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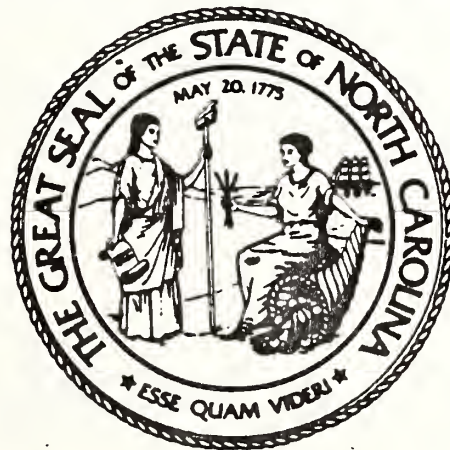
LEGISLATIVE RESEARCH COMMISSION

REPORT

TO THE

1977

GENERAL ASSEMBLY OF NORTH CAROLINA



LOCAL MASS TRANSIT

RALEIGH, NORTH CAROLINA

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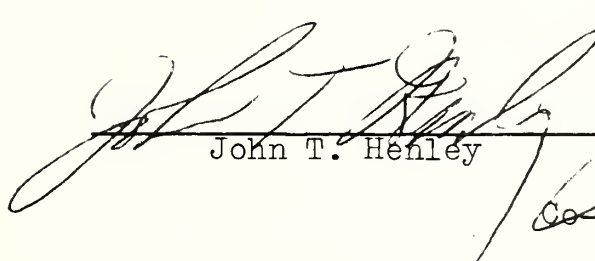
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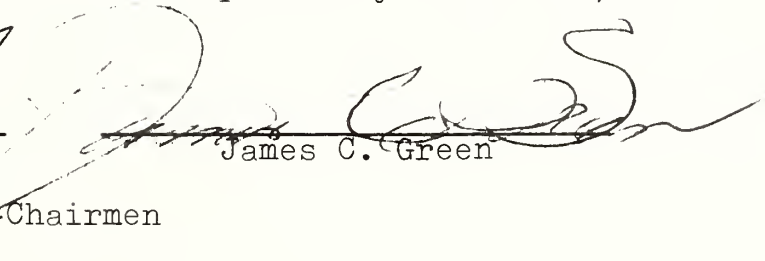
TO THE MEMBERS OF THE 1977 GENERAL ASSEMBLY:

The Legislative Research Commission herewith reports to the 1977 General Assembly of North Carolina on the matter of Local Mass Transit. The report is made pursuant to Senate Joint Resolution 624 of the 1975 General Assembly.

This report was prepared by the Legislative Research Commission Committee on Local Mass Transit, and it is transmitted by the Legislative Research Commission to the members of the 1977 General Assembly for their consideration.

Respectfully submitted,


John T. Henley


James C. Green

Co-Chairmen

Legislative Research Commission



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INTRODUCTION

INTRODUCTION

The Legislative Research Commission, established in Article 6B of Chapter 120 of the General Statutes of North Carolina, is a general purpose study group composed of legislators. The 1975 North Carolina General Assembly directed the Legislative Research Commission to study a variety of issues, including three subjects related to local government matters: local building inspectors, intergovernmental relations, and - the subject of this report - local mass transit.

Representative Hector Ray, a Legislative Research Commission member was appointed Chairman of these three local government studies. Under the authority of G.S. 120-30.10(b), several additional legislators were selected to perform these studies. Representative Allen Barbee, and Senator E. Lawrence Davis were appointed Co-chairmen of the committee to study both local mass transit and intergovernmental relations. After consultation with the Chairman, Representative Barbee agreed to direct the study of local mass transit, and Senator Davis agreed to direct the study of intergovernmental relations. Other legislators appointed to the Committee were Senators James D. McDuffie and Charles E. Vickery; and Representatives Jeff H. Enloe, Jr., Leo Heer, and Marcus Short. In accordance with G.S. 120-30.10(c), Mr. Vardell Godwin was appointed as a public member of the study committee.

Staff assistance was provided to the Committee through the Legislative Services Office and clerical assistance was provided by Mrs. Jean Mims and Mrs. Annie Teague.

Resolution 113 of the 1975 Session Laws, First Session 1975, directs the Legislative Research Commission to perform the study of local mass transit in the following manner:

It shall be the duty of the Commission to make a study of local mass transit problems, and to determine the feasibility of implementing local mass transit programs in this State.

This report summarizes the study committee's work on behalf of the Legislative Research Commission and in response to the mandate given by the 1975 General Assembly. It is separated into the following sections: COMMITTEE PROCEEDINGS*, FINDINGS AND RECOMMENDATIONS, and PROPOSED LEGISLATION.

Before the reader examines the work of this legislative study through its final report, it may be worthwhile to make an additional comment. Committee members recognized at the outset that the subject of local mass transit (and public transportation in general) is complex, technical and yet unquestionably important to the citizens of this State, regardless of whether they live in the center of urban areas, in small suburban communities, or in rural regions. The General Assembly can not ignore this subject, but it should not anticipate providing immediate, simple solutions to the problems of public transportation. This report does not presume to offer such solutions or to suggest that the

* A complete set of committee minutes (prepared in summary form) and other resource materials are on file in the Legislative Library.

General Assembly acting alone can expect to provide them, even over a long time period. Two observations help explain this conclusion. The subject of local mass transit and public transportation is indeed "local": although transportation is no longer a luxury but an outright necessity in our society, each community must evaluate not only available resources (including private systems) and other public service priorities but also such factors as geography and population density in order to determine the manner and quantity of transit support. Without local interest and support neither mass transit nor any other paratransit system can survive. And, the federal government is also active in the public transportation area, making federal funds increasingly available for capital and operating subsidies for mass transit systems. Therefore, to the extent that government can identify problems and provide solutions, it must do so utilizing an intergovernmental approach.

However, the Committee realized that a more comprehensive process is required to begin to appreciate the scope of the subject; in order to broaden its knowledge of the subject and to begin to identify issues which are likely to confront the legislature on a continual basis, it accepted an invitation from the Urban Studies Council of the University of North Carolina to jointly sponsor a "Conference on Solutions to Local Mass Transit Problems," which was held on February 11-12, 1976, in Raleigh.

The Conference was designed to gather information about the needs and problems of public and private mass transit in North Carolina from a variety of people involved in the field of transportation: researchers, planners, operators, and state and local government officials and administrators. Many of the conclusions reached at the Conference are reflected in the FINDINGS AND RECOMMENDATIONS and PROPOSED LEGISLATION sections of this report. A summary of the "Conference Conclusions and Recommendations" appears on page of this report.* Finally, APPENDIX contains a somewhat more detailed outline of the Conference including: the list of speakers and topics discussed at the General Session, issues considered and tentative conclusions of each workshop, and a summary of the legislative study committee meeting held on the second day to receive the report from each workshop.

COMMITTEE PROCEEDINGS

COMMITTEE PROCEEDINGS

The study committee held its organizational meeting on October 14, 1975. Chairman Representative Ray explained the structure of the Legislative Research Commission and the structure of this particular committee. He then introduced Co-chairman Representative Allen Barbee and indicated that Representative Barbee would direct the Local Mass Transit Study. Senator Charles Vickery, a member of the Committee and the sponsor of the bill creating the Local Mass Transit Study, outlined his concerns in this subject area. He noted that his experience living in Chapel Hill and traveling to Raleigh and Durham was that such trips could not be accomplished without the use of a private automobile. It is hoped that the State can begin to inquire into and encourage the development of regional transportation systems in appropriate areas.

Representative Leo Heer suggested that Senator Vickery had identified a basic problem for the State in recognizing that the lack of a dense population places us in a somewhat unique situation. The study should attempt to distinguish problems of large metropolitan areas from the transit problem in North Carolina and be aware that different solutions are probably needed here. Senator Jim McDuffie commented that the financing of mass transit is an extremely important issue. It may be necessary to consider a local option gasoline tax to create

additional funds rather than to depend just on the property tax. And State government must take a stronger role in requiring local governments to cooperate. In order to have a successful mass transit system, there must be cooperation and county lines and city limits must be forgotten for the moment. Another possible source of revenue might include a payroll tax in metropolitan areas for people who commute and thereby cause part of the problem. It is important for the study committee to be aware that everyone who travels and commutes or other wise takes advantage of a mass transit system must be called on to provide payment support.

Representative Barbee suggested that the Committee try to identify other communities in the country that are now dealing successfully with the problem in order to learn from their experiences. Also, the study should review any recent research into the possibility of inter-city rapid transit in North Carolina.

Representative Barbee indicated that he had been contacted by Dr. William Friday who had invited the Study Committee to co-sponsor with the University of North Carolina Council on Urban Studies a Mass Transit Conference to be held in early 1976. The conference would attempt to bring together a number of knowledgeable professionals in this State, in the southeast, and from other regions, in order to examine the mass transit issue and its implications in North Carolina. The Committee unanimously agreed to co-sponsor the conference.

On November 6, 1975, the Committee held its second meeting. Mr. David Robinson, Director of the Division of Mass Transit, State Department of Transportation, commented generally on the status of mass transportation projects in North Carolina. [Appendix D contains a summary of Mr. Robinson's statement to the committee.] Mr. Robinson then asked for committee questions or comments. He noted that intra-city bus travel has declined due to the mobility of the automobile and the availability of gasoline, which has only recently developed a shortage. Another factor is the increase in suburban less dense population; there has not been a quick response by bus companies since operating costs and the purchase of new vehicles have increased substantially in recent years. A bus service simply works best in a more densely populated area. An additional factor is the lack of attractiveness associated with riding a bus. A good marketing campaign is a key to creating an increase in ridership. Winston-Salem and Chapel Hill are two communities that have realized the value of marketing their transit services through public relations.

It was noted that communities can anticipate a problem in trying to get a transportation system to be completely self-supporting without government subsidy, and that city and county transportation authorities are going to have to work together to develop a system to be paid for by all those who have benefited by a transportation

system. It was also observed that, for the most part, people who ride buses generally do so out of necessity: either they have no other transportation, no driver's license, are physically handicapped or there is a lack of parking available at their destination point.

Mr. Robinson commented generally on the potential for inter-city rapid transit. In the long run, the State must prepare for such a system, but at this point in time 95% of the effort should be concentrated on helping individual communities (for example, city bus systems) to get their own transportation systems operational. Any future inter-city rapid transit system will be ineffectual unless it is laid over a healthy transportation system in place at each terminal point.

Mr. Robinson also commented on the development of a system in Michigan which makes use of small on-call mini buses; this is known as a demand response system. This system is principally designed for smaller urban areas where the population is around 30 or 40 thousand. These systems have been studied very carefully before being put into operation to assure the likelihood of success, because this is probably the most expensive type of bus system available. The system involves a great deal of driving, a small number of passengers, and a high individual rate of fare. Michigan is genuinely committed to developing this and other

effective transit systems as indicated by the fact that it uses one-half of 1% of the gasoline tax for transit purposes.

Mr. Robinson also noted that the development of an effective taxi service is important to mass transit. Within the last year the Urban Mass Transit Administration (UMTA) has increasingly begun to recognize this fact in its handing out of federal capital improvement grants and federal operating subsidies. The taxi industry itself has begun to recognize the fact and make progress in certain communities where the cost of operating a bus service is simply too expensive. The Committee requested information about how much money the State would lose if the gas tax from taxi companies was refunded.

It was observed that the State Department of Human Resources is also involved in several programs geared to providing transportation for senior citizens and handicapped persons. Transportation is a key element in the provision of many other services to these citizens. One problem in the social services area is that each individual program is being developed without any attempt to consider coordination with the other programs. Federal funds are available through social service programs to buy vans for private non-profit groups to transport senior citizens to community eating places, to transport groups for food stamps and nutrition programs, and for other similar services. It appears that considerable expense could be saved if buses and vans were made available as part of a coordinated effort.

