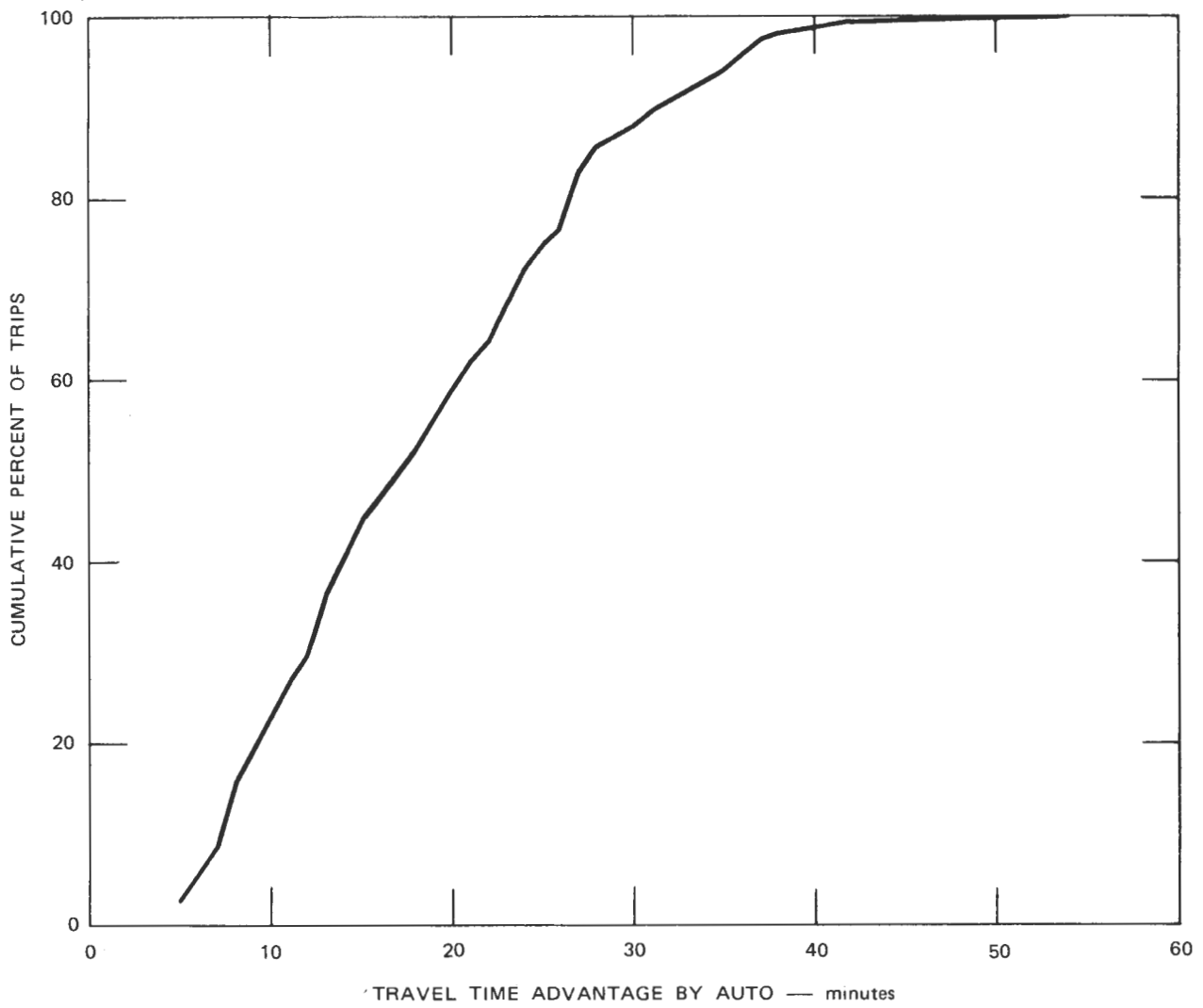


FIGURE 6-3. DIFFERENCE BETWEEN BUS AND AUTO TRAVEL TIMES

to any number of minutes. All trips would take longer by bus. For example, for about 23% of trips the extra time to make the trip by bus is ten minutes or less. The median extra travel time by transit would be about 17 minutes.

6.3 RELIABILITY

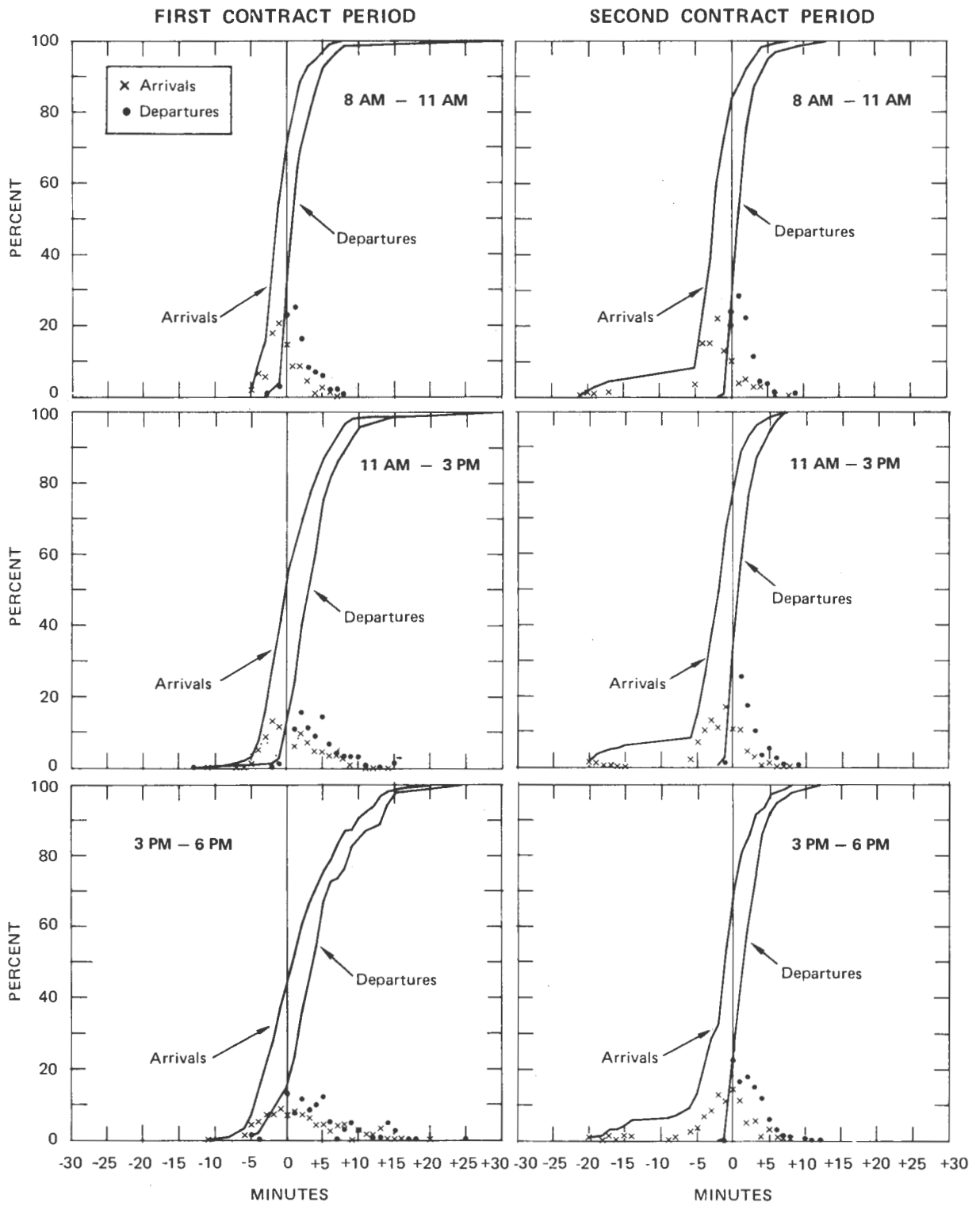
6.3.1 The Buses: Schedule Adherence and Consistency

Of the various components of the level of Runaround service, providers had most control over service reliability. Thus, furnishing on-time, consistent service constituted the primary way in which the providers could influence the service quality and thus, attract riders to the Runaround. During the first contract period, during which ATC was the sole provider, service quality was rather uneven: by afternoon, buses generally ran 15 minutes late or more. Slow automobile traffic due to winter road conditions was only occasionally to blame. ATC management believed that a major cause of the problem was the absence of two-way radios on the buses: the radios were ordered at the outset of the first contract period but were not installed until the very end of the contract period. In the meantime, several routes were altered to avoid traffic signals and to reduce the number of turns in the routes; the changes did improve schedule adherence on those routes. Soon afterwards, the two-way radios were installed, enabling ATC to dispatch a new bus when a scheduled bus slipped behind schedule. (This was particularly important on those routes which shared equipment.) By the middle of the second contract period, schedule reliability had improved significantly.

Figure 6-4 compares schedule reliability during the first and second contract periods* by the time of day. Three time segments are compared: morning, noon to mid-afternoon, and late afternoon. The graphs are read as follows: the vertical axis represents the percentage of all bus runs which had arrived at (or departed from) the main downtown transfer point by X minutes before (or after) the scheduled arrival (or departure) time for each run; on the horizontal axis, 0 represents the scheduled arrival (or departure) time. The two curves show the cumulative percentage of bus runs which had arrived (or departed) by X minutes before (or after) the scheduled time.

During the first contract period from 8 AM to 11 AM, over 90% of all runs had departed by five minutes after the scheduled time. The Runaround schedules give only departure times from downtown; there is no official arrival time or layover period. Therefore both arrivals and departures are actually compared to the listed departure times in Figure 6-4. By early afternoon, this proportion had dropped to just over 70%, and by late afternoon, only about 65% of all runs had departed by five minutes after the scheduled time. Equally worrisome was the problem of early departures: the heavy black dots to the left of the vertical axes indicate the percentages of runs departing before the scheduled time. As the figure shows, service reliability improved considerably over the second contract period. By late afternoon during the second contract period, over 90% of all runs had departed by five minutes after their scheduled departure times. Moreover, the percentage of early departures was significantly reduced. In the graphs from the second contract period, the runs which arrived up to twenty minutes early represent one route which was scheduled to arrive early back at the downtown transfer zone.

*Based on schedule checks conducted from February 22-25, 1978 and May 17-20, 1978.



NOTE: All percentages shown are cumulative.

FIGURE 6-4.
SCHEDULE RELIABILITY

Table 6-2 summarizes the Runaround schedule reliability data for all five contract periods. Three statistics are provided: the number of observations (or runs); the average number of minutes before or after the scheduled times that the buses arrived or departed; and the standard deviation, or variation around the average number of minutes. For example, during the first contract period, the mean arrival time for all routes and at all times of day was approximately one minute after the scheduled arrival time of each route. However, the standard deviation for all routes and all times was over four minutes; thus, some buses arrived three minutes before the scheduled departure time and others, five minutes after.

The table indicates that after the first contract period, service reliability for the entire Runaround system improved significantly, and remained good for the remainder of the demonstration, especially on the routes served by ATC.

Red Top Cab began to operate the four lowest-productivity routes in the third contract period; two routes, 4 and 7, were served by a 21-passenger minibus, and the other two, 8c and 9, were served by Red Top taxis. Because the Runaround taxis furnished demand-response service throughout most of the demonstration, they are not listed in Table 6-2. (Reliability problems associated with the taxis are discussed later in this section.) Service along the minibus routes, 4 and 7, was very uneven throughout the third and fourth contract periods. At the outset of the third contract period, ATC was obliged to provide service along routes 4 and 7 for three days, since Red Top had encountered problems obtaining the proper license for the minibus. The vehicle then experienced a series of mechanical problems; on such occasions, Red Top utilized a spare school bus to provide back-up service. If the school bus was not available, ATC generally furnished back-up service (on very short notice) along the two minibus routes.

TABLE 6-2.
SUMMARY OF RUNAROUND SCHEDULE RELIABILITY

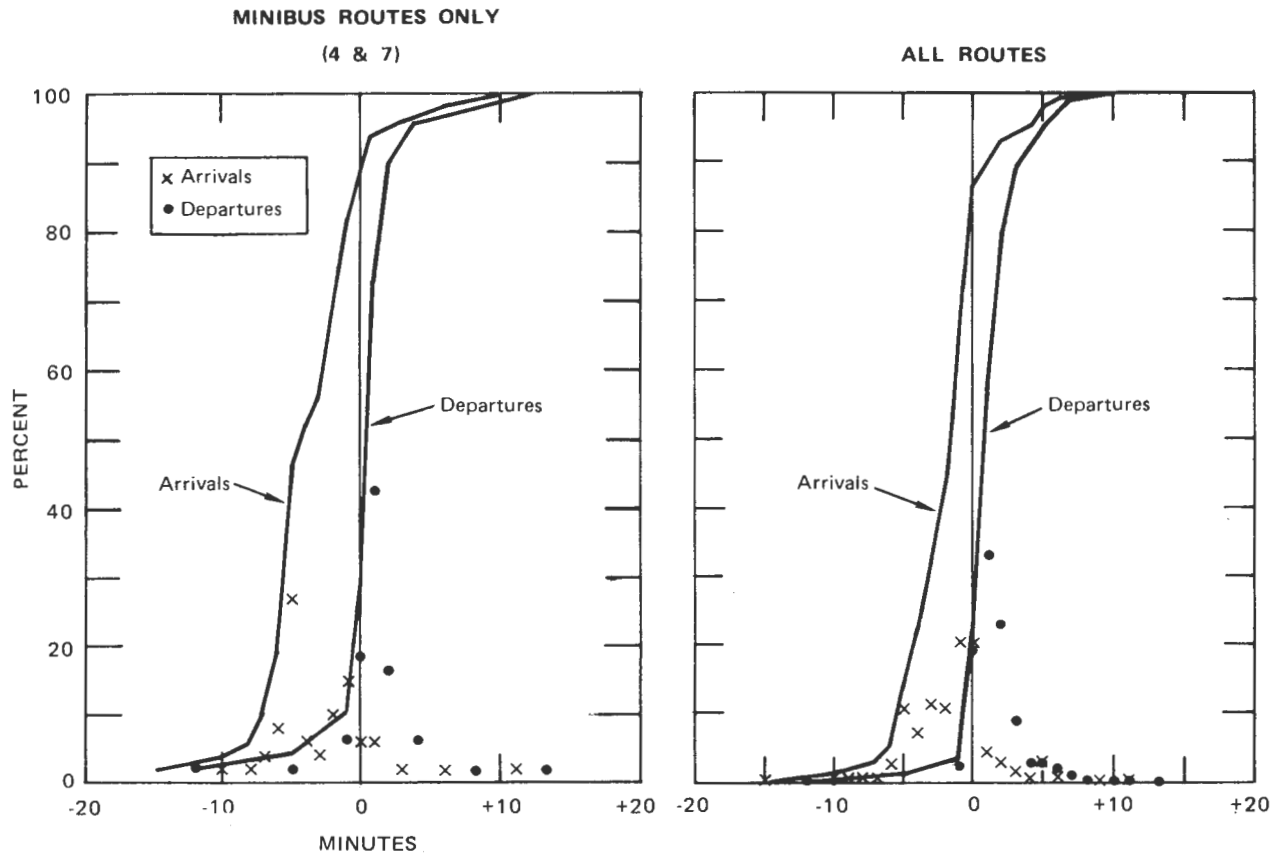
	FIRST CONTRACT PERIOD			SECOND CONTRACT PERIOD		
	<u>n</u>	<u>Mean*</u>	<u>Standard Deviation</u>	<u>n</u>	<u>Mean</u>	<u>Standard Deviation</u>
<u>ARRIVALS</u>						
All routes, all times	516	1.0	4.4	630	-2.0	4.7
All routes, 8 AM - 11 AM	128	-0.4	2.4	180	-2.2	4.3
All routes, 11 AM - 3 PM	213	1.0	4.2	231	-2.3	4.8
All routes, 3 PM - 6 PM	175	2.1	5.4	219	-1.5	4.8
Route 1	59	1.1	3.8	72	-0.4	2.9
Route 2	66	2.3	5.3	71	-1.6	2.8
Route 3	48	1.9	4.7	71	-2.0	1.7
Route 4	38	-2.4	2.6	70	-2.9	2.3
Route 5	62	1.4	4.1	71	-1.6	1.8
Route 6	62	0.5	3.5	71	-0.7	2.8
Route 7	40	-1.0	5.6	35	-1.9	1.9
Route 8	71	0.9	4.1	107	-6.4	8.3
Route 9	70	2.4	4.1	62	2.1	2.2
<u>DEPARTURES</u>						
All routes, all times	513	3.9	4.4	624	1.9	2.1
All routes, 8 AM - 11 AM	128	2.1	3.4	178	1.8	2.0
All routes, 11 AM - 3 PM	215	4.1	4.1	231	1.6	1.8
All routes, 3 PM - 6 PM	170	5.1	4.9	215	2.4	2.3
Route 1	59	4.5	3.1	70	2.8	2.1
Route 2	66	4.6	4.7	71	2.0	2.5
Route 3	49	4.9	4.6	70	1.6	1.4
Route 4	37	1.6	2.0	71	1.0	1.2
Route 5	60	4.5	4.1	71	1.5	1.5
Route 6	63	4.2	6.3	71	2.1	2.4
Route 7	38	2.9	4.5	35	1.4	1.6
Route 8	72	3.2	3.7	104	1.3	1.7
Route 9	69	3.9	4.3	61	3.7	2.4

* A minus sign denotes an early arrival.

TABLE 6-2 Cont.
SUMMARY OF RUNAROUND SCHEDULE RELIABILITY

	THIRD CONTRACT PERIOD			FOURTH CONTRACT PERIOD			FIFTH CONTRACT PERIOD		
	n	Mean	Standard Deviation	n	Mean	Standard Deviation	n	Mean	Standard Deviation
<u>ARRIVALS</u>									
All routes, all times	462	-1.2	3.0	332	-1.5	3.0	382	-0.8	3.2
All routes, 8 AM - 11 AM	148	-1.4	2.7	99	-2.1	2.1	118	-0.7	2.9
All routes, 11 AM - 3 PM	162	-1.5	2.6	125	-2.1	3.0	149	-0.9	2.7
All routes, 3 PM - 6 PM	152	-0.6	3.6	108	-0.3	3.2	115	-1.0	4.0
Route 1	37	0.2	2.4	29	0.3	2.1	30	0.9	2.3
Route 2	65	-0.5	2.4	55	-1.9	2.7	59	-1.1	2.7
Route 3	74	-1.4	3.2	56	-1.6	3.2	57	-1.9	2.5
Route 4	36	-3.8	3.4	27	-4.5	3.4	30	0	2.8
Route 5	71	-0.4	2.8	46	-0.8	4.1	58	-1.1	3.6
Route 6	65	-1.1	2.5	46	-1.3	2.1	58	-2.3	2.4
Route 7	38	-1.5	3.1	21	-1.3	4.2	29	2.3	5.3
Route 8a	37	-3.4	2.4	29	-2.9	1.7	29	-2.1	2.8
Route 8b	39	0.3	2.3	23	0.3	2.0	32	0.2	1.6
<u>DEPARTURES</u>									
All routes, all times	462	2.9	2.2	330	1.6	2.1	382	3.0	2.6
All routes, 8 AM - 11AM	148	2.9	2.0	100	1.3	1.4	118	3.4	2.5
All routes, 11 AM - 3 PM	164	2.6	1.8	124	1.4	1.8	149	2.8	2.3
All routes, 3 PM - 6 PM	150	3.1	2.6	106	2.3	2.8	115	3.0	3.0
Route 1	36	5.3	1.9	29	2.9	2.0	30	4.6	2.5
Route 2	65	2.9	1.9	55	1.4	2.1	59	3.1	2.3
Route 3	74	2.9	2.2	56	1.8	2.3	57	2.7	2.1
Route 4	36	1.3	1.7	26	0.1	2.9	30	3.1	2.4
Route 5	71	3.5	2.4	46	1.7	1.6	58	2.9	2.5
Route 6	66	3.0	1.7	46	1.6	1.4	58	2.4	2.0
Route 7	38	2.2	1.4	21	2.2	3.1	29	5.2	4.6
Route 8a	37	1.7	1.9	29	0.9	0.9	29	2.2	1.9
Route 8b	39	1.8	2.1	22	2.3	1.9	32	2.1	1.6

The schedule reliability of the minibus routes was further decreased by the propensity of the minibus driver to arrive and depart from the downtown transfer zone earlier than the scheduled times. Figure 6-5 compares the schedule reliability of the mini-



NOTE: All percentages shown are cumulative.

FIGURE 6-5. MINIBUS SCHEDULE RELIABILITY
(4th Contract Period)

bus routes with that of all routes combined, for the fourth contract period.* As the left-hand graph shows, the minibus tended to arrive quite early: 43% of the runs arrived at the transfer zone five or more minutes early. This indicates that on some number of occasions, prospective riders waiting along

*Based on a schedule check conducted March 21-23, 1979.



FIGURE 6-6. THE MINIBUS DOWNTOWN



FIGURE 6-7. INSIDE THE MINIBUS

the routes probably missed the bus, since it was running ahead of schedule. In addition, 10% of the minibus runs departed before the scheduled time. By contrast, the graph for all routes (including 4 and 7) shows much lower percentages of runs arriving and leaving ahead of schedule: 15% of runs arrived at the transfer zone five or more minutes early, and 4% of runs departed before the scheduled time.

The statistics contained in the previous Table 6-2 show that in addition to arriving and departing ahead of schedule more frequently than the other routes, routes 4 and 7 generally exhibited larger variations in arrival and departure times for all three contract periods during which Red Top operated the minibus. The fifth contract period statistics illustrate this point. For example, route 7 arrived at the transfer zone two minutes after the scheduled departure time for the next run, on average. (By then, early arrivals were no longer a major problem.) However, this average arrival time varied by as much as five minutes in each direction. Similarly, route 7 departed five minutes after the scheduled departure time on average, but this figure varied by five minutes: some runs left on schedule, while others left ten minutes late. This lack of schedule consistency compounded the problem of the lack of schedule adherence: not only did the runs leave early or late, but riders could not be assured that the bus would consistently follow the early or late departure pattern.*

Some of the unreliability of the service provided by Red Top on the two minibus routes can be attributed to the lack of direct radio contact between the minibus and the ATC buses. Although the minibus was equipped with a radio, the latter operated on the Red Top taxi frequency; the radios in the ATC buses operated on a separate frequency. ATC did give the Red

*It is conceivable (but seems unlikely) that each particular run exhibited greater consistency from day to day.

Top dispatch office one radio tuned to the ATC frequency, thereby enabling the transmission of messages between the minibus and the ATC buses indirectly--i.e., via the Red Top dispatch office. However, this system worked imperfectly,, as might be expected. With direct radio contact, the two providers could have exchanged information regarding passengers transferring from one provider's bus to that of the other, traffic problems, and breakdowns far more efficiently; as a result, service reliability--especially on the minibus--would probably have been better.

In general, however, schedule adherence did improve on all Runaround routes over the demonstration period. This trend is borne out by the responses of riders to the question, "How many minutes did you wait for this bus?"* Table 6-3 compares their perceived wait times at the outset of the second contract period with their responses in the fifth contract period.

TABLE 6-3.
PERCEIVED WAIT TIMES

<u>Number of Minutes</u>	<u>Second Contract Period</u>	<u>Fifth Contract Period</u>
0	10%	13%
1-5	48	59
6-10	21	15
11-15	11	7
16-20	5	3
21-30	3	2
Over 30	2	1
	<u>100%</u>	<u>100%</u>
(n)	(610)	(631)

The table indicates a clear shift toward shorter wait times in the fifth contract period.** In the fifth contract period,

*These data are drawn from the results of On-Board Surveys conducted in March 1978 and May 1979.

**Chi-square = 52.3 with six degrees of freedom (prob. < .001).

87% of wait times were ten minutes or less. Since all headways were at least 30 minutes, this indicates that service reliability was quite good.

6.3.2 The Runaround Taxis: Service Quality

When Red Top first began to serve two Runaround routes (8c and 9) with taxis, during the third contract period, the Runaround taxi service was to operate in the following way. The taxis would furnish fixed-route, fixed-schedule, hourly service on an on-call basis along the the two routes; that is, after receiving a call for Runaround taxi service, Red Top would dispatch a taxi along the route at the next scheduled hour. In addition, the taxis would wait at the downtown transfer zone for passengers transferring from other routes at specified times during the day. Taxis providing Runaround service would display magnetic, removable Runaround signs on the sides of the vehicles; and would accept bus tickets, transfers, and cash fares in payment for service.

As explained in Chapter 4, the system did not work. Red Top responded to calls for Runaround service by dispatching a taxi immediately, rather than operating according to the printed schedule. Taxis were not always available at the transfer zone for passengers transferring to routes 8c and 9; when taxis did wait

Cure sought for 'horrible' taxi service

February 28, 1979

By DEBBIE BARNES
C-N Staff Writer

City officials say Red Top Cab Co. is hitting the skids, and the owner of the firm agrees.

"We've got to do something about this horrible taxi service," Mayor David Palmer said this week. "This is terrible."

Red Top president Harold Fries acknowledges the problems with his company, saying the cause of it is that he can't afford to replace deteriorating equipment.

His fleet now is down to less than half of the vehicles that should be on the streets, he said.

Palmer said the city may have to consider seeking another company to provide taxi service to the city.

Palmer and Assistant City Planning Director Michael Federman said they have received numerous complaints about poor service from Red Top as well as on the Runaround transit routes served by the firm.

Red Top provides "dial-a-ride" service on the Runaround's South Danville and Perrysville Avenue routes. The company also operates a mini-bus on the Bowman Avenue and Williams Street routes.

The mini-bus frequently breaks down and must be replaced with a back-up bus from American Transit Corp., the other transit service provider, Federman said.

Some of the problems with Red Top are administrative rather than mechanical, Federman added.

"If they miss a couple of runs, they don't even call and tell us."

Federman said the cab company last week had only four cabs providing service to the city. He said he has received complaints that no

one was even answering the phone at the company offices.

Fries said that company workers often did not answer the phone to explain that no cabs were available.

"There are always a certain number of customers who say they will wait anyway, but by the time you go out there, you find they've found another way," he said.

The company has 18 cars, but more than half of them aren't operating, Fries said.

"Our back is against the wall and we just don't have enough money to fix them up," Fries said.

Fries said the Runaround system has cut into his business and he will not be able to continue operating the firm for long under the current circumstances.

Fries said he has had problems with his cab company for two years. In December 1977, he asked the City Council to consider some form of subsidy, but he was turned down. He would not say what he wanted to discuss as a possible solution to his problems this time. He said he has not talked enough to Palmer about it.

However, he said a rate increase would not help.

"A fare increase would just price us right out of business," he said.

Fries did say money to purchase about 10 new or used cabs would help. That many new cabs would cost about \$60,000 and used vehicles would cost about \$12,000, he said.

If the city were to discontinue bus service, "we would have enough money ourselves," he said.

Red Top has been the city's chief taxi service supplier. The other cab service, Brown's Cab, does business on a much more limited scale.

there, they waited at the taxi stand rather than in the bus transfer zone, and drivers were reluctant to accept transfers as payment. The magnetic Runaround signs also caused problems. After two months, during which the problems associated with the Runaround taxi service generated a great deal of confusion on the part of the passengers, the City, and the drivers themselves, Red Top proposed a new system. Rather than having the taxis wait at the transfer zone at specified times, transferring passengers would call Red Top Cab for service on a free telephone to be installed just inside a large drugstore facing the transfer zone; a taxi would arrive within five minutes of each call. (By this time, the concept of fixed-schedule taxi service had been abandoned.) This suggestion was implemented and publicized in the newspaper and via direct mailings to Danville residents living on or near the two taxi routes. In addition, Red Top began to pay the drivers \$.40 for each transfer received; thereafter, the City received no more passenger complaints regarding the taxi drivers' reluctance to accept transfers.

Thereafter, the Runaround taxis operated without any major difficulties until the middle of the fourth contract period, at which time the number of Red Top taxis in service declined from an average of eighteen to four vehicles. (As described in Chapter 4, Red Top's financially unstable situation prevented the company from repairing the taxis in a timely manner.) Gradually, taxi service was restored. However, over a period of two months, Runaround service along the two taxi routes was severely disrupted by the above situation. During that period, a mailback questionnaire was sent by the City to residents living on or near the two taxi routes. The returned questionnaires revealed that while almost half of those responding were aware of and had used the Runaround taxi service, only one-quarter were currently using it. The most frequently-cited reason was the

availability of alternative transportation. Other non-users cited the undependable service, their preference for regular buses, their dislike of taxis, and the inconvenience of calling Red Top for service.

In the middle of the fifth contract period, Red Top was sold to a new owner, who added two new air-conditioned station wagons to the taxi fleet and instituted hourly fixed-route service along the two taxi routes between the hours of 10 AM and 3 PM, six days per week. Residents of the two routes then received another series of direct mailings informing them of the new service. The latter operated without incident through the end of the demonstration period.

In summary: the Runaround taxi service furnished by Red Top was generally of inferior quality throughout the third, fourth, and fifth contract periods. The original plans for operating the routes proved unworkable; but even after the initial problems were remedied, the quality of service along the two taxi routes never matched that provided by the rest of the Runaround system. The City attempted to improve this situation via frequent meetings with Red Top management and a series of mailings to potential riders along the taxi routes. However, Red Top's lack of financial resources prevented the company from undertaking any major changes designed to upgrade the quality of Runaround taxi service.

6.3.3 Impact of the User-Side Subsidy on Service Reliability

For the most part, the reliability problems of the Runaround service during the first contract period had been eliminated by the middle of the second contract period. ATC did not switch from the guaranteed mileage payments to the user-side subsidy payments until the third contract period; thereafter, the quality of service furnished by ATC remained good. Thus, it appears that the user-side subsidy had no discernible impact--

positive or negative--on ATC's service reliability. The Runaround minibus and taxi service furnished by Red Top Cab was frequently unreliable; however, there is no evidence that these problems were related in any way to the subsidy arrangement, or that another type of arrangement would have improved the quality of service provided by Red Top.

7. PUBLIC RESPONSE

7.1 RIDERSHIP HISTORY

Figure 7-1 shows the average daily ridership on the Runaround by month, from the start of operations in November 1977 through March 1980. Five curves are shown. The top curve represents total revenue ridership; just below, total ticket ridership is graphed. Half-fare ticket ridership, full-fare ticket ridership, and cash fare ridership curves are also plotted. Full-fare ridership appears to have peaked after only about three months of operation. For the following year, from February 1978 through February 1979, full-fare ridership follows a pattern which appears to be seasonal, with usage peaking when weather is worst. Half-fare ridership climbed until February 1979, although some indication of mid-winter peaking is still discernable. (It is also possible to see in the fluctuations in half-fare ridership a drop representing confusion over service changes at the start of the second contract period.) Following March 1979 the picture is confused by the lowering of the cash fare at the start of the fifth contract period. The general picture appears to be renewed growth in full-fare ridership (tickets and cash), lessened growth in half-fare ridership, and a repeat of the seasonal pattern.

Further ridership detail is provided in Table 7-1, which lists average daily Runaround ridership by route and contract period.* Note that the two routes with the lowest ridership, Perrysville (8c) and South Danville (9), were served by Runaround taxis during the last three contract periods. As the table indicates, average daily ridership remained below

*Chapter 8, "Productivity and Economics," contains detailed productivity and cost statistics by contract period.

1,000 per day for the first year of Runaround operations; thereafter, it hovered just above the 1,000 mark. The ridership projections contained in the original Danville Transit Development Plan (TDP), prepared in 1975, were substantially higher: for a comparable level of service, the TDP had predicted an average ridership of 1,400 per weekday, or half the average daily ridership on Bee Line Transit in Danville, prior to its discontinuation in 1970. Thus, Runaround ridership levels during the demonstration period were below expectations.

While much of the disparity between expected and actual ridership can be attributed to the difficulty and uncertainty

TABLE 7-1.

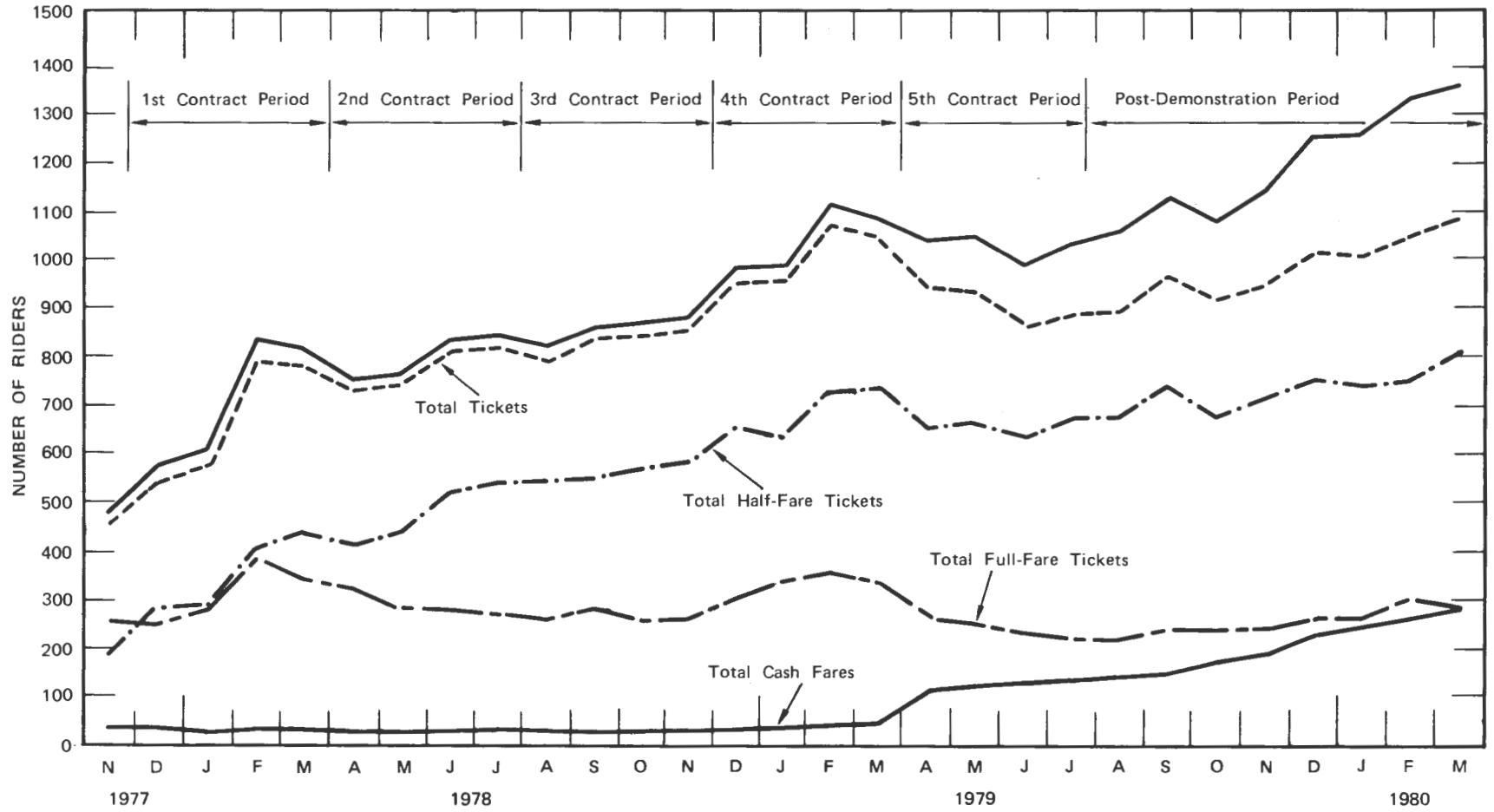
AVERAGE DAILY RIDERSHIP
BY ROUTE AND CONTRACT PERIOD

ROUTE	CONTRACT PERIOD					OVERALL AVERAGE
	1	2	3	4	5	
1. Grant	80	80	46	65	73	69
2. Gilbert	128	131	120	122	119	124
3. Vermilion	129	143	150	152	159	147
4. Bowman	37	68	58	60	65	58
5. Fairchild	107	139	180	287	275	198
6. Main	98	126	180	226	232	172
7. Williams	38	36	45	46	45	42
8a. Douglas Park	24	36	44	47	43	39
8b. The Heights	22	25	21	18	19	21
8c. Perrysville	13	--*	6	6	7	8
9. South Danville	10	28	4	5	4	10
TOTAL	686	812	854	1034	1041	888

* Prior to the second contract period, routes 8a and 8c were combined.