Mr. David King, with the Division of Mass Transit, commented on efforts to revitalize the Raleigh car pooling program that was begun back in 1972 during the gasoline crisis. Earlier this year the State Energy Conservation Council recommended that the car pooling program be revitalized. Planning is in the initial stage in the downtown area; the State government complex is a primary target area since there are approximately 13,000 employees in the downtown area of which about 8,500 are State employees. Mr. King also commented that the Division of Mass Transit is interested in car pooling in other unusual forms of ride sharing. in addition to working with intra-city bus systems. One example was the park and ride program used in Charlotte for a short while.

Senator McDuffie suggested that the Committee might want to propose a one day a week car pool program which, carried out effectively, could conserve almost 20% of energy being expended on transportation. Employers should consider encouraging car pooling by providing some incentive to employees such as leaving work 15 minutes early, or receiving a long coffee break. In responding to questioning about the Utilities Commission's jurisdiction over transportation routes, Mr. Robinson pointed out that the Commission does not regulate routes of city bus systems and city buses operating in a franchised area can alter routes as they see fit. On the other hand, inter-city buses are regulated by the Utilities Commission and cannot drop services within a

franchised area without the Commission's approval. The Commission does regulate fares for city bus operation.

It was pointed out that the public has no incentive to use public transportation except in times of necessity, and there needs to be education about the convenience of mass transit busing or car pooling. For example, information should be developed and highly publicized about the cost savings involved. Also, it was noted that if a car pooler receives an incentive from his employer, a regular bus rider should receive a similar incentive.

Mr. Dale Stahl from the Office of State Planning, commented generally on the rail line situation, noting particularly the subject of rail line abandonment and the consolidation of railroad companies. The committee expressed a general interest in the issue of rail line abandonment: the appropriate State agency needs to keep updated on developments in this area and the State should have a first option to purchase or reclaim any such abandoned lines. Certain of these railroad beds may be suitable for use in a future inter-city rapid transit system, and the State should consider this possibility before relinquishing its claim.

Senator Vickery reported on his participation at a recent seminar, the Fifth Annual Conference on New York State Transportation. He suggested that certain of the speakers who had been present at this conference should be contacted for possible

participation at the February Mass Transit Conference to be co-sponsored by the Study Committee. While the New York Conference emphasized big city transit, it also examined the topic of mass transit funds for rural areas. Senator Vickery indicated that the consensus at the New York Conference was that the state role in mass transit is limited; state government cannot operate wide area mass transit systems, but the state can provide administrative leadership for compiling information to help local communities. Another important topic discussed at the conference pertained to existing mass transit bus systems and the need to regionalize these systems to better serve larger numbers of people. Apparently the Urban Mass Transit Association is making federal funds available for pilot projects in various regions throughout the country. The Committee should encourage some such pilot project in North Carolina, possibly utilizing an existing transportation system as part of a more regional system.

On February 11 and 12, 1976, the committee participated in the North Carolina Conference on Solutions to Local Mass Transit Problems, held in Raleigh, North Carolina. This conference was co-sponsored by the University of North Carolina Council on Urban Studies and the Legislative Research Commission Study Committee on Local Mass Transit. During the morning session on

the first day, several distinguished officials spoke to the conference concerning the need for the State to begin to address the problem of mass transit. During the afternoon session, six workshops were held simultaneously to provide for a more concentrated examination of the following specific topics: regional public transportation, urban public transportation, rural public transportation, paratransit, car pooling, and state agency commitment. The Legislative Study Committee held a regular meeting on the second morning of the conference to receive a report from a spokesman for each workshop concerning the significant issues identified, conclusions, and recommendations for legislative action. Appendix E contains a summary of activities during the two-day conference, including an outline of the information brought forth in each of the six workshops. A separate publication has been prepared by the Division of Continuing Education and the Division of Mass Transit of the Department of Transportation, entitled Local Mass Transit in North Carolina, Conference Proceedings, February 11-12, 1976. This publication contains a detailed and well-organized account of the Conference activities. Following is an outline of the Conclusions and Recommendations reached at the Conference, reprinted from the publication:

CONFERENCE CONCLUSIONS AND RECOMMENDATIONS

The conclusions and recommendations which resulted from the six workshops and the general sessions have been grouped under common themes and are outlined below. More detailed discussions of these recommendations can be found in the workshop summaries and resource papers.

A. State Financial Support

Conclusion 1: The public transit industry has become too heavily dependent upon Federal financing. More State and local financial support is needed for public transportation.

Recommendation (a): The General Assembly should appropriate funds for a rural and urban transit assistance program which provides one year start-up (or demonstration) financial and advisory assistance (such as in the State of Michigan).

Recommendation (b): The General Assembly should increase the administration and grant program budget for the Division of Mass Transportation.

Recommendation (c): The General Assembly should consider more flexible use of current State mass transportation funds, rather than restricting the use of funds to only matching Federal capital and planning grants.

Conclusion 2: State Government must take the lead in setting up new methods of financing public transit.

Recommendation (a): The General Assembly should investigate possible new sources of revenue such as the ad valorem tax.

Recommendation (b): The General Assembly should refund State gasoline taxes paid by taxi and private non-profit public transportation operators.

Recommendation (c): The General Assembly should require State agencies to pool transportation resources from all state programs to create one public transportation fund.

B. Coordination of Resources

Conclusion 1: There is a great need to coordinate all transit and paratransit resources in order to provide more efficient services.

Recommendation (a): The State Division of Mass Transportation should provide more technical assistance to insure that social service agencies coordinate among themselves and with other transportation providers.

Recommendation (b): The Department of Human Resources should emphasize more efficient use of existing transportation services rather than automatically allowing individual agencies to purchase their own vehicles.

Recommendation (c): Local social service agencies should have a more active liaison with regional and state agencies.

Recommendation (d): There needs to be greater interagency coordination on public transit within State Government, especially among the Department of Transportation, Human Resources Administration, Agriculture, and Natural and Economic Resources.

Recommendation (e): There needs to be improved coordination in the planning and programming of transportation improvements within the Department of Transportation especially in regard to thoroughfare and transit programs.

C. Legislative Needs

Conclusion 1: North Carolina laws inhibit the operations of various transportation services.

Recommendation (a): The North Carolina Utilities Commission laws should be flexible enough to allow for transit improvements without unnecessarily lengthy Utility Commission hearings.

Recommendation (b): The General Assembly should consider reforming laws which prohibit the operation of paratransit programs, such as allowing carpool drivers to make a profit and exempting vanpools (for work trip purposes) from common carrier regulations.

Recommendation (c): The Legislative Study Committee should adopt a resolution to support pending Federal legislation S.662 which, if passed, will provide operating funds for transportation projects in rural areas. (This resolution should be sent to all North Carolina congressional members).

D. Public Transit Planning

Conclusion 1: Before an area or agency establishes a transit program, it must first identify the population to be served. In addition, transportation systems must build flexibility into their plans.

Recommendation (a): In order to lower costs, operators must concentrate on transit marketing, management, and

Recommendation (b): The State needs to help initiate transit service innovations and improvements and to allow sufficient time for these projects to establish themselves. The Division of Mass Transportation should then be responsible for making other areas aware of the innovations and improvements.

Recommendation (c): The State Division of Mass Transportation should develop criteria for the purpose of evaluating the performance of public transportation projects in North Carolina. Such an evaluation will be useful in insuring the proper allocation of resources for the continuation of successful and efficient public transit projects.

Recommendation (d): The Department of Transportation must play a more active role in the planning and implementation of rural transportation services.

E. Regional Transit

Conclusion 1: There is a vital need to investigate the problems and alternatives of providing regional public transportation service in North Carolina.

Recommendation (a): The State should provide policy guidelines as to what constitutes regional public transit.

Recommendation (b): The Department of Transportation should establish the policy that in any regional transportation planning process, public transit will also be considered.

Recommendation (c): The Legislature should appropriate funds for regional public transit development.

Recommendation (d): The State should encourage the creation of regional public transit authorities which would be responsible for coordinating, planning, and providing transit service in an appropriate geographical area.

F. Education

Conclusion 1: It is extremely important to educate policymakers and the general public concerning the issues and role of public transit in North Carolina.

Recommendation (a): The Division of Mass Transportation should establish a training program for lay-board members of transit committees or authorities.

Recommendation (b): The State Legislature should appropriate funds to educate the general public in matters of public transit.

The Committee held its fourth meeting on April 1, 1976. One purpose of the meeting was to follow up on several matters raised at the February Mass Transit Conference. Many of the speakers attending this meeting were participants at the Conference.

Professor Arthur Saltzman, Director of the Transportation Institute, North Carolina Agricultural and Technical State University, commented on a number of research projects which started in 1970 and focused on the mass transit problems in smaller cities and rural areas in North Carolina (funded by the Urban Mass Transportation Administration). A great deal of this research can provide useful input to policy makers who must decide on the appropriate course to provide better public transportation for the citizens of the State. One result of the research indicated that persons without access to an automobile in rural areas are perhaps in a worse position than those without access to an automobile in urban areas. In effect, the rural poor are completely isolated. It was noted that in less densely populated areas people need demand responsive transportation on a daily or weekly basis; this is especially important for elderly and handicapped. Transportation planners must become more sensitive to the needs of the people being served. In fact, the term "mass transit" is not appropriate in small cities in rural areas. A better term is "public transportation".

Mr. Saltzman also stated that the State should begin to consider subsidies for operating rural and small urban area mass transportation. At present North Carolina is not getting its share of federal money because it cannot offer adequate State matching money. One problem is the lack of flexibility in the use of Powell Bill funds. Another aspect of the transportation problem in rural areas is the lack of consolidation of resources.

Mr. Saltzman pointed out that one result of the research would be to produce a handbook on how to plan and manage rural transportation systems; it would instruct persons who actually do the planning on how to implement a rural transit system. (A detailed summary of Dr. Saltzman's remarks can be found in Appendix F, Exhibit 1.)

In response to questioning, it was pointed out that State funds currently available to match federal dollars come from the General Fund and not from the State gasoline tax.

Mrs. Ruth Mundy, Lumber River Council of Government Program on Aging in Bladen and Robeson County, discussed her work in Robeson County church and community centers the last six years. A portion of her work is to provide transportation for certain persons in need of medical attention, social services, social security, and mental health. She is working to provide coordination of transportation for all the existing social services in her region. For such coordination to be successful, it requires

the cooperation of several agencies, notably the Department of Social Services, the Mental Health Department, the Health Department, and doctors. It was pointed out that the city council had provided matching funds to buy two mini vans, but there is a need for more operating funds. Mrs. Mundy suggested it would be helpful if a portion of the gas tax money could be used for such operating funds.

Mr. Gorman Gilbert, from the Department of City and Regional Planning, University of North Carolina at Chapel Hill, spoke about urban transportations, the kinds of mass transit programs that currently exist, and the possibility of this State looking to paratransit as a distinct and more responsive approach to North Carolina's special transportation problems. Very recently, a fairly substantial amount of federal money has been available for local mass transportation purposes. Despite the millions of dollars of federal money that has been spent to buy almost 1,000 new buses, there are still substantial problems. One problem is simply that many communities are not served by mass transit: nationwide there are approximately 800 cities that have any form of public mass transportation at all, yet there are 2,500 communities that have taxi service. In North Carolina, there are approximately 43 cities over 10,000 population; 14 of these cities have mass transportation systems, and 29 cities have no form of mass transportation other than taxis or special service vehicles. The role of the State Division of Mass Transit needs to be beefed up.