FIGURE 7-1. AVERAGE DAILY RIDERSHIP

159



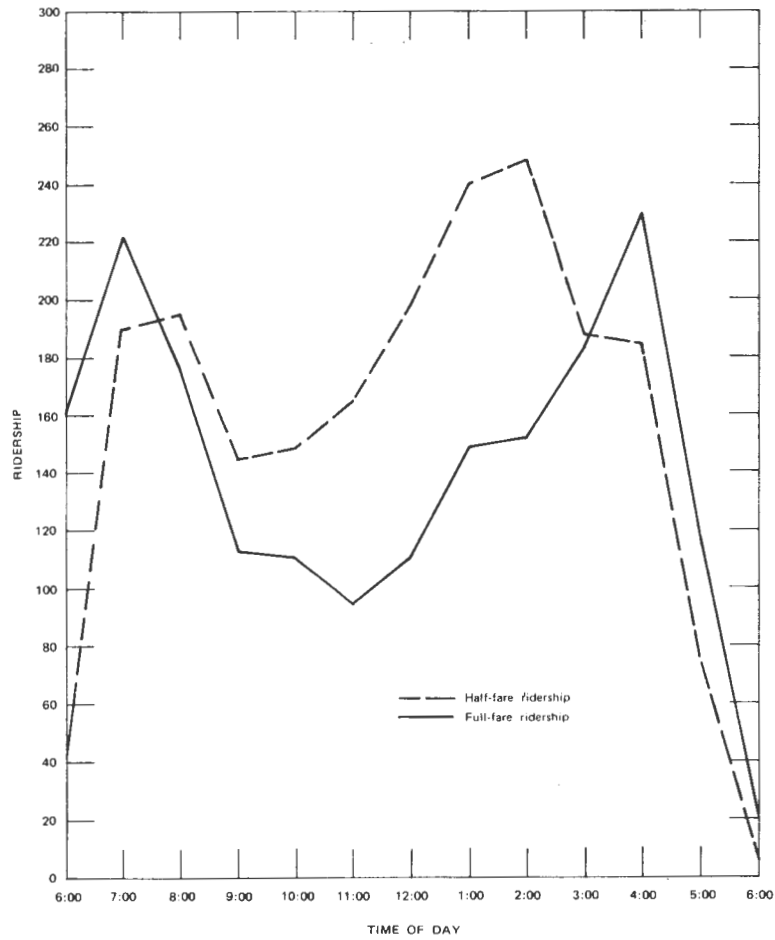
of predicting ridership on a new transit system, changes in the transportation needs of Danville residents since 1970 may also be partially responsible. As noted earlier, Danville residents were without a public transportation system from 1970 until late 1977. In the intervening seven-year period, residents were forced to find substitute modes of transportation. By late 1977, when the Runaround began operations, many former Bee Line Transit riders may have bought cars or found other transportation modes to which they had become accustomed. In a survey of Danville residents conducted in April 1979, fully 94% of respondents said that a vehicle was available to them for most of the trips they needed to make. The 1970 Census had indicated that only 80% of households had a motor vehicle. This phenomenon may have contributed to the lower-than-anticipated Runaround ridership levels.

Following the demonstration period, however, ridership did rise to levels like those predicted. Two contributing factors were probably the covering of the cash fare after the fifth contract period, and deterioration of the gasoline price and availability situation.

7.2 RIDERSHIP BY TIME OF DAY

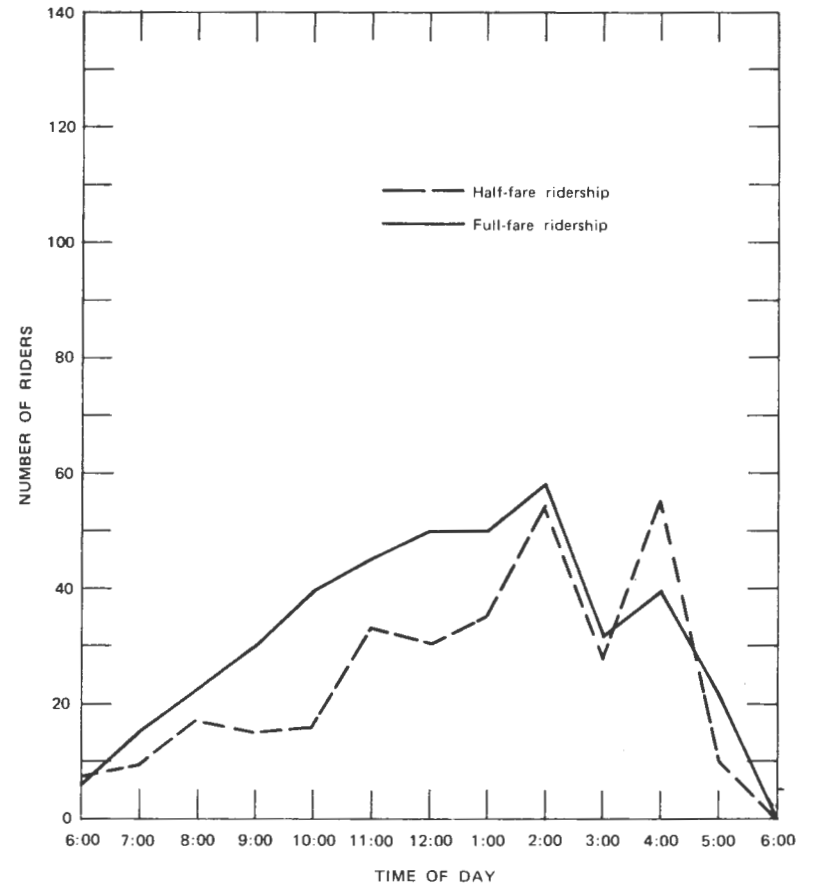
Figures 7-2 and 7-3 show Runaround ridership by time of day: Figure 7-2 shows weekday ridership, and Figure 7-3 shows Saturday ridership. For both graphs, the ridership shown for each hour includes boardings which took place from fifteen minutes before the hour up to the next hour; thus, the 4:00 ridership includes all boardings between 3:45 and 5:00.* On weekdays, full-fare ridership peaked at 7 AM and 4 PM, whereas half-fare ridership peaked at 8 AM and 2 PM. On Saturdays, full-fare ridership peaked at 2 PM; half-fare ridership peaked at 2 PM and 4 PM.

*This overlap resulted from the way in which buses were scheduled. No double-counting was involved.



NOTE: Based on trips taken during the week of February 13-17, 1978.

FIGURE 7-2. WEEKDAY RIDERSHIP BY TIME OF DAY (ALL ROUTES)



NOTE: Based on trips taken on February 18, 1978.
As of August, Saturday service began at 8:15 am.

FIGURE 7-3. SATURDAY RIDERSHIP BY TIME OF DAY (ALL ROUTES)

7.3 RIDERSHIP CHARACTERISTICS*

7.3.1 Demographics

During the two-year demonstration period, two on-board surveys of Runaround riders were conducted: in March of 1978, and in May of 1979. Table 7-2 shows the socioeconomic characteristics of each sample of riders, compared to the Danville population statistics yielded by the 1970 Census.

Runaround ridership appeared to be remarkably representative of the Danville population with respect to age, although it is weighted toward females. The most noticeable difference between the ridership samples and the Census data is the overrepresentation of the lowest-income group in the ridership samples: in particular, almost half of the May 1979 ridership sample had household incomes of under \$5,000 per year. Of the remaining three income groups, the "over \$15,000" group had the largest representation compared to the Census data. This is probably a reflection of the considerable inflationary shift in the income profile of the Danville population toward the upper-income groups which has undoubtedly occurred since the 1970 Census was taken. It is also noteworthy that the proportion of non-white persons riding the bus is well above their representation in the general population.

Of the two ridership samples, the more recent sample contained higher proportions of youths and elderly persons; the proportion of lower-income riders was also higher in the more recent sample, reflecting the higher proportion of elderly riders. The previous Figure 7-1 provides an explanation of the differences between the two samples: half-fare ridership

* In the on-board surveys whose results are presented here, the samples consisted of those people who rode at least once during a two-day period. Each person was surveyed only once. Of course, an infrequent rider was much less likely to be included in the samples than a regular rider. Thus, the Runaround ridership reported on is weighted toward more frequent riders.

TABLE 7-2.
DEMOGRAPHIC CHARACTERISTICS

	<u>RUNAROUND RIDERSHIP</u>		<u>DANVILLE POPULATION</u>
	March 1978 (%)	May 1979 (%)	1970 Census* (%)
<u>AGE</u>			
18 and Under	16	20	21
19-44	39	32	36
45-64	28	27	27
65+	17	21	16
(n)	(556)	(639)	
<u>SEX</u>			
Male	36	36	46
Female	64	64	54
(n)	(565)	(639)	
<u>INCOME</u>			
Under \$5,000	38	48	18
\$5,000-\$10,000	29	26	35
\$10,000-\$15,000	15	11	28
Over \$15,000	17	16	19
(n)	(485)	(539)	
<u>ETHNIC ORIGIN</u>			
White	N.A.	70	94
Black	N.A.	26	6
Other	N.A.	4	0
(n)		(635)	

*Census percentages refer to population 10 years of age and older.

Note: Some percentages do not add to 100%, due to rounding.

increased significantly in proportion to full-fare ridership between March 1978 and May 1979.

Of those surveyed in March 1978, 19% were registered in the RTR program. (The impacts of the Runaround on RTR registrants are examined in Chapter 9 of this report.) Forty-two percent of the March 1978 sample had a car available for the trips they were making on the Runaround at the time of the survey. The May 1979 survey yielded a somewhat lower percentage: 30% had a car available for the Runaround trips they were making. While lower than the March 1978 statistic, 30% still appears to represent a fairly high percentage of "choice" riders.

7.3.2 Frequency and Trip Purpose

Table 7-3 summarizes the responses of various categories of riders to the question, "How often do you ride the Runaround?" The table shows that over three-quarters of those surveyed were regular riders (several times a week). Elderly and higher-income people rode slightly less frequently than the average rider, ethnic minorities other than black slightly more frequently, at least based on the very small sample available.

TABLE 7-3.
FREQUENCY OF RIDING

	ALL (n=707)	AGE				SEX		INCOME				ETHNIC ORIGIN		
		x-18	19-44	45-64	65+	M	F	<\$5K	\$5-10K	\$10-15K	>\$15K	White	Black	Other*
Several times a week	78%	88%	81%	81%	67%	80%	80%	82%	86%	74%	77%	79%	80%	93%
Once a week	11	9	10	10	18	9	12	12	6	16	11	11	12	4
Once every 2 or 3 weeks	4	2	2	5	8	4	4	4	4	2	1	4	4	0
Once a month or less	4	2	4	2	6	4	4	2	2	5	4	4	4	4
This is my first trip	3	0	4	2	1	3	1	0	1	4	7	2	1	0

Note: Some percentages do not add to 100%, due to rounding.

*Mexican, Hispanic, Asian and other.

Riders' trip purposes are presented in Table 7-4. Work was the most frequently-cited trip purpose for all but three rider groups. For the "x-18" age group and for the "other" ethnic origin group, school was cited most frequently. For the "65+" age group, shopping was cited slightly more frequently than work.

7.3.3 Distance to Bus Routes

The bar graph in Figure 7-4 shows the distance from a bus route to the homes and destinations of Runaround riders surveyed in May 1979. As the figure indicates, a greater proportion of riders' homes than destinations were located within one

TABLE 7-4.
TRIP PURPOSE

	ALL (n=707)	AGE				SEX		INCOME				ETHNIC ORIGIN		
		x-18	19-44	45-64	65+	M	F	<\$5K	\$5-10K	\$10-15K	>\$15K	White	Black	Other*
Work	37%	20%	47%	51%	25%	44%	35%	30%	48%	33%	54%	40%	40%	14%
Shop	16	3	12	21	30	7	21	20	14	14	8	19	11	11
School	19	64	11	1	0	22	14	14	12	28	23	12	21	61
Social/ Recrea- tional	10	7	12	7	14	9	11	14	9	4	5	10	9	11
Medical	7	2	7	9	9	6	7	10	7	2	2	6	11	0
Other	12	5	11	12	22	12	12	13	9	19	8	13	11	4

Note: Some percentages do not add to 100%, due to rounding.

*Mexican, Hispanic, Asian and other.

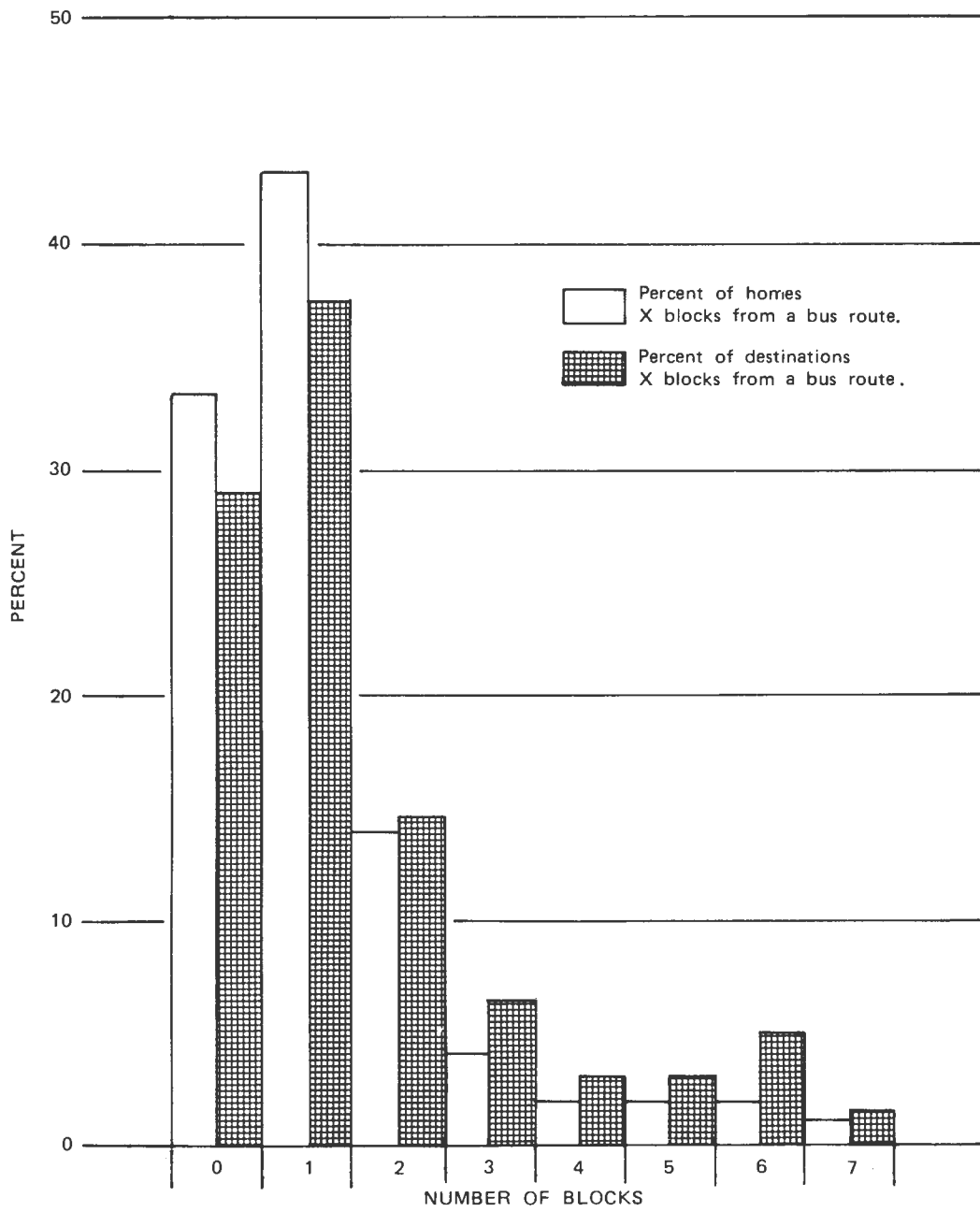
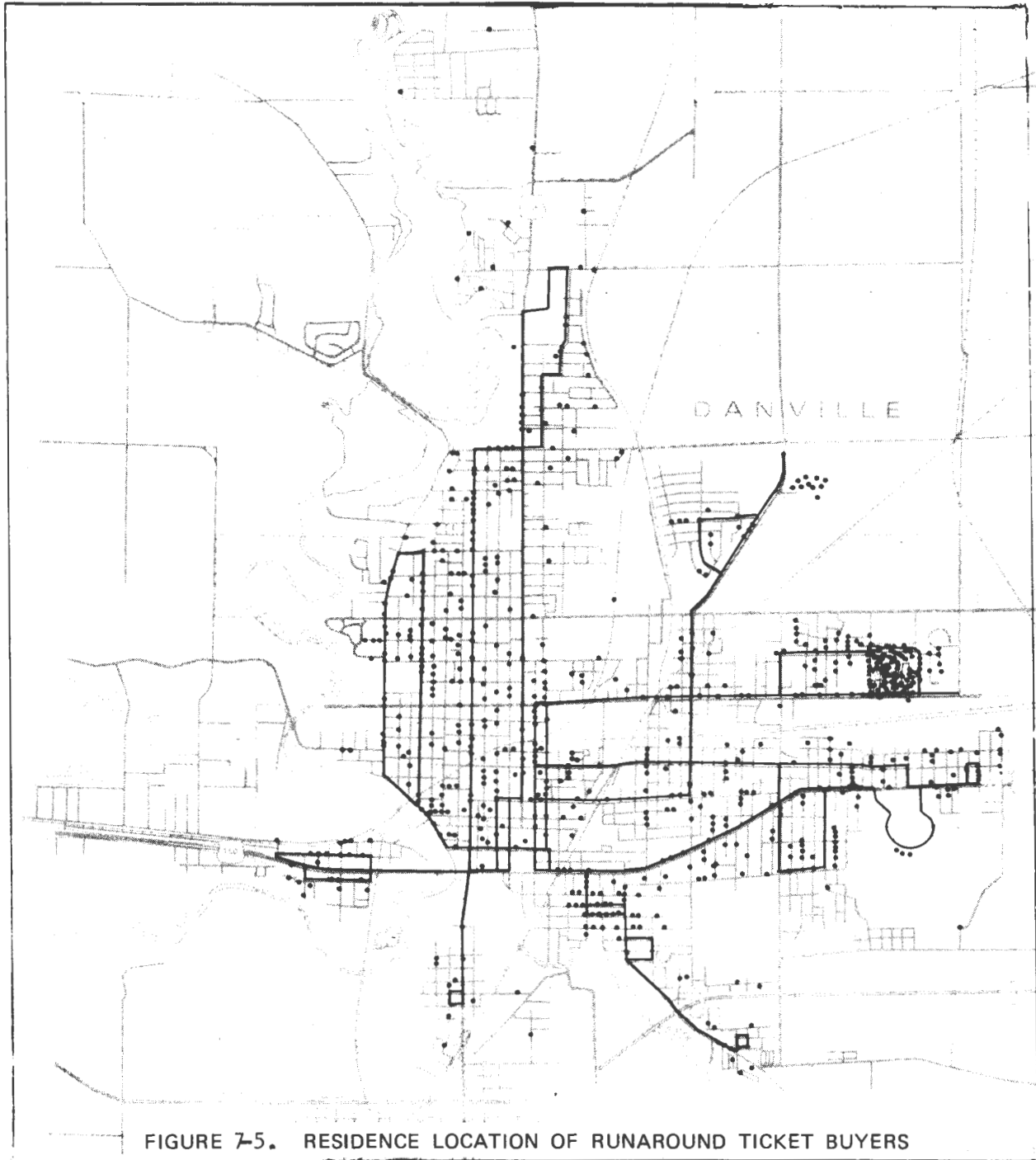


FIGURE 7-4. DISTANCE TO BUS ROUTE

block of a bus route.* The vast majority of both homes and destinations were located within two blocks of a Runaround route. Figure 7-5 shows residences of a sample of ticket buyers collected in early 1978 compared to the routes in effect at that time.



*In Danville, eight long blocks or twelve short blocks equal one mile.

7.4 MARKET PENETRATION

7.4.1 Use of the Runaround

Just over one-third of the Danville population had tried the Runaround service after 17 months of operations (April 1979), according to a survey of the general public conducted at that time. The majority of those who had used the bus were infrequent riders: 60% rode once a month or less. Of those surveyed, fully 94% said they had access to a car or truck for most trips they needed to make. The great majority of the few respondents without access to a car or truck had tried the Runaround, as Table 7-5 shows.

TABLE 7-5.
AUTO AVAILABILITY AND RUNAROUND USE (n=301)

	Auto available for most trips?	
	<u>Yes</u>	<u>No</u>
Tried bus	29%	81%
Never tried bus	<u>71</u>	<u>19</u>
	100%	100%

(Corrected Chi Square = 21.7; prob. < .001.)

As already discussed, the Runaround ridership was comprised of higher proportions of females, youths, elderly, and low-income persons than the proportional representation of these groups in the general population of Danville. Table 7-6 shows the percentage of each of these groups (denoted with asterisks) which had tried the Runaround service.

TABLE 7-6.

PERCENT WHO HAD TRIED BUS BY AGE AND INCOME

<u>Age</u>	
18 or under*	64%
19-44	15%
45-64	31%
65 or over*	41%
<u>Income</u>	
Less than \$5,000*	44%
\$5,000 - \$15,000	33%
\$15,000 - \$30,000	17%
Over \$30,000	24%

As the table indicates, these same groups were more likely to have tried the bus than the other age and income groups. In addition, more women than men had tried the bus: 35% of women, versus 26% of men.

Predictably, the vast majority of Danville residents who had tried the bus lived very close to a bus route. According to the July 1977 "follow-up" survey**, Danville residents who lived within three blocks of a bus route were nearly twice as likely to have tried the bus as those who lived further away.

7.4.2 Knowledge and Use of the Runaround

It might be thought that inadequate publicity and resulting lack of knowledge by the public could be responsible for many people not having used the Runaround. Table 7-7 presents data from the April 1979 survey regarding the public's awareness of the transit system. While only one-third of those surveyed had tried the Runaround, 89% of this same group said that someone in their households had used the service.

*Groups disproportionately represented in ridership samples.

**See Appendix D.

TABLE 7-7.
PUBLIC AWARENESS OF THE TRANSIT SYSTEM

	<u>(n=300)</u>
Know how to get downtown on the bus	61%
Know that the bus will stop anywhere along route	77
Know that ticket books can be bought in advance	86
If yes:	
Know where to buy them	62
Know cash fare*	45

*Since the cash fare had been lowered from \$1.00 to \$.50 immediately prior to the survey, this percentage includes all people who quoted either figure.

7.4.3 Reasons for Non-Use of the Runaround

Those surveyed in April 1979 who had never tried the bus were asked their main reasons for not doing so; their responses are summarized in Table 7-8, below.

TABLE 7-8.
REASONS FOR NOT USING RUNAROUND

	<u>(n=300)</u>
1. Own car/have alternative transportation	49%
2. Bus doesn't serve my area/go where I need to go	18
3. Don't go out (or downtown) very often	13
4. Handicapped; can't use bus	4
5. Don't need bus (reason unspecified)	4
6. Live close to town/prefer to walk	4
7. Bus is too inconvenient	4
8. Haven't had occasion to try it	2
9. Other	<u>2</u>
	100

As the table shows, most non-riders had no need of the bus service; a smaller group was unable to use it, either because the bus routes did not serve their needs or because of physical handicaps. Only a very small proportion, 4%, were critical of the service.

This group of non-riders was then asked if they would ride the bus if certain improvements in the bus service were made. Table 7-9 shows the proportion of non-riders who stated that they would definitely or probably ride the bus under each condition. (Some respondents cited more than one condition.)

TABLE 7-9.
NON-RIDER ATTITUDES TOWARD TRANSIT IMPROVEMENTS

<u>Improvement</u>	% Who Would Ride The Bus (n=300)	
	<u>Definitely</u>	<u>Probably</u>
1. More information on fares and schedules	9	29
2. Lower fares	9	17
3. More bus shelters or benches along routes	8	28
4. More reliable service	8	24
5. Service available after 6 PM	7	20
6. More comfortable vehicles	5	14
7. More frequent service	3	24

In general, the largest proportions of non-riders said they would definitely or probably start to ride the bus if they had more information about the transit system and if there were more shelters and benches along the bus routes.

However, these findings should be interpreted with caution. People's hypothetical responses regarding their future behavior

are generally unreliable predictors of actual behavior; the discrepancy (discussed earlier in this section) between the proportion of Danville residents surveyed who said they planned to use the Runaround and the proportion of the same group who were using it when reinterviewed illustrates this point. Thus, the above figures probably overstate the ridership increase that would result from each improvement. As noted in Table 7-8, almost 50% of those surveyed had alternative means of transportation.

Respondents were then asked: "If there were direct, convenient, inexpensive bus service to where you wanted to go, would you definitely, probably, probably not, or definitely not start to ride the bus?" Non-riders in Danville were moderately receptive to the idea: 17% said they would definitely start to ride, and another 32% said they would probably do so. The rest, 51%, gave negative responses to the question.

7.5 RESPONSE TO THE FARE PAYMENT SYSTEM

7.5.1 Origin of the Fare Structure

While the user-side subsidy arrangement required some sort of prepaid ticket system, prospective providers of Runaround service were free to design and propose their own fare structures, within certain limits. (Chapter 4 contains a detailed discussion of the operational design of the demonstration.) Thus, prior to the first contract period, ATC proposed a fare structure which was adopted for four successive contract periods: full-fare tickets at \$.40 each; half-fare tickets at \$.20 each; and a cash fare of \$1.00. Providers were encouraged by the City to set the cash fare at a higher level than the full-fare ticket price, in order to encourage purchase of the prepaid tickets which were to be used as the basis for the service payments to the providers

after the first two contract periods. Nevertheless, the \$1.00 cash fare proposed by ATC was considered by the City to be quite high. ATC's reasons for setting it so high were clear: providers were to receive no subsidy on cash fares from the City, and it was difficult to predict whether or not riders would react adversely to the prepaid ticket system, choosing instead to pay a higher cash fare.

7.5.2 Response to the Initial Fare Structure

The new transit system received much favorable publicity and strong editorial support from the local newspaper; however, the newspaper - and many of its readers - also criticized the \$1.00 cash fare on the grounds that it penalized infrequent riders (who chose not to invest in an entire book of tickets) and deterred non-riders from trying the Runaround. While sales of full-fare and half-fare tickets climbed slowly and steadily during the initial months of service, cash fares quickly stabilized at a very low level: about 30 per day. In the on-board survey conducted in March 1978, after the service had operated for four months, riders were asked to rate ten features of the Runaround service as excellent, good, fair or poor. Table 7-10 shows

TABLE 7-10.
RATING OF BUS FEATURES

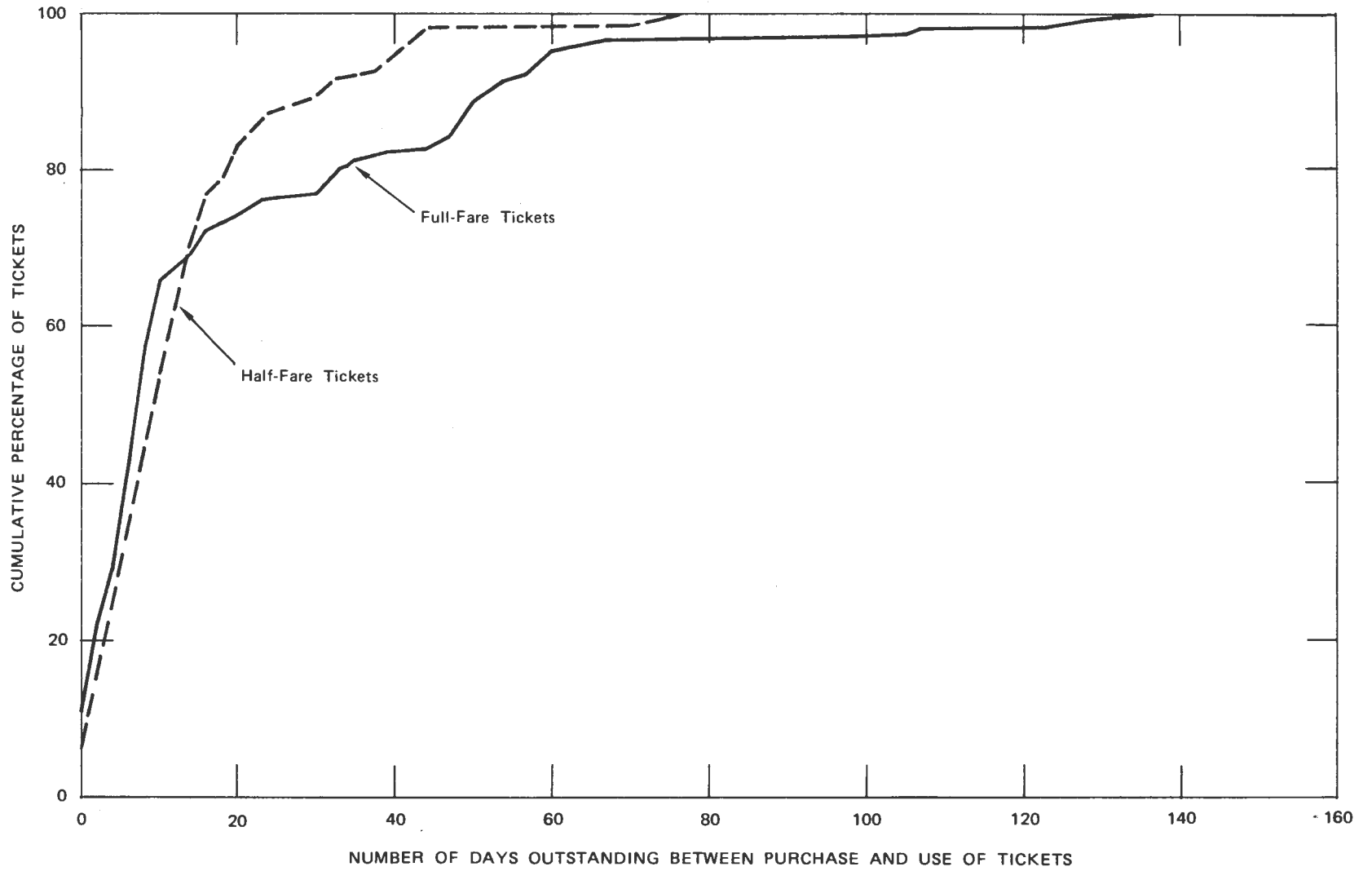
	<u>Excellent</u> (%)	<u>Good</u> (%)
1. 40¢ and 20¢ ticket fare	55	39
2. Buying tickets in advance	55	35
3. Ease of buying tickets	47	36
4. Service every half hour or hour	47	45
5. Availability of information	46	41
6. Time it takes to get where you're going	45	47
7. Picking you up on time	43	46
8. The routes	40	48
9. Cleanliness of buses	39	50
10. \$1.00 cash fare	8	13
	(n=610)	

the percentages of riders who gave the features "excellent" or "good" ratings. The only feature rated as "poor" by more than 5% of those responding was the \$1.00 cash fare, which 52% rated as "poor" and another 27% rated as only "fair." The survey results indicate that riders' attitudes toward buying tickets in advance were quite favorable, and that they experienced few difficulties in doing so.

Figure 7-6 shows the cumulative percentages of full-fare and half-fare tickets which had been used a given number of days after they were purchased; the figure is based upon a sample of tickets from a representative week. The figure shows that about 50% of both types of tickets were used seven to ten days after purchase. Thereafter, the half-fare tickets were used up more rapidly than the full-fare tickets: after 30 days, 90% of the half-fare tickets sold had been used for bus rides, whereas only 75% of the full-fare tickets had been used.

Despite the extended period over which some riders carried their tickets before using them to ride the Runaround, the City rarely received complaints or notification of lost or stolen bus tickets. Over the entire two-year demonstration period, the Runaround office received only three or four such reports. City staff then checked the person's name and date of purchase against the files of name-address stubs; if a record of the purchase existed, the person was issued a new book of tickets.

When asked whether they would ride the Runaround more often if they could pay the \$.40 or \$.20 fare in cash, 43% of the riders interviewed in the March 1978 On-Board Survey said yes. Males, lower-income persons, and persons under 45 years of age were somewhat more likely than other groups to give an affirmative



NOTE: Based on a sample of tickets collected during the week of November 13-18, 1979

FIGURE 7-6. PURCHASE-USE COMPARISON

response. Table 7-11 shows the percentage of those in various groups who answered "yes" to the question.

TABLE 7-11.
PERCENT WHO WOULD RIDE MORE
OFTEN WITH LOWER CASH FARE

	All	43%
Sex:	Male	46%
	Female	41%
Age:	Under 45	60%
	45 or older	33%
Income:	Under \$10,000	47%
	\$10,000 or more	34%

At the start of the second contract period in April 1978, in an attempt to soften the negative impact of the \$1.00 cash fare, the City introduced a \$.50 coupon to be distributed by the bus drivers to riders paying the cash fare; the coupon entitled the bearer to a \$.50 discount on the purchase of any type of ticket book. The coupons were distributed for twelve months; in April 1979, the cash fare was lowered \$.50 and the coupons were discontinued. Over the course of the demonstration, the City redeemed approximately 4,000 coupons, representing about one-third of cash fares paid during that period.

7.5.3 Fare Payment Method and Frequency of Riding

Table 7-12 shows the relationship between riders' fare payment method and their frequency of transit riding. The data were taken during the March 1978 On-Board Survey; at that time, the cash fare was \$1.00, substantially higher than the prepaid ticket fares of \$.40 and \$.20. Only 4% of all riders paid cash. As might be expected, cash payers rode the Runaround significantly less frequently than those who paid by ticket,

TABLE 7-12.
 FARE PAYMENT METHOD AND TRANSIT-RIDING BEHAVIOR
 (March 1978)

<u>Frequency of Riding</u>	Fare Payment Method (n=588)		
	<u>Tickets</u>		
	<u>\$2 Books (n=264)</u>	<u>\$8 Books (n=121)</u>	<u>Cash. (n=40)</u>
Several times a week	64%	86%	38%
About once a week	20	7	18
Every 2 or 3 weeks	6	4	10
Once a month	4	1	17
This is my first trip	6	2	17

although some cash payers said they rode the Runaround several times a week. First-time riding is apparently not the most important explanation for people paying cash. Those paying with full-fare tickets from \$8 ticket books were the most frequent transit users: 86% said they rode the Runaround several times a week. This is logical: only very frequent riders are likely to choose the 20-ticket books over the five-ticket books, which sell for \$2; most occasional riders would be unwilling to risk an \$8 investment for a book of tickets they might never use.

In late March of 1979, at the outset of the fifth contract period, the cash fare was lowered from \$1.00 to \$.50. Subsequently, in the May 1979 On-Board Survey, riders were asked how often they paid their fares with cash rather than tickets. By this time 11% of all trips were being paid for with cash rather than tickets, and there was little difference between cash payers and ticket users in frequency of riding.

7.5.4 Fare Payment Method and Convenience of Outlets

Riders in May 1979 (following the cash fare reduction) were asked, "How far out of your way would you have to go to buy a ticket?" As shown in Table 7-13, although most riders had an outlet reasonably convenient to them, many had to go several blocks out of their way to buy tickets.

TABLE 7-13.
DISTANCE TO TICKET OUTLETS
(n=543)

Under 1 block	41%
1 - 2 blocks	26
3 - 4 blocks	15
Over 4 blocks	18

No matter how out of their way respondents had to go to buy tickets, a majority still did so at the time of the survey,* as is shown in Table 7-14. However, those who had to travel one block or more to a ticket outlet did pay cash more often than those with an outlet immediately on their way.

TABLE 7-14.
DISTANCE TO TICKET OUTLETS AND
FREQUENCY OF PAYING CASH FARE

Frequency of Paying \$.50 Cash Fare	Blocks Out of Way to Outlet		
	Less than 1	1 - 4	Over 4
Always	3%	10%	10%
Usually	3	4	5
Occasionally	25	32	30
Never	69	54	55

7.5.5 Did the \$1.00 Cash Fare Discourage Ridership?

The \$1.00 cash fare, which was ATC's response to the lack of subsidy on cash fares, was very unpopular throughout the year and four months it was in effect. By the end of the fourth contract period, concern over the possibility of fraud was no longer an important factor, so the City and Federal monitors decided to experiment with a \$.50, subsidized cash fare, in order to test its effect on ridership and its administrative feasibility.

The \$.50 cash fare went into effect in April 1979, at the start of the fifth contract period. Tickets were still required in order to ride for half fare. Use of cash fare began to rise immediately, balanced, however, by a drop in use of full-fare tickets, as shown in Figure 7-1. At first, it appeared that, contrary to

*This is presumably no longer true, since, as of March 1980 cash fare usage had more than doubled compared to May 1979, accounting for 21% of ridership.

popular belief, the prepaid ticket system and the \$1.00 cash fare had not discouraged ridership.

However, examination of longer-term trends leads to a different conclusion. Figure 7-7 shows total full-fare (full-fare tickets plus cash fare) ridership and total half-fare ridership over the course of the demonstration plus ten months of the post-demonstration period. With two and a half years of data, the seasonal variations in ridership become evident--low in summer, high in winter. The slight drop in total full-fare ridership following the lowering of the cash fare appears to be a seasonal effect. Moreover, the drop is less than the corresponding drop in half-fare ridership, and much less than the previous year's or following years drop in full-fare ridership. Then, as the cool weather returned, full-fare ridership jumped to unprecedented levels. Half-fare ridership increased too, but not nearly as much. In other words, lowering the cash fare appears to have had a considerable positive impact on ridership. Coming at the start of a spring downturn, the change's effect did not become evident until the following autumn.

A potential source of confusion is the gasoline shortage and price increases which occurred starting with spring of 1979, about the same time the cash fare was lowered. Many transit systems around the country have reported ridership increases, apparently due to the difficulty and expense of buying gas. Although prices in Danville rose more or less in step with those in other parts of the country, supply was never a serious problem. The most noticeable symptom in Danville was weekend closings of gas stations. Nevertheless, the gasoline problem received a lot of publicity in Danville, which could have produced some psychological effect.