Currently there are only six people in the Division. It does not need to be turned into an enormous bureaucratic division, but it is important to provide at the State level a fair amount of technical expertise.

Mr. Gilbert commented on the concept of paratransit which includes the whole range of services from taxis to car pooling to van pooling to subscription buses. Paratransit is becoming an attractive concept because historically it has done pretty well; its success may stem in large part from the fact that it has basically been ignored up until this time. It exists largely in the private sector, and has been operated in an unsubsidized fashion. It appears to be a cost efficient enterprise at least partly because it rewards productivity. Very recently paratransit programs, principally taxi service, has begun to face financial problems because operating expenses are escalating, so it appears that there is increasing interest in subsidies. One of the main reasons for the increased operational costs is the higher cost of fuel, yet the taxi industry cannot forever pass on increased cost of fuel in the form of increased fares to its customers. If it does this it will price itself out of business.

A recent study on taxi cab user characteristics indicate that the myths that taxi users are either high income persons or low income persons using the taxi for frivolous reasons are simply not true. Like people who ride the bus, people basically use taxis because they have no other service available or cannot afford other service.

Mr. Gilbert recommended that the committee consider recommending that the 1977 General Assembly direct the State Secretary of Transportation to conduct an in-depth study of legal impediments to paratransit utilization - such a study to examine such matters as taxation and liability insurance barriers. A separate recommendation is that the Committee consider drafting legislation which would allow taxis to be refunded the gas tax that they currently pay and that it not be paid by a mass transit operator. It is estimated that such a refund would amount in a 2% decrease in the cost per mile for a taxi cab to operate. An alternative to the second recommendation would be to refund the gas tax to taxi operators who provide "group riding." Group riding means that when more than one person is riding a taxi at the same time starting from the same origin and going to the same destination, the fare charged is the same as if there was one person riding in the cab. This practice already occurred in more than half the cities in North Carolina. An additional recommendation is that in every instance when the General Assembly decides upon a policy to help bus systems that taxis be treated in a similar manner to the extent that the taxis provide "shared riding." Shared riding means that a taxi carrying one passenger may stop in transit to pick up another passenger or passengers, even though each passenger may have a different destination. (A detailed summary of Mr. Gilbert's remarks can be found in Appendix F, Exhibit 2.)

Mr. James Barnett, from the Choanoke Area Development Association, spoke about rural public transportation. His association is a non-profit private organization formed in 1961 and serving four counties. Its overall budget runs about two million dollars per year. In recent years the association has been primarily concerned with problems facing the low income group which amounts to about 40% of the population in the region. Mobility is the number one common need of this population. The association now handles approximately 70,000 passengers per year utilizing 12 vehicles, each vehicle with an average lifetime of about 48,000 miles. Mr. Barnett commented upon the association work in bringing together as a variety of social service deliverers, each of which initially wants exclusive use of the vehicle. The association has worked to encourage cooperation and the sharing of vehicles whenever possible. Mr. Barnett indicated that he believed it is possible to develop an integrated transit system serving both the needs of the public at large and serving the broad range of the social service sector; such a system can be run with a minimum of new subsidies provided existing programs are tied together. In this connection, he stated that the primary need for financial assistance differs from that expressed by most of the other speakers that have talked to the Committee: that is, capital assistance is sorely needed and needed immediately.

Mr. Barnett suggested that there needs to be an agency within State government to take the lead role for coordination of mass transit efforts - this agency would be able to examine the range of problems throughout the State. It appears that the Division of Mass Transit within the Department of Transportation is the appropriate location for such agency. One problem currently with that division is that the State money available to the division has certain constraints that should be removed. Currently, a vast majority of State money is used solely as matching funds for federal dollars coming into the State. The division should receive a substantial amount of money that would allow it to do research and also to fund State demonstration projects to develop good cost effective programs and discard those that are not effective. (A detailed summary of Mr. Barnett's remarks is found in Appendix F, Exhibit 3.)

During the afternoon session of the meeting, Mr. Edward Hipp, legal counsel for the State Utilities Commission was available to answer committee questions. He stated that there are approximately 40 bus companies in the State who hold franchises and operate and provide service to the best of their abilities, and that these are unsubsidized companies. Under the utilities laws taxis are defined as vehicles transporting no more than nine persons, and anyone is entitled to operate such a vehicle. Such operator would have to comply with the North Carolina insurance laws and motor vehicle laws; additionally, some cities and towns

have local ordinances requiring special licenses. Mr. Hipp noted that on the issue of abandoned railroad lines, there are many situations where the abandonment of a railroad can be made with the approval of the Interstate Commerce Commission, and thus the Utilities Commission has been pre-empted by the federal interstate commerce act. For example, two railroad proceedings on abandonment are currently before the Interstate Commerce Commission.

On September 30, 1976, the Committee held its seventh meeting to further consider possible legislative proposals and other recommendations to be included in its final report to the Legislative Research Commission. The following sections of the report enumerate the study group's findings and recommendations and, in appropriate instances, the proposed legislation necessary to implement these conclusions.

FINDINGS AND RECOMMENDATIONS

FINDINGS AND RECOMMENDATIONS

1. "Mass Transit" and "Para-transit" defined:

As defined by the Federal Urban Mass Transportation Act of 1964 (as amended), mass transportation is "transportation by bus, or rail or other conveyance, either publicly or privately owned, which provides to the public general or special service (but not including school buses or charter or sightseeing service) on a regular and continuing basis."

Para-transit (as explained by Dr. Gorman Gilbert, City and Regional Planning, UNC at Chapel Hill) includes the whole range of services - taxis, car pooling, van pooling, dial-a-ride, jitneys - that exists between mass transportation on one side and the private automobile on the other side.

2. Inter-city rapid transit in North Carolina: At present, North Carolina does not appear to need a sophisticated inter-city rapid transit system. In 1973, the General Assembly authorized the Department of Transportation and Highway Safety to study the mass transit needs and alternatives for rapid inter-city travel in the State. In March of 1975, the Department's Division of Mass Transit responded with a report entitled Rapid Transit in the Piedmont: A Preliminary Appraisal. The geographic focus of this study is the ten county area extending from Raleigh to Charlotte and known as the piedmont crescent.

This region was selected because it is the most densely populated area within the State and therefore the one most likely to sustain an operational inter-city transit system. The conclusions of the report indicate that such a sophisticated transit system is not an immediate, high priority need and will probably not be constructed for several years. By the time such system is ready to be designed and constructed, it may in fact be built as part of a larger rapid transit system blanketing several states. Although long range transportation planning efforts should continue to monitor the feasibility of inter-city rapid transit within the State or as part of a regional plan uniting several states, more immediate concerns are intra-city mass transit and rural transportation services. Significantly, these systems will represent probable terminal locations for any future inter-city transit lines, and the success of an overall city scheme will depend in large part on whether these healthy "feeder" systems are operational at various points along the route.

3. Local "mass" transit v. public transportation services:

While looking at the various mass transit systems operating in the State, it has become apparent that many communities and citizens are not served by mass transit nor are many of them likely to receive such service in the foreseeable future. The cost of providing such service would be too high - both to the

provider and to the customer. Available statistical data bears out this conclusion: while there are approximately 43 cities in North Carolina with population over 10,000, only about 14 of them have mass transit programs. About 29 have no form of transportation service other than taxis or special service vehicles. At the national level, approximately 800 cities have some form of public mass transportation, and 2,500 communities have taxi service. One of the first problems that the Committee has encountered in attempting to study local mass transit problems is the fact that, because of our State's particular population characteristics, this form of transportation is impractical for answering the needs of a large number of our citizens. The problems of local mass transit are real and worthy of attention, but they should be examined as part of the consideration of a broader subject: public transportation services. For one thing, many of the people expert in transportation matters who have addressed the committee are knowledgeable not only about mass transit problems but also about the transportation problems that face citizens who do not have access to mass transit. And, these speakers have shown a genuine concern for seeing that the Legislature be aware that other modes of transportation are more suitable for providing service to rural communities. As one speaker pointed out in addressing the Committee, people in rural areas without access to transportation are perhaps worse situated than people in urban areas without access to transportation. This Committee

believes that in order to fulfill properly its obligations to the Legislature, it should focus directly on and report on the issue of public transportation services.

4. The cost of public transportation: Nationally in 1974 the transit industry lost 23¢ per passenger carried. In North Carolina, 1968 is the last year that any intra-city bus operations reported operating expenses which were less than operating revenues. The Committee has received testimony from several sources that stresses one point: government at every level can anticipate that it will be asked to subsidize a portion of the cost for providing transportation service to the public. This is true for bus lines and has recently become true for taxicabs. Proper management can effect more efficient operations and significant cost reductions, but it is unrealistic to expect profitable or break-even results.

This study has generated a great deal of discussion about State government's role in addressing the cost problem. To the maximum extent possible, fiscal responsibility should be placed on the taxpayers within the geographic region to be benefited by the transit service. Currently federal assistance is available, and it has been particularly important in establishing or maintaining several intra-city bus systems. In order to receive federal funds, certain matching requirements must be met within North Carolina (combination State and local). For

planning assistance in any area, a 20% match must be provided. For capital equipment, the same figure applies. For operating assistance, 50% matching funds must be provided; but operating assistance is only available in areas of population greater than 50,000. Less densely populated regions cannot obtain federal money for operating assistance.

But the Legislature can expect to be asked to offer increased fiscal assistance in the area of public transportation service. One source of money may be a portion of the Powell Bill funds, which are now restricted for use exclusively to improve streets and highways. Powell Bill funds are appropriated annually out of the State Highway Fund in an amount equal to 1¢ of the gasoline tax and are available to the municipalities of the State. G.S. 136-41.1 makes clear that such funds are allocated to municipalities for the purpose of "maintenance, repair, construction, reconstruction, widening, or improving streets". G.S. 136-41.3 spells out in somewhat greater detail the restrictions on the use of these funds; for example, money can be used on bridges, curbs and other necessary appurtenances generally with street improvement. Testimony from several sources has suggested that the General Assembly consider expanding these restrictions and allow municipalities to use Powell Bill funds also to fund other transportation programs, including but not limited to mass transit and car pooling. Thus, a city would

have discretion to use the Powell funds as it sees fit, taking into consideration the full range of relevant factors (such as other sources of funds for transportation services, priorities among various transportation projects, and the relative priority of transportation service to other public services in the community).

At the present time in the 11 "urbanized" areas of the State, the total amount of money spent for street improvements exceeds the Powell Bill fund allocation to these areas by about 4 to 1, on the average. Changing the law to expand the purposes for which these funds can be spent by a municipality is not likely to alter the fact that most of the dollars will continue to go for street improvements. The change may be warranted, nonetheless, because it is consistent with the State's role of encouraging communities to consider all aspects of the transportation "picture" before making fiscal decisions on behalf of their citizens. And, such a change exemplifies the State's attempt to authorize "home rule" in appropriate instances.

5. County authority to issue general obligation bonds:

Although both counties (G.S. 153A-274) and cities (G.S. 160A-311) are authorized to own and operate bus lines and mass transit systems, under current laws only cities are authorized to issue general obligation bonds to pay the "capital costs" for such facilities (G.S. 159-48(d)(1)). There is no logical reason not to extend this authority to counties, and this method of

financing transportation systems may be more suitable than property tax levies or revenue bond issues. Property tax levies would have to be very substantial in order to raise the necessary capital to initiate or upgrade a public transit system; revenue bonds would probably not raise enough revenue to service the bonds. A representative of the North Carolina County Commissioners Association indicates that there has not been a specific request by a county for this legislation, but that as a basic policy this is only enabling legislation; and, the need for public transit facilities is growing and appears to transcend city limits.