Some evidence on this point is available from a nearby city, Champaign-Urbana, Illinois. Champaign-Urbana is forty miles from Danville, has similar weather, and probably was similarly affected by the gasoline supply situation. It is larger than

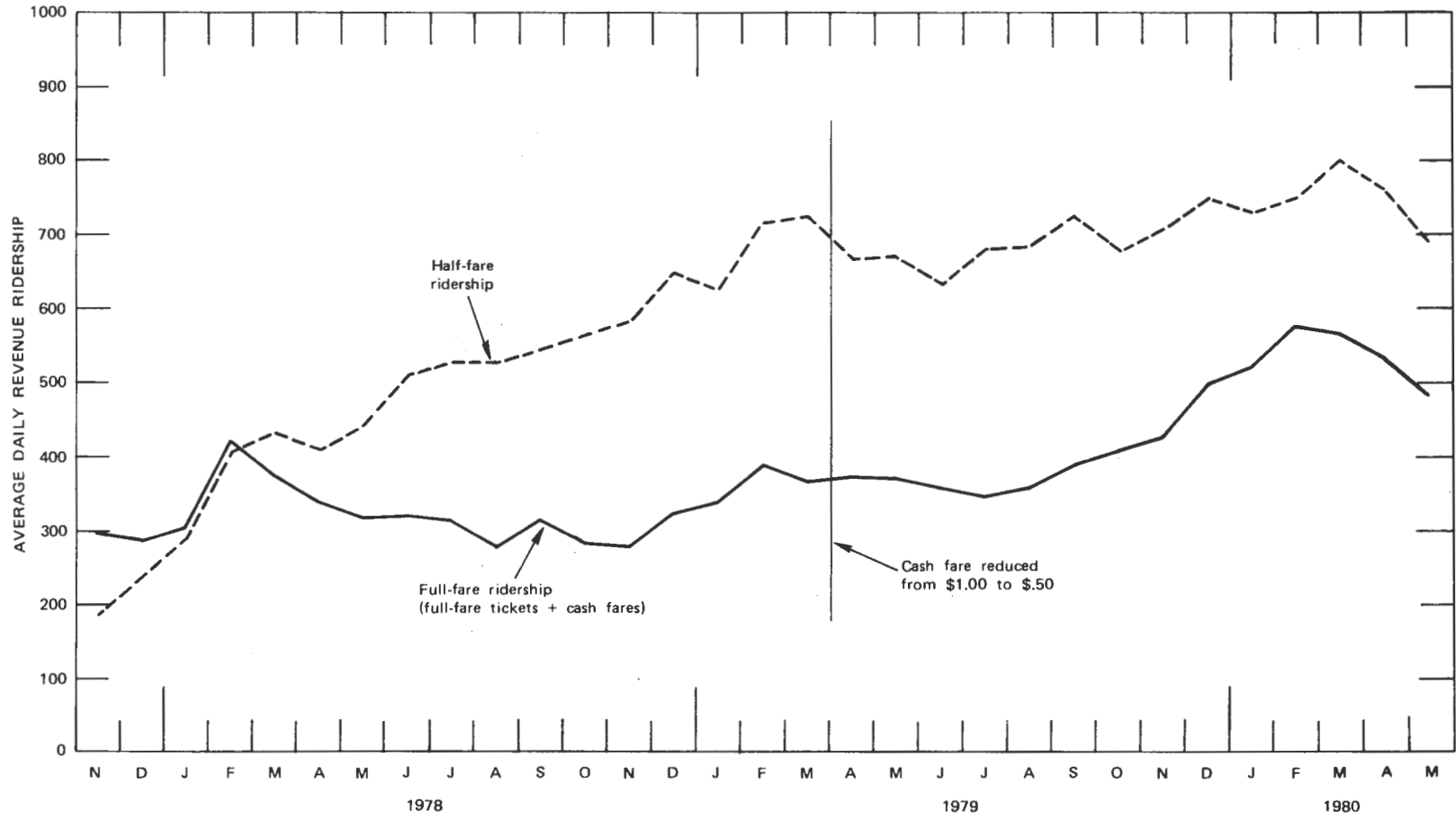


FIGURE 7-7. EFFECT OF CASH FARE REDUCTION

Danville (92,000 vs. 42,000 population), so the supply situation could have been a little worse there than in Danville. For the period April 1979 through December 1979, bus ridership in Champaign-Urbana was up an average of 8% over the previous year. There had been no major changes in service or fares. In Danville, for the same period, Runaround ridership was up an average of 26% over the previous year. This comparison cannot be considered conclusive, but it does support the hypothesis that the gas situation did not account for most of the observed increase in Danville.

One additional source of data bearing on the issue of the effect of lowering the cash fare is the May 1979 on-board survey, conducted in the eighth week after the fare had been lowered. As Table 7-15 shows, those paying the cash fare more frequently were also more likely to have begun using the Runaround within the two months since the cash fare was lowered. If there were strong reasons for believing that new ridership had no relationship to the lower cash fare, these results could be explained

TABLE 7-15.
USE OF CASH FARE AND WHEN BEGAN RIDING

<u>When Began Riding</u>	<u>Frequency of Paying Cash</u>			
	<u>Always (n=52)</u>	<u>Usually (n=28)</u>	<u>Occasionally (n=179)</u>	<u>Never (n=388)</u>
Within last week	25%	4%	5%	5%
Within last month	13	11	2	3
Within last 2 months	15	18	7	5
Within last 6 months	19	25	23	17
More than 6 months ago	27	43	63	70

(Chi-square = 76.1, 12 d.f.; Prob. < .0001)

by saying the new riders just never got into the habit of buying tickets. Since the weight of the evidence is on the other side, however, the clear implication is that the lower cash fare was attracting (or had removed a deterrent to) new ridership.

7.6 MOBILITY AND MODE SHIFT

Survey respondents were asked, "If there were no Runaround bus service in Danville, how would you have made this trip?" Table 7-16 shows their responses. The table indicates that most

TABLE 7-16.
MODE USED IF THERE WERE NO BUS SERVICE

	ALL (n= 707)	AGE				SEX		INCOME				ETHNIC ORIGIN		
		x-18	19-44	45-64	65+	M	F	\$5K	\$5-10K	\$10-15K	\$15K	White	Black	Other*
Drive car	18%	9%	25%	15%	18%	26%	14%	10%	15%	21%	49%	20%	10%	25%
Passenger in car	11	18	8	8	13	10	12	9	11	9	7	10	15	14
Taxi	25	9	24	41	23	21	27	29	27	26	8	24	30	14
Walk	27	40	24	21	21	28	24	30	26	21	17	27	23	18
Other	6	14	6	2	5	7	6	6	4	14	5	5	6	29
Would not have made trip	14	11	13	13	20	8	18	16	17	9	5	15	15	0

Note: Some percentages do not add to 100%, due to rounding.

*Mexican, Hispanic, Asian and other.

people would have made the trip by other modes. However, 14% of those surveyed indicated that they would not have made the trip at all: elderly, female and lower-income riders gave this response most frequently. The largest percentage of trips that would not have been made if the Runaround had not been available (20%) was reported by the "65+" age group. The previous Table 7-3 indicates that this group made approximately 2.5 trips per person per week, of which 20% represents an increase in travel of 0.5

trips per person per week. Averaged over the entire elderly population of Danville, this increase would be insignificant. Overall, it appears that few "new" trips, which would represent an increase in the mobility of the Danville population, were generated by the Runaround.

Of those surveyed, 30% said that a car was available to them, as a passenger or driver, to make the trip. Table 7-16 shows that the largest proportion of trips shifted to the Runaround were automobile trips: 29% said that they would have driven or been automobile passengers if no Runaround service had existed. The automobile mode was cited most frequently by male riders and those in upper income groups. Walking ranked second, at 27% for all riders and first for riders in the lowest age and income groups. Of the total sample, 25% said they would have taken a taxi if there had been no Runaround service; however, for females, blacks and particularly the 45-65 age group, this was the most frequently-cited alternative mode to the Runaround.

In sum: While the impact of the Runaround service on mobility appears to have been negligible, the bus service apparently caused a small but significant shift away from automobile and taxi use for the trips sampled, of which work trips comprised the largest proportion.

7.7 COMMUNITY ATTITUDES

On three occasions over the course of the demonstration, Danville residents were surveyed regarding their general attitudes toward transit as well as their knowledge and use of the Runaround service. The first survey of public attitudes was conducted in November 1977, immediately prior to the implementation of the bus service; this same sample of residents was re-contacted and reinterviewed in July 1978, after the Runaround had operated for seven months. The third survey, during which

a new sample of Danville residents was interviewed, took place in late April 1979.* The key findings yielded by these three surveys are examined in the following sections.

7.7.1 General Attitudes Toward Transit

While the existence of the Runaround service did not appear to cause any drastic shift in the general attitudes toward transit espoused by the Danville community, comparison of the pre-implementation (November 1977) survey data with the follow-up (June 1978) survey data does reveal some minor attitudinal changes which can be attributed to the transit system. Table 7-17

shows the attitudes of the survey sample toward eight statements about transit; respondents were asked to agree or disagree with each statement. The table shows two sets of responses: the pre-implementation responses and the follow-up responses

Your Views

'How was I supposed to know?'

November 3, 1979

Editor: I ride the Runaround bus. Today I almost missed my connection in catching another bus so I ran after the bus to catch it. When the bus stopped, the driver yelled at me for having him to stop in the middle of the street.

He told me that I was supposed to have told the other driver I wanted to get on that bus. I did tell the driver but he didn't radio it in. This is why I almost missed the bus.

The driver and I argued. The driver then stopped so he could get himself some coffee and afterward we continued on our route. When I got off the bus, the driver said, "Have a nice day."

This isn't the first time that this has happened, also with other drivers. I went by the station on my way back from an appointment to complain about the service I get from the bus company. They told me I should tell the bus driver to radio ahead that I want to get on another bus. They made it seem like my fault.

They said that they only radio in if the bus is going to be late. How was I supposed to know this? The public doesn't know this. I told them that I wasn't the only one complaining

about the buses.

The bus is the only transportation I can afford. I use the bus to get back and forth all over Danville. They asked me if I would like to have some complimentary tickets so I said yes but I also told them that I was still going to write to the newspaper.

I think if I keep running into this kind of problems, I will just walk. Thank you for listening to me. I just wanted to express my feelings about the bus service because, you see I don't have to take this.

of the same group of Danville residents. The largest attitudinal shift was associated with the first statement: "Drastic action must be taken to improve the public transit service in this city;" the proportion who agreed with this statement dropped from 85% to 42%. This seems unsurprising; by July 1978, many respondents may have felt that "drastic action" had been taken, in the form of the Runaround service. Other noteworthy but minor attitude shifts were the 16% drop in the proportion of those agreeing that traffic congestion in Danville was a major problem, and the 10% drop in the proportion

Rider upholds bus drivers

November 12, 1979

Editor: I would like to reply to the woman whose letter appeared in last Saturday's paper concerning the Runaround buses.

I recently moved to Danville from a larger city and, having used the bus service here, cannot begin to say enough good things about the service and the drivers.

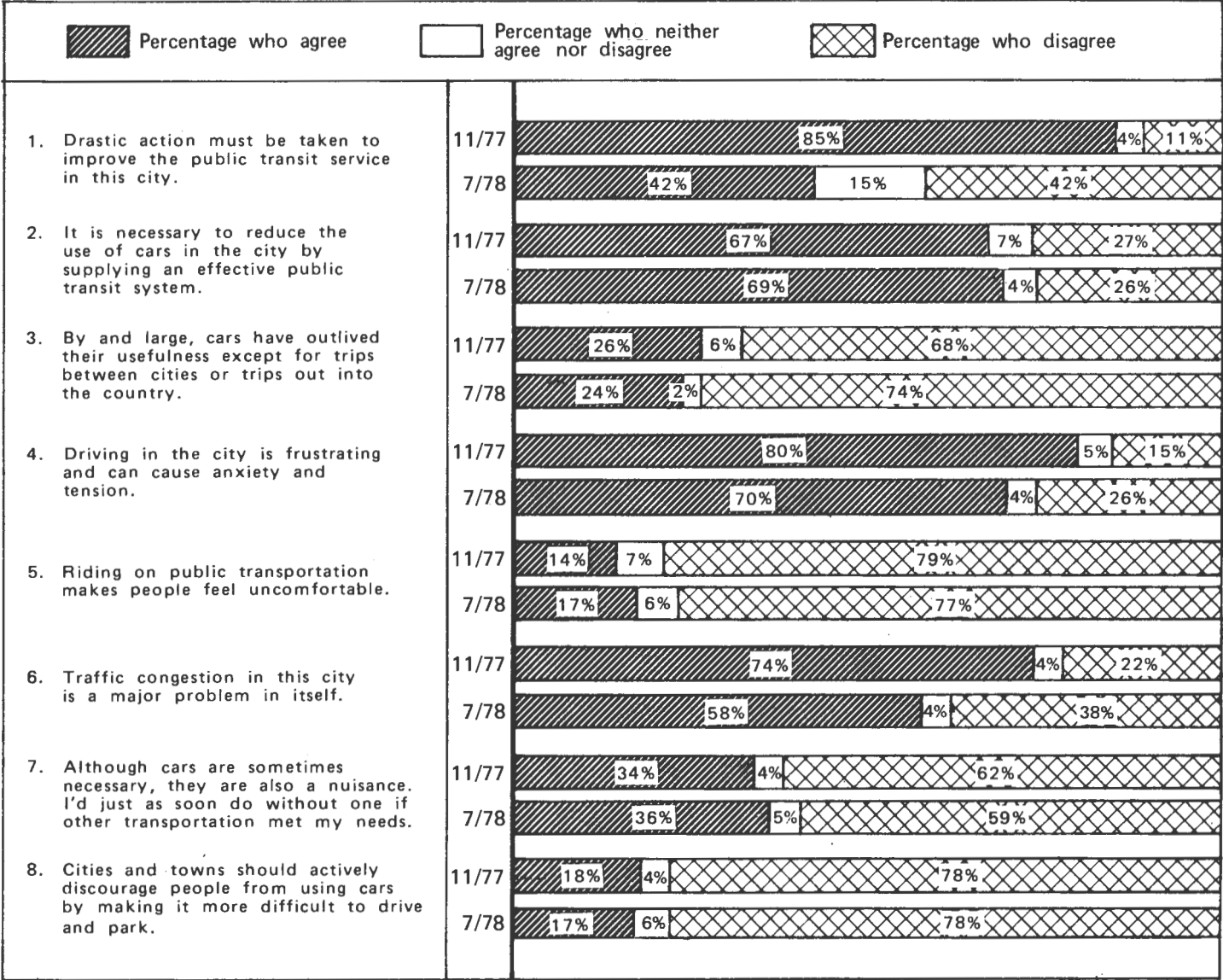
I came from a city where the bus service employed only surly and rude drivers (or so it seemed). A common sight at bus stops was old ladies running to catch a departing bus, only to have the driver ignore them and continue on his way.

Radio ahead for a transfer? Unheard of! The drivers didn't care what happened to you once you got off their bus.

Here in Danville, the opposite is true — the drivers are friendly and extremely helpful. Public transportation is so pleasant! I do hope the writer of last week's letter will learn to appreciate the fine job done by the drivers of the Runaround buses.

*Copies of the three survey questionnaires may be found in Appendices D and H of this report.

TABLE 7-17.
PUBLIC ATTITUDES TOWARD TRANSIT
(n=563*)



*People who responded to both surveys.

NOTE: Some percentages do not add up to 100 due to rounding.

believing that driving in Danville was frustrating. On balance, however, the general attitudes toward transit of those interviewed remained consistent from the pre-implementation survey to the follow-up survey.

The follow-up survey also asked respondents to rank-order three modes--car, public transit, and taxi-- in terms of expense, speed, comfort, convenience, and other attributes. Predictably, the overwhelming majority ranked car as the most enjoyable and fastest, most comfortable, most convenient, and most reliable mode of the three; overall, 86% preferred the car to public transit and taxi. Interestingly, when asked to choose the least enjoyable, comfortable, convenient, reliable modes, respondents chose the taxi mode more often than public transit by substantial margins as shown in Table 7-18. The taxi mode was

TABLE 7-18. RANKING OF MODES (n=563)

	Least enjoyable	Least comfortable	Least convenient	Least reliable	Slowest
Taxi	82%	70%	67%	79%	46%
Public transit	16	28	31	17	51
Car	2	2	2	4	3

perceived to be faster than public transit by a surprisingly small margin of 5%. Overall, 85% of those surveyed chose taxi as their least preferred mode; 14% chose public transit, and 1% chose the car.

7.7.2 Community Attitudes Toward the Future of Transit in Danville

Despite the low proportion of frequent transit riders in the April 1979 survey sample (20% rode once a week or more), the overwhelming majority of those surveyed, 88%, believed that the

City of Danville should operate a bus service.* The most frequent reason given was that elderly people, children, and other Danville residents without alternative means of transportation needed the bus system: 81% cited this reason. Other reasons included the energy savings afforded by buses (versus cars), the Danville, and the conviction that "Danville is big enough to have a bus system." Those opposing public transit in Danville criticized the "low ridership: and the expense of the Runaround.

*As an indicator of receptivity to transit in Danville, this percentage is slightly understated, since 3% of the respondents favored continuation of the bus service but felt that a private company--and not the City--should operate it.

8. PRODUCTIVITY AND ECONOMICS

The user-side subsidy method of subsidizing transit services was intended to bring market-like incentives into effect, which would stimulate efficient and productive operations. The user-side subsidy was also seen as a way to test whether the market for transit service in Danville was sufficient to make transit economically viable at a reasonable level of subsidy. This chapter examines the available evidence on both of these issues.

8.1 TOTAL PROJECT FUNDING AND EXPENDITURE

To put the following analysis into context, Table 8-1 presents estimates of all revenue sources and uses. Detailed

TABLE 8-1.

ESTIMATED PROJECT FUNDING AND EXPENDITURES

Funding and Income

Remaining from Phase I UMTA grant	\$ 144,285
Phase II Grant Amendment 1	662,787
Phase II Grant Amendment 2	220,000
Danville "in-kind" labor	110,422
Ticket sales revenue	113,661
Cash fares (2nd period only)	3,015
	<u>\$1,254,170</u>

Expenditures

ATC contract service	\$ 735,677
ATC back-up on Red Top routes	1,429
Red Top contract Runaround service	51,523
Red Top RTR service	45,912
City administration	165,433
Start-up costs	68,219
Data collection	20,000
	<u>\$1,088,193</u>
Remaining for Post-demonstration period	\$165,977

records were not available for the following: funds remaining from Phase I, Danville's "in-kind" labor contribution for Phase II, data collection costs, and the amount remaining for the post-demonstration period. Values for these items were estimated as accurately as possible. The amount shown for city administration is also an estimate, since it includes the "in-kind" labor contribution. The cost shown for data collection does not include amounts spent by the evaluation contractor in designing and analyzing data collections. Also not shown are \$14,467 in cash fares paid directly to ATC and Red Top by users of the Runaround, and retained by those providers.

8.2 COST OF TRANSIT SERVICES

8.2.1 Payments to Providers

The City paid a total of \$788,629 for provision of Runaround bus and taxi service. (The RTR service for the elderly and handicapped is discussed separately in Chapter 9.) In addition, the public paid \$14,467 in cash fares retained by the two providers, making total payments to providers of \$803,096 over the year and eight months spanned by the five contract periods. No detail of Red Top cost are available. Payments received by Red Top for the period from August 15, 1978 to July 31, 1979 (the third, fourth and fifth contract period) consisted of \$51,523 from the City plus \$380 in cash fares, or \$50,903 altogether.

Table 8-2 shows payments received by ATC and a breakdown of costs as reported by ATC. No audit of ATC's costs is available. In fact the costs shown for most contract periods are those provided by ATC during negotiations prior to each period. In particular, the cost for the first contract period may be overstated, having been estimated before conclusion of

TABLE 8-2.
ATC INCOME AND REPORTED COSTS

	Contract Period					Total
	1	2	3	4	5	
<u>Income</u>						
Payments from City	159,292 ^a	172,000 ^b	130,000 ^c	138,000 ^c	136,385 ^d	735,677
Cash Fares	<u>3,056</u>	<u>--</u> ^e	<u>2,406</u>	<u>3,010</u>	<u>5,615</u>	<u>14,087</u>
Total Income:	162,348	172,000	132,406	141,010	142,000 ^c	749,764
<u>Costs (as reported by ATC)</u>						
Transit services	144,267	139,981	88,877	99,440	102,730	575,295
Administration	13,833	14,300	14,300	12,670	12,960	68,063
Insurance & Safety	11,367	12,447	7,770	7,580	7,710	46,874
Other	<u>5,067</u>	<u>5,070</u>	<u>6,200</u>	<u>8,770</u>	<u>8,750</u>	<u>33,857</u>
Total Costs:	174,534	171,798	117,147	128,460	132,150	724,089
Profit or (Loss)	(12,186)	202	15,259	12,550	9,850	25,675

^a115,429 vehicle-miles @ \$1.38

^bMaximum mileage payment

^cMaximum per-passenger payment

^dMaximum per-passenger payment, less cash fares.

^eCash fares were returned to the City in the second period under the mileage guarantee.

NOTE: Cost and payments for providing back-up service on Red Top routes 4 and 7 are not included.

a favorable agreement with the drivers. Total costs for the first contract period should have been less than those for the second period, since service was increased for the second period. Nevertheless, it is still possible that ATC incurred a loss for the first period, especially considering that some initial marketing expense probably went unreimbursed.*

8.2.2 Breakdown of Runaround Costs under the User-Side Subsidy

In Table 8-3, the costs for one year under the user-side subsidy (i.e., the third, fourth and fifth contract periods) are broken down, as much as possible, by purpose rather than by paying entity (i.e. ATC, the City, or riders). This affects the items under "Administration," since both ATC and the City performed administrative functions. Also, the profit line item includes receipts from the City and riders (cash fares). The relative amounts in the various categories are discussed further in the following Section 8.4 . Table 8-3 shows that fare revenue was sufficient to cover 15% of the total cost of the Runaround.

*On the other hand, it could be argued that some of ATC's costs were "paper costs" as opposed to "real costs." In particular, ATC included substantial rent on its Danville offices and shops, which were also used for its school bus operation prior to and during the demonstration. In addition, ATC felt that the short contract periods required charging a higher, short-term rent on its vehicles than might otherwise have been the case.

TABLE 8-3.
BREAKDOWN OF RUNAROUND COSTS FOR
ONE YEAR UNDER USER-SIDE SUBSIDY

	Total Cost	Cost per Revenue Mile	Cost per Revenue Passenger
<u>Transit Services</u>			
Vehicles	\$ 68,700	\$.21	\$.23
Drivers' wages	111,457	.34	.38
Maintenance (wages and other)	57,573	.18	.20
Other (incl. fuel)	53,317	.16	.18
<u>Administration</u>			
Salaries and wages	95,141	.29	.32
Other (tickets, maps, office supplies, etc.)	19,622	.06	.07
Garage and office rent	18,410	.06	.06
Marketing	13,194	.04	.04
Insurance and bonding	23,060	.07	.08
<u>ATC back-up service on Red Top routes 4 and 7</u>	1,429	***	***
<u>Red Top Cab costs and profit**</u>	<u>51,884</u>	<u>.16</u>	<u>.18</u>
TOTAL COST	\$551,466	\$1.68	\$1.87
<u>Less:</u>			
Cash fares	11,031	.03	.04
Ticket revenues	<u>71,207</u>	<u>.22</u>	<u>.24</u>
TOTAL SUBSIDY COST	\$469,208	\$1.43	\$1.59

*Based on costs reported by ATC.

**A full cost breakdown for Red Top Cab is not available.

***Less than .5 cents.

8.3 PRODUCTIVITY AND UNIT COST STATISTICS

Tables 8-4 and 8-5 list the key productivity and unit cost statistics for the Runaround system. Table 8-4 shows the number of passengers carried per revenue mile for each route, by contract period. The average figure for

Big Runaround buses uneconomical

January 8, 1979

Editor:
I sympathize with the people who find the Runaround service convenient — but we should also note that we, and they through it, are losing some of our freedom to dispose of our honestly received income as we see fit.
Actually, the Runaround is a fine object lesson — the longer it stays on our streets, the more people will be

struck by the foolishness of government programs. The buses, of course, are uneconomically large. I've never seen more people in one bus than you could carry in the average motor car.
These uneconomical monsters cruise back and forth uselessly, or at least wastefully, causing expensive pavement repair and clogging the traffic lanes.

This absurd competition has weakened and may destroy our taxi service. The taxi companies suffered from excessive government regulation and interference before; the giveaway bus service may be the last straw.
The Runaround is certainly appropriately named — a taxpayer's runaround if I ever saw one.

TABLE 8-4.
PASSENGERS PER REVENUE MILE BY ROUTE AND CONTRACT PERIOD

Route	Contract Period				
	1	2	3	4	5
1. Grant	.74	.58	.74	1.03	1.20
2. Gilbert	.66	.72	.72	.73	.75
3. Vermilion	.72	.74	.76	.76	.84
4. Bowman ^a	.40	.41	.32	.32	.37
5. Fairchild	.71	.79	1.09	1.71	1.74
6. Main	.62	.73	1.17	1.44	1.57
7. Williams ^a	.41	.48	.54	.55	.56
8a. Douglas Park	.77	.36	1.44	1.53	1.49
8b. The Heights	.53	.50	.54	.45	.49
8c. Perrysville ^a	.25	^b —	.50	.50	} .57
9. South Danville ^a	.30	.33	.67	.67	
System-wide Average	.60	.61	.78	.93	.99

^aService on these four routes was transferred from ATC to Red Top Cab prior to the third contract period.

^bPrior to the second contract period, ATC combined routes 8a and 8c and added 24 vehicle-miles to the combined mileage. The number of passengers per revenue mile dropped accordingly.

TABLE 8-5.
RUNAROUND UNIT COSTS BY CONTRACT PERIOD

	<u>Contract Period</u>				
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
Total cost/ rev. hr.	\$25.20	\$19.58	\$23.81	\$26.56	\$25.28
Subsidy cost/ rev. hr.	\$22.45	\$17.02	\$20.51	\$22.40	\$21.39
Total cost/ rev. mi.	\$ 1.78	\$ 1.41	\$ 1.61	\$ 1.70	\$ 1.71
Subsidy cost/ rev. mi.	\$ 1.59	\$ 1.22	\$ 1.39	\$ 1.44	\$ 1.45
Total cost/ rev. psgr.	\$ 2.95	\$ 2.32	\$ 2.08	\$ 1.84	\$ 1.74
Subsidy cost/ rev. psgr.	\$ 2.62	\$ 2.02	\$ 1.79	\$ 1.55	\$ 1.47

the Runaround system increased during the third contract period and continued to increase during the two subsequent contract periods. As noted in Chapter 4, the user-side subsidy arrangement did create an incentive for ATC to drop unproductive service before the third contract period. Table 8-5 lists the total costs and subsidy cost per revenue hour, per revenue mile, and per revenue passenger for each of the five contract periods. As Runaround ridership increased, the per-passenger costs decreased markedly. The other statistics showed less variation over the five contract periods.

8.4 COMPARISON WITH TWO CONVENTIONAL TRANSIT SYSTEMS

To put Danville's costs into perspective, data were collected on costs for two comparable Midwestern transit systems, in Quincy, Illinois and Fond du Lac, Wisconsin. Basic statistics on Quincy and Fond du Lac are presented in Table 8-6.

TABLE 8-6.
COMPARISON OF OPERATING STATISTICS

	Danville <u>8/78 - 7/79</u>	Quincy <u>5/77 - 4/78</u>	Fond du Lac <u>1/78 - 12/78</u>
Population	42,570	45,288	40,458
No. Regular Buses Owned/In Service	6/6	11/6	12/12
Total Ridership	294,492	368,709	340,757
Total Rev. Mi.	328,519	251,625	274,087
Total Rev. Hr.	21,881	22,403	21,062
Psgs/Rev. Mi.	0.90	1.47	1.24
Psgs/Rev. Hr.	13.46	16.46	16.18

The total yearly cost, cost per revenue mile, and cost per revenue passenger for the Danville Runaround, Quincy Transit and Fond du Lac Area Transit are summarized in Table 8-7. The Danville yearly costs are the costs incurred in the third, fourth and fifth contract periods. The costs reported for Quincy and Fond du Lac apply to fiscal year 1978.* For

*Appendix J contains detailed cost information for Quincy Transit and Fond du Lac Area Transit.

TABLE 8-7.
COST COMPARISON

<u>Yearly Costs Based on:</u>	<u>Danville (Aug. 1978 - July 1979^b)</u>	<u>Quincy (fy 1978)</u>	<u>Fond du Lac (fy 1978)</u>
Total costs	\$551,466	\$307,718	\$516,674
per rev. mi.	\$1.68	\$1.22	\$1.89
per rev. psgr.	\$1.87	\$0.83	\$1.52
Total costs, adjusted for inflation	\$551,446	\$325,976	\$516,674
per rev. mi.	\$1.68	\$1.30	\$1.89
per rev. psgr.	\$1.87	\$0.88	\$1.52
Total adjusted costs, excl. office space	\$533,056	\$317,039	\$516,674
per rev. mi.	\$1.62	\$1.26	\$1.89
per rev. psgr.	\$1.81	\$0.86	\$1.52
Total adjusted costs, excl. vehicle leases, rentals and deprecia- tion ^a	\$476,586	\$325,976	\$394,990
per rev. mi.	\$1.45	\$1.30	\$1.44
per rev. psgr.	\$1.62	\$0.88	\$1.16
Total adjusted costs, excl. office space, vehicle leases, rentals and depre- ciation	\$458,176	\$317,039	\$394,990
per rev. mi.	\$1.39	\$1.26	\$1.44
per rev. psgr.	\$1.56	\$0.86	\$1.16

^aRed Top vehicle depreciation costs for the minibus and taxis totalled approximately \$6,180 per year.

^bThird, fourth, and fifth contract periods (one year under user-side subsidy).

purposes of comparability, the table shows the total costs of each system adjusted for inflation; excluding the cost of office space; and excluding the cost of vehicle leases, rentals and depreciation. The inflation adjustment has been applied to Quincy Transit's costs only. Quincy's fiscal year ran from May 1, 1977-April 30, 1978; whereas Fond du Lac's fiscal year ran from January 1-December 31, 1978. Therefore, eight months of Quincy Transit's costs have been adjusted upward by a factor of 8.9%, which is the national inflation rate from October 1977 to October 1978. The cost of office space was excluded to account for the fact that Fond du Lac Area Transit pays no rent on its facilities, which are City-owned. Finally, the cost of vehicle leases, rentals and depreciation was excluded to account for the vastly different vehicle costs incurred by the three systems. ATC charged rent on the vehicles used to provide Runaround service; Red Top Cab charged off depreciation on the minibus and the taxis. Quincy Transit charged off no depreciation expense in fiscal year 1978: the vehicles, which ranged in age from 17 to 24 years, had been paid off. Fond du Lac Area Transit, on the other hand, had purchased 12 new vehicles in October 1978; the associated depreciation expense is included in the total cost of the system for fiscal year.

8.5 ADMINISTRATIVE COSTS OF THE USER-SIDE SUBSIDY ARRANGEMENT

In Table 8-8 the breakdown of Danville costs shown previously in Table 8-3 is placed beside similar breakdowns for Quincy and Fond du Lac. Examination of the table reveals that, while the cost of transit services in Danville were comparable to those of Quincy and Fond du Lac, Danville's administrative costs appeared to be significantly higher. ATC was able to negotiate very favorable contracts with the transit drivers during both years of the demonstration; as a result, the wages paid to ATC drivers were

TABLE 8-8.

BREAKDOWN OF DANVILLE AND COMPARISON CITY COSTS

	DANVILLE RUNAROUND <u>8/78-7/79</u>	QUINCY TRANSIT <u>(fy 1978)</u>	FOND DU LAC AREA TRANSIT <u>(fy 1978)</u>
<u>Transit Services</u>			
Vehicles	\$ 68,700	\$ 0	\$121,684
Driver's wages	111,457	149,034	160,461
Maintenance (wages and other)	57,573	69,188	54,940
Other (inc. fuel)	53,317	30,937	28,420
<u>Administration</u>			
Salaries and wages	95,141	33,183	44,123
Other (tickets, maps, office supplies, etc.)	19,622	8,990	59,582
Garage and office rent	18,410	9,662	0
Marketing	13,194	1,575	13,030
Insurance and bonding	23,060	36,943	34,435
<u>ATC back-up service on Red Top routes 4 and 7</u>	1,429	---	---
<u>ATC profit*</u>	37,659	---	---
<u>Red Top Cab costs and profit**</u>	<u>51,884</u>	<u>---</u>	<u>---</u>
TOTAL COST	\$551,446	\$339,512	\$516,675

*Based on costs reported by ATC.

**A full cost breakdown for Red Top Cab is not available.

low relative to other Midwestern transit systems.* Moreover, while ATC adopted a very conservative posture in each round of contract negotiations, analysis of the line-item costs and profits reported by ATC does not indicate that their overall profit margin was unreasonably high. (Red Top's costs and profits are entered in Table 8-8 as a separate line item, and thus are not included in the "transit services" and "administration" categories.)

It appears that the administrative costs incurred by the City of Danville were quite high; in particular, the administrative salaries and wages associated with the Runaround operations were well above those of the Quincy and Fond du Lac systems. Thus, the user-side subsidy arrangement does appear to require a large administrative effort to prepare RFP's, conduct contract negotiations, monitor the subsidy arrangements, administer the ticket program, and publicize changes in service features. The four-month contract periods contributed further to the high administrative costs: soon after contracts were signed and the service changes publicized for a given contract period, project staff had to begin preparations for the next round of bidding.

Table 8-9 lists the start-up costs, and administrative labor costs and non-labor costs incurred by the City over the entire two-year demonstration

**City Council faces decision:
Who will run the bus service?**

June 9, 1979
By DEBBIE BARNES
C-N Staff Writer

City-owned buses may be on streets within a couple of years, but who will be in the "driver's seat" has not yet been decided.

City officials Friday decided to seek state and federal grants to buy transit buses, but they have yet to determine whether the city or a private company would run the system.

Health Commissioner Gerald Arnholt said he favors the idea of the city running the system.

Assistant Planning Director Michael Federman said he thinks a city-operated system would be more expensive.

Other City Council members say they want more information on costs before making a decision.

Federman said he has checked with other cities that run bus systems. "Invariably, where you have a public system, the costs go up.

Much of that expense is incurred through labor costs which tend to be higher for municipalities, and just through general management, he said.

Bus systems run by private companies seem to be more concerned about running a tight ship because they figure their costs in advance

through the management contract with the city, he contended.

Arnholt suggested that Federman and mass transit coordinator Dan Bolton spend the coming year acquiring training in managing a bus system.

"I can't see (the city) buying new buses for somebody else to play with," Arnholt remarked.

The council is to meet with Federman Wednesday to discuss costs in more detail.

Currently, the Runaround is being funded by the federal Urban Mass Transit Administration (UMTA) as a demonstration project to study various methods of running a transit system. The demonstration money will not be available after this summer, however, so the city earlier applied for other state and federal grants totalling \$610,000 to continue the operation for another year.

The money would be used to pay private companies to provide vehicles and service, as the American Transit Corp. of St. Louis and Red Top Cab Co. are doing now.

However, city officials now have decided that city-owned buses would be the best bet in the long run.

Maintenance and storage costs are included in the contracts with private companies who operate bus systems, Federman said. He thinks the city could save by owning and

maintaining the buses and providing the garage. The only costs then would be paying a private company to hire drivers and manage the system, he said.

Ballpark costs for eight new buses, a maintenance vehicle, a staff car, spare parts, fare boxes, bus shelters, signs and radios were estimated last year to be from \$544,300 to \$864,300, Federman said.

Of that amount, the city would be required to pay from \$37,000 to \$58,773 as a local match to the state and federal money.

Current estimates for nine mid-size buses -- smaller than the larger coaches on the streets now -- are \$756,000, he said. The city would have to pay \$54,000 for its local share, or \$5,950 per bus.

City officials have decided that the mid-size buses, which carry seven to 10 fewer passengers than the larger buses, would be more feasible for a small city such as Danville.

*Chapter 5 presented a comparison of driver's wages and benefit packages in Danville, Quincy, and Fond du Lac.

TABLE 8-9.

CITY OF DANVILLE START-UP AND ADMINISTRATION COSTS
(July 1977-July 1979)START -UP COSTS

Lettering on buses, bus racks, side panels, painting of prototype bus	\$ 4,710
Vehicle painting, radios, communication equipment ^a	16,877
Employee moving and training costs ^a	15,590
Minibus radio, magnetic taxi signs ^b	1,488
Signs for downtown transfer area	62
Electronic scales (for weighing tickets)	3,464
Unimark fees ^c	24,104
DeLeuw, Cather fees ^d	1,924
Total Start-up Costs	<u>\$ 68,219</u>

ADMINISTRATION COSTS

Labor^e \$ 110,422

Non-labor

Office space ^f	10,800
Tickets, transfers and coupons	7,860
Maps and schedules	2,608
Printing ^g	945
Office supplies	645
Vehicle expense	600
Runaround telephones ^h	2,736
Walgreen's telephone	177
Public notices of biddings	1,790
Advertising and promotion	26,388
Postage	180
Travel	200
Miscellaneous	82
Total Non-labor Costs	<u>\$ 55,011</u>

TOTAL COSTS \$ 233,652

^aATC costs (reimbursed by the City).

^bRed Top costs (reimbursed by the City).

^cPromotion subcontract.

^dTechnical assistance contract.

^eA detailed breakdown of the yearly labor costs incurred by the City is provided in the following Table 7-7.

^fIncludes utilities, xerox and City telephones.

^gIncludes posters, flyers, route memoranda. Excludes evaluation data collection costs.

^hDirect line to Red Top Cab, installed in October 1978.

period; Table 8-10 provides a detailed breakdown of the City's yearly labor costs associated with the Runaround. (All costs shown exclude evaluation activities.) This breakdown clearly shows that the amount of non-clerical administrative staff time devoted to the Runaround was quite high: on the order of 5800 hours, or 146 person-weeks, per year.

For comparison purposes, the projected costs of operating the Runaround for the eleven months following the demonstration

TABLE 8-10.

CITY OF DANVILLE LABOR HOURS AND COSTS

	<u>SALARY/ HOURLY RATE</u>	<u>ESTIMATED HRS. PER YEAR</u>	<u>ESTIMATED COST</u>
Assistant Planning Director	\$19,200	1,664	\$15,360
Transit Coordinator	14,200	2,080	14,200
Assistant Planner	8,000	2,080	8,000
Secretary	3/hr.	2,080	6,240
City Treasurer	14,000	12	81
City Comptroller	18,500	18	160
Accounts Payable Clerk	8,850	30	128
TOTAL, excluding fringes		7,964	\$44,169
+ fringes @ 25%			<u>11,042</u>
TOTAL ESTIMATED LABOR COSTS			<u>\$55,211</u> per year

Note: These estimated costs are exclusive of Federal reporting and evaluation activities.

are shown in Table 8-11.* The projected labor costs for the City shown in Table 8-11 are substantially lower than those incurred during the demonstration period.** The longer contract period and a streamlined ticket distribution system account in large part for the projected decrease in administrative staff time required by the Runaround system.

TABLE 8-11. POST-DEMONSTRATION RUNAROUND COSTS.
(AUGUST 1, 1979 - JUNE 30, 1980)

	<u>ATC</u>	<u>RED TOP</u> ^b	<u>CITY OF DANVILLE</u>	<u>TOTAL</u>
Labor	\$198,130	\$ 7,711	\$26,588	\$232,429
Fringes	28,890	1,226	5,793	35,909
Services ^a	22,860	0	34,426	57,286
Materials and supplies	106,048	3,875	917	110,840
Utilities	8,000	60	912	8,972
Insurance	24,180	1,200	0	25,380
Taxes	1,500	484	0	1,984
Miscellaneous	1,100	0	28,808	29,908
Leases and rentals	<u>70,770</u>	<u>0</u>	<u>0</u>	<u>70,770</u>
TOTAL COSTS (11 months)	<u>\$461,478</u>	<u>\$14,556</u>	<u>\$97,444</u>	<u>\$573,478</u>
		Less: Projected Fare Revenue		<u>84,364</u>
		TOTAL SUBSIDY COST (11 months)		\$489,114

^aIncludes ATC management fee. ^bProjected Red Top costs include profit.

*The City signed contracts with ATC and Red Top to provide service from August 1, 1979 through June 30, 1980.
**Note that ATC's labor costs appeared to increase significantly. After the demonstration ended, the union to which ATC's drivers belonged ratified a new contract which boosted their pay by 17% over two years and more than doubled their benefit package.

8.6 PROVIDER INITIATIVE

The foregoing analysis has argued that ATC provided transit service at reasonable costs, including healthy, but not extraordinarily high, profit levels. One anticipated advantage of the user-side subsidy arrangement was that it would create an incentive for providers to tailor services to existing demand. Thus, in theory, one might expect providers to cut unprofitable service and, conversely, to add service on routes showing the highest demand and, therefore, generating the highest profits.

Prior to switching from the guaranteed mileage payment to the user-side subsidy payments in the third contract period, ATC gave up service on the four lowest-productivity routes to Red Top (see Chapter 4). In this regard then, the user-side subsidy arrangement did have the predicted effect. However, at no time during the demonstration did ATC initiate any level of service improvements on the high-productivity routes. After the third contract period, the Runaround service remained virtually unchanged for the remaining year or so, despite increased ridership and productivities on most ATC routes. That these factors did not motivate ATC to add service or test other innovations is consistent with ATC's conservative behavior throughout the demonstration. In general, ATC was receptive to service changes suggested by the City; otherwise, however, the company behaved much like any other transit operator under a more conventional subsidy arrangement.

The user-side subsidy did not provide sufficient incentives for Red Top to upgrade the level of service on the minibus and taxi routes. However, the company's unstable financial situation--and not the subsidy arrangement--appeared to be the cause of the inefficient service. In any event, Red Top Cab initiated no service improvements or new features until the company changed ownership, in the middle of the final contract period. At that time, the new owner instituted hourly fixed-route service along the two taxi routes during off-peak hours. In this case, the user-side subsidy did create the desired incentive.

8.7 VIABILITY OF TRANSIT IN DANVILLE

One purpose of the demonstration was to show that the user-side subsidy could be used to test the viability of transit in a city. Transit service might be said to be viable if a market and public support exist sufficient to pay for the cost of some usable level of service.

First, did the Runaround provide a good test of the viability of transit in Danville? The previous Chapter 6 identified the main flaws in the design and quality of Runaround service over the course of the demonstration period. While these drawbacks did appear to have a detrimental effect on ridership at various times during the demonstration, they were not so severe as to prevent the Runaround from receiving a fair test. The quality of service was adequate to test the market for transit in Danville; and clearly, such a market existed. In particular, the Runaround served the transportation needs of low-income residents, non-white residents, the moderately-disabled, and other transit-dependent groups in Danville.* This transit-dependent market was not large, as evidenced by low ridership levels during most of the demonstration. However, by the end of the two-year demonstration period, Runaround ridership appeared to be stable and growing steadily.

Not only was the market and public support tested, but the City was able to experiment with various designs and levels of service without the problems of buying its own equipment. Moreover, it was able to do so without paying an unreasonable per-mile price for service.

As to the results of the test of viability, at the end of the demonstration period, public officials in Danville were

*The impact of the Runaround on riders, social service agencies, and the Danville community is analyzed in Chapter 9.

optimistic about the future of the Runaround. Despite depressed ridership levels and higher-than-average administrative costs, the State and Federal governments had agreed to furnish capital and operating assistance grants for continuation of the transit system. Citing the rising cost of gasoline and the faltering national economy, Danville officials predicted strong ridership increases during the winter following the end of the demonstration. The cost of the Runaround was viewed, not only as a necessary component of the city's obligation to its transit-dependent residents, but also as a sound investment in the future of the city--a future in which increasing numbers of citizens of Danville are likely to seek alternatives to automobile travel.

Another way to assess the economic viability of transit is to compare the costs of transit service to available alternatives. Prior to the implementation of the fixed-route transit service in November 1977, some observers expressed the viewpoint that the transit-dependent market in Danville could be served more efficiently and at lower cost by a subsidized, shared-ride taxi service, similar to that which operated under the Reduced Taxi Rates (RTR) Project, for which all Danville residents would be eligible. At that time taxi rates in Danville were quite low: zone fares ranged from \$.85 to \$2.00. In hindsight, it appears that taxi fares may have been underpriced at that time. Subsequently, Red Top's taxi fares were raised once during the demonstration period, and again in September 1979. The second increase raised zone fares substantially, as shown in Table 8-12.

TABLE 8-12.

RED TOP TAXI FARES

<u>Zone</u>	<u>Pre-Oct. 1978</u>	<u>Oct. 1978</u>	<u>Sept. 1979</u>
1	\$.85	\$1.00	\$1.75
2	\$1.40	\$1.60	\$2.25
3	\$1.70	\$2.00	\$2.75
4	\$2.00	\$2.25	\$3.25

Charges for group-riding were also increased, from \$.15 for each additional passenger to \$.60 for the first additional passenger and \$.50 for all others. Soon after this increase, the Danville City Council approved deregulation of taxi fares; this action had no immediate impact on the number of taxi operators in Danville or the fares charged by Red Top Cab.

The previous Table 8-5 showed the total cost per passenger on the Runaround: for the final contract period, the full cost of each bus trip was approximately \$1.74 --almost exactly the cost of a taxi trip within zone 1. Thus, all taxi trips except those inside zone 1 (the downtown area) cost more than trips on the Runaround as of September 1979. The total cost of each bus trip will decrease, of course, as ridership increases.

The foregoing comparison does not necessarily prove that, over the long run, fixed-route transit will be a better buy for the taxpayers of Danville than a subsidized taxi service. For one thing, the levels of service provided by buses and taxis are not the same. That is, the taxi provides door-to-door on-call service, whereas the bus stays on a fixed route and schedule. Moreover, the present high taxi fares are at least partly a result of falling ridership due to competition from the Runaround. If bus service were eliminated, taxi fares could

probably be reduced. Finally, if taxis were subsidized to the same extent as the Runaround, ridership would increase still further, possibly lowering the total cost per trip for a taxi ride still more.

9. FOLLOW-UP ANALYSIS OF THE REDUCED TAXI RATES (RTR) PROJECT

9.1 RTR PROJECT BACKGROUND AND DESCRIPTION

As discussed in Chapters 2, 3 and 4, the Reduced Taxi Rates (RTR) Project consisted of a user-side subsidy project in which qualified elderly and handicapped persons were provided with fare discounts on privately-operated, shared-ride taxi services. The project operated for two years and seven months, between December 1975 and June 1978; the findings yielded by the first 13 months of the project are documented in a previous evaluation report.⁶ In brief, the key findings with regard to project registration and use were as follows:

1. The certification and registration of eligible target-group persons in Danville was very successful. It was possible to establish a set of criteria for handicapped and elderly persons and to apply those criteria in determining eligibility for subsidy on taxi services.
2. Larger numbers of low-income persons than those in other income groups registered with the project; very few persons who lived in households with over \$10,000 annual income registered with the project. Higher-income registrants used the project slightly less, on average, than lower-income registrants. These data suggested that income restrictions may not be necessary or desirable for the sake of controlling program costs.
3. Average project use per person was moderate (four trips per user per month during the period of lowest fares), considerably lower than the monthly limit of \$20 would have allowed.
4. Project demand climbed rapidly from 4000 trips per month in December 1975 to 8000 trips per month in December 1976.

⁶ Peter G. FitzGerald, (Crain & Associates), User-Side Subsidies For Shared Ride Taxi Service in Danville, Illinois: Phase I, UMTA/TSC Project Evaluation Series, Report No. UMTA-IL-06-0034-1, June 1977.

5. Forty-five percent of all project trips were taken outside the hours of 9:00 A.M. to 5:00 P.M., indicating the desirability of the 24-hour per day, seven days per week level of service furnished by the RTR project.
6. Approximately three-fourths of all eligible persons (both those who registered and those who did not) reported that they had experienced no problems using buses. Thus, while 18% of Danville's population were eligible for the project subsidy on taxis, possibly only 5% of the population required door-to-door service at all times. Approximately one-fourth of the project costs were spent on trips taken by persons who reported that they had difficulties using buses. The remaining subsidy costs were consumed by those who reported that they might be able to use buses.

This chapter will examine the impacts on RTR registrants of three events subsequent to December 1976. First, in January 1977 the regular taxi fares were increased by 12-13% and the RTR discount was lowered from 75% to 50%. Second, in November 1977 the Runaround service was implemented. Finally, the RTR Project was discontinued in June 1978.

9.2 IMPACT OF THE RTR PRICE INCREASE

9.2.1 Changes in RTR Fares by Zone

Table 9-1 summarizes the fare increases by zone and indicates the average RTR project trip fares before and after the price increase in January 1977.

As can be seen from the table, the increase in RTR user share of the basic fare ranged from 80% for zone 1, to 100% for zones 2 and 4, to 112% for zone 3. In general, then, the price increase was greater (in absolute and proportional amounts) for the more

TABLE 9-1.

INCREASE IN RTR FARES IN DANVILLE

Zone	BEFORE PRICE INCREASE		AFTER PRICE INCREASE		INCREASE	
	Regular Fare	RTR Fare	Regular Fare	RTR Fare	Regular Fare	RTR Fare
1	\$.75	\$.25	\$.85	\$.45	\$.10 (13%)	\$.20 (80%)
2	1.25	.30	1.40	.60	\$.15 (12%)	\$.30 (100%)
3	1.50	.40	1.70	.85	\$.20 (13%)	\$.45 (112%)
4	1.75	.50	2.00	1.00	\$.25 (14%)	\$.50 (100%)
Average/ Trip	1.39	.37	1.52	.74		\$.37 (100%)
Average/ Person	1.16	.31	1.27	.62		\$.31 (100%)

expensive trips.* Table 9-2 indicates the share of RTR project trips by increment of fare (indicating the likely zone fare involved) before the price increase. These data are based on the first three months of 1976.

TABLE 9-2 .

PROJECT TRIPS BY ZONES (PRE-PRICE INCREASE)

Regular Fare	Zone	Percent of Total
\$.75 - 1.10	1	7%
\$1.25 - 1.40	2	45
\$1.50 - 1.70	3	45
\$1.75 +	4	3
		<u>100%</u>

* Note that there was no necessary correlation between fare (or zone) and length of trip, due to the type of zone fare system used in Danville.

Based on these data, 7% of the previous RTR trips would have experienced an 80% increase in the base user share, 48% would have experienced a 100% increase in the base user share, and 45% would have experienced a 112% increase in the base user share. This would have resulted in a composite average increase of 104%.* However, the extra charges for mileage beyond the city limits (\$.40) and extra passengers (\$.15) were not increased by the taxicab companies. In addition, there was no change in the RTR user cost for these items or for wait time. Thus, the resulting RTR fare percent increases were slightly lower than the figures noted for the base zone fares.

It is possible that the differential fare increases for trips, depending on the zones involved, may have affected demand. As it turns out, however, the net effect of the price increase (and whatever shifts occurred in demand) was an exact 100% increase - from \$.31 to \$.62 per passenger trip - in the user cost of RTR trips. This would be expected from the fact that some items of service did not increase in cost to RTR users. Consequently, the 100% figure is used as the measure of the composite or average increase in RTR fares. Note that the corresponding proportional increase in price for non-project taxi trips was between 12% and 13%, or one-eighth of the proportional increase in RTR user costs.

Prior to the price increase, there was one major exogenous influence, beginning in the fifth month, when the number two cab company discontinued service. The general level of service decreased for a couple of months until the largest cab company was able to increase supply. The RTR program continued after the price increase without major changes or exogenous influences until December 1977 when the fixed-route bus service was instituted. Two other exogenous factors deserve some mention. Six cabs (out of a maximum of 25) were out of service for some part of the first month of the fare

* $(7\% \times 80\%) + (48\% \times 100\%) + (45\% \times 112\%) = 104\%$

increase, due to city taxi inspections. This lowered the availability of cabs and the level of service at peak periods. The other exogenous factor was extreme cold and snowy weather during the winters of 1976-77 and 1977-78.

9.2.2 Impact on Project Registration and Use

An estimated 80% of the potential market was registered with the RTR project by the end of 1976, based on interviews with registered and non-registered persons concerning their alternative transportation resources and their transportation needs. That is, approximately 40% of those who were eligible had registered, while only 50% could be expected to register. This high rate of registration was potentially attributable to the initial, high discount (or low fare), as well as good taxi service, ease of registration procedures and high level of publicity. However, given the fact that many registrants used the system so little, it is most likely that registration procedures and level of publicity accounted in large part for the high registration rate.

Figure 9-1 shows the total number of people who had registered as of the end of each month as well as the number of users in any one month, for the first two years of the project. Both the price change and other exogenous factors seem to have had little effect, if any, on the rate of registration. The growth rate of the registration curve did decrease after both the spring 1976 drop in level of service and the price increase in January 1977. However, it is probable that the gradual overall decrease in the growth rate resulted mostly from the decreasing size of the potential market to be registered. The number of users in any one month did drop off substantially when the fare was increased, as the figure shows.



FIGURE 9-1. RTR REGISTRATION AND USE

9.2.3 Impact on Project Ridership

Figure 9-2 shows the total project trips* and the average number of trips per RTR registrant by month. As the figure indicates, the RTR price increase caused a sharp drop in both demand indicators. Total project trips dropped from about 8,000 trips during 1976 to 5,650 trips in January 1977, and then rose to an average of 6,430 trips per month through November 1977. The average number of trips per registrant dropped from about 3.0 in 1976 to 1.9 in January 1977, and then stabilized at about 2.1 through November 1977.**

Several subgroups most in need of door-to-door transportation services were most adversely affected by the RTR price increase, as shown in Figure 9-3. Specifically, those with a handicap status--especially the emotionally disturbed and those who used aids for walking--showed higher proportional decreases in trip-making than other groups, translating to decreases of one to two project trips per person per month. The price increase also had a disproportionately negative impact on those with lower incomes and those without alternative transportation. It should be kept in mind, however, that RTR project trips only accounted for an estimated 10% of all trip-making by these groups. Consequently, the price increase may have caused 5%

* These totals are based on the subsidies paid out, rather than actual records of trips, since this was the only measure available for every month of the project. Through December 1976, the subsidy per person-trip averaged \$.98; after the January 1977 price change, the subsidy per person-trip averaged \$.78, with no noticeable change after the introduction of Runaround service. Ridership is stated in terms of trips per week because subsidies were paid and recorded weekly. No registration data were available after November 1977; figures after that month assume no increase in registration.

** These figures include an adjustment for the number of project registrants likely to have died since registering. Figure 9-2 shows the unadjusted rates.

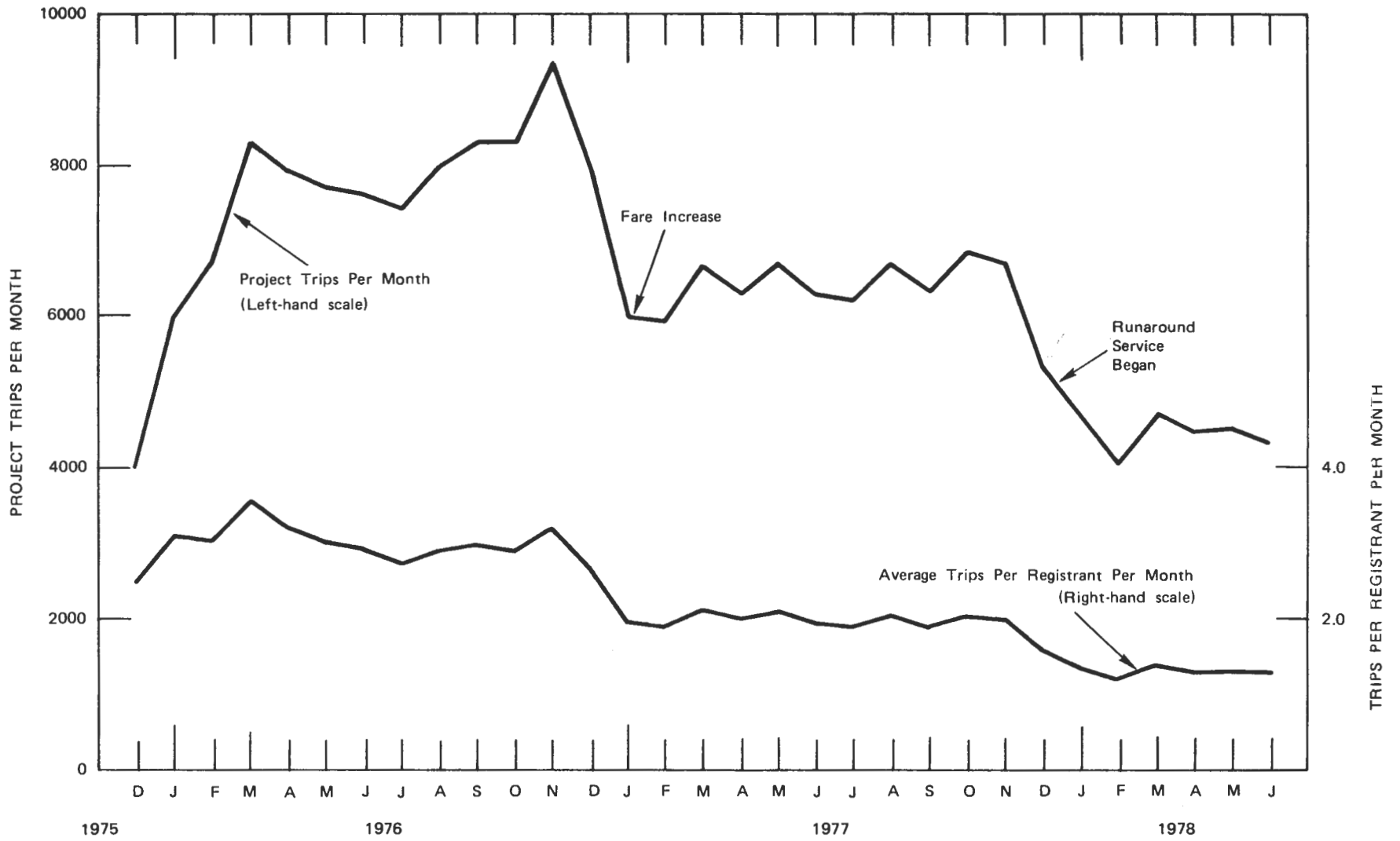


FIGURE 9-2. RTR PROJECT TRIPS

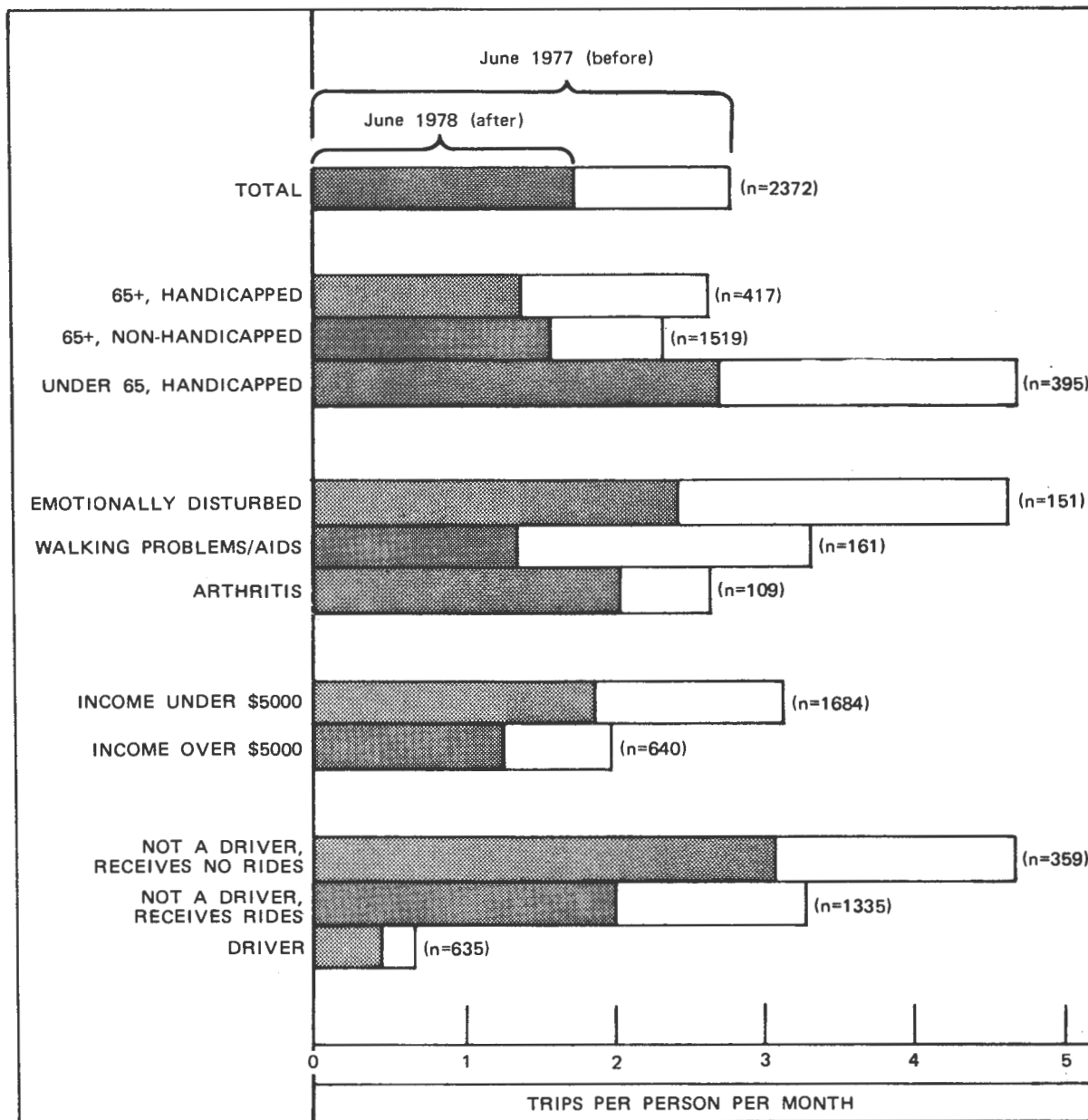


FIGURE 9-3. RTR USE RATES BEFORE AND AFTER PRICE INCREASE

of these persons' trips to be shifted to other modes or not to be taken. The adverse impacts are therefore limited by the amount of project trip making by these registrants under the previous RTR price schedule.

9.2.4 Implied Fare Elasticities

The analysis in Section 9.2.1 showed that the average fare increase to RTR users was almost exactly 100%. The observed drop in use was 28%. This result is somewhat obscured by the fact that users could respond by taking shorter, cheaper trips as well as by taking fewer trips, and this shift is reflected in the computation of the 100% price increase. However, using the 104% figure, based on the mix of trips before the price increase, does not change the result appreciably.

With such large changes, a good elasticity measure is the so-called arc elasticity*, which works out to be -0.47. This result is remarkably consistent with responses to an on-board survey of 225 RTR users, conducted in the fall of 1976. When asked how they would make the trip then in progress if the RTR program did not exist, 50% said they would use the taxi at full fare, a result which is consistent with observed ridership increases when RTR was instituted. Elimination of the discount would have translated to a four-fold price increase. A 50% ridership drop translates to a -.50 arc elasticity.**

It appears that demand for taxi trips by RTR users was less elastic than demand by all users. Fares for non-RTR users increased by about 13%, while ridership dropped by 13%, implying

*The arc elasticity is defined as $\log(D_2/D_1)/\log(P_2/P_1)$, where D_1 and D_2 are the demand levels at prices P_1 and P_2 , respectively. This quantity may be understood as the slope of a line connecting the two price-demand levels if plotted on log-log graph paper. In this case the arc elasticity may be calculated as $\log(.72)/\log(2) = -.47$. Another common elasticity measure is the ratio of percentage change in demand to the percentage change in price, also called the "shrinkage ratio" for price increase. This measure has the disadvantage that, unlike arc elasticity, different values are obtained depending on the direction of the change.

** $\log(.5)/\log(4) = -.3/.6 = -.50$.

an arc elasticity of -1.14. One obvious explanation for less elastic demand by RTR registrants is their greater dependence on taxis for basic transportation needs; that is, their lack of alternative transportation left them little choice but to continue using taxis. It is also possible that demand is less elastic at low fare levels.

9.3 IMPACT OF THE RUNAROUND SERVICE ON RTR REGISTRANTS

9.3.1 Data Sources

For the last six months of the RTR service, from December 1977 to June 1978, the project competed with the Runaround fixed-route transit system. Although use of the Runaround was not restricted to elderly and handicapped groups, half-fare ticket sales data and on-board survey data indicated that many elderly and some handicapped Danville residents used the bus service. This section examines the impact of the bus service on RTR registrants over the six-month period during which both services operated simultaneously. The following analysis is based upon three primary sources:

1. RTR project records of ridership and subsidy payments;
2. A telephone survey of RTR registrants concerning trip-making by taxi and on the Runaround; and
3. An on-board survey of Runaround riders.

Both surveys were conducted in March of 1978; copies of the survey questionnaires are contained in Appendix E and Appendix G of this report.

9.3.2 Impact on RTR Ridership

Figure 9-2 showed the impact of the introduction of Runaround service on total RTR ridership and on the average number of trips per registrant per month: both indices dropped in December 1977 and stabilized at lower levels.

The drop in December 1977, the first month of Runaround operations, may have been due primarily to bad weather, since it mirrors a similar drop the preceding year. However, the seasonal pattern established in 1976 and 1977 would have predicted an increase in ridership in January. The actual continued ridership drop and stabilization at lower levels was clearly a result of the introduction of Runaround service. On the average, RTR ridership in 1978 was 34% lower than in 1977 for the months of January through June (at which time the RTR project was discontinued). This finding is corroborated by the March 1978 survey of bus riders, of whom 19% were RTR registrants: of these registrants, 49% indicated that they would have made the surveyed trip by taxi (RTR) if there were no Runaround service. Based on average Runaround ridership, this translates to a drop in taxi usage very close to the amount observed.

9.3.3 Relationship Between RTR and Runaround Use by RTR Registrants

Table 9-3 shows a clear relationship between RTR and Runaround use: 34% of RTR users, compared to 18% of RTR non-users, used the Runaround.* Viewed another way, the great majority of bus users, 78%, were also RTR users; very few people used the Runaround and not RTR. The positive relationship between RTR use and Runaround use indicates that people generally did not choose between RTR and the Runaround for all their trips, and that very few, if any, people actually switched completely from the RTR project to the Runaround.

*RTR users are defined as those RTR registrants who used the project once a month or more; Runaround users are defined as those RTR registrants who used that system at all.

TABLE 9-3.
RTR VS. RUNAROUND USE

Row% Column%		RUNAROUND USE		
		User	Non-User	Total
RTR USE	User	34% 78%	66% 61%	66%
	Non-User	18% 22%	82% 39%	34%
	Total	29%	71%	(n=302)

Corrected Chi Square = 7.8 (D.F. = 1)
Prob. = .005 (H_0 = statistical independence)

Since only 22% of RTR registrants who used the Runaround did not also use RTR, it seems that most trips shifted from the RTR project were made by people who still used the RTR project for some trips. In fact, most of those who used the bus but not RTR had historically used RTR less than those who used both modes.

TABLE 9-4.
RTR USE RATES OF BUS USERS

<u>RTR Project Trips through June 1977</u>	<u>Bus User & RTR Non-User (n=19)</u>	<u>Bus User & RTR User (n=68)</u>
≤ 2	32%	0%
3 - 14	5	5
15 - 26	21	18
27+	<u>42</u>	<u>80</u>
	100%	100%

In brief, the Runaround attracted a few RTR registrants who had not made much use of RTR, and a substantial minority of more regular RTR users. Although bus usage by a majority of this second group represented trips shifted from RTR, most bus users continued to use RTR for some trips.

9.3.4 Factors Affecting Mode Use

Data obtained in the March 1978 telephone survey of RTR registrants indicate that the strongest factors relating to Runaround use were people's beliefs about and knowledge of buses in general and the Runaround in particular. Table 9-5 shows that survey respondents with positive beliefs toward buses were far more likely to use the Runaround than those with negative or neutral beliefs. It might be argued that using the Runaround created these positive beliefs. However, in all cases but 3 and 4, a clear majority of bus users actually had neutral or negative beliefs about the bus. On factors 3 and 4, the split was about even. Nevertheless, significantly fewer (that is, hardly any) non-users of the Runaround held positive beliefs about buses than did Runaround users. That RTR registrants generally believed that taxis provide better service than buses stands in contrast to the generally anti-taxi sentiments of the general population, as discussed in Chapter 7.

However, in two cases, preference for taxis actually corresponded to an increased likelihood of using the Runaround, compared to those with no preference or who didn't know which was better. (See Table 9-6.) Clearly, these are measures of physical mobility and familiarity with travel as much as they are measures of preference. This again shows that respondents did not simply select between RTR or the Runaround; rather, more mobile RTR users added the Runaround to their existing means of travel.

TABLE 9-5.
BELIEFS AS PREDICTORS OF RUNAROUND USE

<u>Factor</u>	<u>% of Those Answering Each Way Who Used the Runaround</u>	<u>(n)</u>
1. Believe bus takes less time than taxis		
Yes	67%	(49)
No	21%	(253)
2. Believe bus is more comfortable than taxis		
Yes	66%	(59)
No	20%	(243)
3. Believe wait less for bus than taxis		
Yes	68%	(69)
No	17%	(233)
4. Believe bus is more convenient than taxis		
Yes	72%	(64)
No	17%	(238)
5. Believe bus is more likely to be on time than taxis		
Yes	73%	(45)
No	21%	(257)
6. Believe bus is easier to board than taxis		
Yes	67%	(36)
No	24%	(266)

TABLE 9-6.

PREFERENCE FOR TAXIS AND RUNAROUND USE

<u>Factor</u>	<u>% of Those Answering Each Way Who Used The Runaround</u>	<u>(n)</u>
<u>Which more likely to be on time?</u>		
Taxi	64%	(25)
Same/Don't Know	23%	(151)
<u>Which is easier to board?</u>		
Taxi	45%	(102)
Same/Don't Know	14%	(81)

Several other variables showed statistically significant relationships with Runaround use, but none are as strong as those just presented. Availability of bus service, measured as the number of blocks from one's house to the nearest bus route, influenced the probability of using the Runaround, as is clear from Table 9-7. Of interest in Table 9-7 is that the great majority (72%) lived only a block or less from a bus route. In the "3 or more" category, only one respondent lived more than four blocks from a bus route.*

TABLE 9-7.

BLOCKS TO NEAREST BUS VS. RUNAROUND USE

<u>Blocks to Nearest Runaround Route</u>	<u>% in Each Category Who Used the Runaround</u>	<u>(n)</u>
0	38%	(90)
1	29%	(126)
2	23%	(62)
3 or more	13%	(24)

* The measure used here was not the respondent's judgement regarding distance to a bus route, but rather a number measured on a map using registrants' addresses from certification records, and the corrections to those addresses obtained in the March 1978 interviews.

One might expect that availability of alternative transportation would have affected Runaround use. In fact, it had a fairly weak effect, although the effect on RTR use was much stronger. Statistics are available from three questions asked when respondents originally registered for RTR; these determined the number of vehicles in the person's household, the number of drivers, whether the person had a driver's license and a car to drive, how frequently they drove, and whether the person ever received rides in a private car. None of these had any statistically significant effect on Runaround use.* That these factors either had no bearing on Runaround use, or else related to Runaround use in the same direction as to RTR, again demonstrates that "choosing between RTR and Runaround" is not a good description of people's behavior.

RTR certification interviews yielded several measures of registrants' physical ability to use buses and taxis. Only one statistically significant relationship between physical abilities and Runaround use existed: of those who had stated they were able to use the bus with "no problem", 31% became Runaround users. Of those who had said they did experience difficulties using the bus, only 18% became Runaround users.

Another set of factors from the certification interviews consists of socioeconomic indicators. Blacks, men, people under age 65, people in two or more person households, and very low-income people were all slightly more likely to use the Runaround than people in the opposing categories. However, none of these differences is statistically significant given the small sample sizes.

Finally, some insight into the factors affecting mode use may be derived from the March 1978 survey items which questioned respondents directly about the reasons for their behavior. Runaround users were asked why they took the bus instead of another mode;

* In some cases, the lack of statistical significance may be due to the small sample sizes.

they responded as shown in Table 9-8. Runaround non-users were asked the major reason why they had never used the bus, to which they gave the responses in Table 9-9. The reason "weather" refers to the persistent wintry conditions at the time of the survey. Since Runaround ridership fell rather than rose over the next few months, and since RTR use did not drop, this category must be discounted as an excuse substituting for other reasons. The reason "health/age" appears to be an important factor affecting mode use, to be added to the list derived from the RTR certification interviews.*

TABLE 9-8.
REASONS FOR USING THE BUS

<u>Reason</u>	<u>% Responding</u>
Less expensive	32%
More convenient/available	58
Had tickets	9
To try it	<u>8</u>
	106%

Note: 66 respondents provided 70 reasons.

TABLE 9-9.
REASONS FOR NOT USING THE BUS

<u>Reason</u>	<u>% Responding</u>
Weather	42%
Health/Age	42
Has car	14
Inconvenient	11
Too far from home	3
Travel little	3
Prefers taxi	<u>2</u>
	116%

Note: 184 respondents provided 213 reasons.

* The absence of clear findings regarding this factor from the certification interviews is probably due to the difficulty of obtaining accurate health data, the fact that all respondents over age 65 were grouped into one category, and that over a year had elapsed since most of the certification data were obtained.

9.3.5 RTR and Runaround Trip Characteristics

The previous sections have demonstrated that, while some RTR registrants added the Runaround to their existing modes of travel, very few RTR registrants chose one or the other as their sole mode of public transportation. The number of trips surveyed which did entail a choice between taxi and bus (in the judgement of the survey respondents) is insufficient for a meaningful mode choice analysis. However, an examination of the characteristics of respondents' RTR and Runaround trips is possible.

Regarding the time of day, RTR project records indicated that about 17% of RTR trips took place between 6 PM and 6 AM, and another 9% on Sunday, both periods when the Runaround did not operate. Runaround trips were slightly less restricted to the central area of town than RTR trips. Whereas 83% of RTR trips had destinations within taxi zones 1 and 2, a significantly lower percentage of Runaround trips surveyed, 69%, had destinations within these zones. This probably reflects the Runaround flat fare, which did not discourage trips to outlying locations such as shopping malls and the Veteran's Administration Hospital. Surprisingly, there was little or no difference in the distribution of taxi origin zones of Runaround and RTR trips. Correspondingly, there was also no difference in the distribution of computed taxi fares for RTR or Runaround trips. In the case of Runaround trips these were hypothetical fares.

As would be expected, far more Runaround trips (52%) had origins right on a bus route than did RTR trips (29%). Regarding destination locations, a barely significant, but not very dramatic, effect was observed: 9% of RTR trips taken during bus service hours, but only 1% of Runaround trips had destinations three or more blocks from a bus route. Similarly, 14% of RTR trips during bus hours would have required a transfer involving a wait had they been made by bus, whereas only 3% of the actual Runaround trips involved such transfers.

Two variables which might be expected to show significant differences between RTR and Runaround trips, but did not, are frequency of Runaround service at the origin (hypothetical in the case of RTR trips), and difference in in-vehicle travel time by bus and taxi. Thirty-eight percent of RTR trips, if taken by bus, would have begun on a bus route with hourly service, compared to 42% of Runaround trips which actually did. Regarding differences in in-vehicle travel time, most trips on both modes were so short that this time difference was not a significant factor.

Finally, respondents did show a tendency to use the two modes for slightly different purposes. For example, RTR users tended to make proportionately more medical trips than did RTR registrants using the Runaround, who used the bus for proportionately more shopping trips. (See Table 9-10).