The Committee has drafted legislation "PROPOSAL 1" in the next section of the report - to extend to counties the authority to issue general obligation bonds to pay the "capital costs" (as defined in present G.S. 159-48(h) for public transportation facilities. Note that use of the term "public transportation facilities" is intended, in keeping with the Committee's finding that all "public transportation" rather than just "mass transportation" should be the focus of the State's interest and assistance.7 Section one of "PROPOSAL 1" makes the basic change in the statute, adding a new subdivision to G.S. 159-48(b) which lists those items for which both cities and counties can issue general obligation bonds. Section two deletes the present authorization

for cities above, in G.S. 159-48(d), as unnecessary. Section three makes a conforming change in G.S. 159-49 in order to maintain the restriction that a bond issue for transit purposes requires voter approval.

6. Transit authorities: North Carolina's cities, towns, and counties are authorized by statute to own and operate "bus lines and mass transit systems" (G.S. 160A-311(5) and G.S. 153A-274(6)). Within limits, each governmental unit is allowed to operate its public enterprises outside of its boundaries. Any reasonable rules and regulations may be promulgated by each unit for the protection and regulation of its public enterprises. Two or more units of local government may enter into contracts or agreements with each other in order to execute a joint exercise of power (G.S. 160A-460 through G.S. 160A-465).

In spite of the broad scope of possible authority delegated to cities and counties for operating public transit systems, at least two municipalities (Winston-Salem, 1967, and Raleigh, 1975) have had special legislation enacted to allow the establishment of transit authorities with duties and powers tailored to the specialized needs of operating public transit. A third municipality (Charlotte) seriously considered the possibility of requesting similar special legislation and had a legislative proposal drafted. This pursuit of special legislation by the municipalities which have embarked on the operation of public

transportation indicates a need for general enabling legislation to allow other governmental units to establish transit authorities with powers appropriate to the operation of public transit. To require each city or county to seek special legislation for establishing a transit authority will mean delay and added cost in the implementation of a public transit system, not to mention the time and cost which will be consumed in the legislature in the consideration of special legislation.

The Committee recommends that the 1977 General Assembly consider enacting legislation that would allow local units of government to create a transportation authority by resolution or ordinance. "PROPOSAL 2" is draft legislation to accomplish this objective. It was drafted by the staff of the Division of Mass Transit, at the Committee's request. Note that the proposal provides for the consolidation of a parking authority (established in Article 38 of G.S. Chapter 160) with the Public Transportation Authority, if the municipality prefers this approach. The proposal also allows additional local units of government to join an existing Transportation Authority.

7. Car pools and van pools as "for-hire" vehicles: A privately owned vehicle seating nine or less passengers may operate without additional legal restrictions in a car pool, provided the passengers pay no higher total fare than is

necessary for the "cost of operation" of the vehicle. (Cost of operation apparently extends to depreciation and insurance costs.) If a car pool operator attempts to make a profit beyond the "cost of operation," his vehicle is classified as "for-hire" under the State motor vehicle law (G.S. 20-4.01(27)(b)), which results in higher registration fees, higher insurance standards, more stringent safety regulations, and mandatory registration with the Utilities Commission. A car pool operator is not likely to make sufficient profit to offset these additional expenses. (More difficult problems exist for the owner of a van who attempts to establish a van pool for profit. The net result is the same - a total disincentive to establishing a van pool.) The law in North Carolina is not designed to provide any incentive for a driver to organize a car pool.

The Committee has been persuaded by the information presented that while a car carrying one passenger is one of the most inefficient transportation modes, a car carrying two or more passengers becomes extremely efficient. Therefore, citizens should not be discouraged from operating a car pool or van pool, particularly one that makes one round-trip a day to and from places of regular employment.

The Committee recommends that the 1977 General Assembly enact legislation to exempt vehicles operated in the above

fashion from the classification of for-hire vehicles, which legislation would amend G.S. 20-4.01 (27)(b). PROPOSAL 3, Section 1, contains proposed legislation which will achieve this result.

8. Transportation of employees - exemption from "common carrier" classification: Passenger vehicles operated for compensation and not exempted by G.S. 62-260 of the Public Utilities law of North Carolina are classified as "common carriers" and are highly regulated by the State Utilities Commission in such matters as creation, permissible routes and fares, discontinuance of service, and insurance. An example of a common carrier is an intercity bus system. G.S. 62-260(a) lists several categories of persons and vehicles that are not regarded as "common carriers;" G.S. 62-260(a)(7) specifically exempts "transportation of bona fide employees of an industrial plant to and from their regular employment(.)" This exemption exists regardless of who owns or operates the vehicle. Such exemption is appropriate, but there is no present justification for applying it only to employees of an industrial plant. The Committee recommends that G.S. 62-260(a)(7) be rewritten to include "transportation of any bona fide employees to and from their place(s) of regular employment." PROPOSAL 3, Section 2, contains a provision to effect this result.

9. Church parking lots: G.S. 105-278.3 exempts from taxation the real and personal property wholly owned by a religious

institution and used exclusively for religious, charitable, or other designated purposes. It is unclear whether a church can permit its parking lot to be used for a paratransit program, even gratuitously, without losing a portion of its property tax exemption. Because the law does not provide specifically for the exemption, a church is discouraged from becoming involved in such program.

Church parking lots would appear ideal for use as "park-and-ride" lots for carpool, vanpool, and bus passengers; they also may serve as a parking location for carpoolers near their places of employment. No capital outlay is necessary for this portion of a paratransit program, and church lots are usually vacant during weekdays. The Committee recommends legislation to amend G.S. 105-278.3 to provide that religious institutions will not jeopardize any portion of their property tax exemption by allowing their parking lots to be used for "parking or any other use." It is also recommended that a church be permitted to charge for the use of its parking lot in an amount not greater than the cost of actual maintenance expenditures for the parking lot (i.e., cleaning-up trash, normal repair) estimated to have been made on account of the additional "use". PROPOSAL 3, Section 3, contains the Committee's draft provision which accomplishes the result by adding a new subsection (g) to G.S. 105-278.3.

10. Priority treatment in State employee parking lots:

The Secretary of Administration is responsible for adopting and enforcing reasonable rules and regulations concerning the parking of automobiles on public grounds. When parking spaces are assigned to a state agency, it must adopt written guidelines governing its individual assignment of spaces (G.S. 143-340(18)). The Committee recommends enacting legislation to provide that such agency guidelines give priority treatment to the physically handicapped and to carpoolers and vanpoolers. PROPOSAL 3, Section 4, contains the relevant provision, which amends G.S. 143-340(18).

11. Public enterprises: Counties and cities are authorized by statute to operate certain specified public enterprises, including "bus lines and mass transit systems." As discussed in FINDING #3, the Committee believes, if possible, the focus should be shifted away from "mass transit" as a separate item of concern and toward "public transportation" as a broader subject which includes the topic of local mass transit as a major component. Communities should be encouraged to examine the total public transportation picture in allocating resources; citizens in less urban areas are entitled to some consideration in the process. The Committee recommends that the term "bus lines and mass transit systems" be changed to "public transportation systems" in

G.S. 153A-274(6) relating to Counties, and in G.S. 160A-311(5) relating to Cities and Towns. PROPOSAL 3, Sections 5 and 6, make this change.

12. Motor fuel tax refunds for private non-profit transportation services: G.S. 105-446.3 currently provides a reimbursement of 8¢ per gallon of gasoline tax paid on motor fuel used in operating motor buses transporting fare-paying passengers in a city transit system. Testimony from several sources alluded to this statute and suggested that the tax refund should be broadened to encompass private non-profit transportation services and/or taxis. One of the workshops of the Mass Transit Conference made a specific recommendation to this effect (see page 14 of this report, Conclusion 2, Recommendation (b)). Due to time limitations, the Committee was unable to consider fully the various aspects of this subject and therefore declines to include a formal recommendation in this report. For information purposes, draft legislation has been prepared which extends the motor fuel tax refund to private non-profit transportation services. It is set out in APPENDIX H. The respective Transportation Committees of the Senate and House of Representatives are respectfully requested to examine this draft for possible enactment.

13. State programs related to public transportation:
Article 2B of G.S. Chapter 136 designates the State Board of

Transportation as the state agency responsible for administering federal programs relating to mass transportation. Several participants have indicated that there is a need for greater flexibility by the state agency performing this function under the Board's direction - the Division of Mass Transit. Currently, the Division is authorized to spend state funds essentially only as a "match" for federal funds. A problem exists because most federal funds are allocated through the Urban Mass Transportation Administration and are thus designed to assist urbanized regions. While certain areas of North Carolina qualify to apply for these federal funds, many less populous communities cannot obtain such funds (because they do not necessarily need large bus or other mass transit systems). The General Assembly should consider enacting legislation to give the appropriate state agency authority to allocate State funds for public transportation programs, particularly with regard to programs not funded by federal dollars. Draft legislation has been prepared by the Committee; it is set out in APPENDIX I. The respective Transportation Committees of the Senate and House of Representatives are respectfully requested to examine this draft for possible enactment.

PROPOSED LEGISLATION

SESSION 197

INTRODUCED BY:

**DRAFT
FOR REVIEW ONLY**

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO EXTEND TO COUNTIES THE POWER PRESENTLY GRANTED
3 TO CITIES TO BORROW MONEY AND ISSUE GENERAL OBLIGATION BONDS
4 TO PAY CAPITAL COSTS FOR PROVIDING PUBLIC TRANSPORTATION SYSTEMS.

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 159-48(b) as it appears in the 1975
7 Cumulative Supplement to 1972 Replacement Volume 3D is amended
8 by inserting a new subdivision to be numbered (23) and to read
9 as follows:

10 "(23) Providing public transportation facilities,
11 including without limitation equipment for public
12 transportation, buses, surface and below-ground
13 railways, ferries, and garage facilities."

14 Sec. 2. G.S. 159-48(d) as it appears in the 1975
15 Cumulative Supplement to 1972 Replacement Volume 3D is amended
16 by deleting subdivision(1).

17 Sec. 3. G.S. 159-49 as it appears in the 1975
18 Cumulative Supplement to 1972 Replacement Volume 3D is amended
19 in subpart (2) of paragraph one by deleting the language "(except
20 purposes authorized by G.S. 159-48(b)(3), (11), (16), or (22) or
21 by G.S. 159-48(d)(1) or (2))" and inserting in its place the
22 language "(except purposes authorized by G.S. 159-48(b)(3), (11),
23 (16), (22), or (23) or by G.S. 159-48(d)(2)"; and,

24 G.S. 159-49 is further amended in paragraph two by

1 deleting the language "(except purposes authorized by G.S. 159-48
2 (b)(3), (11), (16), or (22) or by G.S. 159-48(d)(1) or (2))" and
3 inserting in its place the language "(except purposes authorized
4 by G.S. 159-48(b)(3), (11), (16), (22), or (23) or by
5 G.S. 159-48(d)(2))".

6 Sec. 4. This act shall become effective upon ratifica-
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A BILL TO BE ENTITLED
 AN ACT TO AUTHORIZE MUNICIPALITIES TO CREATE PUBLIC
 TRANSPORTATION AUTHORITIES

The General Assembly of North Carolina enacts:

Section 1. G.S. Chapter___ is hereby amended by adding a new Article___ to read as follows:

"ARTICLE .

"Public Transportation Authorities.

"§___. Title. ---This Article shall be known and may be cited as the "North Carolina Public Transportation Authorities Act."

§___. Definitions. -- As used in the Article the following words and terms shall have the following meanings, unless the context shall indicate another or different meaning or intent:

(1) "Authority" shall mean a body corporate and politic organized in accordance with the provisions of this Article for the purposes, with the powers and subject to the restrictions hereinafter set forth.