TABLE 9-10.
TRIP PURPOSES ON RTR AND RUNAROUND

<u>Purpose</u>	<u>Percentage of RTR Trips</u>	<u>Percentage of Runaround Trips</u>
Shopping	43%	65%
Medical	22	12
Personal Business	17	17
Work	5	4
Church	5	1
Social/Recreation	2	1
Other	5	--
	100%	100%

9.4 IMPACT OF DISCONTINUING THE RTR PROJECT

9.4.1 Reasons for Discontinuation

The original UMTA grant for the RTR project provided funding for two years; however, when the Runaround service was instituted

in late November of 1977, UMTA extended the funding deadline in order to permit evaluation of the impact of the new bus service on RTR registrants' mode choices and travel patterns. In the meantime, the City of Danville investigated the possibility of using Title XX funds to continue the RTR project. This proved infeasible, as Title XX does not permit the collection of fares, donations or any other form of user payment. The Mayor and the City Council were generally opposed to continuing even a reduced version of the RTR project with City funds. Thus, the discontinuation of the RTR project was scheduled for June 30. Toward the end of June, public announcements were made over the radio and cards were sent to RTR registrants, advising them of the program's termination. Immediate public reaction was very mild; however, during the first week of July, 50 people called the project office. Most reported that they were unable to ride the bus.

9.4.2 Impact on RTR Users

In February 1979, a follow-up telephone survey of RTR users was conducted*; the purpose of the follow-up survey was to determine the impact of the discontinuation of the RTR project on those who had used the project. Most of those surveyed still used regular taxi services at least occasionally; only 17% of former users said they no longer used the taxis at all.** However,

* A copy of the survey questionnaire is contained in Appendix G of this report.

** It should be noted here that the survey coincided with a sharp decrease in the number of taxis operated by Red Top Cab. Although the survey question was redesigned to determine the frequency of taxi use before the decline in service, the latter undoubtedly affected the response to the taxi-related questions. In addition, there was a general increase in taxi fares, averaging 16%, in October 1978, four months after the RTR project was discontinued.

fully 82% stated that they used the regular taxi service less often than they had used the RTR service. These results seem consistent with a prediction, based on the elasticities computed in Section 9.3.4, that total usage would drop by 34%.

As noted before, the impact of reduced taxi usage on the lives of RTR users was limited by the fact that taxi usage never amounted to more than 10% of their total travel. Nevertheless, 43% of former RTR users surveyed felt that they went out less often following the discontinuation of RTR service.

Some of the trips formerly made by taxi were made using the Runaround following the discontinuation of RTR Service. Table 9-11 shows that the percentage of non-users of the Runaround among former RTR users dropped considerably between March 1978 and February 1979.

TABLE 9-11.
RUNAROUND USE BY RTR USERS

	<u>March 1978</u> <u>(RTR still available)</u>	<u>February 1979</u> <u>(after RTR discontinuation)</u>
Almost every day	3%	3%
At least once a week	12	25
At least once every two to three weeks	8	10
Once a month or less	8	15
Never	<u>69</u>	<u>47</u>
	100%	100%
(n)	(258)	(216)

In February 1979 non-users were asked the major reasons why they did not ride the bus. Table 9-12 lists the reasons they gave. As discussed earlier in this chapter, the health/age factor appears to be a significant determinant of mode use, or, in this case, bus non-use.

TABLE 9-12.
MAJOR REASONS FOR NON-USE OF RUNAROUND

	Percentage of Responses*
Health/Age	29%
Own car	15
Live too far from bus route	11
Get rides from friends or agencies	9
Dislike buses	8
Weather	5
Unsure how to use buses	3
No reason	3
Never tried the bus	3
Have problems getting on and off bus	2
Handicapped/Can't use bus	2
Use taxis	2
Don't need bus	2
Don't go out much	2
Don't have enough money	2
Other	2
	100%

* 99 people gave 128 responses

Non-users were asked whether they would ride the bus if certain improvements to the bus service were made. Table 9-13 summarizes their responses. As the table shows, the largest proportions of non-users said they would definitely ride the bus if fares were lower, or there were more benches or shelters along the bus routes. The desire for lower fares is hard to understand, since elderly and handicapped paid only 20 cents for a bus ticket.

TABLE 9-13.

NON-USER RESPONSES TO SERVICE IMPROVEMENTS

<u>Service Improvement</u>	<u>% Who Would Definitely Ride The Bus</u>	<u>% Who Would Probably Ride The Bus</u>	<u>(n)</u>
1. Fares were lower	35%	11%	(32)
2. More comfortable vehicles	21%	18%	(29)
3. More benches or shelters along the route	19%	27%	(31)
4. More reliable service	17%	30%	(28)
5. No need to buy tickets in advance	12%	27%	(31)
6. Service available after 6 PM	11%	17%	(31)
7. More frequent service	1%	35%	<u>(29)</u>
			(211)

The overall picture that emerges is that taxis played a small but very important role in the lives of RTR users, and that the Runaround was able to replace taxis in this role only to a very limited extent. Since the RTR service ended, taxi service in Danville underwent periods of unreliability and restricted availability, fares were increased twice in two years, and the major taxi operation changed owners. As a result, many elderly and handicapped in Danville paid much more for transportation, depended more on friends and relatives, and travelled less.

9.5 IMPACTS ON SOCIAL SERVICE AGENCIES

Midway through the demonstration, interviews were conducted with representatives from a number of social service agencies

serving residents of Danville and surrounding areas. (A copy of the discussion guide used is contained in Appendix F of this report.) The purpose of these interviews was to determine the impact, if any, of the discontinuation of the Reduced Taxi Rates (RTR) Program and the availability of the Runaround service on the agencies and their clients. Specifically, agency representatives were asked about impacts on their transportation budgets and operations; impacts on client usage of agency services; impacts on client trip-making; and, for those which distributed Runaround tickets to clients, the mechanics of the ticket program.

Table 9-I4 summarizes the key features of each agency's transportation program and the impacts on agency clients of the discontinuation of RTR Service and the availability of the Runaround service. The interviews yielded two overall findings regarding impacts on social service agencies and their clients. First, after the discontinuation of the RTR service, disabled and elderly agency clients who had formerly utilized the service sought alternative transportation modes, with varying degrees of success. The two Danville agencies operating door-to-door transportation services, Tele-Care and Danville Township Transportation Service, noted a marked increase in requests for transportation after the RTR program ended. The discontinuation was most harmful to low-income, severely-disabled persons under the age of 60, since this group had the fewest alternatives to the RTR service: taxi trips were too expensive; Tele-Care served only seniors; and they were generally unable to use fixed-route bus service. Because these clients often required regular transportation to school, work, or recreational activities, the Danville Township Transportation Service--which served an estimated 1,000 clients with five station wagons--could not readily accommodate their needs.

Second, the Runaround appears to have offered the greatest benefits to agencies whose clients were low-income and able-bodied or moderately disabled; the Runaround service replaced more costly modes such as taxis and agency vehicles. Many of these clients used the Runaround for work, school, or meal trips; they appreciated the independence and flexibility afforded them by the service.

TABLE 9-14. DANVILLE SOCIAL SERVICE AGENCY
INTERVIEW SUMMARY

Agency	Center for Children's Services	Danville Housing Authority	Danville Township Transportation Service	Illinois Dept. of Public Aid	Illinois Div. of Voc.Rehab.	Promise House
Number of clients	500	700	1,000	3,000	500	45
Characteristics of Client Population	Emotionally disturbed children under 18 and their parents	Low-income	65+ yr. or handicapped without auto	Low-income	Vocationally handicapped 18+ year	Emotionally disturbed 18+ year
Agency Provision of Transportation Service	Yes: Staff use own cars and are reimbursed for mileage	No	Yes	Yes: DPA subsidizes taxi and ambulance transportation	Yes: DVR subsidizes purchase of Runaround tickets	Yes: program furnishes door-to-door van service
Agency Vehicle	1 van	None	5 station wagons	None	None	1 van
Agency Annual Transportation Budget	\$5,000	—	\$60,000	\$12,000	N.A.*	N.A.*
Impact of RTR Discontinuation	None	Unknown	100 new clients have requested service	None	120 severely disabled clients were forced to seek other modes	Many clients who used RTR now receive agency transportation
Client Usage of the Runaround	Low, due to lack of night and weekend bus service	High	Low, due to inability to ride the bus	High	High: at least 120	Low, due to availability of agency transportation
Unmet Need for Client Transportation	Yes	Unknown	Yes	No	Yes	No

*Not available

TABLE 9-14 Cont. DANVILLE SOCIAL SERVICE AGENCY
INTERVIEW SUMMARY

Agency	Senior Adult Meal Service	Tele-Care	Vermil.Cnty. Public Serv. Empl. Program	Vermil.Cnty. Rehab.Center	Vermilion Manor	V.A. Hospital Comm. Placement Program
Number of Clients	N.A.*	100	150	70	150	150
Characteristics of Client Population	Over 60 years	Over 60 yr. 55+ if disabled	Unemployed low-income 14+ year	Handicapped 18+ year	Elderly	Unemployed veterans needing foster homes
Agency Provision of Transportation Service	No	Yes: 8 volunteer drivers use their own cars; van service is also available	Yes: clients are reimbursed for auto and Run-around transportation costs	Yes: program furnishes bus and van service	Yes: program subsidizes staff transportation, Tele-Care and charter buses	Yes: staff cars are used for visits to foster homes
235 Agency Vehicle	None	1 lift-equipped van	None	3 buses 2 vans	None	None
Agency Annual Transportation Budget	—	\$7,000 - \$15,000	N.A.*	N.A.*	\$12,000	N.A.*
Impact of RTR Discontinuation	Clients have switched to Danville Township, Tele-Care and the Runaround	Calls for service have increased by at least 30 calls per month	None	Slight	None	Most clients have switched to the Runaround
Client Usage of the Runaround	High	Low, due to inability to ride the bus	High	Low, due to geographic location of program	No; however facility is close to Tilton and may use Tilton bus service	High
Unmet Need for Client Transport.	No	Yes	Yes	Yes	Yes	No

*Not available

Some agencies realized substantial savings in transportation costs as a result of the Runaround; other agency benefits attributable to the Runaround included decreased staff time devoted to arranging or providing client transportation, increased client participation in agency programs, and increased client access to agency services.

10. SUMMARY AND CONCLUSIONS

10.1 FEASIBILITY FOR TESTING AND SUPPORTING TRANSIT

The project showed that the user-side subsidy is feasible as a method for supporting transit services, and, especially, for testing the market for transit where no transit system now exists. The project also uncovered problems with the user-side subsidy as it was designed and implemented in Danville. These problems are discussed in the following sections.

The City was able to establish transit service on an experimental basis; try out different service levels, routes, vehicles, and service concepts; observe the public response; and build familiarity with transit within the City administration. It did this without purchasing vehicles or establishing its own maintenance facility. On the other hand the City may well have been able to try out transit service under a more conventional style of arrangement with providers, that is one based on per-mile or fixed-price reimbursement. In fact the contracts with ATC, the major provider of Runaround services, were on a per-mile basis for the first two contract periods, and effectively (although not theoretically) on a fixed-price basis for the last three contract periods. Also, there is reason to doubt that another site would be as successful in getting a provider to supply its own vehicles and facilities.

10.2 PROVIDER SELECTION

The competitive bidding process did not succeed in attracting many potential providers. Two companies with an established base in Danville (ATC and Red Top) were the only bidders for three of

the five contract periods. An outside firm bid twice, but its proposal was not judged responsive to the RFP. The primary reasons for the lack of effective competition appear to have been the four-month contract periods, ATC's apparent competitive edge, the possibility of multiple providers, confusion about the intended arrangements, and the short lead time allowed to get service started. These barriers were no doubt compounded by the requirement to furnish vehicles and facilities. A possible additional deterrent to bidding was the lack of any assured funding for transit following the two-year demonstration, since Section 18 funding for "non-urbanized" areas (i.e. cities with population under 50,000) was not approved until shortly after the end of demonstration.

In order to attract more potential providers, another site might use longer contract periods, longer lead times, and not require providers to furnish vehicles and facilities.* In a site where there is no established operator it would be especially important to make such changes to the process, since, if ATC had not had the advantages it did, it is possible that the bidding process, as it was conducted in Danville, would have failed to attract any acceptable providers.

10.3 THE TICKET SYSTEM OF PROVIDER REIMBURSEMENT

On the whole, the system of selling prepaid books of half-fare and full-fare tickets and basing reimbursement on used tickets worked well. The local businesses serving as ticket sales outlets were generally well satisfied with their participation in the program. The tickets were used as part of

*In a repeat of the Danville project, the availability of Section 18 funds would make it more feasible for the City to purchase vehicles and facilities.

several promotional campaigns. However, administration of the ticket system by City staff proved labor-intensive, time-consuming, and thus, costly. It had been thought that the pre-paid ticket system would create a cash float for the City; however, the City had to pay providers for most tickets (i.e. after they had been used) before payment from the sales outlets could be collected. When it was decided to subsidize cash fares, allowing the cash fare to be reduced from \$1.00 to \$.50, use of full-fare tickets dropped and ridership increased considerably after seasonal variations are taken into account. The purpose of basing reimbursement of tickets was to guard against fraud. There was never any suspicion of fraud on the part of providers or outlets, either before or after the decision was made to begin subsidizing cash fares.

10.4 THE USER-SIDE SUBSIDY AND PROVIDER INITIATIVE

The user-side subsidy mechanism of payment received a limited test during the demonstration. During three contract periods ATC and Red Top both submitted used tickets weekly and were paid based on the number of tickets submitted. However, ATC, the main provider of transit service, received guaranteed payments based on vehicle mileage during the first two contract periods, and reached the maximum payment allowed in each of the three remaining contract periods. In effect, then, ATC always operated under a fixed-price contract rather than an open-ended subsidy arrangement. If ATC had been willing to accept a lower-per-ticket subsidy in return for a higher maximum payment, the arrangement would have constituted a better test of the concept. However, ATC adopted a very conservative stance during each round of negotiations with the City and, of course, the absence of competition from other bidders increased ATC's leverage. Clearly, ATC preferred to trade the limit on profits, in the

form of the maximum payment, in return for the security of high per-ticket payments. It seems likely that many conventional transit operators would exhibit the same risk-averse behavior, given a similar choice.

The local service station operator who bought Red Top Cab toward the end of the demonstration did show considerable initiative in instituting new service arrangements, which were not, however, especially successful.

10.5 THE LEVEL OF SERVICE

The amount of transit service implemented at the outset of the demonstration was quite extensive: having had no public transit service at all for seven years, the Danville community suddenly had service on eleven routes operating twelve hours per day, six days per week. In hindsight, this amount of service proved to be unnecessarily and unmanageably high: the need for rerouting, unforeseen delays in obtaining two-way radios, and other reliability problems all contributed to uneven service quality in the initial months. In view of the fact that any new service is likely to experience similar problems in its early stages, a better strategy might have been to start transit operations with only a few routes and to add service gradually, as start-up problems were ironed out and ridership increased.

The user-side subsidy did create an incentive for ATC to eliminate unproductive service in the third contract period. In addition, by focusing attention on the per-passenger cost of serving various routes, it provided the City with a justification for service cutbacks. Without this justification, the City might have been more susceptible to "fair share" arguments against service cutbacks. The decision to serve the unproductive routes with minibus and taxi service was not a

product of free market forces at work, however. Rather, the multiple provider arrangement was devised by the federal monitors and the City; intense negotiations with all parties were required to design an arrangement that was workable and satisfactory to both ATC and Red Top.

Despite the limitations noted in the previous section, both ATC and Red Top had some incentive to provide adequate service to maintain ridership levels. In the early weeks of each contract period ATC could not know for sure that they would reach the maximum, and had to maintain service that was at least good enough to prevent a drop in ridership that would have cut into their expected payment. ATC did take some initiative in eliminating service problems, primarily, however, during the first contract period when the mileage guarantee was in effect. Thereafter ATC maintained good quality service; however, there is no way to determine how much or how little credit might be due the incentives stemming from the user-side subsidy. Red Top was much more subject to user-side subsidy incentives than ATC. Red Top never reached the contract maximum and thus operated under the user-side subsidy arrangement for three contract periods. However, due to a multitude of factors, the service furnished by Red Top was of inferior quality to that of ATC; correspondingly, ridership on the routes served by Red Top remained low throughout the demonstration.

10.6 PROJECT COSTS

The overall cost of Runaround service was comparable to that of two convention Midwestern transit systems of similar size. On a per-mile basis costs fell in between those in Quincy, Illinois, Fond du Lac, Wisconsin. The Runaround's cost per passenger was high during the demonstration, due to low ridership levels (ridership has since grown considerably). Drivers for

both ATC and Red Top were paid considerably less than drivers for the two comparison systems.

On the other hand the administrative costs of the Run-around were quite high in comparison with those of Quincy and Fond du Lac. The monitoring of the ticket system, frequent contract negotiations, and reimbursement procedures associated with the user-side subsidy arrangement were the main causes of the higher-than-average costs.

In the post-demonstration period, the City staff was pared down considerably. Also, the Runaround drivers organized an independent union (they had been a division of the local teachers' union) and won a substantial increase in wages and fringe benefits. These changes give the impression that the high administrative costs and low labor rates which prevailed earlier may have been due more to the demonstration nature of the project than to the user-side subsidy arrangement.

10.7 ELDERLY AND HANDICAPPED USE OF BUS AND RTR SERVICE

Runaround service attracted many of the more active users of the RTR taxi discount service, most of whom continued to use the taxi for some trips. Even when the discount was totally eliminated, however, many elderly and handicapped continued to use the taxi rather than switch to the bus. Of the trips no longer made on taxis, it appeared that only a few switched to the bus, the majority being made either with friends and relations or not at all. In summary, the bus did not eliminate the need for door-to-door transportation for many elderly and handicapped residents of Danville.

The Runaround did not provide accessibility features for the handicapped, since the final Department of Transportation accessibility regulations were not issued until the demonstration was almost over. The new buses ordered at the conclusion of the demonstration will have accessibility features, including wheelchair ramps.

10.8 VIABILITY OF TRANSIT IN DANVILLE

Throughout the demonstration, ridership and productivity levels on the Runaround remained well below expectations. Despite this fact, the overwhelming majority of Danville residents surveyed at the end of the demonstration expressed the opinion that Danville should be served by a bus service. There is unarguably a market for some form of public transportation in Danville, comprised principally of low-income, elderly, non-white, handicapped, and other transit-dependent groups. The worsening fuel crisis is likely to enlarge this market, as more Danville residents seek alternatives to the automobile.

The demonstration did not resolve whether fixed-route bus service or subsidized taxi service would be a more cost-effective form of transit in Danville. The total cost per trip on the Runaround at the end of the demonstration was lower than the cost of most taxi trips in Danville. This situation might be reversed, however, given higher taxi ridership, which would result if bus service were discontinued and taxi fares subsidized.

10.9 IMPLICATIONS FOR TRANSFERABILITY

Much of the Danville experience should apply to other, similar sites. However, some aspects of the situation in Danville, the time when the demonstration was implemented, and of the way the demonstration was implemented, would not be repeated in a new site. This section discusses the extent to which the lessons of the Runaround would carry over to a new site, or would probably not be applicable.

10.9.1 Factors Limiting Transferability

The following features of the time and place of the demonstration strongly influenced its design and outcome:

1. Danville is a small city, which is not part of any larger metropolitan area.
2. There was no definite source of continuing funding following the demonstration. Because Danville is a small city (population less than 50,000), it was not eligible for UMTA formula grants. UMTA Section 18 funding for "non-urbanized areas" was not passed until November 1978, almost one year after initiation of Runaround service. In addition, it appeared that Illinois downstate transit assistance would not be available either.
3. The Runaround did not have to provide accessibility for the handicapped, since the final DOT 504 Regulation was not issued until the demonstration was almost over (May 31, 1979).
4. There was no established transit system in Danville.
5. Despite point 4, a trusted, major, nationwide provider of transit services had strong ties to Danville and an established base of operations there.
6. Taxi drivers in Danville were not unionized, and bus drivers were represented by a local teachers' union.

The influence of these factors on the transferability of the Danville experience is discussed in the following sections.

10.9.2 Feasibility

The general feasibility and workability of most aspects of the user-side subsidy mechanism seems established, subject to some limitations. The Danville experience probably does not extend to much larger cities, or to cities with established transit systems. This is not to say that a user-side subsidy would not work in such cities, but only that it has not been tested.

10.9.3 Provider Selection

The provider selection process was influenced by nearly all of the factors limiting transferability. One apparent

lesson from Danville is that attracting interested providers is difficult. Things which would make it easier to attract interested providers include secure long-term funding and city-owned vehicles and facilities, which would be easier to obtain given available Federal funding. City-owned vehicles would probably be necessary now as a result of handicapped accessibility requirements. Experience with details of the selection process, as it was implemented in Danville, suggest that RFP's must take great pains to make clear all aspects of the user-side arrangement, that lead times of more than a month are necessary for outside providers, and that contracts should be for at least a year, but with some provision for more frequent renegotiation and service adjustments. Where there is an established local provider, as in Danville, these changes might not be necessary to induce the local provider to bid, but would be necessary to create effective competition.

10.9.4 The Ticket System of Provider Reimbursement

A prepaid ticket system, used to the extent it was in Danville, will probably be costly to administer. In another setting greater precautions might be necessary in handling delivery of tickets to outlets and in handling cash received from outlets. Costs might be reduced if the number of outlets were reduced, or limited to financial institutions. If only prepaid tickets are subsidized, cash fares would not necessarily have to be as high as they were in Danville, although some method would have to be worked out to encourage use of tickets or ensure that tickets would be a fair basis for provider reimbursement. A very high cash fare, or any measure which effectively requires use of prepaid tickets, will probably deter some ridership unless a much more convenient method of buying tickets were established. Although fraud was never a problem in Danville, greater precautions might be necessary in another

setting. The requirement that tickets be the only basis for subsidy was the only major anti-fraud measure. When this requirement was relaxed, providers could have turned in extra cash fares to increase their payment. There is no reason to think they did so (in ATC's case the contract maximums eliminated the incentive), but no good way of checking for the possibility was devised.

10.9.5 The User-side Subsidy and Provider Initiative

The user-side subsidy did not succeed in stimulating a great amount of provider initiative. In a more competitive environment it is possible that a provider might take more initiative and negotiate in a less risk-averse fashion than ATC did in Danville.

10.9.6 Level of Service

The user-side subsidy and the use of multiple providers did make it easier to cut service on poorly patronized routes. Conditions which could limit the transferability of this result would include greater availability of funding for transit, and existence of a stronger transit union. Danville's problems with starting with a high level of service show that, in another site, service should be started with only a few routes and be increased gradually.

10.9.7 Costs

Administrative costs in a new site would probably exceed those of a more conventional arrangement, but would not necessarily be as high as they were during the Danville demonstration, since the City was able to cut back its staff considerably in the post-demonstration period. On the other hand, post-demonstration experience with labor negotiations suggests that

a user-side subsidy should not be expected to produce lower costs than a conventional management contract arrangement. On balance, the transferable result appears to be that transit under a user-side subsidy can operate at costs comparable to those under a more conventional arrangement.

10.9.8 Elderly and Handicapped

Future systems will have to provide for handicapped accessibility, which was not necessary on the Runaround. Despite this, the conclusion, based on analysis of RTR registrants' behavior, that fixed route bus service does not eliminate the market for door-to-door transportation for the elderly and handicapped is consistent with experience elsewhere.

10.9.9 Testing the Market for Transit

Danville had great flexibility in testing the market for transit. Much of this flexibility came from the ability to have providers supply their own vehicles and facilities. Given present handicapped accessibility requirements, and without any operator with an existing local base, another city might not be able to duplicate the flexibility enjoyed by Danville.

10.9.10 Labor Protection under 13(c)

Danville's ease in obtaining 13(c) clearance might not transfer to a new site. This would certainly be the case if there is any existing transit provider. In addition, if taxi drivers are organized they might present a case that their position would be hurt, and that they are covered under 13(c). Neither of these conditions would necessarily preclude arriving at a 13(c) agreement, but would make it more difficult than was the case in Danville.

APPENDIX A
TICKET SALES OUTLET CORRESPONDENCE



CITY OF DANVILLE

402 N. HAZEL STREET • DANVILLE, ILLINOIS 61832 • (217) 446-0803

DAVID S. PALMER
MAYOR

JOSEPH A. HUFFMAN
COMMISSIONER OF
ACCOUNTS AND FINANCE

GERALD G. ARNHOLT, JR.
COMMISSIONER OF
PUBLIC HEALTH AND SAFETY

WILLIAM C. STRADER
COMMISSIONER OF
STREETS AND PUBLIC WORKS

RAYMOND T. RANDALL
COMMISSIONER OF
PUBLIC PROPERTY

November 18, 1977

The City of Danville would like to thank you for your generosity and excellent display of community spirit in playing this vital role in our new Mass Transit System - called the Runaround.

In return for your help, we feel that this special service you are offering will bring more persons into your establishment and, in addition, we will provide advertising space inside our transit vehicles.

Although our ledger form appears complicated, it is not. We have attempted to keep your time at an absolute minimum to facilitate your ease in handling this most important link in our City's transit system.

The following is a description of our ledger sheet:

Line A, (reading across) refers to the three types of ticket books you will have available. You will have a \$2.00 regular fare ticket book (containing 5 tickets) and an \$8.00 regular fare ticket book (containing 20 tickets). These two books are for the general public. In addition you have a \$2.00 special half-fare book for the elderly (age 65) and over, the handicapped (of any age) and students 18 and under. These persons will have identification that they must show in order to purchase these half priced booklets.

Identification required for special ticket books: Elderly and Handicapped - must show medicare card or plastic R.T.R. card (blue, red or orange in color). Students 18 and under - unless easily identified - student I.D.

Each ticket book has a sequence number printed on it's cover and this number should be recorded in the appropriate A, B, or C column in the center of the page - depending on which book type is sold. We would also like the individual "seller" to initial each transaction and record the amount of money collected for each sale.

Summary:

For each sale we would like the following items recorded:

- a) the quantity of each type of book sold
- b) the sequence number of each type of book sold
- c) the seller's initials
- d) the amount of money collected

The front cover of each ticket book has a place for the buyer's name, address, and phone number. Each booklet buyer must fill in this information and then the seller detaches the top copy to file with his receipts for that period.

On a regular basis, our staff will collect your records, receipts, and money and replenish your ticket supply. If any questions or problems should arise, please call our office at 431-0653, also you may tell anyone with any questions to call our office at the same number.

Again, thank you for your help and we hope that this will help you likewise.

Sincerely,

A handwritten signature in cursive script that reads "David S. Palmer".

David S. Palmer,
Mayor of the City of Danville



CITY OF DANVILLE

402 N. HAZEL STREET • DANVILLE, ILLINOIS 61832 • (217) 446-0803

DAVID S. PALMER
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RAYMOND T. RANDALL
COMMISSIONER OF
PUBLIC PROPERTY

RE: Runaround Advertising

The City of Danville and American Transit Corporation (ATC) are very appreciative of your efforts to sell our Runaround tickets. Therefore, ATC has agreed to relinquish their rights to the advertising space available on their transit vehicles. Now the City can provide this space, free of charge, for your advertising needs.

If you are interested in this advertising space, simply provide us with heavy cardboard advertisement posters, 11" x 21". We will have them inserted in the buses for you. We have nine (9) buses and could possibly display two (2) signs inside each bus for a total of 18 posters. If the demand for this advertising space is great, we will provide at least one (1) poster in each bus, and two (2) posters in each bus on a first come, first serve basis. Any print shop can work up these posters at a very low cost to you.

Again, we are very pleased that you are helping with the community's new mass transit program. The success of our program will be a direct result of a team effort of which you are a critical member.

Sincerely,

David S. Palmer
MAYOR

jh



CITY OF DANVILLE

402 N. HAZEL STREET

DANVILLE, ILLINOIS 61832

(217) 446-0803

DAVID S. PALMER
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WILLIAM C. STRADER
COMMISSIONER OF
STREETS AND PUBLIC WORKS

RAYMOND T. RANDALL
COMMISSIONER OF
PUBLIC PROPERTY

NOVEMBER 21, 1977

ALL TICKET SALES MUST BE CASH OR MONEY ORDER.
(NO CHECKS WILL BE ACCEPTED AT THIS SALES SITE-
THEY WILL ONLY BE ACCEPTED THROUGH THE MAIL AT
THE RUNAROUND OFFICE AT CITY HALL.)

ALL HALF-FARE ($\frac{1}{2}$) TICKET SALES MUST BE ACCOMPANIED
BY APPROPRIATE IDENTIFICATION

ALL ELDERLY (AGE 65 AND OVER) MUST SHOW R.T.R. (TAXI)
CARD OR MEDICARE CARD.

ALL HANDICAPPED (OF ANY AGE) MUST SHOW R.T.R. CARD
OR MEDICARE CARD.

ALL STUDENTS (AGE 18 AND UNDER) MUST SHOW STUDENTS
I.D. (PARENTS MAY PURCHASE TICKETS FOR THEIR CHILDREN)

*

IN ORDER TO OBTAIN ANY APPROPRIATE IDENTIFICATION
CALL THE RUNAROUND OFFICE AT 431-0653

*

PURCHASERS: PLEASE FILL IN TOP COPY SO THAT WE CAN
REPLACE LOST OR STOLEN TICKET BOOKS AT
CITY HALL.

TICKET BOOKS AVAILABLE:
A. \$ 2.00 REGULAR FARE BOOKS
B. \$ 8.00 REGULAR FARE BOOKS
C. \$ 2.00 HALF-FARE ($\frac{1}{2}$) BOOKS

Runaround

MEMORANDUM

TO: RUNAROUND TICKET OUTLETS
FROM: Mike Federman
DATE: 3-27-78
RE: New Cash Fare System

As you know we are preparing to initiate the next four month phase of our new mass transit system. Thanks to your efforts the first test period was very successful.

Starting very soon (probably April 3) we will be distributing a coupon on the buses which will entitle the bearer to a 50 cent discount towards the purchase of any Runaround tickets. As these coupons are turned in to you, please retain them as part of your record keeping system. Each coupon submitted is worth a 50 cent discount. For example, two coupons plus \$1.00 can purchase a \$2.00 book of tickets. This service is intended to reduce the negative impact of our \$1.00 cash fare system and to encourage the purchase of tickets.

If you have any problems with this new procedure please do not hesitate to contact us.

Sincerely,

Mike Federman

A-6

JUNE 15, 1978

Dear Manager;

It is most fortunate that your establishment maintains a strong community spirit. The City of Danville was seeking such spirit when selecting local businesses to assist in our campaign to increase the awareness of the Runaround to the community.

It is for this reason that the City is sending you this letter introducing you to the idea of providing your customers with a display of the Ruanround map and schedule. A representative from our office will be contacting you later in the week to answer any questions you may have.

We are looking forward to working closely with you in providing this community service.

Sincerely,


David S. Palmer, Mayor

APPENDIX B

REQUEST FOR PROPOSAL
(3rd Contract Period)

DEPARTMENT OF PLANNING AND DEVELOPMENT



400 NORTH HAZEL • DANVILLE, ILLINOIS 61832 • 217/446-0807

DAVID S. PALMER
Mayor

JOHN WEAVER
Director

5-1-78

Dear

I am pleased to send you a copy of the document "Request for Proposals for Transit or Paratransit Services" recently issued by the City of Danville in conjunction with a two-year demonstration grant awarded to the City by the Service and Methods Demonstration Program of the U.S. Urban Mass Transportation Administration. You will find enclosed with this document the following supplementary materials which should help to explain the nature of the demonstration project:

- . a copy of the contract between the City of Danville and American Transit Corporation for the first four-month period of the demonstration project, including the transit service plan adopted for that period;
- . a system route map of the current transit service; and
- . a chart giving route by route ridership for the first weeks of service under the demonstration project.

I appreciate your interest in the demonstration project and I look forward to receiving your response to the Request for Proposals.

Yours sincerely,

Michael Federman

Michael Federman
Project Manager
City of Danville

REQUEST FOR PROPOSALS FOR
TRANSIT OR PARATRANSIT SERVICES

The City of Danville, Illinois is a community of 43,000 people located in Vermilion County (east-central Illinois) about four miles from the Indiana-Illinois border. In November 1970 transit service was discontinued in Danville when Bee Line Transit Corporation, a local carrier, ceased operations. In August 1977, the City was awarded a two-year grant under the Service and Methods Demonstration Program of the U.S. Urban Mass Transportation Administration (UMTA) to test a user-side subsidy scheme^{1/} for supporting public mass transportation services provided by private transportation companies. The system of services supported under this project has been given the name "the Runaround."

BACKGROUND

On August 7, 1977 the City issued a request for proposals from qualified bidders to operate fixed-route service for an initial four-month period. On the basis of this bidding process, a contract was awarded to Bee Line Transit, a subsidiary of American Transit Corporation, to provide fixed-route transit services in Danville over the four-month period from Friday, November 25, 1977 through Saturday, March 25, 1978. For the second four-month period, from Monday, March 27, 1978 through Saturday, July 22, 1978, another bidding process

^{1/} In a user-side subsidy scheme, the funding agency places the transportation subsidy in the hands of the users in the form of tickets, charge slips, or other means which can be used to purchase transportation services at reduced rates. Participating transportation providers accept the tickets or charge slips as part or all of the payment for trips served, and then submit them to the funding agency for reimbursement at pre-arranged rates.

was conducted which resulted in American Transit Corporation being awarded a second contract for transit services.^{2/}

Under this demonstration project the operation of mass transportation services differs from traditional procedures in several important ways:

Method of Subsidy. Most subsidies for transportation service are made available directly to the transportation provider for offering certain specified services at fares which produce insufficient total revenues to cover the provider's costs. An alternative subsidy technique which this project will employ is to pay the subsidy to the providers only for those passengers who are served. In this way the subsidy payments have to be "earned" and thus serve as an incentive to the provider to offer services attractive to the public at the lowest possible cost. It also follows that only when ridership exceeds the level at which costs are met can the provider earn a profit. During the demonstration project, this subsidy technique will also help the City to decide what mass transportation services are justified by demand and what the costs per passenger will be to provide them.

Methods of fare payment. In order to accommodate the accounting requirements for subsidy payment, fare payment is in the form of Runaround tickets which the public may purchase from over 30 ticket outlets (banks, stores and other convenient locations) located throughout the City. Cash fare payments are allowed; however, the City pays a subsidy only on tickets collected, not cash. A provider may set the cash fare substantially higher than the

^{2/} At this time, substantial adjustments to the routes and service were made. The headways for routes 4, 8 and 9, were decreased from 60 to 30 minutes, and adjustments were made in routing and scheduling to achieve simultaneous arrivals at the downtown mall for easier transfers between routes.

regular ticket fares to encourage riders to use tickets and to compensate for the absence of subsidy on cash fares. Two kinds of tickets are used for the Runaround system; full-fare tickets for the general public, and half-fare tickets for persons 65 or over, handicapped persons, and students under 18 with student I.D. cards. At present the cash fare is \$1.00 for all riders, compared with 40 cents for a full-fare ticket and 20 cents for a half-fare ticket. To make it easier for the public to try the system once and to encourage cash paying riders to purchase ticket books, cash paying patrons receive a coupon worth 50¢ towards the purchase of a ticket book. The coupon cannot be used in lieu of tickets or cash as payment of a fare.

Subsidy to Fare Ratio. The City's current policy is to support Run-around services at a subsidy to fare ratio of 2:1 for full fares and 5:1 for half fares. However, if alternative subsidy to fare ratios are proposed in response to this request for proposals, they will be considered by the City. For the present fare of 40 cents, the provider receives 40 cents worth of tickets which he submits to the City. The payment to the provider is the 40 cents paid in tickets by the passenger plus 80 cents subsidy for a total payment of \$1.20. Persons 65 or over, handicapped persons, and students under 18 with student I.D. cards are eligible to use half-fare tickets. The provider receives the same total payment for a half-fare ride as for a full-fare ride, however. The payment to the provider for a half-fare trip is the 20 cents paid by the passenger for the half fare ticket plus \$1.00 subsidy for a total payment of \$1.20.

Multiple providers. The City may contract with different providers for mass transportation services on different routes, in different areas, or at

different times of the day or week. However, the Runaround system will be marketed as one entity by the City. All vehicles will be painted uniform colors and will display the Runaround system logo. It is envisaged that all vehicles will be air-conditioned and equipped with two-way radios.

Renewal of service contracts. Service contracts will be renewed every four months to permit consideration of new proposals for service changes from existing or new providers. Each time this rebidding process takes place, any qualified bidder may bid on existing service or propose new service. For those services experiencing low ridership and high costs, for example, the City will entertain proposals for service at lower costs, e.g., with smaller vehicles or longer headways.

Contractual responsibilities. The contracts between the City and the providers will specify the contractual responsibilities of each party. A copy of the contract between the City and American Transit Corporation for the first four-month period is enclosed with this document. Because this is an UMTA demonstration project, it will involve considerable data collection about the operation and costs of the service as well as surveys of the riders.

Briefly the responsibilities under the project are:

City Responsibilities:

- (1) Review service proposals.
- (2) Award permission to operate services to selected operators and negotiate service contracts.
- (3) Market the Runaround services. (The City contracted with an established marketing firm to develop initial marketing strategy. Subsequently, the City has done its own marketing.)

- (4) Pay for painting vehicles uniform colors, and repaint to original colors if utilization in Runaround is terminated.
- (5) Pay for costs of moving vehicles to the City.
- (6) Pay for costs of training drivers.
- (7) Make tickets available to the public through ticket outlets.
- (8) Redeem used tickets from operators, calculate subsidy amounts and issue checks on a regular basis.
- (9) Monitor service.
- (10) Collect data as required by the evaluation contractor (probably involving on-board surveys.)
- (11) Renegotiate contracts for service.