(2) "Governing body" shall mean the board, commission, council or other body, by whatever name it may be known, in which the general legislative powers of the municipality are vested.

(3) "Municipality" shall mean any county, city, or town of this State, and any other political subdivision, public corporation, authority, or district in this State, which is or may be authorized by law to acquire, establish, construct, enlarge, improve, maintain, own, and operate public transportation systems.

(4) "Municipality's chief administrative official" shall mean

the county manager, city manager, town manager, or other person, by whatever title he shall be known, in whom the responsibility for the municipality's administrative duties is vested.

(5) "Public transportation" shall mean transportation of passengers whether or not for-hire by any means of conveyance, including but not limited to a street railway, elevated railway or guideway, subway, motor vehicle or motor bus, either publicly or privately owned and operated, holding itself out to the general public for the transportation of persons within the territorial jurisdiction of the Authority, including charter service.

(6) "Public transportation system" shall mean, without limitation, a combination of real and personal property, structures, improvements, buildings, equipment, plants vehicle parking or other facilities, and rights-of-way, or any combination thereof, used or useful for the purposes of public transportation.

§ ____ . Creation: Membership. -- A municipality may, by resolution or ordinance, create a transportation authority (hereinafter sometimes referred to as the "Authority"). It shall be a body corporate and politic. It shall consist of up to eleven (11) members as determined by the governing body of the municipality.

Members of the Authority shall reside within the territorial jurisdiction of the Authority as hereinafter set out. They shall be appointed by the governing body of the municipality. The terms of the members shall be fixed by the governing body. Appointments to fill vacancies occurring during the regular terms shall be made by the governing body. The appointments of all members shall run until their successors are appointed and qualified.

The members of the Authority shall elect a chairman and vice chairman from the membership of the Authority. They shall also elect a secretary who may, or may not, be a member of the Authority.

A majority of the members shall constitute a quorum for the transaction of business and an affirmative vote of the majority of the members present at a meeting of the Authority shall be required to constitute action of the Authority. Members of the Authority shall receive such compensation, if any, as may be fixed by the governing body of the municipality.

§ ____ . Purpose of the Authority. -- The purpose of the Authority shall be to provide for a safe, adequate and convenient Public Transportation System for the municipality creating the Authority and its immediate environs through the granting of franchises, ownership and leasing of terminals, buses and other transportation facilities and equipment, and otherwise through the exercise of the powers and duties conferred upon it.

§ ____ . General Powers of the Authority. -- The general powers of the Authority shall include any or all of the following:

- (1) To sue and be sued.
- (2) To have a seal.
- (3) To make rules and regulations, not inconsistent with this Act for its organization and internal management.
- (4) To employ persons deemed necessary to carry out functions and duties assigned to them by the Authority and to fix their compensation, within the limit of available funds.
- (5) With the approval of the municipality's chief administrative official, to use officers, employees, agents and facilities of the municipality on such basis as may be agreed upon.
- (6) To retain and employ counsel, auditors, engineers and

private consultants on an annual salary, contract basis, or otherwise for rendering professional or technical services and advice.

(7) To acquire, maintain and operate such lands, buildings, structures, facilities, and equipment as may be necessary or convenient for the operations of the Authority.

(8) To make or enter into contracts, agreements, deeds, leases, conveyances or other instruments, including contracts and agreements with the United States and the State of North Carolina.

(9) To surrender to the municipality any property no longer required by the Authority.

(10) To make plans, surveys and studies of public transportation facilities within the territorial jurisdiction of the Authority and to prepare and make recommendations in regard thereto.

(11) To enter into and perform contracts with public transportation companies with respect to the operation of public passenger transportation.

(12) To issue certificates of public convenience and necessity; to grant franchises and enter into franchise agreements and in all respects to regulate the operation of buses, taxicabs and other methods of public passenger transportation within the territorial jurisdiction of the Authority as fully as the municipality is now or hereafter empowered to do within the territorial jurisdiction of the municipality.

(13) To enter into and perform contracts to operate public transportation services and facilities and to own or lease property, facilities and equipment necessary or convenient therefor, and to rent, lease or otherwise sell the right to do so to any person, public or private. Further, to the extent authorized by resolution or ordinance of the municipality to obtain grants, loans and assis-

tance from the United States, the State, any public body, or any private source whatsoever.

(14) To enter into and perform contracts and agreements with other public transportation authorities pursuant to Article 20 of Chapter 160A of the North Carolina General Statutes. In addition, to enter into and perform contracts with other units of local government when specifically authorized by the governing body, pursuant to Article 20 of Chapter 160A of the North Carolina General Statutes.

(15) To do all things necessary or convenient to carry out its purpose and for the exercise of the powers granted to the Authority.

§ ____ . Authority of Utilities Commission Not Affected. -- Nothing in this Act shall be construed to limit or otherwise affect the power or authority of the North Carolina Utilities Commission or the right of appeal to the North Carolina Utilities Commission as provided by law.

§ ____ . Territorial Jurisdiction. -- The jurisdiction of the Authority shall extend to all local public passenger transportation operating within the municipality. Said jurisdiction shall also extend up to thirty miles outside of the corporate limits of the municipality where the municipality is a town or city, and up to five miles outside of the boundaries of the municipality where the municipality is a county. The Authority shall not have jurisdiction over public transportation subject to the jurisdiction of and regulated by the I.C.C., nor shall it have jurisdiction over intrastate public transportation classified as common carriers of passengers by the North Carolina Utilities Commission.

§ ____ . Fiscal Accountability. -- The Authority shall be fiscally

accountable to the municipality, and the municipality's governing body shall have authority to examine all records and accounts of the Authority at any time.

§ ____ . Funds. -- The establishment and operation of a Transportation Authority as herein authorized are governmental functions and constitute a public purpose, and the municipality is hereby authorized to appropriate funds to support the establishment and operation of the Transit Authority. The municipality may also dedicate, sell, convey, donate or lease any of its interest in any property to the Authority. Further, the Authority is hereby authorized to establish such license and regulatory fees and charges as it may deem appropriate, subject to the approval of the governing body of the municipality. If the governing body finds that the funds otherwise available are insufficient, it may call a special election without a petition and submit to the qualified voters of the municipality the question of whether or not a special tax shall be levied and/or bonds issued, specifying the maximum amount thereof, for the purpose of acquiring lands, buildings, equipment and facilities and for the operations of the Transit Authority.

§ ____ . Effect on Existing Franchises and Operations. -- In the event a Transportation Authority is established under the authority of this Act, any existing franchises granted by the municipality shall continue in full force and effect until legally terminated; further, all ordinances and resolutions of the municipality regulating bus operations and taxicabs shall continue in full force and effect until superseded by regulations of the Transportation Authority.

§ ____ . Termination. -- The governing body of the municipality shall have the authority to terminate the existence of the Authority at

any time. In the event of such termination, all property and assets of the Authority shall automatically become the property of the municipality and the municipality shall succeed to all rights, obligations and liabilities of the Authority.

§ ____ . Controlling Provisions. -- Insofar as the provisions of this Act are not consistent with the provisions of any other Act or law, public or private, the provisions of this Act shall be controlling.

§ ____ . Consolidation of Public Transportation Authority and Parking Authority. -- The municipality may, by resolution or ordinance, vest in a single body corporate and politic both the powers of a Public Transportation Authority in accordance with the provisions of this Article and the powers of a Parking Authority in accordance with the provisions of Article 38 of Chapter 160 of the North Carolina General Statutes. Notwithstanding the membership provisions of G.S. 160-478, the members of a consolidated body created pursuant to this Section shall be selected according to the provisions of G.S. of this Article.

§ ____ . Joint Provision of Services. -- Two or more municipalities may cooperate in the exercise of any power granted by this Article according to the procedures and provisions of Chapter 160A, Article 20, Part 1. Additional municipalities may join an existing Transportation Authority upon making satisfactory arrangements pursuant to Chapter 160A, Article 20, Part 1.

Sec. 2. This act shall become effective upon ratification.

SESSION 197

INTRODUCED BY:

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE MISCELLANEOUS CHANGES IN THE GENERAL STATUTES
3 RELATING TO PUBLIC TRANSPORTATION.
4 The General Assembly of North Carolina enacts:
5 Section 1. North Carolina General Statutes (G.S.)
6 Section 20-4.01(27)(b) is rewritten to read as follows:
7 "b. For-hire passenger vehicles - Vehicles trans-
8 porting persons for compensation. This
9 classification shall not include vehicles
10 operated as ambulances; vehicles (except those
11 with wheelbases of 140 inches or more) operated
12 by the owner where the cost of operation is
13 shared by the passengers; vehicles (except those
14 with wheelbases of 140 inches or more) operated
15 by any bona fide employee for the transportation
16 of other bona fide employees and himself to and
17 from the place(s) of their regular employment
18 and operated for compensation only for one
19 roundtrip per day to and from the work location(s);
20 vehicles transporting students for the public
21 school system under contract with the State Board
22 of Education; or vehicles leased to the United
23 States of America or any of its agencies on a
24 nonprofit basis."

SESSION 197

1 Sec. 2. G.S. 62-260(a)(7) is rewritten to read as
2 follows:

3 "(7) Transportation of any bona fide employees to
4 and from their place(s) of regular employment."

5 Sec. 3. G.S. 105-278.3 as it appears in the 1975
6 Cumulative Supplement to 1972 Replacement Volume 2D is amended
7 by adding a new subsection to be designated (g) and to read as
8 follows:

9 "(g) Notwithstanding the exclusive-use requirement
10 of subsection (a), above, any parking lot wholly
11 owned by an agency listed in subsection (c), above,
12 may be used for parking or any other use without
13 removing the tax exemption granted in this section;
14 provided, the total charge for said uses shall not
15 exceed that portion of the actual maintenance ex-
16 penditures for the parking lot reasonably estimated
17 to have been made on account of said uses. This sub-
18 section shall apply beginning with the taxable year
19 that commences on January 1, 1978."

20 Sec. 4. G.S. 143-340(18) as it appears in the 1975
21 Cumulative Supplement to 1974 Replacement Volume 3C is amended
22 immediately preceding the last sentence by adding a new sentence
23 to read as follows:

24 "Such guidelines shall give first priority treatment to the
25 physically handicapped and to carpoolers and vanpoolers."

26 Sec. 5. G.S. 153A-274(6) as it appears in the 1975
27 Cumulative Supplement to 1974 Replacement Volume 3C is rewritten
28 to read as follows:

SESSION 197__

1 "(6) Public transportation systems."

2 Sec. 6., G.S. 160A-311(5) as it appears in 1972

3 Replacement Volume 3D is rewritten to read as follows:

4 "(5) Public transportation systems;".

5 Sec. 7. This act shall become effective upon
6 ratification.

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APPENDICES

APPENDIX A
RESOLUTION
ESTABLISHING THE STUDY

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1975
RATIFIED BILL

RESOLUTION 113

SENATE JOINT RESOLUTION 624

A JOINT RESOLUTION DIRECTING THE LEGISLATIVE RESEARCH COMMISSION TO STUDY LOCAL MASS TRANSIT.

Whereas, it is the sense of the General Assembly that we are rapidly approaching the point in time where the forces of increasing population and decreasing energy supplies will make past transportation practices impractical and costly, it is hereby declared to be the public policy of the State of North Carolina that programs be developed which will provide safe, economical, and efficient modes of mass transportation for the citizens of our State;

Now, therefore, be it resolved by the Senate, the House of Representatives concurring:

Section 1. (a) The Legislative Research Commission is directed to study Local Mass Transit.