Responsibilities of Providers

- (1) Hire and train drivers.
- (2) Provide vehicles for operation of service.
- (3) Garage and maintain vehicles.
- (4) Operate service as specified in contract with the City.
- (5) Provide information to the City and/or the evaluation contractor as needed.
- (6) Batch used tickets and transfers by route and by day and submit them weekly to the City for processing.

CHANGES FOR THIRD CONTRACTING PERIOD

This Request for Proposal for the third contracting period marks two important changes in Danville's Runaround services. First, the only basis of payment to contracted operators will be the Runaround tickets used by passengers. During the first two periods, when ridership was building from a zero starting point, payments on a per ticket basis might have meant substantial losses for the providers. Therefore during this ridership build-up period, a minimum mileage guarantee for total in-service vehicle miles was negotiated. The contract called for payment of the guarantee or the ticket subsidy (three times the face value of full-fare tickets plus six times the face value of half-fare tickets), whichever was greater. There will be no mileage guarantee

in the third period. Subsidy payments will be made only on the basis of the number of tickets collected.

The second change during the third period will be the type of service eligible for subsidy. For the first two bidding periods, Danville restricted the type of service eligible for subsidy to fixed-route services. Because Danville had been without transit service for about six years, the City and UMTA felt that fixed-route service should be operated for a long enough period in Danville to allow ridership to stabilize. For the second period, the decision was made to increase the level and quality of service by decreasing headways on most routes having 60 minute headways to 30 minutes and timing the arrivals/departures at the downtown mall transfer point to facilitate transfers.

The City of Danville and UMTA are looking for the most cost-effective way of providing the Runaround services in Danville. Therefore, in the third bidding period, the City will consider proposals for both fixed-route services and complementary paratransit services. Paratransit services which are eligible for subsidy under this demonstration are "collective (shared-ride) transportation services which are regularly available to the public, i.e., which cannot be reserved for the private and exclusive use of individual passengers."^{3/} Examples of paratransit services are: unscheduled jitney service along fixed or semi-fixed routes; demand-responsive feeder to fixed-route bus service; demand-responsive many-to-few service, i.e., demand-responsive service to and from certain specified locations such as a shopping center, factory, or

^{3/} "Paratransit Services: Proposed Policy," Department of Transportation, Urban Mass Transportation Administration, Federal Register, October 20, 1976, p. 46413.

medical building; and demand-responsive many-to-many service, i.e., door-to-door service for each trip in the service area. These examples are meant to be illustrative, not prescriptive or exclusive. Transportation providers are encouraged to design their own service and fares for either general type of service and submit them to the City for consideration.

CONTENT OF SERVICE PROPOSAL

Each proposal should contain a written description of:

- the service plan indicating the proposed service (routes if applicable), hours and days of operation, service schedules, and fares (in tickets and cash). Service may be proposed for part or all of the city and for part or all of the day, and proposed services may differ from those presently operated. Free transfers will be utilized so that the riders can transfer from one route or one provider to another without paying any additional fare. Providers are encouraged to propose their own ticket and corresponding cash fares up to a maximum ticket fare of 50 cents for each route or service they propose to operate. The City does not require that fares be uniform along a route or throughout the system: that is, flat fares are not a requirement. The City will print tickets in different denominations as needed to allow for such fare variation;
- the type of vehicles to be used, including seating capacity, age and condition of vehicle; and
- the provider's qualifications and experience. Providers presently under contract to one or more cities to operate services should furnish the name and telephone number of the person responsible for overseeing the contract in at least one of those cities. The City of Danville reserves the right to request additional information such as a financial statement of the company and resumes of company personnel who would be working on this contract.

The proposals can contain several different service options regarding the types of service, number and location of routes or service areas, types of vehicles, hours of service, schedules, and fares.

ATTACHED INFORMATION

A copy of the service plan adopted for the first four-month period of Runaround operation in Danville is enclosed. (This service plan was included as part of the contract between the City of Danville and American Transit Corporation.) A system route map of current service is also enclosed. Route by route ridership information is provided for the first contract period of operation plus five weeks of the second. A copy of the City ordinance regulating mass transportation services in Danville is available from the City on request. Also available on request is a copy of the Transit Development Plan (TDP) which was prepared for the City of Danville in August 1976 by De Leuw, Cather & Company and which formed the basis of much of the service plan for the first four-month period.

CRITERIA FOR SERVICE AWARDS

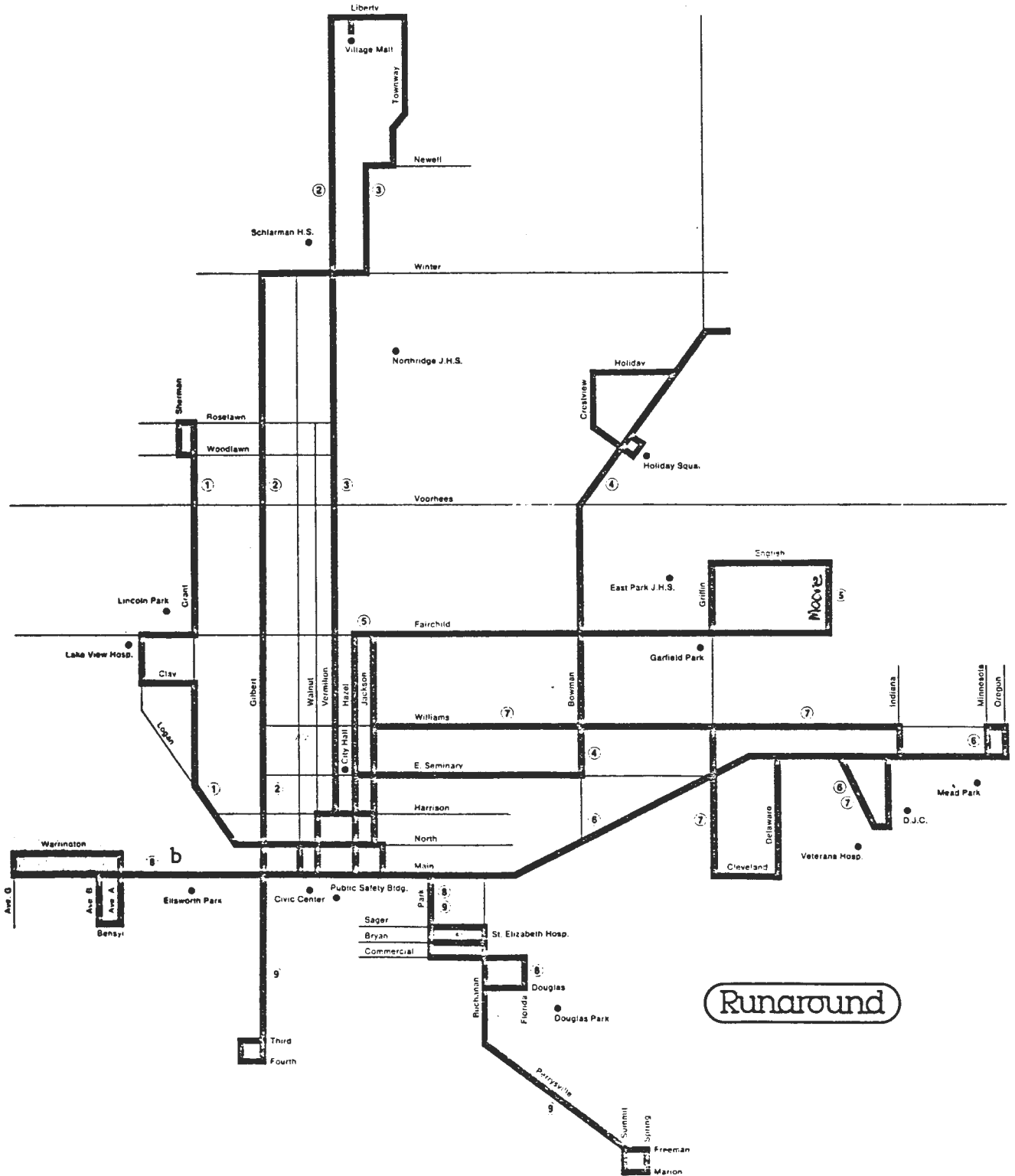
In reviewing the service proposals, the City will have the assistance of consultants and staff of the Urban Mass Transportation Administration. Fares and service levels will be the primary considerations. The qualifications, experience and references of the provider and his demonstrated capability of providing his proposed service will also be weighed. The City reserves the right to negotiate modifications to the proposals, and may request documentation and justification of specific costs, operating procedures, and qualifications.

Proposals for the third four-month period of the demonstration project should be submitted to:

Mr. Michael Federman
Assistant Director
Department of Planning and Development
City of Danville
400 North Hazel Street
Danville, Illinois 61832

no later than 4:00 p.m. on Tuesday, May 30, 1978. The City will evaluate the proposals and announce its decision on the new services by June 27, 1978.

SERVICE FROM 6AM TO 6PM
 ROUTES 8B AND 7 ARE HOURLY
 ALL OTHERS ARE 1/2 HOURLY



APPENDIX C

MAILINGS TO RESIDENTS OF
AREAS SERVED BY RUNAROUND TAXIS
(SOUTH DANVILLE AND PERRYSVILLE)

IMPORTANT NOTICE

IMPORTANT NOTICE

IMPORTANT NOTICE

FOR RESIDENTS IN SOUTH DANVILLE
AND PERRYSVILLE

DO YOU KNOW THAT YOU CAN GET RUNAROUND SERVICE FOR JUST A 20¢ or 40¢ TICKET?

SIMPLY CALL 443-1525 AND TELL THEM YOU WANT RUNAROUND SERVICE. THEY WILL SEND A CAB TO TAKE YOU DOWNTOWN. FROM THERE YOU CAN TRANSFER TO A BUS TO CONTINUE YOUR TRIP IF NECESSARY.

IF YOU NEED RUNAROUND TICKETS, THEY ARE AVAILABLE

IN SOUTH DANVILLE AT
SOUTHTOWN TRUE VALUE
SOUTHTOWN HARDINGS

IN PERRYSVILLE AT
D & D FOOD MART ON BUCHANAN ST.

FOR MORE INFORMATION CALL 431-0653

Runaround

1. Have you ever used the RUNAROUND Service?

Yes No

2. Are you currently using RUNAROUND Service?

Yes No

3. Do you know you can get a RUNAROUND Taxi Cab Ride downtown for 20¢ or 40¢ if you have RUNAROUND tickets?

Yes No

4. If you are aware of the current service but do not use it, why?

- Don't like the cabs in Danville
- Too inconvenient to call for a ride
- I feel we deserve buses
- Unsure how it works
- Other:

5. Are there any improvements or changes you would like to see in the RUNAROUND System?

NAME _____

ADDRESS _____

Please return to the address at the bottom of this page.

Runaround

Dear Resident,

Beginning Monday, June 18, 1979, Mr. Mel Wendell, new owner of Red-Top Cab Company will be running fixed route Runaround service in your area. We urge you to use this service so that it can be maintained. The service will be dependable and reliable. It will also be comfortable because Mr. Wendell has purchased two station wagons to run this partiular service. A free phone linked directly to Red-Top offices is available in Walgreens and we'll soon put another phone in the A & P food store. You can use your Runaround tickets or pay a cash fare of 50¢. This service will run from 10:00 am to 3:30 pm. If you need service at other hours of the day, call 443-5395 and request Runaround service.

SCHEDULE ON BACK

(OVER)

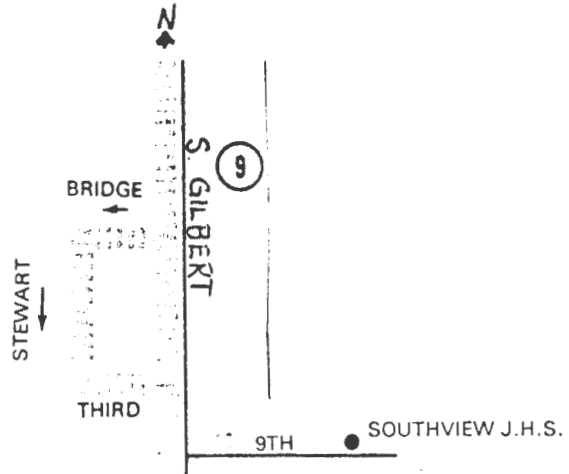
C-4

1. South Danville

Fixed route service once each hour over the current route according to the following schedule six days, per week:

<u>Leave Downtown</u>	<u>Arrive Downtown</u>
10:30 am	10:45 am
11:30 am	11:45 am
12:30 pm	12:45 pm
1:30 pm	1:45 pm
2:30 pm	2:45 pm
3:30 pm	3:45 pm

Demand - Response service during other hours (6-10:30, and 3:45-6 pm)

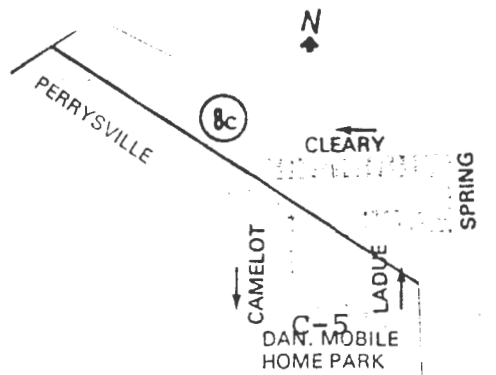


2. Perrysville

Fixed route service once each hour over the current route according to the following schedule six days per week:

<u>Leave Downtown</u>	<u>Arrive Downtown</u>
10:00 am	10:15 am
11:00 am	11:15 am
12:00 pm	12:15 pm
1:00 pm	1:15 pm
2:00 pm	2:15 pm
3:00 pm	3:15 pm

Demand - Response service during other hours (6-10 am, and 3:15-6 pm)



APPENDIX D
DANVILLE PRE-IMPLEMENTATION
AND FOLLOW-UP SURVEYS

DANVILLE PRE-IMPLEMENTATION
AND FOLLOW-UP SURVEYS

(November 1977 and July 1978)

Purpose

The pre-implementation survey was designed to provide baseline data on the socioeconomic characteristics, attitudes, and travel behavior of Danville residents, both for this evaluation and to serve other research projects underway at TSC and UMTA. The follow-up survey was designed to measure changes in attitudes, and to test market penetration of the Runaround and the effectiveness of Runaround marketing.

Methodology

Both surveys were designed by Abt Associates, TSC and Crain & Associates. The pre-implementation survey was administered by telephone from two phone banks, using random-digit dialing plus a screening procedure to weight the sample toward transit dependent persons. Approximately 10,000 numbers were called, producing 3629 screenings. Interviews were requested of a randomly-selected person in every zero-car household, every second one-car household, and every eighth multi-car household, resulting in 833 completed interviews. Results from a longer, self-administered questionnaire, delivered to and picked up from households, were unusable. The follow-up survey was also administered by telephone, by calling the 833 respondents from the pre-implementation survey, resulting in 563 completed questionnaires. The results presented in this report from both surveys have been weighted to correct for the screening procedure.

DANVILLE TRANSIT STUDY
Call Record and Screening Questionnaire

CARD 1

Phone Number: _____ Interviewer: _____ Respondent ID:

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(1-4)

Call Record

Household Outcome								Respondent Outcome		
Call	Date/Time	No Answer	Busy	Business/Disconnect	Not Resident	Refused	Screened Out	Not At Home Call Back Date/Time	Refused	Completed Date/Time
First Call	/							/		/
Callback 1	/							/		/
Callback 2	/							/		/
Callback 3	/							/		/

INTRODUCTION: Hello, my name is _____, and I am calling for the City of Danville. We are doing a study to help plan transit service in Danville and we need your opinions to help plan the system. Could you take a few minutes to answer some questions about your family and its transportation needs? (IF NECESSARY, SCHEDULE A MORE CONVENIENT TIME FOR INTERVIEW AND INDICATE ABOVE. TRY TO COMPLETE SCREENING QUESTIONS TO AVOID UNNECESSARY CALLBACKS.)

- A. First, let me make sure I have the correct number. Is this _____? READ NUMBER FROM TOP OF PAGE. IF INCORRECT, TERMINATE AND REDIAL.
- B. **IF NOT CLEAR:** Is this a business or a private home or apartment? IF BUSINESS, TERMINATE INTERVIEW AND INDICATE ABOVE ON CALL RECORD.
- C. Is your household located in the City of Danville or Tilton. (IF NO, TERMINATE AND INDICATE ABOVE ON CALL RECORD).
- D. Could you tell me how many motor vehicles members of this household own or lease? Please include only automobiles, vans, and pickup trucks.

- E. Now a couple of questions about the size of your household. How many boys are there under the age of 16? Girls under 16? How many men 16 to 64? Women? And how many men are there 65 or over? Women?

RECORD NUMBER OF:

	Males	Females
Under 16....	_____ (6)	_____ (9)
16 to 64....	_____ (7)	_____ (10)
65 and over	_____ (8)	_____ (11)

(CHECK RESPONSE IN TOP BOX)

None _____ 5-0	One _____ -1	Two or More _____ -2
X		

IF THERE IS AN "X" UNDER THE NUMBER OF VEHICLES IN HOUSEHOLD: Ask Questions G-1 and G-2 on the back of this page.
 IF NO "X" UNDER NUMBER OF VEHICLES: Ask questions E, F-1, and F-2 and Terminate.

- F-1. Could you tell me if the total family income, before taxes, is over or under \$10,000?
 Over \$10,000.....12-1 (ASK E-2)
 Under \$10,000..... -2
- F-2. Is it over or under \$25,000?
 Over.....-3
 Under.....-4

THANK RESPONDENT AND TERMINATE INTERVIEW

ATTACH
SCREENING
QUESTIONNAIRE
HERE

Respondent Number
(From Screening
Questionnaire):

--	--	--	--

1-2-3-4

B
(10/7/77)

DANVILLE TRAVEL SURVEY
Telephone Interview

(REPEAT INTRODUCTION IF NECESSARY)

DEMOGRAPHICS

1. Sex of respondent (DO NOT ASK)

Male.....5-1
Female..... -2

2. What is your relationship to the head of the household?

Head of Household.....6-1
Spouse..... -2
Child..... -3
Other adult relative..... -4
Adult in shared HH..... -5
Other _____ -6

(Specify)

3a. Are you currently (READ LIST-CODE ALL THAT APPLY):

Working full-time.....7-1
Working part-time.....8-1
A student.....9-1
Keeping house.....10-1
Retired or not looking
for work.....11-1
Unemployed and looking
for work.....12-1

ASK 3b

→ SKIP TO QUESTION 3c

SKIP TO QUESTION 3d

3b. (IF EMPLOYED) What is the address or location of the place
where you work? _____

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

 (13-22)

3c. (IF STUDENT) What is the address or location of the place
where you go to school? _____

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

 (23-32)

3d. In all, how many members of your household are employed full-time (including yourself)? _____ (33)

4. How long have you lived in Danville or Tilton?

DO NOT READ	{	Less than 1 year	34-1
		1-2 years	-2
		3-4 years	-3
		5-7 years	-4
		8-10 years	-5
		Over 10 years	-6

5. How old are you?

10-15	35-1	→ <u>SKIP TO QUESTION 8</u>
16-19	-2	} <u>ASK QUESTION 6</u>
20-44	-3	
45-64	-4	
65 or over.	-5	

6. Do you have a driver's license?

Yes	36-1
No	-2

7. Do you have any physical or other difficulty driving (or that would prevent you from driving)?

No	37-1
Some difficulty	-2
Can't drive at all	-3

7a. Are you aware of the RTR, or Reduced Taxi Rates, program here in Danville?

Yes	38-1	→ <u>ASK QUESTION 7b</u>
No	-2	→ <u>SKIP TO QUESTION 8</u>

7b. Are you enrolled in the RTR program?

Yes	39-1
No	39-2

Would you have any physical or other difficulty using a regular transit vehicle by yourself?

No 40-1
 Some difficulty . . . -2
 Couldn't use -3
 Don't know -4

Is an auto usually available to you as a driver or passenger for the following purposes (ASK ONLY APPLICABLE CATEGORIES)?

	<u>Yes</u>	<u>No</u>	<u>N.A.</u>
To get to work	41-1	-2	-3
To get to school	42-1	-2	-3
To go shopping	43-1	-2	
For social/recreational purposes	44-1	-2	

IF HOUSEHOLD OWNS ONE OR MORE CARS, PICKUPS, OR VANS (FORM A, Q. D) , ASK: How many of your family vehicles are air conditioned?

(INDICATE NUMBER) _____ (45)

How many bicycles do you and other members of your household own?

(INDICATE NUMBER) _____ (46-47)

How many other two-wheeled vehicles (motocycles, motorbikes, mopeds) do you and other members of your household own?

(INDICATE NUMBER) _____ (48-49)

IF RESPONDENT DRIVES A CAR (Q.6), ASK: Do you give rides to other members of the household?

Yes 50-1
 No -2
 Does not apply. . . . -3

IF RESPONDENT IS A PARENT (Q.2), ASK: Do you allow your children to travel around town by themselves?

Yes 51-1
 No -2
 Does not apply. . . . -3

TODAY'S TRAVEL

15a. Now I'd like to ask you about any traveling you did today--where you went, how you traveled, and things like that. Let's start with the first trip you made today. (CHECK HERE IF RESPONDENT SAYS HE/SHE DID NOT TRAVEL ANYWHERE TODAY, AND SKIP TO QUESTION 16a.).....

52-1

80-2

D-7

15b. About what time did you begin your first trip today?		15c. Where did you start from? (RECORD INTERSECTION OR STREET ADDRESS. <u>DO NOT WRITE IN BOXES</u>)	15d. (CIRCLE APPROPRIATE CODE FOR STARTING POINT)																				
			Home = 1	Social/Recreational = 5																			
			Work = 2	Serve Passenger = 6			ASK AND RECORD																
			Shop = 3	PASSENGER'S PURPOSE ALSO																			
			School = 4	Other = 7																			
Trip 1	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<table border="1" style="width: 100%; height: 20px;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>																					RESPONDENT 20-1 -2 -3 -4 -5 -6 -7 PASSENGER 21-1 -2 -3 -4 -5 -6 -7
Trip 2	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<table border="1" style="width: 100%; height: 20px;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>																					RESPONDENT 20-1 -2 -3 -4 -5 -6 -7 PASSENGER 21-1 -2 -3 -4 -5 -6 -7
Trip 3	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<table border="1" style="width: 100%; height: 20px;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>																					RESPONDENT 20-1 -2 -3 -4 -5 -6 -7 PASSENGER 21-1 -2 -3 -4 -5 -6 -7
Trip 4	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<table border="1" style="width: 100%; height: 20px;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>																					RESPONDENT 20-1 -2 -3 -4 -5 -6 -7 PASSENGER 21-1 -2 -3 -4 -5 -6 -7
Trip 5	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<table border="1" style="width: 100%; height: 20px;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>																					RESPONDENT 20-1 -2 -3 -4 -5 -6 -7 PASSENGER 21-1 -2 -3 -4 -5 -6 -7
Trip 6	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<table border="1" style="width: 100%; height: 20px;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>																					RESPONDENT 20-1 -2 -3 -4 -5 -6 -7 PASSENGER 21-1 -2 -3 -4 -5 -6 -7
Trip 7	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<table border="1" style="width: 100%; height: 20px;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr></table>																					RESPONDENT 20-1 -2 -3 -4 -5 -6 -7 PASSENGER 21-1 -2 -3 -4 -5 -6 -7

CONTINUE EACH TRIP ON NEXT PAGE

15e. Where did you go? (RECORD INTERSECTION OR STREET ADDRESS. (DO NOT WRITE IN BOXES)		15f. What was the purpose of this trip? (READ LIST IF NECESSARY). (CIRCLE APPROPRIATE CODE) Home = 1 Social/Recreational = 5 Work = 2 Serve Passenger = 6 Shop = 3 ASK AND RECORD PASSENGER'S School = 4 PURPOSE ALSO Other = 7							15g. How did you make this trip (READ LIST IF NECESSARY). CIRCLE APPROPRIATE CODE NUMBER.) Drove alone.....-1 School bus...-6 Drove with passenger-2 Walked.....-7 As passenger in Bicycle.....-8 private vehicle.....-3 Motorcycle...-9 Taxi-full fare.....-4 Other.....-0 Taxi RTR.....-5						
Trip 1	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	80-3
		PASSENGER 33-1	-2	-3	-4	-5	-6	-7		-7	-8	-9	-0		
Trip 2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	80-4
		PASSENGER 33-1	-2	-3	-4	-5	-6	-7		-7	-8	-9	-0		
Trip 3	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	80-5
		PASSENGER 33-1	-2	-3	-4	-5	-6	-7		-7	-8	-9	-0		
Trip 4	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	80-6
		PASSENGER 33-1	-2	-3	-4	-5	-6	-7		-7	-8	-9	-0		
Trip 5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	80-7
		PASSENGER 33-1	-2	-3	-4	-5	-6	-7		-7	-8	-9	-0		
Trip 6	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	80-8
		PASSENGER 33-1	-2	-3	-4	-5	-6	-7		-7	-8	-9	-0		
Trip 7	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	80-9
		PASSENGER 33-1	-2	-3	-4	-5	-6	-7		-7	-8	-9	-0		

15b. About what time did you begin your first trip today?		15c. Where did you start from? (RECORD INTERSECTION OR STREET ADDRESS. <u>DO NOT WRITE IN BOXES</u>)	15d. (CIRCLE APPROPRIATE CODE FOR STARTING POINT)							
			Home = 1	Social/Recreational = 5						
			Work = 2	Serve Passenger = 6						
			Shop = 3	ASK AND RECORD						
			School = 4	PASSENGER'S PURPOSE ALSO						
				Other = 7						
Trip 8	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT	20-1	-2	-3	-4	-5	-6	-7
			PASSENGER	21-1	-2	-3	-4	-5	-6	-7
Trip 9	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT	20-1	-2	-3	-4	-5	-6	-7
			PASSENGER	21-1	-2	-3	-4	-5	-6	-7
Trip 10	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT	20-1	-2	-3	-4	-5	-6	-7
			PASSENGER	21-1	-2	-3	-4	-5	-6	-7
Trip 11	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT	20-1	-2	-3	-4	-5	-6	-7
			PASSENGER	21-1	-2	-3	-4	-5	-6	-7
Trip 12	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT	20-1	-2	-3	-4	-5	-6	-7
			PASSENGER	21-1	-2	-3	-4	-5	-6	-7
Trip 13	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT	20-1	-2	-3	-4	-5	-6	-7
			PASSENGER	21-1	-2	-3	-4	-5	-6	-7
Trip 14	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT	20-1	-2	-3	-4	-5	-6	-7
			PASSENGER	21-1	-2	-3	-4	-5	-6	-7
Trip 15	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT	20-1	-2	-3	-4	-5	-6	-7
			PASSENGER	21-1	-2	-3	-4	-5	-6	-7

CONTINUE EACH TRIP ON NEXT PAGE

15e. Where did you go? (RECORD INTERSECTION OR STREET ADDRESS. (DO NOT WRITE IN BOXES)		15f. What was the purpose of this trip? (READ LIST IF NECESSARY). (CIRCLE APPROPRIATE CODE) Home = 1 Social/Recreational = 5 Work = 2 Serve Passenger = 6 Shop = 3 ASK AND RECORD PASSENGER'S PURPOSE ALSO School = 4 Other = 7							15g. How did you make this trip (READ LIST IF NECESSARY). CIRCLE APPROPRIATE CODE NUMBER.) Drove alone.....-1 School bus...-6 Drove with passenger-2 Walked.....-7 As passenger in private vehicle.....-3 Bicycle.....-8 Taxi-full fare.....-4 Motorcycle...-9 Taxi RTR.....-5 Other.....-0						
Trip 8	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	79-1 80-0
		PASSENGER 33-1	-2	-3	-4	-5	-6	-7		-7	-8	-9	-0		
Trip 9	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	79-1 80-1
		PASSENGER 33-1	-2	-3	-4	-5	-6	-7		-7	-8	-9	-0		
Trip 10	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	79-1 80-2
		PASSENGER 33-1	-2	-3	-4	-5	-6	-7		-7	-8	-9	-0		
Trip 11	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	79-1 80-3
		PASSENGER 33-1	-2	-3	-4	-5	-6	-7		-7	-8	-9	-0		
Trip 12	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	79-1 80-4
		PASSENGER 33-1	-2	-3	-4	-5	-6	-7		-7	-8	-9	-0		
Trip 13	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	79-1 80-5
		PASSENGER 33-1	-2	-3	-4	-5	-6	-7		-7	-8	-9	-0		
Trip 14	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	79-1 80-6
		PASSENGER 33-1	-2	-3	-4	-5	-6	-7		-7	-8	-9	-0		
Trip 15	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	79-1 80-7
		PASSENGER 33-1	-2	-3	-4	-5	-6	-7		-7	-8	-9	-0		

16a. (AFTER COVERING ALL TRIPS MADE TODAY, ASK) Do you plan to make any more trips today?

No -1 (SKIP TO QUESTION 17)

Yes -2 (ASK QUESTION 16b)

D-11

16b. About what time will your next trip be?		16c. Where will you start from? (RECORD INTERSECTION OR STREET ADDRESS. <u>DO NOT</u> WRITE IN BOXES)	16d. (CIRCLE APPROPRIATE CODE FOR STARTING POINT)							
			Home = 1	Social/Recreational = 5						
			Work = 2	Serve Passenger = 6						
			Shop = 3	ASK AND RECORD PASSENGER'S PURPOSE ALSO						
			School = 4	Other = 7						
Trip 1	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT	20-1	-2	-3	-4	-5	-6	-7
			PASSENGER	21-1	-2	-3	-4	-5	-6	-7
Trip 2	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT	20-1	-2	-3	-4	-5	-6	-7
			PASSENGER	21-1	-2	-3	-4	-5	-6	-7
Trip 3	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT	20-1	-2	-3	-4	-5	-6	-7
			PASSENGER	21-1	-2	-3	-4	-5	-6	-7
Trip 4	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT	20-1	-2	-3	-4	-5	-6	-7
			PASSENGER	21-1	-2	-3	-4	-5	-6	-7
Trip 5	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT	20-1	-2	-3	-4	-5	-6	-7
			PASSENGER	21-1	-2	-3	-4	-5	-6	-7
Trip 6	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT	20-1	-2	-3	-4	-5	-6	-7
			PASSENGER	21-1	-2	-3	-4	-5	-6	-7
Trip 7	_____ am pm (CIRCLE ONE) (5-8) 9-1 -2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT	20-1	-2	-3	-4	-5	-6	-7
			PASSENGER	21-1	-2	-3	-4	-5	-6	-7

CONTINUE EACH TRIP ON NEXT PAGE

D-12

16e. Where will you go? (RECORD INTERSECTION OR STREET ADDRESS. <u>DO NOT</u> WRITE IN BOXES)		16f. What will be the purpose of this trip? (READ LIST IF NECESSARY). (CIRCLE APPROPRIATE CODE) Home = 1 Social/Recreational = 5 Work = 2 Serve Passenger = 6 Shop = 3 ASK AND RECORD PASSENGER'S PURPOSE ALSO School = 4 Other = 7							16g. How will you make this trip? (READ LIST IF NECESSARY). CIRCLE APPROPRIATE CODE NUMBER.) Drove alone.....-1 School bus...-6 Drove with passenger-2 Walked.....-7 As passenger in private vehicle.....-3 Bicycle.....-8 Taxi-full fare.....-4 Motorcycle...-9 Taxi RTR.....-5 Other.....-0						
Trip 1	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	<input type="checkbox"/> 79-1 <input type="checkbox"/> 80-8
Trip 2	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	<input type="checkbox"/> 79-1 <input type="checkbox"/> 80-9
Trip 3	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	<input type="checkbox"/> 79-2 <input type="checkbox"/> 80-0
Trip 4	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	<input type="checkbox"/> 79-2 <input type="checkbox"/> 80-1
Trip 5	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	<input type="checkbox"/> 79-2 <input type="checkbox"/> 80-2
Trip 6	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	<input type="checkbox"/> 79-2 <input type="checkbox"/> 80-3
Trip 7	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	RESPONDENT 32-1	-2	-3	-4	-5	-6	-7	34-1	-2	-3	-4	-5	-6	<input type="checkbox"/> 79-2 <input type="checkbox"/> 80-4
		PASSENGER 33-1	-2	-3	-4	-5	-6	-7		-7	-8	-9	-0		

- 17a. Now I am going to read you five qualities which people have told us are important to them when they make trips around town, and I'd like you to tell me which one is most important to you. (READ LIST, INDICATE WHICH IS MOST IMPORTANT).
- b. And, which would you say is least important (RECORD BELOW UNDER LEAST IMPORTANT).
- c. Of the three qualities left (READ THREE NOT YET CHOSEN), which is most important to you? (RECORD UNDER "NEXT MOST IMPORTANT".)
- d. And which is least important? (RECORD UNDER NEXT LEAST IMPORTANT).

	a. Most Important	b. Least Important	c. Next Most Important	d. Next Least Important
That it is <u>inexpensive</u>	5-1	-2	-3	-4
That it is <u>enjoyable</u>	6-1	-2	-3	-4
That it is <u>fast</u>	7-1	-2	-3	-4
That it is <u>comfortable</u>	8-1	-2	-3	-4
That it is <u>convenient</u>	9-1	-2	-3	-4

18a. Now let's talk about how you feel about several possible ways of getting around town. Specifically, I'm talking about going in a car, taking a taxi, riding in a bus, if there were one, or walking. For example, which of the four ways of getting around the city do you feel is the most expensive? Which would you say is the least expensive? Of the two remaining, which do you feel is generally the next most expensive? RECORD EACH RESPONSE BELOW UNDER THE APPROPRIATE COLUMN.

	<u>Car</u>	<u>Bus</u>	<u>Taxi</u>	<u>Walking</u>
Most expensive	10-1	11-1	12-1	13-1
Least expensive	-2	-2	-2	-2
Next most expensive	-3	-3	-3	-3

18b. Again, thinking of these four ways of getting around town, which would you say is generally the most enjoyable to you, the car, the bus, a taxi, or walking? Least enjoyable? Next most enjoyable?

	<u>Car</u>	<u>Bus</u>	<u>Taxi</u>	<u>Walking</u>
Most enjoyable	14-1	15-1	16-1	17-1
Least enjoyable	-2	-2	-2	-2
Next most enjoyable	-3	-3	-3	-3

18c. And which would you say is generally the fastest way of getting around town? The slowest way? The next fastest way?

	<u>Car</u>	<u>Bus</u>	<u>Taxi</u>	<u>Walking</u>
Fastest	18-1	19-1	20-1	21-1
Slowest	-2	-2	-2	-2
Next fastest	-3	-3	-3	-3

18d. Of the four methods we are discussing, which would you say is generally the most comfortable as far as you are concerned? The least comfortable? The next most comfortable?

	<u>Car</u>	<u>Bus</u>	<u>Taxi</u>	<u>Walking</u>
Most comfortable	22-1	23-1	24-1	25-1
Least comfortable	-2	-2	-2	-2
Next most comfortable	-3	-3	-3	-3

18e. Finally, which of the four (car, bus, taxi, walking) would you say is generally the most convenient for you? The least convenient? The next most convenient?

	<u>Car</u>	<u>Bus</u>	<u>Taxi</u>	<u>Walking</u>
Most convenient	26-1	27-1	28-1	29-1
Least convenient	-2	-2	-2	-2
Next most convenient	-3	-3	-3	-3

19a. Thinking now just about traveling by car, taking a taxi, or walking, which do you prefer most for getting around in Danville? Which do you prefer second most for getting around Danville?

	<u>Prefer Most</u>	<u>Prefer Second Most</u>
Car	30-1	31-1
Taxi	-2	-2
Walking	-3	-3

19b. When the bus service becomes available in Danville, where in this list would it fall? Would you prefer it most for getting around town, second, third, or fourth most?

	<u>Most Prefer</u>	<u>Second</u>	<u>Third</u>	<u>Fourth</u>
Bus	32-1	-2	-3	-4

20a. So far, we have been talking about standard size buses, like one finds in most cities. But some places are also starting to use so-called "minibuses". These buses are smaller than a regular bus but somewhat larger than a van. If the route the bus took and the fare were the same, and the amount of time you had to wait for the bus was the same, which do you think you would prefer, the regular sized bus or the mini-bus, or wouldn't it make much difference to you?

Regular sized	33-1		
Minibus	-2	→	<u>ASK QUESTION 20b.</u>
Wouldn't make much difference	-3		<u>SKIP TO QUESTION 21.</u>

20b. Why do you say that?

(34-35)

21. Now I'm going to read you a list of statements concerning transportation-related issues in the area. Please indicate whether you agree or disagree with each of these statements.

	<u>Agree</u>	<u>Disagree</u>	<u>(DO NOT READ)</u> <u>Neither Agree</u> <u>nor Disagree</u>
a. It is necessary to reduce the use of cars in the city by supplying an effective public transit system	36-1	-2	-3
b. By and large, cars have outlived their usefulness except for trips between cities or trips out into the country . . .	37-1	-2	-3
c. Driving in the city is frustrating and can cause anxiety and tension	38-1	-2	-3
d. Riding on public transportation makes people feel uncomfortable	39-1	-2	-3
e. I would feel embarrassed taking someone to a social function by public transit	40-1	-2	-3
f. Drastic action must be taken to improve the public transit service in this city	41-1	-2	-3
g. A car is more than just transportation; having a nice car to drive is appealing in itself . .	42-1	-2	-3

(DO NOT READ)
 Neither Agree
 nor Disagree

21. (Con't)	<u>AGREE</u>	<u>DISAGREE</u>	
h. Traffic congestion in this city is a major problem in itself	43-1	-2	-3
i. Although cars are sometimes necessary, they are also a nuisance. I'd just as soon do without one if other transportation met my needs	44-1	-2	-3
j. I enjoy/would enjoy driving a car	45-1	-2	-3
k. Not having a car available is like being trapped	46-1	-2	-3
l. The lack of adequate transportation facilities sometimes leads to squabbles in our family	47-1	-2	-3
m. Cities and towns should actively discourage people from using cars by making it more difficult to drive and park	48-1	-2	-3
n. Children need good public transportation or they make too many demands on their parents to drive them around	49-1	-2	-3
o. Your social life definitely suffers if there is no car available	50-1	-2	-3
p. To be honest, there is no public transportation system I can picture that would make me give up my car in the city	51-1	-2	-3
q. If you don't take the bus all the time, trying to get directions from the driver on how to use it can be awkward and embarrassing	52-1	-2	-3
r. When you get right down to it, the only people who use a bus system are those who can't afford to get around any other way	53-1	-2	-3

22. Are you aware that the city of Danville will soon be starting a public transportation system?			
Yes	54-1		
No	-2		

23. Present plans indicate that this service will provide transportation on certain routes that will go within three blocks of anywhere in the City of Danville. It will operate weekdays and Saturdays between 6 am and 6 pm and will be available at scheduled times--probably every half hour. The one-way fare probably would be 40¢ to anywhere within the City of Danville. Do you think you will use the transit service after it becomes available?

No 55-1 → (SKIP TO QUESTION 26)
 Yes -2 (ASK QUESTION 24a)

24a. (IF YES TO QUESTION 23) Would you use it for (ASK FOR EACH):

	<u>Yes</u>	<u>No</u>	<u>Not Sure</u>
Trips to work or school	56-1	-2	-3
Shopping trips	57-1	-2	-3
Other trips	58-1	-2	-3

24b. Assuming that a trip is going from one place to another--so that, for example, going to work or school and returning home is 2 trips--how many trips do you think you would make on the transit service (ASK FOR EACH PURPOSE INDICATED YES OR NOT SURE IN 24A) in a week?

	<u>Number of Trips Per Week</u>
Going to school or work:	_____ (59-60)
Going shopping:	_____ (61-62)
Other trips:	_____ (63-64)

25a. It may be possible to buy books of bus tickets in selected stores. Assuming the cost per ride would be the same, do you think you would be likely to buy tickets ahead of time?

Buy ahead of time 65-1
 Not buy ahead of time . . . -2

25b. Now, assuming the cost per ride would be noticeably less, do you think you would be likely to buy tickets ahead of time?

Buy ahead of time 66-1
 Not buy ahead of time . . . -2

26. Regardless of whether or not you intend to use the transit system, I'd like to know a little about what things would be important to you in deciding whether or not to take the transit system. I will read several things, and for each one, I'd like you to tell me if it would be very important, somewhat important, or would it be not at all important in your deciding whether or not to take the transit. For example, how important would it be to you in deciding to take the transit that it be brightly decorated? Would it be very important, somewhat important, not very important, or not at all important? What about (RECORD BELOW AND REPEAT FOR EACH ITEM ON THE LIST).

	<u>Very Important</u>	<u>Somewhat, Important</u>	<u>Not at all Important</u>
Brightly decorated	66-1	-2	-3
That the driver is friendly and courteous	67-1	-2	-3
That the vehicle is clean	68-1	-2	-3

27. (ASK ONLY IF RESPONDENT IS OVER 18 AND INCOME QUESTION WAS NOT ALREADY ASKED; OTHERWISE, GO TO CLOSING).

Just one more question and we'll be through. Please stop me when I read the income range that includes the combined annual income of all members of your household before taxes are taken out.

Under \$5,000	67-1	At least \$15,000, but under \$20,000	-4
At least \$5,000, but under \$10,000	-2	\$25,000 or more	-5
At least \$10,000, but under \$15,000	-3		

CLOSING

We want to thank you for your help in this study. We have a few more questions we would like to ask you to complete this survey, but we don't want to take up more of your time now. Instead, we would like to send a messenger tomorrow evening to drop off a short questionnaire for you to fill out, which we will pick up from you later in the evening. In order to do this we need your name and address:

Name _____

Address _____

Will you be home tomorrow evening? Yes _____ 68-1
 No _____ -2

(IF RESPONDENT SAYS HE/SHE WILL NOT BE HOME, CHECK HERE, SAY):
(69-1)

The messenger will drop it off anyway and you can leave it by your front door after you have completed it.

(IF RESPONDENT SAYS HE/SHE WILL NOT COMPLETE THE QUESTIONNAIRE, CHECK HERE (70-1). TRY TO FIND OUT WHY RESPONDENT REFUSES AND THEN SEE IF HE/SHE WILL CHANGE HIS/HER MIND. IF CHANGES MIND, CHECK HERE
(71-1)

IF RESPONDENT AGREES TO COMPLETE DROP-OFF QUESTIONNAIRE, REMEMBER TO FILL IN RELEVANT INFORMATION ON FRONT PAGE OF FORM C.
79-2
80-5

(4/1/78)

DANVILLE TRANSIT FOLLOW-UP STUDY

Call Record Sheet

Name of Respondent: _____ Respondent Phone Number: _____
Interviewer: _____ (5-11)

Call Record

Attempt		Household Outcome					Respondent Outcome		
Call	Date/Time	No Answer	Busy	Dis-Connected Number	Moved/Deceased	Refused	Not At Home; Call Back Date/Time	Refused	Completed Date/Time
First Call	/						/		/
Callback 1	/						/		/
Callback 2	/						/		/

IF NAME OF RESPONDENT IS WRITTEN ABOVE, ASK TO SPEAK TO RESPONDENT. THEN READ RESPONDENT INTRODUCTION.

IF NAME OF RESPONDENT IS NOT WRITTEN ABOVE, READ HOUSEHOLD INTRODUCTION TO PERSON WHO ANSWERS PHONE.

HOUSEHOLD INTRODUCTION: Hello, my name is _____ and I am calling for the City of Danville. We are doing a study to help plan the transit service in Danville. Our records show that we spoke to someone in your household several months ago. We are calling again with a much briefer interview to find out how people we spoke to before feel about the transit service now. Could I speak to the person we spoke with before?
 IF DESIRED RESPONDENT IS NOT PRESENT, MAKE APPOINTMENT TO CALL BACK.
 IF DESIRED RESPONDENT IS PRESENT, READ RESPONDENT INTRODUCTION

RESPONDENT INTRODUCTION: Hello, my name is _____ and I am calling for the City of Danville. We are doing a study to help plan the transit service in Danville. Our records show that we spoke to you about this several months ago. We are calling again with a much briefer interview to find out how people we spoke to before feel about the transit service now.

FINAL OUTCOME

Household no answer . . .	12-1	Respondent refused	-5
Disconnected number . . .	-2	Respondent unavailable during	
Moved/deceased.	-3	field period	-6
HH refused.	-4	Interview completed.	-7
		Respondent not iden-	
		tifiable.	-8

DANVILLE TRAVEL SURVEY

Telephone Interview

1a. Just let me check -- are you still living at the same address as when we spoke to you last October?

Yes 13-1

No -2

1b. Could you tell me the closest intersection to where you now live?

_____ Street and _____ Street.

NOTE: RECORD STREET NAMES.

--	--	--	--

 (14-17)

2a. Have you changed either where you work or go to school since last October?

Yes 18-1 → ASK Q.2b

No -2 → SKIP TO Q.2e

2b. Are you now: (READ LIST, CIRCLE ALL THAT APPLY)

Working full time 19-1 } → ASK Q.2c
Working part time 20-1 }

A student 21-1 → SKIP TO Q.2d

Keeping house 22-1 }
Retired or not looking } → SKIP TO Q.2e
for work 23-1 }
Unemployed and looking }
for work 24-1 }

2c. IF RESPONDENT HAS CHANGED WHERE EMPLOYED: What is the nearest intersection to where you now work?

corner of _____ and _____.

NOTE: RECORD STREET NAMES. (25-28)

2d. IF RESPONDENT HAS CHANGED WHERE GOING TO SCHOOL: What is the nearest intersection to your new school?

corner of _____ and _____.

NOTE: RECORD STREET NAMES. (29-32)

2e. In all, how many members of your household are employed full time (including yourself)?

(33-34)

3a. If you do take or were to take the transit to work or school, how many blocks would you have to walk to get to the transit?

Number of blocks (35-36)

Not sure 37-1

Don't know -2

3b. And how long would the wait be between transit runarounds?

Number of minutes (38-39)

Not sure 40-1

Don't know -2

4a. Counting yourself, in all, how many licensed drivers are there in your household?

(41-42)

4b. Is an auto usually available to you as a driver or passenger for the following purposes?

(ASK ONLY APPLICABLE CATEGORIES)

		<u>Yes</u>	<u>No</u>	<u>Does Not Apply</u>
To get to work	43	-1	-2	-3
To get to school	44	-1	-2	-3
To go shopping	45	-1	-2	
For social or recreational purposes	46	-1	-2	

6. Now I am going to read you six qualities which people have told us are important to them when they make trips around town, and I'd like you to tell me, for each one, how important the quality is to you.

For example, how important is it that the way you travel is inexpensive? Is it very important? Somewhat important? Not very important? Or not at all important?

(RECORD BELOW AND CONTINUE WITH LIST)

	<u>Very Important</u>	<u>Somewhat Important</u>	<u>Not Very Important</u>	<u>Not At All Important</u>
That it is <u>inexpensive</u>	47-1	-2	-3	-4
That it is <u>enjoyable</u>	48-1	-2	-3	-4
That it is <u>fast</u>	49-1	-2	-3	-4
That it is <u>comfortable</u>	50-1	-2	-3	-4
That it is <u>convenient</u>	51-1	-2	-3	-4
That it is <u>reliable</u>	52-1	-2	-3	-4

7a. Now let's talk about how you feel about several possible ways of getting around town. Specifically, I'm talking about going in a car, taking transit, or riding in a taxi. Which of these three would you say is the least expensive? And which would you say is the most expensive?

	<u>Most Expensive</u>	<u>Least Expensive</u>
Car	53-1	54-1
Transit	-2	-2
Taxi	-3	-3

7b. Again thinking of these three ways of getting around town, which would you say is generally the most enjoyable to you, the car, the transit, or the taxi? Least enjoyable?

	<u>Most Enjoyable</u>	<u>Least Enjoyable</u>
Car	55-1	56-1
Transit	-2	-2
Taxi	-3	-3

7c. And which would you say is generally the fastest way of getting around town? The slowest?

	<u>Fastest</u>	<u>Slowest</u>
Car	57-1	58-1
Transit	-2	-2
Taxi	-3	-3

7d. Of the three methods we are discussing, which would you say is generally the most comfortable as far as you are concerned? The least comfortable?

	<u>Most Comfortable</u>	<u>Least Comfortable</u>
Car	59-1	60-1
Transit	-2	-2
Taxi	-3	-3

7e. Which of the three (car, transit, taxi) would you say is generally the most convenient for you? The least convenient?

	<u>Most Convenient</u>	<u>Least Convenient</u>
Car	61-1	62-1
Transit	-2	-2
Taxi	-3	-3

7f. Overall, which of the three (car, transit, taxi) would you say is the most reliable? The least reliable?

	<u>Most Reliable</u>	<u>Least Reliable</u>
Car	63-1	64-1
Transit	-2	-2
Taxi	-3	-3

8. Finally, which of the three, traveling by car, using the transit, or taking a taxi, do you prefer most for getting around in Danville? Which do you least prefer for getting around Danville?

	<u>Prefer Most</u>	<u>Prefer Least</u>
Car	65-1	66-1
Transit	-2	-2
Taxi	-3	-3

79-3
80-1

9. Now, I'm going to read you a list of statements concerning transportation-related issues in the area. Please indicate whether you agree or disagree with each of these statements.

	<u>Agree</u>	<u>Disagree</u>	(DO NOT NEITHER NOR)	(DO NOT AGREE OR DISAGREE)
a. It is necessary to reduce the use of cars in the city by supplying an effective public transit system	5-1	-2	-3	-3
b. By and large, cars have outlived their usefulness except for trips between cities or trips out into the country	6-1	-2	-3	-3
c. Driving in the city is frustrating and can cause anxiety and tension . . .	7	2	-3	-3

CARD 32

	<u>Agree</u>	<u>Disagree</u>	<u>(DO NOT READ)</u> <u>Neither Agree</u> <u>Nor Disagree</u>
d. Riding on public transportation makes people feel uncomfortable	8-1	-2	-3
e. I would feel embarrassed taking someone to a social function by public transit	9-1	-2	-3
f. Drastic action must be taken to improve the public transit service in this city	10-1	-2	-3
g. A car is more than just transportation; having a car to drive is appealing in itself	11-1	-2	-3
h. Traffic congestion in this city is a major problem in itself.	12-1	-2	-3
i. Although cars are sometimes necessary, they are also a nuisance. I'd just as soon do without one if other transportation met my needs	13-1	-2	
j. I enjoy or would enjoy driving a car.	14-1	-2	
k. Not having a car available is like being trapped	15-1	-2	-3
l. The lack of adequate transportation facilities sometimes leads to squabbles in our family.	16-1	-2	-3
m. Cities and towns should actively discourage people from using cars by making it more difficult to drive and park	17-1	-2	-3

(DO NOT READ)
 Neither Agree
 Nor Disagree

Agree Disagree

- n. Children need good public transportation or they make too many demands on their parents to drive them around 18-1 -2 -3
- o. Your social life definitely suffers if there is no car available 19-1 -2 -3
- p. To be honest, there is no public transportation system I can picture that would make me give up my car in the city 20-1 -2 -3
- q. If you don't take the bus all the time, trying to get directions from the driver on how to use it can be awkward and embarrassing. 21-1 -2 -3

10a. Now let's talk for a minute specifically about the Danville Transit System. For example, by which of the following methods have you heard about the new transit service? Have you learned about it from (READ LIST):

	<u>Yes</u>	<u>No</u>
Seeing busses on the street	22-1	-2
Word of mouth	23-1	-2
Radio	24-1	-2
Newspaper	25-1	-2
Television	26-1	-2
Calling the transit information number	27-1	-2
Ticket sales displays in local businesses	28-1	-2

10b. Do you currently use the transit system?

- Yes 29-1 → ASK Q.11a
- No → IF NO, SKIP TO Q.12a.

11a. (IF YES TO QUESTION 10)

Do you use it for (ASK FOR EACH):

	DO NOT READ		
	<u>Yes</u>	<u>No</u>	<u>Not Sure</u>
Trips to work or school	30-1	-2	-3
Shopping trips.	31-1	-2	-3
Other trips	32-1	-2	-3

11b. Assuming that a trip is going from one place to another -- so that, for example, going to work and returning home is 2 trips -- how many trips do you make on the transit service in a week? (ASK FOR EACH PURPOSE INDICATED YES OR NOT SURE IN 11a) for:

	Number of Trips Per Week	
Going to school or work	<input type="text"/> <input type="text"/>	(33-34)
Going shopping	<input type="text"/> <input type="text"/>	(35-36)
Other trips	<input type="text"/> <input type="text"/>	(37-38)

11c. What changes or improvements do you feel could be made in the Danville Transit System which would encourage you personally to ride it more frequently than you do now?

(RECORD VERBATIM, PROBE FOR ADDITIONAL CHANGES) _____

(39-42)

SKIP TO Q.12e

None43-1

12a. Have you ever used the transit system?

Yes 44-1 → SKIP TO Q.12c

No -2 → ASK Q.12b'

12b. What changes or improvements do you feel could be made in the Danville Transit System which would encourage you to use it yourself?

(RECORD VERBATIM, PROBE FOR ADDITIONAL CHANGES) _____

(45-4)

None . . . 49-1

NOW SKIP TO Q.13a

12c. (IF YES TO QUESTION 12a)

Did you use it for (ASK FOR EACH):

	DO NOT READ		
	<u>Yes</u>	<u>No</u>	<u>Not Sure</u>
Trips to work or school. . . .	50-1	-2	-3
Shopping trips	51-1	-2	-3
Other trips	52-1	-2	-3

12d. What changes or improvements do you feel could be made in the Danville Transit System which would encourage you to use it again?

(RECORD VERBATIM, PROBE FOR ADDITIONAL CHANGES) _____

(53-56)

None 57-1

12e. Have you bought books of transit tickets in advance?

Yes 58-1 SKIP TO Q.13a
 No -2 ASK Q.12f

12f. (IF NO) Were you aware that you could buy books of transit tickets in advance?

Yes 59-1
 No -2

13a. Do you plan to use the service in the future?

Yes 60-1 → ASK Q.13b

No -2 → IF NO SKIP TO Q.14

13b. (IF YES TO QUESTION 13a).

Would you use it for (ASK FOR EACH):

	<u>Yes</u>	<u>No</u>	<u>Not Sure</u>
Trips to work or school . .	61-1	-2	-3
Shopping trips.	62-1	-2	-3
Other trips	63-1	-2	-3

TODAY'S TRAVEL

14. Now I'd like to ask you briefly about any traveling you did today -- where you went, how you traveled, and things like that. Remember, a trip for our purposes is going from one place to another -- so that, for example, going to work and returning home is 2 trips. Let's start with the first trip you made today, that is since midnight last night.

(CHECK HERE IF RESPONDENT SAYS HE/SHE DID NOT TRAVEL ANYWHERE TODAY AND SKIP TO Q.15a)

(64-1)

14b. What was the purpose of this trip? (READ LIST IF NECESSARY) (CIRCLE APPROPRIATE CODE)

Home 65-1	Social/recreational . . -5
Work -2	Serve passenger -6
Shop -3	Other -7
School . . . -4	

14c. How did you make this trip. (READ LIST IF NECESSARY). (CIRCLE APPROPRIATE CODE NUMBER).

Drove alone66-1	School bus . . -6
Drove with a	Walked -7
passenger -2	Bicycle. . . . -8
As a passenger in	Motorcycle . . -9
private vehicle. . -3	Transit. . . . -0
Taxi-full fare. . . -4	Other. -x
Taxi RTR -5	

TRIP 2

14d. What was the purpose of the next trip? (READ LIST IF NECESSARY) (CIRCLE APPROPRIATE CODE)

Home.. 5-1 Social/
 Work.. -2 Recreational-5
 Shop.. -3 Serve passen-
 School. -4 ger..... -6
 Other..... -7

How did you make this trip? (READ LIST IF NECESSARY) (CIRCLE APPROPRIATE CODE)

Drove alone.. 6-1 School bus..-6
 Drove with Walked.....-7
 passenger... -2 Bicycle.....-8
 As passenger Motorcycle..-9
 in private Transit.....-0
 vehicle..... -3 Other.....-x
 Taxi full-
 fare..... -4
 Taxi RTR..... -5

TRIP 3

Home.. 7-1 Social/
 Work.. -2 Recreational.-5
 Shop.. -3 Serve passen-
 School..-4 ger.....-6
 Other.....-7

Drove alone.. 8-1 School bus..-6
 Drove with Walked.....-7
 passenger... -2 Bicycle.....-8
 As passenger in Motorcycle..-9
 private Transit.....-0
 vehicle..... -3 Other.....-x
 Taxi full-
 fare..... -4
 Taxi RTR..... -5

TRIP 4

Home.. 9-1 Social/
 Work.. -2 Recreational -5
 Shop.. -3 Serve passen-
 School..-4 ger..... -6
 Other..... -7

Drove alone..10-1 School bus..-6
 Drove with Walked.....-7
 passenger... -2 Bicycle.....-8
 As passenger Motorcycle..-9
 in private Transit.....-0
 vehicle..... -3 Other.....-x
 Taxi full-
 fare..... -4
 Taxi RTR..... -5

TRIP 5

Home..11-1 Social/
 Work.. -2 Reactional -5
 Shop.. -3 Serve passen-
 School. -4 ger.....-6
 Other.....-7

Drove alone..12-1 School bus..-6
 Drove with Walked.....-7
 passenger... -2 Bicycle.....-8
 As passenger Motorcycle..-9
 in private Transit.....-0
 vehicle..... -3 Other.....-x
 Taxi full-
 fare..... -4
 Taxi RTR..... -5

<u>TRIP 6</u>				
Home..13-1	Social/		Drove alone..14-1	School bus..-6
Work.. -2	Recreational	-5	Drove with	walked.....-7
Shop... -3	Serve passen-		passenger... -2	Bicycle.....-8
School. -4	ger.....	-6	As passenger	Motorcycle..-9
	Other.....	-7	in private	Transit.....-0
			vehicle.....	Other.....-x
			Taxi full-	
			fare.....	
			Taxi RTR.....	
<u>TRIP 7</u>				
Home..15-1	Social/		Drove alone..16-1	School bus..-6
Work.. -2	Recreational	-5	Drove with	Walked.....-7
Shop... -3	Serve passen-		passenger... -2	Bicycle.....-8
School. -4	ger.....	-6	As passenger	Motorcycle..-9
	Other.....	-7	in private	Transit.....-0
			vehicle.....	Other.....-x
			Taxi full-	
			fare.....	
			Taxi RTR.....	
<u>TRIP 8</u>				
Home..17-1	Social/		Drove alone..18-1	School bus..-6
Work.. -2	Receational	-5	Drove with	Walked.....-7
Shop.. -3	Serve passen-		passenger... -2	Bicycle.....-8
School. -4	ger.....	-6	As passenger	Motorcycle..-9
	Other.....	-7	in private	Transit.....-0
			vehicle.....	Other.....-x
			Taxi full-	
			fare.....	
			Taxi RTR.....	
<u>TRIP 9</u>				
Home..19-1	Social/		Drove alone..20-1	School bus..-6
Work.. -2	Recreational	-5	Drove with	Walked.....-7
Shop.. -3	Serve passen-		passenger... -2	Bicycle.....-8
School -4	ger.....	-6	As passenger	Motorcycle..-9
	Other.....	-7	in private	Transit.....-0
			vehicle.....	Other.....-x
			Taxi full-	
			fare.....	
			Taxi RTR.....	
<u>TRIP 10</u>				
Home..21-1	Social/		Drove alone..22-1	School bus..-6
Work.. -2	Recreational	-5	Drove with	Walked.....-7
Shop.. -3	Serve passen-		passenger... -2	Bicycle.....-8
School -4	ger.....	-6	As passenger	Motorcycle..-9
	Other.....	-7	in private	Transit.....-0.
			vehicle.....	Other.....-x
			Taxi full-	
			fare.....	
			Taxi RTR.....	

15a. (AFTER COVERING ALL TRIPS MADE TODAY, ASK:)

Do you plan to make any more trips today?

No 23-1 (IF NO GO TO CLOSING)

Yes -3 (ASK QUESTION 15b)

15b. What will be the purpose of this trip? (READ LIST IF NECESSARY) (CIRCLE APPROPRIATE CODE)

16. How will you make this trip? (READ LIST IF NECESSARY) (CIRCLE APPROPRIATE CODE)

TRIP 1

Home..	24-1	Social/recrea-	
Work..	-2	tional.....	-5
Shop..	-3	Serve passenger.	-6
School	-4	Other.....	-7

Drive alone....	25-1	School bus..	-6
Drive with		Walked.....	-7
passenger.....	-2	Bicycle.....	-8
As passenger in		Motorcycle..	-9
private vehicle	-3	Transit.....	-0
Taxi full-fare.	-4	Other.....	-x
Taxi RTR.....	-5		

TRIP 2

Home..	26-1	Social/recrea-	
Work..	-2	tional.....	-5
Shop..	-3	Serve passenger	-6
School	-4	Other.....	-7

Drive alone....	27-1	School bus..	-6
Drive with		Walked.....	-7
passenger.....	-2	Bicycle.....	-8
As passenger in		Motorcycle..	-9
private vehicle	-3	Transit.....	-0
Taxi full-fare.	-4	Other.....	-x
Taxi RTR.....	-5		

TRIP 3

Home..	28-1	Social/recrea-	
Work...	-2	tional.....	-5
Shop...	-3	Serve passenger	-6
School.	-4	Other.....	-7

Drive alone....	29-1	School bus..	-6
Drive with		Walked.....	-7
passenger.....	-2	Bicycle.....	-8
As passenger in		Motorcycle..	-9
private vehicle	-3	Transit.....	-0
Taxi full-fare.	-4	Other.....	-x
Taxi RTR.....	-5		

TRIP 4

Home..	30-1	Social/recrea-	
Work..	-2	tional.....	-5
Shop..	-3	Serve passenger	-6
School	-4	Other.....	-7

Drive alone....	31-1	School bus..	-6
Drive with		Walked.....	-7
passenger.....	-2	Bicycle.....	-8
As passenger in		Motorcycle..	-9
private vehicle	-3	Transit.....	-0
Taxi full-fare.	-4	Other.....	-x
Taxi RTR.....	-5		

TRIP 5

Home..	32-1	Social/recrea-	
Work..	-2	tional.....	-5
Shop..	-3	Serve passenger	-6
School	-4	Other.....	-7

Drive alone....	33-1	School bus..	-6
Drive with		Walked.....	-7
passenger.....	-2	Bicycle.....	-8
As passenger in		Motorcycle..	-9
private vehicle	-3	Transit.....	-0
Taxi full-fare.	-4	Other.....	-x
Taxi RTR.....	-5		

IF Q.14 HAS NOT BEEN ANSWERED, ASK:

16. How did you get to work today?

Drove alone . . .	34-1	School bus	-6
Drove with a		Walked	-7
passeenger . . .	-2	Bicycle.	-8
As a passenger		Motorcycle	-9
in private		Transit.	-0
vehicle.	-3	Other.	-x
Taxi-full fare. .	-4	Does not work/ did not go to work today	-y
Taxi-RTR.	-5		

79-3
80-3

CLOSING

That is all of the questions I have. Your answers have been very helpful and I want to thank you for your kind cooperation.

APPENDIX E
ON-BOARD SURVEYS

ON-BOARD SURVEYS

Purpose

The purpose of the On-Board Surveys was to obtain information regarding the demographic characteristics, trip lengths and purposes, trip-making behavior, method of fare payment, mode shift, and attitudes toward the transit system of the Runaround ridership.

Methodology

The first On-Board Survey was conducted by seven interviewers during the week of March 6, 1978. The survey operations produced 610 usable completed questionnaires. The second On-Board Survey was conducted by six interviewers on May 23 and 24, 1979; 707 usable questionnaires were completed. During both surveys, interviewers worked from 7 AM until 6 PM, with scheduled breaks during the day. Every bus run was surveyed.



Surveyor _____

Date _____

Route _____

PLEASE HELP THE CITY OF DANVILLE PLAN TRANSIT SERVICE FOR YOU

1. WHAT IS (OR WAS) THE MAIN PURPOSE OF THIS TRIP?

1 WORK2 SHOP3 SCHOOL4 SOCIAL/RECREATION5 MEDICAL6 OTHER

2. HOW MANY MINUTES DID YOU WAIT FOR THIS BUS? _____

3. IF THERE WERE NO RUNAROUND BUS SERVICE IN DANVILLE, HOW WOULD YOU HAVE MADE THIS TRIP?

1 DRIVE CAR4 WALK2 PASSENGER IN CAR5 OTHER3 TAXI6 WOULDN'T HAVE MADE THE TRIP AT ALL

4. WAS THERE A CAR AVAILABLE TO YOU AS A DRIVER OR PASSENGER TO MAKE THIS TRIP?

1 YES2 NO

5. ARE YOU REGISTERED IN THE REDUCED TAXI RATES (RTR) PROGRAM?

1 YES2 NO

6. HOW DID YOU PAY FOR THIS RIDE?

1 TICKET FROM \$2 (5-RIDE) BOOK2 TICKET FROM \$8 (20-RIDE) BOOK3 HALF-FARE TICKET4 CASH

7. IF YOU USED A HALF-FARE TICKET, ARE YOU...

1 65 OR OVER2 18 OR UNDER3 HANDICAPPED

8. HOW OFTEN DO YOU RIDE THE RUNAROUND?

1 SEVERAL TIMES A WEEK2 ABOUT ONCE A WEEK3 ONCE EVERY 2 OR 3 WEEKS4 ONCE A MONTH OR LESS5 THIS IS MY FIRST TRIP

(PLEASE TURN OVER)

9. IF YOU COULD PAY THE 40¢ OR 20¢ FARE IN CASH, INSTEAD OF WITH A TICKET, WOULD YOU RIDE THE RUNAROUND MORE OFTEN?

1 YES

2 NO

3 NOT SURE

10. PLEASE RATE THE FOLLOWING FEATURES OF THE RUNAROUND SERVICE:

	<u>EXCELLENT</u>	<u>GOOD</u>	<u>FAIR</u>	<u>POOR</u>
	(1)	(2)	(3)	(4)
A. SERVICE EVERY HALF HOUR OR HOUR	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
B. BUYING TICKETS IN ADVANCE	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
C. 40¢ AND 20¢ TICKET FARE	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
D. EASE OF BUYING TICKETS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
E. \$1.00 CASH FARE	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
F. THE ROUTES	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
G. PICKING YOU UP ON TIME	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
H. TIME IT TAKES TO GET WHERE YOU'RE GOING	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I. AVAILABILITY OF INFORMATION	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
J. CLEANLINESS OF BUSES	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

11. SEX: 1 MALE 2 FEMALE

12. AGE: 1 18 OR LESS 2 19-44 3 45-64 4 65 OR MORE

13. ANNUAL HOUSEHOLD INCOME:

1 UNDER \$5,000

2 \$5,000-\$10,000

3 \$10,000-\$15,000

4 OVER \$15,000

14. COMMENTS OR SUGGESTIONS _____

Please return this form to the survey taker, the Runaround office in City Hall, or the bus driver on your next Runaround trip. Thank you for your cooperation. This information is confidential and for statistical purposes only.

Runaround

Surveyor _____

Date _____

Route _____

PLEASE HELP THE CITY OF DANVILLE PLAN TRANSIT SERVICE FOR YOU

1. WHAT IS (OR WAS) THE MAIN PURPOSE OF THIS TRIP?

1 <input type="radio"/> WORK 2 <input type="radio"/> SHOP 3 <input type="radio"/> SCHOOL	4 <input type="radio"/> SOCIAL/RECREATION 5 <input type="radio"/> MEDICAL 6 <input type="radio"/> OTHER
--	---

2. HOW MANY MINUTES DID YOU WAIT FOR THIS BUS? _____

3. HOW OFTEN DO YOU RIDE THE RUNAROUND?

1 <input type="radio"/> SEVERAL TIMES A WEEK 2 <input type="radio"/> ABOUT ONCE A WEEK 3 <input type="radio"/> ONCE EVERY 2 OR 3 WEEKS	4 <input type="radio"/> ONCE A MONTH OR LESS 5 <input type="radio"/> THIS IS MY FIRST TRIP
--	---

4. ABOUT HOW RECENTLY DID YOU BEGIN RIDING THE RUNAROUND?

1 <input type="radio"/> WITHIN THE LAST WEEK 2 <input type="radio"/> WITHIN THE LAST MONTH 3 <input type="radio"/> WITHIN THE LAST TWO MONTHS	4 <input type="radio"/> WITHIN THE LAST SIX MONTHS 5 <input type="radio"/> LONGER THAN SIX MONTHS AGO
---	--

5. IF THERE WERE NO RUNAROUND BUS SERVICE IN DANVILLE, HOW WOULD YOU HAVE MADE THIS TRIP?

1 <input type="radio"/> DRIVE CAR 2 <input type="radio"/> PASSENGER IN CAR 3 <input type="radio"/> TAXI	4 <input type="radio"/> WALK 5 <input type="radio"/> OTHER 6 <input type="radio"/> WOULDN'T HAVE MADE THE TRIP AT ALL
---	---

6. WAS THERE A CAR AVAILABLE TO YOU AS A DRIVER OR PASSENGER TO MAKE THIS TRIP?

1 <input type="radio"/> YES	2 <input type="radio"/> NO
-----------------------------	----------------------------

7. HOW DID YOU PAY FOR THIS RIDE?

1 <input type="radio"/> FULL-FARE TICKET 2 <input type="radio"/> HALF-FARE TICKET 3 <input type="radio"/> CASH	ARE YOU.... 1 <input type="radio"/> 65 OR OLDER? 2 <input type="radio"/> HANDICAPPED? 3 <input type="radio"/> 18 OR UNDER?
--	---

8. IN GENERAL, HOW OFTEN DO YOU PAY BY TICKET?

1 <input type="radio"/> ALWAYS	2 <input type="radio"/> USUALLY	3 <input type="radio"/> OCCASIONALLY	4 <input type="radio"/> NEVER
--------------------------------	---------------------------------	--------------------------------------	-------------------------------

9. IN GENERAL, HOW OFTEN DO YOU PAY CASH?

1 <input type="radio"/> ALWAYS	2 <input type="radio"/> USUALLY	3 <input type="radio"/> OCCASIONALLY	4 <input type="radio"/> NEVER
--------------------------------	---------------------------------	--------------------------------------	-------------------------------

(PLEASE TURN OVER)

10. HOW FAR OUT OF YOUR WAY WOULD YOU HAVE TO GO TO BUY A TICKET?
1 UNDER 1 BLOCK
2 1-2 BLOCKS
3 3-4 BLOCKS
4 4 BLOCKS - 1 MILE
5 OVER 1 MILE
6 DON'T KNOW
11. HOW MANY BLOCKS IS IT FROM YOUR HOME TO THE RUNAROUND BUS ROUTE? _____
12. HOW MANY BLOCKS IS IT FROM THE BUS ROUTE TO YOUR DESTINATION? _____
13. WHICH TYPE OF BUS WOULD YOU PREFER TO SEE USED IN DANVILLE?
1 MINIBUS 2 FULL-SIZE BUS 3 DON'T CARE
14. WHAT IS THE MOST CONVENIENT TIME FOR YOU TO CATCH A BUS DOWNTOWN FROM YOUR NEIGHBORHOOD?
1 ON THE HOUR
2 ON THE HALF-HOUR
3 15 MINUTES AFTER THE HOUR
4 15 MINUTES BEFORE THE HOUR
15. SEX: 1 MALE 2 FEMALE
16. AGE: 1 18 OR LESS 2 19-44 3 45-64 4 65 OR MORE
17. ETHNIC ORIGIN:
1 WHITE
2 BLACK
3 MEXICAN OR HISPANIC
4 ASIAN
5 OTHER _____
18. ANNUAL HOUSEHOLD INCOME:
1 UNDER \$5,000
2 \$5,000-\$10,000
3 \$10,000-\$15,000
4 OVER \$15,000
19. COMMENTS OR SUGGESTIONS _____
-

Please return this form to the survey taker, the Runaround office in City Hall, or the bus driver on your next Runaround trip. Thank you for your cooperation. This information is confidential and for statistical purposes only.

APPENDIX F

DANVILLE SOCIAL SERVICE AGENCY DISCUSSION
GUIDE

SOCIAL SERVICE AGENCY INTERVIEWS

(October 1978)

Purpose

The purpose of the interviews with social service agencies in Danville was to determine the impact, if any, of the discontinuation of the Reduced Taxi Rates (RTR) Project and the availability of the Runaround service on the agencies and their clients.

Methodology

Face-to-face interviews were conducted with representatives of 12 social service agencies. The interviews included questions regarding impacts on their transportation budgets and operations; impacts on client usage of agency services; impacts on client trip-making; and, for those which distributed Runaround tickets to clients, the mechanics of the ticket program.

DANVILLE SOCIAL AGENCY INTERVIEWS
DISCUSSION GUIDE

1. AGENCY:

ADDRESS:

CONTACT PERSON:

2. PROGRAM DESCRIPTION AND CLIENT PROFILE:

3. TRANSPORTATION PROGRAM:

	(12/75-6/78) During RTR	(6/78-present) Post RTR (During Runaround)
a) Transportation Budget		
b) Amount of client subsidy (if any)		
c) # clients served/mo.		
d) # trips furnished/mo.		
e) # agency vehicles		
f) Use of staff cars		
g) Restrictions on # trips, trip purpose, etc.		

4. IMPACT OF RTR DISCONTINUATION ON:

a) Client mobility:

b) Agency transportation program:

c) Client usage of other agency services:

5. IMPACT OF RUNAROUND SERVICE ON:

a) Client mobility:

b) Agency transportation program:

c) Client usage of other agency services:

d) Client problems with the Runaround:

e) Likelihood that client usage of the Runaround will increase:

6. DESCRIPTION OF RUNAROUND TICKET PROGRAM (if applicable):

7. AGENCY REMARKS:

APPENDIX G
SURVEY AND FOLLOW-UP
OF RTR PROGRAM REGISTRANTS

SURVEY AND FOLLOW-UP SURVEY
OF RTR PROGRAM REGISTRANTS

(March 1978 and March 1979)

Purpose

The purpose of the March 1978 survey was to identify interactions and trade-offs between Runaround bus and Reduced Taxi Rates (RTR) taxi use by RTR users. The purpose of the follow-up survey conducted in March 1979 was to determine the impacts of the discontinuation of the RTR Program on this same group by former users*.

Methodology

The March 1978 sample was selected at random from the June 1977 RTR registration file; the sample was weighted four to one toward those who used the service more frequently than the median use rate of 0.6 per month as of June 1977. Seven telephone interviewers attempted to interview 505 RTR registrants from March 9-12, 1978. Numerous cases of incorrect telephone numbers, deceased registrants and no answers reduced the number of telephone contacts to 362, of which 302 yielded usable questionnaires.

The sample for the follow-up survey, conducted by five telephone interviewers during the week of February 26, 1979, consisted of the 302 former RTR registrants who had completed questionnaires in the previous survey. The survey yielded 217 usable questionnaires.

Two first pages are shown for this survey. After 68 questionnaires had been completed, it was observed that the recent, drastic decrease in the number of available taxis in February 1979 was affecting peoples' responses to the question, "How often would you say you use the taxi now?" The question was altered, as shown on the second version of page 1. For the remainder of the survey, the second version was used.

*The RTR Program was discontinued in June 1978.