(b) It shall be the duty of the commission to make a study of local mass transit problems, and to determine the feasibility of implementing local mass transit programs in this State.

Sec. 2. The Cochairmen of the Legislative Research Commission are authorized to appoint additional members of the General Assembly to study committees to assist the regular members of the Research Commission in conducting this study, and they are authorized to appoint members of the public to advisory

subcommittees. The President Pro Tempore of the Senate shall consult with the President of the Senate when he considers these additional appointments.

Sec. 3. This resolution shall become effective upon ratification.

In the General Assembly read three times and ratified, this the 24th day of June, 1975.

~~JAMES B. HUNT, JR.~~

James B. Hunt, Jr.

President of the Senate

JAMES C. GREEN, SR.

James C. Green, Sr.

Speaker of the House of Representatives

APPENDIX B

STUDY COMMITTEE MEMBERS

LEGISLATIVE RESEARCH COMMISSION

Study on

LOCAL GOVERNMENT MATTERS

LOCAL MASS TRANSIT - INTERGOVERNMENTAL RELATIONS

	<u>BUSINESS PHONE</u>
Representative Hector E. Ray, <u>Chairman</u> 310 Green Street Fayetteville, N. C. 28303	(919) 483-8188
Representative Allen Barbee, <u>Co-Chairman</u> Barbee Building Spring Hope, N. C. 27882	(919) 478-3146
Senator E. Lawrence Davis, <u>Co-Chairman</u> P. O. Drawer 84 Winston-Salem, N. C. 27102	(919) 725-1311
Representative Jeff H. Enloe, Jr. Route #1 Franklin, N. C. 28734	(704) 524-2632
Mr. Vardell Godwin P. O. Box 3646 Fayetteville, N. C. 28303	(919) 867-3161
Representative Leo Heer 718 West Farris Avenue High Point, N. C. 27260	(919) 882-1641
Senator James D. McDuffie 4409-C North Tryon Street Charlotte, N. C. 28200	(704) 597-0600
Representative W. M. Short Suite 319, Southeastern Building Greensboro, N. C. 27400	(919) 273-9457
Senator Charles E. Vickery Suite 20, Plaza Building, Franklin Street Chapel Hill, N. C. 27514	(919) 929-7151

APPENDIX C
HISTORY OF COMMITTEE MEETINGS

- HISTORY OF LOCAL MASS TRANSIT COMMITTEE

Meeting 1 - 10/14/75

- (1) organization

Meeting 2 - 11/6/75

- (1) Status of mass transportation projects in North Carolina
- (2) Car-pooling program
- (3) Abandoned railroad lines and freight transport system
- (4) Report of Fifth Annual Conference on New York State Transportation State Transportation

Speakers: David Robinson, Division of Mass Transit,
 Department of Transportation (DOT)
 David King, Division of Mass Transit, DOT
 Dale Stahl, Office of State Planning
 Senator Charles Vickery

Meeting 3 - February 11-12, 1976

Conference on Solutions to Local Mass Transit Problems (Summary of proceedings can be found in Appendix E.)

Meeting 4 - April 1, 1976

- (1) Research on small cities and rural areas' mass transit problems in North Carolina
- (2) Transportation of aged in Robeson & Bladen Counties.
- (3) Para transit
- (4) Rural public transportation
- (5) Bus transportation

Speakers: Arthur saltzman, Director, Transportation North Carolina A & T
 Mrs. Ruth Mundy, Lumber River Council of Government Program on Aging in Bladen and Robeson Counties
 Gorman Gilbert, City and Regional Planning, UNC-CH
 James Barnett, Choanoke Area Development Association
 Edward Hipp, Counsel, Utilities Commission

Meeting 5 - 7/16/76

- (1) Current issues relating to Mass Transportation and federal legislation
- (2) Labor protective provisions of Urban Mass Transportation Act of 1974

Speakers: David Robinson, Division of Mass Transit (DOT)
David King, Division of Mass Transit (DOT)
John Collura

Meeting 6 - 9/15/76

- (1) Intern research on North Carolina Statutes relating to public transportation
- (2) Proposed draft legislation
- (3) Taxi cab service

Speakers: David Robinson, Division of Mass Transit (DOT)
Bill Williams, Yellow Cab Company

Meeting 7 - 9/30/76

- (1) Consideration of draft legislation

APPENDIX D

REMARKS OF MR. DAVID ROBINSON

I WOULD LIKE TO SPEND TWENTY MINUTES OR SO BRINGING YOU UP TO DATE ON THE CURRENT STATUS OF MASS TRANSPORTATION IN NORTH CAROLINA, AS WELL AS DESCRIBING THE CURRENT EFFORTS OF MY STAFF IN ASSISTING LOCAL GOVERNMENTS AS THEY TRY TO COME TO GRIPS WITH THEIR MASS TRANSPORTATION PROBLEMS.

BEFORE I COMMENCE, HOWEVER, I MUST SAY THAT I WAS EXTREMELY PLEASED WHEN I FOUND OUT THAT SENATOR VICKERY'S BILL CREATING THIS STUDY COMMISSION HAD BEEN RATIFIED BY THE 1975 GENERAL ASSEMBLY, FOR I SAW IN IT A GOLDEN OPPORTUNITY FOR THE STATE LEGISLATURE TO BECOME MORE COGNIZANT OF THE INCREASING PRESSURES FOR MASS TRANSPORTATION SERVICES BEING EXERTED BY RESIDENTS OF BOTH URBAN AND RURAL AREAS OF THE STATE. MORE IMPORTANTLY, I SAW IT AS AN OPPORTUNITY FOR THE STATE LEGISLATURE TO DEVELOP A BASIC UNDERSTANDING OUT OF WHICH WILL HOPEFULLY EVOLVE SOLUTIONS TO THE MANY TRANSPORTATION PROBLEMS OF OUR CITIZENS. I WELCOME THE FORMATION OF THIS STUDY COMMISSION AND LOOK FORWARD TO THE DIALOGUE THAT WILL UNDOUBTEDLY BE GENERATED BETWEEN MY STAFF AND THE COMMISSION WORKERS. WHAT EVER KNOWLEDGE MY STAFF HAS IN THIS VERY COMPLEX AREA WILL BE SHARED WITH YOU, IN THE EXPECTATION THAT OUR MISSION WILL BE MORE CLEARLY DEFINED AND THE TECHNIQUES WITH WHICH WE HAVE TO WORK WILL BE MORE REFINED.

TO RETURN TO THE POINT OF THIS TALK, IT WOULD PROBABLY HELP EVERYBODY IF I WERE TO DEFINE THE TERM "MASS TRANSPORTATION." ACCORDING TO THE FEDERAL URBAN MASS TRANSPORTATION ACT OF 1964, (AMENDED SEVERAL TIMES, THE LAST BEING IN 1974), MASS TRANSPORTATION IS "TRANSPORTATION BY BUS, RAIL, OR OTHER CONVEYANCE WHICH PROVIDES TO THE PUBLIC GENERAL OR SPECIAL SERVICE ON A REGULAR AND CONTINUING BASIS, NOT INCLUDING SCHOOL OR CHARTER SERVICES.

IT CAN BE PRIVATELY OR PUBLICLY OWNED AND OPERATE WITHIN A COMMUNITY (INTRA-CITY) OR BETWEEN COMMUNITIES (INTER-CITY). TO BE MORE RESPONSIVE TO THE NATIONAL SENSE OF URGENCY TO CONSERVE ENERGY, I WILL INCLUDE CARPOOLING AND OTHER RIDE-SHARING ACTIVITIES IN THE DEFINITION, ALTHOUGH I WILL CONFINE MY REMARKS TO THE MORE CONVENTIONAL DEFINITION OF MASS TRANSPORTATION. I WILL BE HAPPY TO DISCUSS CARPOOLING LATER ON IN THIS MEETING SHOULD YOU REQUEST ME TO DO SO.

HAVING DEFINED OUR TERMS, LET'S SEE WHAT HAS BEEN HAPPENING TO MASS TRANSPORTATION SERVICES IN THE STATE OVER THE LAST DECADE AND WHAT THE CURRENT STATUS IS NOW.

AS YOU ALREADY MAY KNOW, PRIVATELY-OWNED BUS SYSTEMS IN NORTH CAROLINA ARE EITHER FULLY OR PARTIALLY REGULATED IN THEIR ACTIVITIES BY THE UTILITIES COMMISSION, WHICH PUBLISHES ANNUAL REPORTS ON THE ACTIVITIES OF THESE "COMMON CARRIERS" AS THEY ARE CALLED. AN ANALYSIS OF THESE REPORTS SHOWS THAT, BETWEEN 1963 AND 1973, THE NUMBER OF INTRA-CITY BUS SYSTEMS REGULATED BY THE UTILITIES COMMISSION DROPPED FROM 27 TO 19, WITH 6 SYSTEMS GOING OUT OF BUSINESS AND 2 BEING TAKEN OVER BY THE PUBLIC SECTOR.

THE YEAR OF 1968 IS SIGNIFICANT IN THAT IT WAS THE LAST "BREAK-EVEN" YEAR, A TWELVE-MONTH PERIOD DURING WHICH THE OVERALL OPERATING RATIO (DEFINED AS THE OPERATING EXPENSES DIVIDED BY THE OPERATING REVENUES EXPRESSED AS A PERCENTAGE) WAS LESS THAN 100%. ACTUALLY THIS RATIO HAD NOT BEEN MUCH LESS THAN 100% SINCE 1963 WHEN IT WAS 98%, BUT IN 1972 IT INCREASED TO 107 PERCENT AND IN 1973 WAS 113%.

I HAVE SEVERAL OTHER INTERESTING STATISTICS:

-- BETWEEN 1963 AND 1973 TOTAL ANNUAL REVENUE PASSENGERS CARRIED BY BUS SYSTEMS REPORTING TO THE UTILITIES COMMISSION

DECLINED FROM 36 MILLION TO 21 MILLION, A DECREASE OF 42%.

-- IN THE SAME PERIOD, 1963-73, AVERAGE ANNUAL RIDERSHIP PER SYSTEM DECLINED FROM 1.3 MILLION TO 1.1 MILLION, A DECREASE OF 16%.

-- FROM 1963 TO 1968, AVERAGE OPERATING COSTS AND REVENUES PER PASSENGER EACH INCREASED FROM 15¢ TO 22¢. HOWEVER, FROM 1969 TO 1973, OPERATING COSTS PER PASSENGER INCREASED FROM 25¢ TO 34¢, WHILE REVENUES INCREASED FROM 24¢ TO 30¢.

-- IN 1964, THE AMOUNT OF BUS SERVICE BEING PROVIDED WAS 14 MILLION BUS MILES, WITH AN AVERAGE DAILY UTILIZATION OF 440 BUSES. BY 1973, THIS SERVICE HAD DROPPED TO 10 MILLION BUS MILES, PROVIDED BY 330 BUSES. THIS IS A 25% DECREASE OVER THE TEN YEAR PERIOD.

SO MUCH FOR THE RECENT HISTORY OF MASS TRANSPORTATION - LET US NOW TURN OUR ATTENTION TO 1975 AND REVIEW THE CURRENT STATE OF AFFAIRS.