3/2/78

MARCH 1978 RTR TELEPHONE SURVEY

1. Interviewer _____
2. Date Completed _____
3. Time Completed _____
4. ID No. _____
5. Name _____
6. Address _____

7. Phone _____

Hello, I'd like to speak to (name from item 5) .

- If not available, determine when to call back and note on control sheet and here: _____

- If it is not possible to interview RTR member, terminate call and note reason here and on control sheet: _____

8. My name is _____; I'm calling for the City of Danville to ask you a few questions about the City's Reduced Taxi Rates program. According to our records you have registered for the RTR program. Is that correct?

If respondent says "no," thank and terminate. Check here _____

9. Good. First, we'd like to know about how often you usually use RTR. Would you say you use it. . .

- 1 - Several times a week
- 2 - About once a week
- 3 - Two or three times a month
- 4 - About once a month
- 5 - Less than once a month
- 6 - Never

10a. Do you recall when was the last time you made a trip using RTR?

- 1 - Today, yesterday or day before yesterday
- 2 - Within the last week
- 3 - Within the last month
- 4 - Longer than a month ago
- 5 - Remember last trip but aren't sure how long ago it was
- 6 - Can't recall last trip →

Skip to
Question 12

→ page 6

10b. What day of the week was this on? _____

If not sure,
determine weekday
or weekend.

10c. Did you make a roundtrip by taxi? 1 - Yes 2 - No

If "yes," say "We'd like to talk about the first part of the round-trip."

10d. Where did you start from on this trip? _____

If "home," that's enough. Otherwise get address, street intersection, or a well-known place (VA Hospital, for example).

10e. About what time did you leave? _____ AM/PM

10f. What was the purpose of this trip?

- 1 - Shopping
- 2 - Medical
- 3 - Personal Business (e.g., bank, beauty parlor, etc.)
- 4 - Recreation/Social
- 5 - School
- 6 - Work
- 7 - Church
- 8 - Home
- 9 - Other _____

Read choices if necessary.

10g. Where did you go on this trip? _____

10h. Did anyone else go with you on this trip?

1 - Yes 2 - No

This refers only to people traveling together as a group.

If yes



10i. How many others went with you? _____

10j. If the RTR program did not exist, that is, if you had to pay full fare to ride taxis in Danville, how do you think you would have made this trip?

- 1 - Full-fare taxi
- 2 - Drive
- 3 - Passenger in car
- 4 - Bus
- 5 - Walk
- 6 - Other
- 7 - Wouldn't have made trip
- 8 - Don't know

If trip just recorded was made more than 2 days ago, skip to Question 12.

→ page
after
next

11a. Have you made any other trips on RTR in the last 3 days?

If no, skip to 12 → next page

11b. When was the last time you used it before the time we just discussed?

Record day of week

11c. Roundtrip by taxi?

If "yes," say "We'd like to talk about the first part of the roundtrip."

11d. Where did you start from?

11e. What time did you leave?

11f. Trip purpose?

11g. Where did you go?

11h. Did anyone else go with you?

11i. How many?

11j. If RTR did not exist, how do you think you would have made this trip?

Go to 11a → top of this page

1-yes 2-no

1-yes 2-no

_____ AM/PM

1-Shop 6-Work
2-Med 7-Church
3-Pers. Bus.
4-Rec/Soc 8-Home
5-School 9-Other

1-yes 2-no

1-Taxi 5-Walk
2-Drive 6-Other
3-Pass. 7-No trip
4-Bus 9-Don't know

1-yes 2-no

1-yes 2-no

_____ AM/PM

1-Shop 6-Work
2-Med 7-Church
3-Pers. Bus.
4-Rec/Soc 8-Home
5-School 9-Other

1-yes 2-no

1-Taxi 5-Walk
2-Drive 6-Other
3-Pass. 7-No trip
4-Bus 9-Don't know

1-yes 2-no

1-yes 2-no

_____ AM/PM

1-Shop 6-Work
2-Med 7-Church
3-Pers. Bus.
4-Rec/Soc 8-Home
5-School 9-Other

1-yes 2-no

1-Taxi 5-Walk
2-Drive 6-Other
3-Pass. 7-No trip
4-Bus 9-Don't know

12. Did you know that there is now a bus service running in Danville again? It's called the Runaround.

1 - Yes 2 - No

If no, skip to 25. → next to last page

13. How many blocks from your home is the nearest place to catch the Runaround bus? _____

If respondent lives on bus route, write "0"

14. What street is that on? _____

15. Did you know that the bus will stop for you anywhere along its route?

- 1 - Yes
- 2 - Wasn't sure
- 3 - No

16. Did you know that you can buy half-fare tickets for the Runaround with your RTR card?

- 1 - Yes
- 2 - Wasn't sure
- 3 - No

17. Have you ever used the Runaround? 1 - Yes 2 - No

If no, skip to Question 22. → Page 10

18. Would you say that you use the Runaround . . .

- 1 - Almost every day
- 2 - At least once a week
- 3 - At least once every two or three weeks
- 4 - Once a month or less

19a. Do you recall the last trip you made on the Runaround?

- 1 - Same day or previous day
- 2 - Within a week
- 3 - Within a month
- 4 - Longer than a month ago
- 5 - Remembers trip but isn't sure how long ago
- 6 - Can't recall last trip →

Skip to
Question 25.

→ Next to
last page

19b. What day of the week was that on? _____

If not sure, determine
weekday or weekend.

19c. Did you make a roundtrip on the bus? 1 - Yes 2 - No

If "yes," say "We'd like to
talk about the first part
of the round trip."

19d. Where did you start from on this trip? _____

"Home" is enough, other-
wise get address, street
intersection, or a well-
known place.

19e. About what time did you leave? _____ AM/PM

Get time respondent left
the place just given, not
time he/she got on bus.

19f. What was the purpose of this trip?

- 1 - Shop
- 2 - Medical
- 3 - Personal Business (e.g. bank, beauty parlor)
- 4 - Recreational/social
- 5 - School
- 6 - Work
- 7 - Church
- 8 - Home
- 9 - Other

Read choices
if necessary.

19g. Where did you go on this trip? _____

"Home," is enough; otherwise get address, street intersection, or a well-known place.

19h. If there were no Runaround bus service in Danville, how do you think you would have made this trip?

- 1 - Taxi
- 2 - Drive
- 3 - Passenger in car
- 5 - Walk
- 6 - Other
- 7 - Wouldn't have made trip
- 9 - Don't know

Assume RTR
is available
for taxi.

Skip next
Question

19i. What would you say was the major reason why you took the bus instead of (name mode given above)? _____

If trip just recorded was more than 2 days ago, skip to Question 21

Page after
next

20a. Have you made any other trips on the Runaround in the last 3 days?

1-yes 2-no

1-yes 2-no

1-yes 2-no

If no, skip to 21 → next page

20b. When was the last time you used it before the trip we just discussed?

Record day of week

20c. Roundtrip by Runaround?

1-yes 2-no

1-yes 2-no

1-yes 2-no

If "yes," say "we'd like to talk about the first part of the roundtrip."

20d. Where did you start from?

20e. What time did you leave?

_____ AM/PM

_____ AM/PM

_____ AM/PM

20f. Trip purpose?

1-Shop 6-Work
2-Med 7-Church
3-Pers. Bus.
4-Rec/Soc 8-Home
5-School 9-Other

1-Shop 6-Work
2-Med 7-Church
3-Pers. Bus.
4-Rec/Soc 8-Home
5-School 9-Other

1-Shop 6-Work
2-Med 7-Church
3-Pers. Bus.
4-Rec/Soc 8-Home
5-School 9-Other

20g. Where did you go?

20h. If the Runaround did not exist, how do you think you would have made this trip?

1-Taxi 5-Walk
2-Drive 6-Other
3-Pass. 7-No trip
9-Don't know

1-Taxi 5-Walk
2-Drive 6-Other
3-Pass. 7-No trip
9-Don't know

1-Taxi 5-Walk
2-Drive 6-Other
3-Pass. 7-No trip
9-Don't know

Go to 20a. → top of this page

21. What problems or difficulties have you had in using the Runaround? _____

Skip to Question 25 → next page

22. What would you say is the major reason why you've never used the bus? _____

If reason is one of health or physical disability, skip to Question 26 → last page

23. Have you bought any tickets for the Runaround?

1-yes

2-no

If "yes," skip next question

24. If you didn't have to buy tickets in advance to ride the Runaround, would you be more likely to ride the bus?

1-definitely

2-probably

3-maybe

4-probably not

5-definitely not

6-didn't know about tickets

9-don't know

25. Now we'd like you to compare the bus and taxis.

If respondent has little or no experience with Runaround, ask for responses based on feeling about how buses would be if they did use them.

a) First, which would you say usually takes less time to get you where you're going, bus or taxi?

- 1 - Bus
- 2 - Taxi
- 3 - Same
- 9 - Don't Know

Don't read this choice.



b) Which is (would be) more comfortable?

- 1 - Bus
- 2 - Taxi
- 3 - Same
- 9 - Don't Know

Don't read this choice.



c) Which do you (would you) generally have to wait less time for?

- 1 - Bus
- 2 - Taxi
- 3 - Same
- 9 - Don't Know

Don't read this choice.



d) Which is more convenient to use?

- 1 - Bus
- 2 - Taxi
- 3 - Same
- 9 - Don't Know

Don't read this choice.



e) Which is more likely to get you where you're going on time?

- 1 - Bus
- 2 - Taxi
- 3 - Same
- 4 - Don't Know

Don't read this choice.



f) Is it easier for you to get in and out of a taxi or on and off a bus?

- 1 - Bus
- 2 - Taxi
- 3 - Same
- 4 - Don't Know

Don't read this choice.



26. Have you moved since you registered for RTR?

If necessary say, "Do you still live at (address from control sheet)."

1 - Moved

2 - Haven't moved

If moved



27. Where do you live now?

28. Are there any other comments or suggestions you'd like to make about RTR or the Runaround?

Those are all the questions we have. Your answers have been very helpful. We'd like to thank you for your time. Good-bye.

1979 RTR FOLLOW-UP TELEPHONE SURVEY

INTERVIEWER _____

DATE COMPLETED _____

TIME COMPLETED _____

NAME _____

ID NO. _____

1-4

PHONE _____

5-11

Hello, I'd like to speak to _____

If not available, determine when to call back and note on control sheet and here: _____

If it is not possible to interview person, terminate call and note reason here and on control sheet: _____

My name is _____, I'm calling for the City of Danville. We are conducting a follow-up survey of people who were previously registered for the Reduced Taxi Rate or RTR Program. Now that the program has been discontinued, we'd like to ask you a few questions about your travel methods. This will only take a few minutes.

1. First, how often would you say you use the taxi now?

- 1. Several times a week
 - 2. About once a week
 - 3. 2 or 3 times a month
 - 4. About once a month
 - 5. Less than once a month
 - 6. Never - why not? _____
- _____
- _____

12

13

If never, go to question 3

1979 RTR FOLLOW-UP TELEPHONE SURVEY

INTERVIEWER _____
DATE COMPLETED _____
TIME COMPLETED _____
NAME _____
ID NO. _____
PHONE _____

Hello, I'd like to speak to _____

If not available, determine when to call back and note on control sheet and here: _____

If it is not possible to interview person, terminate call and note reason here and on control sheet: _____

My name is _____, I'm calling for the City of Danville. We are conducting a follow-up survey of people who were previously registered for the Reduced Taxi Rate or RTR Program. Since the program was discontinued in July, and now that regular taxi service has been limited to a few cabs, we'd like to ask how these changes have affected you.

1a. Up until a month ago, how often did you use the taxi?

- 1. Several times a week
- 2. About once a week
- 3. 2 or 3 times a month
- 4. About once a month
- 5. Less than once a month
- 6. Never



If never, go to question 3

Why not? _____

1b. How often do you use it now?

- 1. Several times a week
- 2. About once a week
- 3. 2 or 3 times a month
- 4. About once a month
- 5. Less than once a month
- 6. Never

2. Do you think you use the taxi as often as you did before the program was discontinued?
- 1. Yes 14
 - 2. No
 - 3. Don't know

3. Have you ever used the Runaround bus service?
- 1. Yes
 - 2. No → If no, go to question 8 15

If Yes

4. About how often do you use the Runaround?
- 1. Almost everyday
 - 2. At least once a week
 - 3. At least once every 2 or 3 weeks 16
 - 4. Once a month or less
 - 5. Don't use it anymore → If doesn't use anymore - go to question 8

5. How many times have you used the Runaround in the last three days including today?
- 1. None
 - 2. 1
 - 3. 2 17
 - 4. 3
 - 5. 4 or more

6. People tell us many problems they have in using the bus. I'd like to read you a few of these. For each one, please tell me if you find that a major problem, minor problem, or not a problem?

	1 Major Problem	2 Minor Problem	3 Not a Problem	
1. Doesn't go where you need to go	_____	_____	_____	18
2. Getting to the bus stop	_____	_____	_____	19
3. Standing, waiting for the bus	_____	_____	_____	20
4. Getting up steps on bus	_____	_____	_____	21
5. Getting to a seat on the bus	_____	_____	_____	22
6. Finding an empty seat on the bus	_____	_____	_____	23
7. Buying tickets	_____	_____	_____	24
8. Finding out how to use the bus	_____	_____	_____	25

7. Is there anything we haven't mentioned that is a problem for you in using the Runaround?

26

27

Skip to question 11

8. What would you say is the major reason why you don't use the bus service?

28	29
30	31

If reason is health or disability, skip to question 11

9. I'd like to read you some improvements in the bus service, and as I do I'd like you to tell me whether you would definitely, probably, probably not, or definitely not ride the bus if these changes were made. Here is the first one . . .

	1	2	3	4	
	<u>Definitely</u>	<u>Probably</u>	<u>Probably</u> <u>Not</u>	<u>Definitely</u> <u>Not</u>	
Would you ride the bus if?					
a. You did not have to buy tickets in advance?	_____	_____	_____	_____	32
b. Bus service were more frequent?	_____	_____	_____	_____	33
c. Fares were lower?	_____	_____	_____	_____	34
d. Service were more reliable?	_____	_____	_____	_____	35
e. The vehicles were more comfortable?	_____	_____	_____	_____	36
f. There were bus shelters or benches along the routes?	_____	_____	_____	_____	37
g. Bus service were available after 6PM?	_____	_____	_____	_____	38

10. Are there any other improvements you would like to see?

	39	40
	<input type="checkbox"/>	<input type="checkbox"/>
	41	42
	<input type="checkbox"/>	<input type="checkbox"/>

11. Now, I'd like to ask you how you are making some of the trips you used to take on the Reduced Taxi Rate or RTR Program.

Did you ever use it to go to ...?

How do you get there now? (check all that apply)

	No	Yes	Drive car	Get ride	Walk	Bus	Social Service Agency	Taxi	Doesn't make trip	Other (specify)		
1. Work?	___	___	___	___	___	___	___	___	___	___	43	44
2. Church?	___	___	___	___	___	___	___	___	___	___	45	46
3. Medical/ Dental Appoint?	___	___	___	___	___	___	___	___	___	___	47	48
4. Shop- ping?	___	___	___	___	___	___	___	___	___	___	49	50
5. Do other personal business or errands (bank, beauty parlor)?	___	___	___	___	___	___	___	___	___	___	51	52
6. A social event or for recre- ation?	___	___	___	___	___	___	___	___	___	___	53	54
7. Eat a meal?	___	___	___	___	___	___	___	___	___	___	55	56
8. Other (spec- ify)	___	___	___	___	___	___	___	___	___	___	57	58

12. In general, since the Reduced Taxi Rate or RTR Program has been discontinued - Do you think you go out?

1. More often
2. About the same
3. Less often

59

Those are all the questions we have. Thank you very much for your help in this survey.

Goodbye.

APPENDIX H
DANVILLE GENERAL PUBLIC
AWARENESS SURVEY

DANVILLE GENERAL PUBLIC
AWARENESS SURVEY

(April 1979)

Purpose

The purpose of this survey was to determine the general public's level of awareness and attitudes toward the Runaround bus service.

Methodology

The City of Danville contracted with the Research Place, Inc. of Champaign, Illinois to administer the survey. Crain & Associates supplied the subcontractor with 590 randomly-selected Dansville telephone numbers. Six telephone interviewers conducted the survey during the period between April 19 and May 2, 1979. Upon contacting each residence, the interviewer used one of six version of the respondent-selection key in order to ensure random selection of the individual to be interviewed from each household. The survey yielded 300 completed questionnaires.

DANVILLE GENERAL PUBLIC
AWARENESS SURVEY

APRIL 1979

(Do not write
in this space)

Telephone # _____

--	--	--	--	--	--

1-6

Hello; my name is _____, and I'm an interviewer
for the City of Danville. Is this (# _____)?

(If no, terminate interview and record outcome on
call record sheet.)

We're conducting a survey on the Danville Runaround bus
service, and I'd like to speak with someone in your household.
First, I need to determine which person I should speak with.

- A. How many people, age 10 & over, live at this
residence? _____
- B. How many of these are males? _____

7

8

(Ask to speak with designated respondent; if that person
is not home, find out his/her name, ask when to call back,
and record outcome on call record sheet.)

NAME _____

TIME _____

Circle designated respondent on call record sheet.

RESPONDENT SELECTION KEY
(Version 6)

		NUMBER OF ADULTS IN HOUSING UNIT			
		1 Adult	2 Adults	3 Adults	4 or More
NUMBER OF MEN IN HOUSING UNIT	0 Man	Adult	Youngest Woman	Middle Woman	2nd Oldest Woman
	1 Man	Adult	Woman	Oldest Woman	Middle Woman
	2 Men		Oldest Man	Woman	Oldest or Youngest Man
	3 Men			Middle Man	Middle Man
	4 or More				2nd Oldest Man

(When you reach the target person, reintroduce yourself and
explain the purpose of the survey.)

(Do not write in this space,

1. Do you know how to get downtown from your house on the bus?

- Yes¹
- No²
- Not sure³
- No buses run near my house⁴

9

2. Did you know that the Runaround bus will stop for you anywhere along its route?

- Yes¹
- No²
- Wasn't sure³

10

3a. Did you know that you can buy books of bus tickets in advance?

- Yes¹
- No²
- Wasn't sure³ } (Skip to Q.4)

11

3b. Do you know where to buy them?

- Yes - Where would you buy them?

- No¹

12

4. Do you know how much the cash fare is on the bus? What is it?

- \$1.00¹ Actually, the cash fare was just lowered to \$.50.
- \$.50²
- Incorrect/Don't know³

13

(Do not write in this space)

5a. Have you ever used the Runaround?

Yes¹ (Skip to Q.9)

No²

14

5b. Has anyone in your household ever used the Runaround?

Yes¹

No²

Don't know³

15

6. What would you say are the main reasons why you've never tried the bus? What else?

a. _____

16-17

b. _____

18-19

7. People tell us many reasons why they don't ride the bus. I'd like to read you some improvements in the bus service and, as I do, I'd like you tell me whether you would definitely, probably, probably not, or definitely not ride the bus if these changes were made. Here is the first one...

(Do not write in this space)

Would you ride the bus if...

Definitely¹ Probably² Probably³ Not Definitely⁴ Not

- a. Bus service were more frequent? 20
- b. Fares were lower? 21
- c. Service were more reliable? 22
- d. The vehicles were more comfortable? 23
- e. There were bus shelters or benches along the routes? 24
- f. Bus service were available after 6 PM? 25
- g. You had more information on routes and schedules? 26

8. If there were direct, convenient, inexpensive bus service to where you wanted to go, would you definitely, probably, probably not, or definitely not start to ride the bus?

- Definitely¹
- Probably²
- Probably not³
- Definitely not⁴

27

(SKIP TO Q.12)

9. Would you say that you ride the bus...

- Almost every day?¹
- At least once a week?²
- At least once every two or three weeks?³
- Once a month or less?⁴
- Don't ride the bus any more⁵

28

(Do not write in this space)

10a. When you ride, do you usually use the bus tickets or pay cash?

- Tickets¹
- Cash² (Skip to Q.10d)

29

10b. Do you ride at half fare or full fare?

- Half fare¹ (Skip to Q.11a)
- Full fare²

30

10c. Do you buy the \$2 books or the \$8 books?

- \$2 books¹ } (Skip to Q.11a)
- \$8 books² }

31

10d. Can you tell me why you pay cash rather than buying the tickets?

32-33

11a. Assuming they cost the same to operate, which type of bus would you prefer to see used in Danville: the small minibus or the large, full-size bus?

- Small¹
- Full size²
- No preference³ (Skip to Q.12)

34

11b. Can you tell me why?

35-36

(Do not write in this space)

12. Of the following times, which is or would be most convenient for you to catch a bus downtown from your neighborhood...

- On the hour, ¹
- On the half-hour, ²
- 15 minutes after the hour, ³ or
- 15 minutes before the hour? ⁴
- Don't know/No preference ⁵

37

13a. In your opinion, should the City of Danville operate a bus service?

- Yes ¹
- No ²
- Don't know/No opinion ³ (Skip to Q.14)

38

13b. Why do you say that?

39 - 40

14. If it cost the City of Danville about \$100,000 per year to operate the Runaround, would you be in favor or against continuing the Runaround service?

- In favor
- Against
- Don't know/No opinion

41

Okay now: before we finish, I need a few pieces of information for statistical purposes.

(Do not
write in
this space)

15. Are you registered to vote?

- Yes¹
- No²

42

16. Is a passenger car or truck available to you as a driver or passenger for most of the trips you need to make?

- Yes¹
- No²

43

17. Which of the following categories comes closest to your age?

- 18 or under?¹
- 19 to 44?²
- 45 to 64?³
- 65 or over?⁴
- Refused*⁵

44

18. Would you say your total family income - before taxes and including everyone in your household - was...

- Less than \$5,000 a year?¹
- Between \$5,000 and \$15,000?²
- Between \$15,000 and \$30,000?³
- Over \$30,000 a year?⁴
- Don't know*⁵
- Refused*⁶

45

(Do not
write in
this space)

19. Finally, do you have any comments or suggestions about the Runaround? What else?

a. _____

b. _____

--	--

46-47

--	--

48-49

Thank you very much for your help with this survey; the City of Danville really appreciates your assistance and time. We want you to know we'll be using this information to analyze our bus service. Goodbye.

APPENDIX I
NON-BIDDER SURVEY

NON-BIDDER SURVEY

(May 1979)

Purpose

The purpose of the non-bidder survey was to determine the main reasons why transit and paratransit operators chose not to bid on the Runaround service.

Methodology

A mailback questionnaire was sent by the City of Danville to 28 firms which had requested copies of the RFP to furnish Runaround service over the course of the demonstration, but had not submitted bids. Sixteen firms responded to the survey.

MAY 1979

DEPARTMENT OF PLANNING AND DEVELOPMENT

400 NORTH HAZEL • DANVILLE, ILLINOIS 61832 • 217/446-0807

DAVID S. PALMER
Mayor

JOHN WEAVER
Director



The City of Danville is completing a two-year transit demonstration project, funded by a grant from the Service and Methods Demonstration Program of the U. S. Urban Mass Transportation Administration. Prior to each four-month contract period, we have forwarded to you a copy of our Request for Proposals as well as supplementary materials pertaining to Danville's transit system. Now that the demonstration period is ending, we are very interested to learn why your firm chose not to bid on the Requests for Proposals you received over the last two years. We would greatly appreciate your taking a moment to complete the attached form and return it to this department in the enclosed prepaid envelope as soon as possible.

All information received will be kept in strictest confidence and will not be revealed to any potential competitors. Thank you for your cooperation in this important matter.

Sincerely,

A handwritten signature in cursive script that reads "Michael Federman".

Michael Federman
Assistant Director of Planning

Attachment

mh

NON-BIDDER SURVEY QUESTIONNAIRE

Your Name: _____

Title: _____

Company: _____

Address: _____

1. Initially, how did you learn that the City of Danville was seeking bids on transit service:

Passenger Transport

Chicago Tribune

Indianapolis Star

Mass Transit

Danville Commercial-News

Champaign

Other: _____

2. Please describe the public transportation services you own or manage:

3. Were any of the following features of the Danville service an important factor in your decision not to bid? Please check all that apply:

- Limitation of contracts to four-month periods
- Possibility of multiple providers
- The subsidy method
- The level of subsidy
- Requirement for use of prepaid tickets
- City responsibility for marketing
- Time allowed to respond
- Time allowed to get service started
- Two-year demonstration grant
- Size of the system
- System ridership levels
- Find and set up facility
- Unfavorable competitive position with existing provider
- Other: _____

4. Please explain why the features you checked above posed disadvantages to you.

5. Did you have any other reasons for not bidding? Please explain.

6. Did you find the RFP's sufficiently clear in describing Danville's transit service and its special features?

Very clear

Fairly clear

So-so

Unclear

Very unclear

7. Which aspects of the service, if any, did you find poorly described or confusing?

8. Do you have any suggestions or comments about improvements in the RFP for use in future procurements?

9. Further remarks:

Thank you for completing this questionnaire. Your comments will be very helpful to us in evaluating this demonstration and in planning future procurements.

mh

APPENDIX J

QUINCY TRANSIT AND
FOND DU LAC AREA TRANSIT
COST INFORMATION

QUINCY TRANSIT LABOR HOURS AND COSTS
(fiscal year 1978)

	Salary/ Hourly Rate	Estimated Hrs. per Fiscal Year 1978	Estimated Cost
Transit Manager	\$13,500		\$13,500
1 Secretary	6,000		6,000
9 Full-time drivers	4.21	2951 x 9 = 26,559	111,813
1 Full-time handicapped van driver	3.29	2080	6,843
2 Part-time drivers	4.21	416 x 2 = 832	3,503
3 Full-time maintenance personnel			
1 Foreman	5.01	2340	11,723
2 Regular	3.43	2340 x 2 = 4680	16,052
3 Part-time maintenance personnel			
2 Regular	4.76	1560 + 520 = 2080	9,901
1 On-Call	3,000		3,000
1 Housekeeper	3,35	1664	5,574 ³
City Engineer	11.54 ¹	104 ²	1,200
City Comptroller	8.89 ¹	104 ²	925
TOTAL, excluding fringes		40,443 hours	\$190,034
+ fringes @ 22%			<u>41,807</u>
TOTAL ESTIMATED LABOR COSTS			<u><u>\$231,841</u></u>

J-2

¹Estimates based on Danville salaries

²Rough estimates

³CETA-funded position

QUINCY TRANSIT NON-LABOR COSTS
(fiscal year 1978)

Rent		\$9,662
Capital expenditures (new equipment)		1,296
Repairs and maintenance:		
Equipment	261	
Real estate improvements	555	
Vehicles	<u>17,451</u>	
Total repairs and maintenance		18,267
Gas, oil, etc.		29,137
Cleaning supplies		398
Departmental supplies		1,812
Professional services		1,745
Stationery, postage, and office supplies		412
Telephone		592
Heating fuel		3,215
Electricity		404
Uniform maintenance		1,800
Travel expense		54
Insurance and bonding		36,943
Advertising and publicity		1,575
Miscellaneous		<u>358</u>
TOTAL NON-LABOR COSTS		<u><u>\$107,670</u></u>

FOND DU LAC AREA TRANSIT
LABOR HOURS AND COSTS
(fiscal year 1978)

	Hourly rate	Estimated Hours in Fiscal Year 1978	Estimated Costs
9 full-time operators	\$5.30	22,000	\$116,600
4 part-time operators	5.30	+ overtime	<u>10,750</u>
			\$127,350
Transit Manager	6.73	2,000	13,460
Office Clerk	5.42	1,000	5,420
2 Washers, Oilers, etc.	5.42	594	3,219
Mechanic	6.15	1,520	9,348
Mechanic Helper	5.70	667	3,802
Foreman	7.50	604	4,530
Accountant	6.00	1,000	6,000
Comptroller	5.30	104	551
Payroll	5.18	361	1,870
Token & Money Counting	7.25	390	2,828
Telephone Answering	4.56	195	889
Overtime (except operators)			<u>4,000</u>
TOTAL LABOR COSTS, excluding fringes			\$183,267
Fringes @ 26%			<u>47,649</u>
TOTAL LABOR COSTS			<u><u>\$230,916</u></u>

FOND DU LAC AREA TRANSIT
NON-LABOR COSTS
(fiscal year 1978)

Leases and rentals		\$2,746
Materials and Supplies:		
Fuels and lubricants	28,420	
Tires and tubes	2,313	
Other	<u>26,294</u>	
Total materials and supplies		57,027
Utilities		2,403
Services ¹		46,283
Casualty and liability		34,435
Miscellaneous expense ²		13,030
Interest expense		10,896
Depreciation and amortization		<u>118,938</u>
TOTAL NON-LABOR COSTS		<u>\$285,758</u>

¹Includes auditing expenses.

²Includes advertising and promotion expenses.

APPENDIX K
NO-BID LETTERS

[REDACTED]

[REDACTED]

September 14, 1977

RECEIVED SEP 16 1977

Mr. Dan Bolton
Project Manager
Dept. of Planning & Development
400 North Hazel
Danville, Illinois 61832

Dear Mr. Bolton:

[REDACTED] appreciates receiving your request for proposal to provide transit management services to the City of Danville. The particular situation in which you find yourself is one which calls for considerable experience in transit management skills, as well as complete familiarity with the Federal Service and Methods Demonstration Program, similar demonstrations and projects in other communities, and the ability to implement effective transit services from scratch. [REDACTED] personnel are fully capable of providing these services and, indeed, our experience includes the establishment of such service in cities of approximately the same size and under the same conditions. However, we regret that we cannot respond to you at this time in conformance with the terms and conditions of your request for proposal. With your indulgence, I should like to explain the reasoning which led us to this conclusion.

1. Physical Assets

[REDACTED] concurs with the report of your consultant that physical assets should be owned by or leased through the City of Danville. This arrangement provides tax benefits and gives full control over such assets to the city, where it rightfully belongs. Since the service period contemplated and the demonstration nature of the project dictate that expensive equipment such as buses be leased, the city should investigate procuring such equipment with an option to purchase same at the end of the lease period. Obviously, new equipment is unavailable on short notice, thus, the equipment will be used. The fleet of eight to ten buses should be in the same model, and we suggest a model such as a GMC 3301, 3501 or similar coach as being more suited to the needs of Danville than that recommended by the consultant. However, the vagaries of the bus market being what they are and the time schedule being extremely short, the city may well have to take what is available as far as equipment is concerned.

Specifications call for buses to be radio-equipped and this would be difficult, if not impossible, for the short term unless the contractor already is using a radio located in the Danville area. Finally, many smaller items will of necessity be required to be purchased during the course of the demonstration projects including certain shop tools, office equipment, etc. which could be used in other areas of the city upon termination of the demonstration project, if the project is not continued.

2. Timing

Based upon our experience in setting up a transit operation from scratch in a community approximately the size of Danville, we do not believe it possible to inaugurate high-quality service by the November start-up date proposed. It does not matter dramatically whether the bus system will consist of eight buses or 800 buses, much of the detail work must be accomplished nonetheless. Among the long-lead items are the following:

- (A) Recruiting, hiring and training of drivers within the regulatory confines of affirmative action, EEO provisions, etc. (We assume all 13 (C) agreements will be made by the city and concurred in by the Dept. of Labor prior to the start of the service.)
- (B) Procurement of vehicles (as outlined above). The vehicles procured will have to be brought to the site and painted, as well as having fareboxes, destination signs, system graphics, etc. installed, which in itself will require significant time.
- (C) Maintenance facilities - see below.
- (D) To be effective, the marketing program should be fully developed and implementation of pre-service aspects should begin well in advance of actual service.
- (E) Bus stop signage and amenities - specific routings will have to be established, which may require neighborhood or even City Council action. Bus stop locations must be identified, cleared with property owners, and signage erected. It is our belief that the reasonable time frame from start of work to inauguration of service is on the order of four months in order to do the job properly. - Admittedly, it may be possible to begin some kind of service earlier; however, it is in the interest of the city and UMTA, as well as the private contractor to insure that the service actually provided is of the highest caliber possible so as to attract the greatest number of riders.

3. Maintenance Facilities

It is normally difficult in a smaller community to obtain specific maintenance expertise in diesel buses. Accordingly, depending upon local conditions, it may be desirable to train maintenance people to be employed by the project as opposed to contracting this function. A related consideration is the availability of suitable space for a garage/administrative building. Past experience indicates that a suitable building or buildings may be located but that the necessary contractual arrangements to effect a lease may take some time. In addition, chances are excellent that certain amount of renovation and clean-up will be required to put the buildings into suitable condition and into compliance with OSHA regulations which requires outside contractors which, in turn, it is assumed, must be hired through the competitive bidding process.

4. Contract Duration

We must take strong exception to the four-month duration of the operating contract proposed. Based upon experience, the various lease or lease-purchase agreements necessary will typically run one, two or three years at a minimum with a significant cost penalty required for a short-term lease, i.e., one year. This is true of buses, certain service equipment and, obviously, buildings. Secondly, the project itself cannot generate sufficient data to be fairly evaluated in a period as short as four months. While on a larger system, a given route extension or schedule modification can be evaluated in that time frame, in the case of Danville, where the entire system must be judged, we do not believe that a period of less than two years would be fair to either the city, the users or the contractor. Our strong recommendation is that the contractor selected be retained for a period of at least two years with automatic extension for the full period of the demonstration project, if performance is satisfactory.

5. Payment

There is certainly merit in an incentive arrangement for a transit management firm to provide service to a city such as Danville; however, the arrangement proposed does work certain hardships. First, since payment will not actually begin until service is "on the street", the contractor must finance the full "front end" costs from his own pocket and pass these on to the city with the associated interest charges as part of the operating agreement. This is probably more costly to the city than advance payment for start-up costs. Secondly, we believe that while a mileage incentive charge may be appropriate in the case of a system whose route and service configuration is relatively well defined, we feel that Danville should have the flexibility over the life of the demonstration project to be able to adjust routes, schedules, hours of service, etc., in response to demands. This ability to adjust was a vital factor in the success of the project which was directed by the author

of this letter. In that instance, meetings with the Citizens Advisory Committee produce a stream of service modifications in terms of schedules, running time, stop locations, transfer privileges, bus stop amendities, hours of service and minor route changes over the course of the project which left the system in a much better and more well patronized status than what would otherwise have been the case. Accordingly, we recommend that a budget for service be established as was done in your consultant's report and that the fee to the management company for the actual operation of service be negotiated in advance.

We feel that the Danville project is a most interesting one and that properly conceived and executed stands an excellent chance of success. In addition, we believe it can benefit the residents of Danville as well as service as a prototype for similar cities' systems throughout the Country. Should the City of Danville desire to reconsider its current request for proposal, the [REDACTED] will be more than happy to respond with a specific proposal for accomplishing the goals as outlined in your transit study.

If you have any questions or would care to discuss in depth any of the matters contained in or alluded to in this letter, I will be more than happy to oblige.

Very truly yours,

[REDACTED]

Vice-President

[REDACTED]

RECEIVED SEP 19 1977

September 12, 1977

Mr. Dan Bolton, Project Manager
Department of Planning & Development
400 N. Hazel
Danville, Illinois 61832

Dear Mr. Bolton:

We are in receipt of your request for proposal for fixed route transit service for the City of Danville, Illinois. It is not within our capability to submit a proposal on the type of service you are requesting. While the goals of your demonstration project are laudable, we sincerely question the soundness of the concept for service. You will find that most management firms are not in a position to provide equipment for operation of service. In addition, we are sure you will find that traditional transit operators and management firms are unwilling to enter into such a high risk situation. Although there is a minimum guarantee payment, the alternate subsidy technique for this project is fraught with risk for the provider and probably with complexity and serious problems for the City. While this technique may work well in subsidized taxicab operations, we doubt it can work effectively in transit operations. The relative short term nature of the service contracts you desire is also far too risky for any sound transit operator or management firm. Finally, the most frightening thing about your proposal is the fact that you will allow different providers to operate perhaps different modes of service on the same route at different times of the same day. Such competition has historically not been productive.

If you so desire, we would be willing to provide you with more detail about our concerns with your request for proposal. At this time it is clear to us that we cannot possibly afford the risk of entering into such a service arrangement.

Our firm, [REDACTED] would be interested in providing a more traditional type of management service to the City of Danville. [REDACTED] is a contract management firm. Under a typical, and we believe sound arrangement, the City of Danville could purchase the rolling stock and physical facilities for operation of a transit system and contract with a management firm to provide management of that system. Under this arrangement the City would be the owner of the transit system and the management firm would be the employer of all transit personnel. Dealing with one management firm in this sort of context would be far easier than dealing with the potential of multiple providers within the context of your Request for Proposal. Such an arrangement would provide the best and most efficient method of provision of transit services to the City of Danville. Our firm would be interested in responding to a Request for Proposal on this basis.

We would also be interested in responding to a Request for Proposal for a more limited type of management assistance. Under another type of arrangement the City of Danville could employ a Transit Manager to run the system. That manager could be backed up by an advisory services contract from a management firm to provide him with the expertise of a larger staff of transit professionals. Such an arrangement could be at a slightly lower cost than a total management contract, and would provide the City with enough expertise and flexibility to efficiently operate the transit system. We would be glad at any time to discuss these with you and are taking the liberty of enclosing a short prospectus of our firm detailing our competence.

Please keep us informed on developments in Danville. Our firm would be very interested in learning of your success in acquiring proposals for operating the transit service under this Request for Proposal. Provision of adequate public transportation service for the City of Danville is an important goal. [REDACTED] would be very interested in working with you to achieve that goal. While we cannot respond to your Request for Proposal we hope this letter gives you an idea of what we could do for your City. If you believe further discussion or correspondence would be fruitful, please let us know.

Yours truly,

[REDACTED]

Vice President - Development

[REDACTED]

Encls.

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Koffman, David.

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