AT THE PRESENT TIME THERE ARE 17 BUS SYSTEMS PROVIDING INTRA-CITY SERVICE IN NORTH CAROLINA. OF THESE 17, 6 SYSTEMS ARE PUBLICLY-OWNED AND OPERATED (ASHEVILLE, CHAPEL HILL, HIGH POINT, RALEIGH, WILMINGTON, AND WINSTON-SALEM), 2 PRIVATE SYSTEMS ARE SOON TO BE PUBLICLY OWNED AND OPERATED (CHARLOTTE AND SALSIBURY), 7 PRIVATE SYSTEMS ARE BEING STUDIED WITH A VIEW TO AT LEAST RECEIVING LOCAL GOVERNMENT FINANCIAL ASSISTANCE IF NOT COMPLETE PUBLIC TAKEOVER (BURLINGTON, FAYETTEVILLE, GASTONIA, KANNAPOLIS, ROCKY MOUNT, STATESVILLE, AND WILSON), AND THE REMAINING 2 SYSTEMS ARE PRIVATELY OWNED AND OPERATED WITH NO SIGN OF BEING IN NEED OF PUBLIC ASSISTANCE OF ANY KIND (DURHAM AND GREENSBORO).

ALL SIX PUBLIC SYSTEMS HAVE IN THE PAST RECEIVED FEDERAL CAPITAL IMPROVEMENT FUNDS TO BUY BUSES, MAINTENANCE FACILITIES, BUS STOP SIGNS, ETC., AND 4 OF THEM HAVE RECEIVED FEDERAL OPERATING ASSISTANCE FUNDS TO OFFSET OPERATING DEFICITS.

I WISH I COULD TELL YOU THAT IN EVERY CASE OF FEDERAL FINANCIAL PARTICIPATION THE BUS SERVICE HAS BEEN TRANSFORMED INTO A HIGHLY SUCCESSFUL OPERATION, BUT AS YET I CANNOT. THE AMOUNT OF BUS SERVICE IN EVERY CASE HAS INCREASED (AND WHAT I MEAN BY THIS IS THAT MORE BUSES ARE PROVIDING MORE ROUTES OF SERVICE AT MORE FREQUENT INTERVALS) BUT THE RATE OF INCREASE OF PASSENGERS AND REVENUES IS LAGGING BEHIND THE RATE OF INCREASE IN OPERATING COSTS.

ONE OF THE FACTS OF LIFE IN THE TRANSIT INDUSTRY IS THAT TRANSIT IMPROVEMENTS (SUCH AS NEW BUS ROUTES INTO PREVIOUSLY UNSERVED COMMUNITIES OF A CITY) HAVE TO BE IN OPERATION FOR A WHILE BEFORE POTENTIAL RIDERS WILL HAVE SUFFICIENT TRUST IN THE BUS SERVICE TO ALTER THEIR TRAVEL HABITS AND TAKE A BUS TO WORK INSTEAD OF DRIVING THEIR CARS. THIS IS ONE OF THE REASONS FOR THE LAG BETWEEN REVENUES AND COSTS, BUT THERE ARE OTHERS, WHICH I WILL MENTION LATER.

BEFORE I GIVE YOU THE IMPRESSION THAT THE ENTIRE TRANSIT PICTURE IS GLOOMY IN NORTH CAROLINA, LET ME GIVE YOU A COUPLE OF EXAMPLES OF BUS SYSTEMS THAT ARE MAKING PROGRESS:

- IN WINSTON-SALEM, RIDERSHIP SO FAR THIS YEAR IS UP ALMOST 24 PERCENT OVER THE PREVIOUS YEAR.
- IN CHAPEL HILL, THE BUS SYSTEM CARRIED 2 MILLION PASSENGERS IN ITS FIRST YEAR OF OPERATION WHICH IS 50 PERCENT MORE THAN PASSENGERS CARRIED IN RALEIGH, A CITY ALMOST 4 TIMES AS LARGE. ALSO, THE SEPTEMBER, 1975 RIDERSHIP WAS 29% HIGHER THAN EXPERIENCED IN SEPTEMBER, 1974.

THIS DISCUSSION HAS SO FAR FOCUSED ON THE INTRA-CITY BUS OPERATIONS IN THE STATE. THERE IS A GOOD REASON FOR THIS, AND IT CAN BE SUMMED UP IN TWO WORDS - FEDERAL ASSISTANCE. OTHER EQUALLY RELEVANT FORMS OF MASS TRANSPORTATION ARE THE INTER-CITY BUS OPERATIONS AND THE PASSENGER RAIL SERVICES. TO DATE, THE INTER-CITY CARRIERS (OF WHICH THERE ARE THREE MAJOR COMPANIES OPERATING IN NORTH CAROLINA - GREYHOUND, TRAILWAYS, AND SEASHORE) HAVE NOT BEEN ON THE RECEIVING END OF ANY FEDERAL FINANCIAL ASSISTANCE.

WITH REGARD TO RAIL PASSENGER OPERATIONS, SERVICE IS PROVIDED TO NORTH CAROLINA BY SOUTHERN RAILWAY AND AMTRAK ON 3 ROUTES, BUT ONLY IN A NORTH/SOUTH DIRECTION AND ONLY AS PART OF THE MUCH LONGER NEW YORK TO FLORIDA AND WASHINGTON TO ATLANTA SERVICE. AMTRAK IS, AS WE ALL KNOW, RECEIVING FEDERAL ASSISTANCE, AND SOUTHERN RAILWAY IS LOSING MONEY ON ITS PASSENGER SERVICE BUT IS CROSS-SUBSIDIZING FROM ITS HIGHLY LUCRATIVE FREIGHT OPERATIONS.

TO SUMMARIZE, THE OVERALL PICTURE OF MASS TRANSPORTATION IN NORTH CAROLINA LOOKS SOMETHING LIKE THIS:

- IF YOU HAPPEN TO LIVE IN ONE OF 9 CITIES OUT OF 17 WITH INTRA-CITY BUS SYSTEMS, THEN YOU HAVE AN OPPORTUNITY TO SATISFY AT LEAST YOUR COMMUTING TRIP NEEDS BY RIDING A BUS, IN REASONABLE COMFORT AND A LOT MORE CHEAPLY THAN DRIVING YOUR CAR.
- IF YOU HAPPEN TO LIVE IN ONE OF THE REMAINING 8 CITIES WITH INTRA-CITY BUS SERVICE, YOU MAY NOT BE ABLE TO USE THE SERVICE AT ALL BECAUSE OF ITS INCONVENIENCE.
- IF YOU WISH TO TRAVEL BY BUS FROM ONE END OF THE STATE TO ANOTHER, YOU CAN DO IT FAIRLY INEXPENSIVELY AND QUICKLY, BUT YOU WILL UNDOUBTEDLY HAVE TROUBLE USING INTRA-CITY BUSES AT EITHER END OF YOUR TRIP, BECAUSE THEY ARE EITHER

NON-EXISTENT OR NOT SCHEDULED TO SERVE THE INTERCITY BUS STATION.

-- IF YOU WANTED TO GO ANYWHERE IN THE STATE BY RAIL, FORGET IT.

NOW THAT I HAVE DISCUSSED THE "INDUSTRY" SIDE OF THE SUBJECT, LET ME TALK A LITTLE BIT ABOUT STATE INTEREST AND INVOLVEMENT OVER THE LAST COUPLE OF YEARS.

IN 1973, THE NORTH CAROLINA GENERAL ASSEMBLY CHARGED THE DEPARTMENT OF TRANSPORTATION TO "STUDY AND APPRAISE THE MASS TRANSIT NEEDS AND ALTERNATIVES FOR RAPID INTERCITY TRAVEL IN NORTH CAROLINA, AND BUDGETED THE SUM OF \$100,000 FOR THIS PURPOSE.

IN 1974, THE GENERAL ASSEMBLY APPROVED A BUDGET FOR THE DEPARTMENT OF TRANSPORTATION WHICH ESTABLISHED THE POSITION OF DIRECTOR OF MASS TRANSPORTATION" TO DEVELOP THE FRAMEWORK FOR A MASS TRANSPORTATION SYSTEM WHICH FILLS URBAN, RURAL AND INTERURBAN TRANSPORTATION REQUIREMENTS."

AND FINALLY, IN 1975, THE GENERAL ASSEMBLY APPROVED A BUDGET OF \$1.1 MILLION FOR FY 1976 AND \$1.6 MILLION FOR FY 1977, THE BULK OF THE APPROPRIATION (\$2.5 MILLION) COMING FROM THE GENERAL FUND. THIS \$2.5 MILLION IS PRIMARILY INTENDED TO BE USED AS PART OF THE NON-FEDERAL MATCHING REQUIREMENT BY LOCAL GOVERNMENTS SEEKING TO OBTAIN CAPITAL ASSISTANCE OR PLANNING FUNDS.

MY OFFICE, WHICH CONSISTS OF 6 PERSONS INCLUDING MYSELF AND A SECRETARY, IS IN THE PROCESS OF DEVELOPING GUIDELINES TO BE ADOPTED BY THE BOARD OF TRANSPORTATION CONCERNING THE ADMINISTRATION OF THESE FUNDS. IN ADDITION WE ARE PROVIDING TECHNICAL ASSISTANCE TO LOCAL GOVERNMENTS IN PREPARING APPLICATIONS FOR FEDERAL FUNDS, AND ARE ADMINISTERING A FEDERAL PROGRAM TO PURCHASE BUSES AND VANS FOR

PRIVATE NON-PROFIT GROUPS WHICH OFFER SPECIALIZED TRANSPORTATION SERVICES TO THE ELDERLY AND HANDICAPPED.

ALSO, WE ARE PROVIDING EXTENSIVE IN-HOUSE ASSISTANCE TO THE CITY OF RALEIGH AS IT PREPARES TO UNDERTAKE A CITY-WIDE CARPOOLING PROGRAM. MR. DAVID KING, OF MY STAFF, IS WITH ME TODAY AND WILL BE AVAILABLE TO ANSWER FURTHER QUESTIONS ON THIS SUBJECT.

IN REGARD TO THE INTERCITY TRANSIT NEEDS STUDY COMMISSIONED BY THE 1973 GENERAL ASSEMBLY, A REPORT ON THE FIRST PHASE OF THE STUDY WHICH COST \$25,000 WAS MADE AVAILABLE TO MEMBERS OF THE GENERAL ASSEMBLY IN MARCH. THIS REPORT WAS ENTITLED "RAPID TRANSIT IN THE PIEDMONT CRESCENT - A PRELIMINARY APPRAISAL." YOUR COMMENTS ON THIS PHASE I REPORT WILL BE GREATLY APPRECIATED.

FINALLY, THE DEPARTMENT OF TRANSPORTATION AND THE DEPARTMENT OF HUMAN RESOURCES ENTERED INTO A WORKING AGREEMENT IN DECEMBER, 1974, TO COOPERATE ON TRANSPORTATION PROGRAMS WHICH MUTUALLY BENEFIT EACH DEPARTMENT. THE INTER-DEPARTMENTAL COOPERATION GENERATED BY THE AGREEMENT HAS BEEN MOST HELPFUL TO MY STAFF IN UNDERSTANDING MORE CLEARLY THE TRANSPORTATION NEEDS OF MANY DISADVANTAGED CITIZENS.

IN CONCLUSION, I WOULD LIKE TO SAY THAT I HAVE ENJOYED BEING GIVEN THE OPPORTUNITY TO GIVE THIS COMMITTEE A SUMMARY OF MASS TRANSPORTATION ACTIVITIES IN THE STATE.

I MAY HAVE UNWITTINGLY CONCENTRATED ON ONE AREA MORE THAN ANOTHER, BUT I AM AVAILABLE TO ANSWER QUESTIONS THAT SHOULD CLEAR UP ANY GRAY AREAS. I THINK THAT THIS COMMITTEE CAN HAVE A VERY POSITIVE EFFECT ON THE WAY IN WHICH THE STATE INVOLVES ITSELF WITH MASS TRANSPORTATION IN THE FUTURE AND WHAT LEGISLATIVE CHANGES MIGHT BE WARRANTED THAT WOULD ALLOW MORE INNOVATIVE APPROACHES TO MASS TRANSPORTATION PROBLEMS TO TAKE PLACE.

ALL THAT IS LEFT FOR ME TO SAY IS THAT THE DEPARTMENT OF TRANSPORTATION IS LOOKING FOR GUIDANCE FROM THIS COMMITTEE, AND WILL, THROUGH MY STAFF AND WHOEVER ELSE MAY BE NECESSARY, BE PREPARED TO RESHAPE ITS PROGRAM TO BETTER SERVE THE PEOPLE IN BOTH URBAN AND RURAL AREAS OF NORTH CAROLINA.

APPENDIX E

SUMMARY

OF

NORTH CAROLINA CONFERENCE ON SOLUTIONS TO
LOCAL MASS TRANSIT PROBLEMS

North Carolina Conference on Solutions
To Local Mass Transit Problems

General Session Wednesday, February 11, 1976 (presentations
made to all participants at the Conference)

Transit Issues in North Carolina and the Nation

Gorman Gilbert - Department of
City and Regional Planning -
University of North Carolina
at Chapel Hill

Federal Role in Solving Local Transit Problems

Alexander McNeil - Region IV
Urban Mass Transportation Administration

The State Viewpoint

David C. Robinson - Director,
Division of Mass Transportation
North Carolina Department of
Transportation

The Michigan Experience

Gerry Geile - Director, Bureau of
Urban and Public Transportation
Michigan Department of Highways
and Transportation

Remarks

The Honorable Jennings Randolph
Chairman - Public Works Committee
United States Senate

Mr. James L. Cox, Director, Institute for Urban Studies and Community Service, University of North Carolina at Charlotte opened the meeting with announcements of other conferences and workshops to be held in the next several months:

1. Workshop on Energy Research and Develop Needs for N. C. sponsored by the N. C. Energy Policy Council, Raleigh, March 24 - 25. Objectives of this conference are to identify the relationship of energy's contribution toward social and economic goals of N. C. citizens to find needs for energy research and development, assess North Carolina's capabilities in energy research and development and formulate a plan of action for energy research and development.

Mr. Cox stated that those interested in participating in this conference and workshop should contact Dr. Leigh Hammond, N. C. State University.

2. National Conference on Rural Public Transportation sponsored by the Transportation Institute at N. C. A & T. University, Greensboro, N. C., July 7 - 9.

Those interested in participating in this conference should contact Dr. Arthur Saltzman, Director of the Transportation Institute at A. & T.

Mr. Cox introduced the members of the Mass Transit Study Committee of the Legislative Research Commission present for the morning session: Representatives Hector Ray, Allen Barbee, Leo Heer and Jeff Enloe and Senator James McDuffie and Mr. Vardell Godwin.

There were six workshops held at the Wednesday, February 11 meeting. Mr. Cox stated that there would be a five minute presentation from the reporters from each workshop and a discussion would follow. The reports were as follows:

GROUP I. REGIONAL PUBLIC TRANSPORTATION

Mr. Edwin W. Hauser, Research Triangle Institute reported as follows:

There are two sets of issues facing the provision of regional mass transportation: (1) Those who have a common interest to the provision of mass transportation at any level, and (2) those that are unique to the provision of regional mass transit. (A written statement of those issues that were felt are common was provided for the record). Issues that are unique to regional public transit in North Carolina and providing regional mass transit raises a number of special issues that must be considered by public officials, legislators, planners and

operators as follows:

1. What is a regional transit system? The state should provide a positive guideline as to what constitutes regional mass transit in order to coordinate further planning at the local level and to facilitate funding consistent with the principal of maintaining local flexibility.
2. What regional division should be utilized? Functional regions need to be defined throughout the state specifically for marketing regional transit services. Multi-county planning regions are for the most part too large to provide mass transit throughout these regions with one system. Three types of transit service areas are illustrative of the proposed concept:
 - (a) concentrated urban areas, surrounding major cities,
 - (b) urban centers formed by two or more adjacent small towns, and
 - (c) rural counties or combinations of counties.
 It should be noted that inter-city transit systems linking the cities of Piedmont-Crescent is a type of transit service that is currently being planned at a larger multi-regional scale by the N. C. Department of Transportation.
3. How do we better utilize existing resources? In many areas of the state there are already a variety of existing transit services that should be coordinated and operated by one service provider for optimum economy and efficiency.
4. How do we manage and market regional transit services? Two possible ownership-management arrangements are possible under current N. C. law: (a) a county government department of mass transit and (b) inter-governmental contracts between cities and/or counties. Special authority has been given in one case in N. C. for an expanded urban transit district.
5. How do we finance regional transit systems? Excepting a few of the larger urban areas, the hypothesis of the workshop was that no unit of local government has a tax base that could currently support a regional mass transit system. Additional sources of funds must be identified by the state and information disseminated to local units of government. Further exploration of the state's role in providing operating and capital funding for mass transit is needed.

Three recommendations for legislative action from the workshop are:

1. Legislative policy should require that in any regional transportation planning process, not specifically for highways, the development of various forms of mass transit be considered as alternatives;
2. The Legislature needs to examine jurisdictional means of contracting for transit services and should explore regulatory policies as well as legislation from other states that have created regional transportation authorities or transit districts;
3. The Legislature should appropriate additional funds for regional transit development to include an inventory of existing transportation resources and potential funding sources.

GROUP II. URBAN PUBLIC TRANSPORTATION

Dr. Richard P. Pinckney, Department of Urban & Environmental Engineering, U. N. C. at Charlotte reported that this workshop was basically concerned with private systems working in urban areas transit systems. Some of the important points were summarized as follows:

1. The transit industry has been hit by spiralling costs in operations and must face (total) abandonment or else be subsidized. The amount amount of money needed should not be considered a deficit, but rather money needed to provide service, a public service much like sanitation, fire and police protection;
2. Concerning energy, one of the good points of a good transit system would be a relieved parking demand as well as peak hour relief in vehicles;

General operating recommendations for transit companies and specific operating conditions were:

1. Make transit convenient, also consider fares;
2. Consider transit as a personal service and not as a mass service;
3. Use transit as a supplement to the transportation system - try not to satisfy all transportation demands with just a transit - a road bed is still needed for utilization of bus systems.

Specific recommendations for operating transit lines were:

1. Deficit spending has to be realized;
2. Active campaigns for ridership (develop more riders through seasonal shuttles, peak-hour shuttles, subscription shuttles; marketing of the system; innovative rate schedule to attract specific people);
3. Trying specific traffic engineering implementation;
4. Start out with a small system to satisfy the specific needs of a particular area.

Legislative recommendations from the workshop were:

1. Training sessions preferably at the local boards and home areas;
2. Improve coordination of the planning and implementation in the Department of Transportation, particularly between the highway and transit planning in small and urban areas, to include all representatives in highway or transit; interest should be given to the relationship between development in land use planning within the state;
3. Provide funding and financial advisory assistance for transit service development much like the Michigan plan;
4. Provide operating funds to match the Section V grants;
5. Consider classification of transit system support from ad valorem taxes as public input; also suggested the introduction of higher gasoline tax, relax the Powell Bill Act;
6. Investigate the cost of liability insurance for operating companies;
7. Reexamination of municipal franchises which are applicable between small areas and surrounding large areas, removing existing restrictions so that franchises could expand more easily in the metropolitan areas.

GROUP III. RURAL PUBLIC TRANSPORTATION

Mr. John Collura, Transportation Planner, N. C. D. O. T., stated his recommendations were very brief, and that material would be made available.

Mr. Collura stated that Mr. James Barnett, Director Choanoke Area Development Association, Murfreesboro, N. C., had pointed out the need to coordinate existing transportation services provided by various social service agencies. Presently an individual agency owns its own buses and transports only its own specific clientele groups. He stated that Joyce Johnson explained the need to pool the existing resources of these various agencies to allow planners to examine a wider range of public transportation alternatives which could be offered to the entire rural communities.

Mr. Collura stated that all speakers in the workshop alluded to the various legislative, regulatory and administrative constraints which prevent the most efficient and innovative rural public transportation alternatives from being implemented. For example, some Federal administrative guidelines suggest that various public agencies cannot contract with private operators. Also some Federal programs will only permit their funds to be used to purchase equipment to serve their particular client's own. In addition the State's Division of Mass Transit is restricted to using their funds for only to capital complaining costs of federally funded rural public transportation projects. In short, the comments of both speakers (Barnett and Johnson) and workshop participants demonstrated the need for the State to play a more vigorous role in the provision of rural public transportation and should be responsive to the local needs of the state. In order to achieve this objective the following recommendations were made:

1. Allow the use of gasoline tax revenues to finance the capital and operating expenses of rural public transportation projects;
2. Permit the State Division of Mass Transit to spend presently available general funds of the operating expenses for Federal, State and/or locally funded rural public transportation projects;
3. Adopt a resolution to support pending Federal Legislation Senate 662, which if passed, will provide operating funds for transportation projects in rural areas. (This resolution should be sent to all N. C. Congressional Members).

4. Require public and social service agencies to consider all options available to them for providing area wide transportation services. These options should include and not be limited to third party contracts with private and public agencies and inter-agency pooling of existing transportation resources;
5. Require the State Division of Mass Transit to develop criteria for the purpose of evaluating the performance of rural public transportation projects in North Carolina. Such an evaluation mechanism should be useful in showing the proper allocation of resources for the continuation of successful and efficient transportation projects;
6. Direct the State Division of Mass Transit to examine the legislative, administrative and regulatory constraints which create barriers for innovative public transportation projects in North Carolina;
7. Direct the State Division of Mass Transit to determine the resources necessary to provide professional assistance to rural transportation providers in the areas of planning, management, accounting and marketing;
8. Direct the State Department of Transportation to commit itself to an active reassessment of state-wide transportation priorities. This effort should place emphasis on identifying the transportation requirements of rural people.

GROUP IV. PARATRANSIT

Mr. Rolin F. Barrett, Research Administration, N. C. State University explained that paratransit is those modes of transportation which fall between conventional bus service and the single occupant automobile. Some of the familiar forms of paratransit are car-pooling, van-pooling (ride sharing by groups), taxi-sharing and dial-a-ride programs.

Mr. Barrett stated that the goals of paratransit are:

1. Increase average occupancy of vehicles on the road, thus reducing the total number of vehicles on the road;
2. Provide mobility to various transportation disadvantaged groups.

Mr. Barrett continued with recommendations from the workshop as follows:

1. Establish a full-fledged Division of Mass Transit within the State Department of Transportation with specialists in paratransit capable of acting as a clearing house for information on this subject;
2. Modest state funds are needed to provide an aggressive education program and demonstration projects showing the benefits of paratransit;
3. The North Carolina Secretary of Transportation should recommend to the General Assembly removal of laws and regulations would prohibit implementation of paratransit concepts;
4. Amend the existing law which refunds state tax on fuel to buses to also include taxi-cabs and non-profit organizations providing transportation;
5. Provide a user subsidy to transportation disadvantaged groups, i. e. provide transportation stamps;
6. An Act of legislation requiring government agencies or private organizations receiving subsidies to show that they are coordinating the use of their vehicles with other groups providing transportation.

Mr. Barret stated further that:

1. The benefits of these recommendations would provide better transportation to the poor, elderly and other disadvantaged groups;
2. Would reduce the cost of building new roads to support the ever increasing single occupancy automobile;
3. Would optimise our existing transportation facilities and capabilities.

GROUP V. CARPOOLING

Mr. Douglas G. Milliman, Hensley-Schmidt, Inc., Charlotte, reported for this group and stated that the workshop findings would be formalized and sent to Dr. Hammond. Some general findings were:

1. The group recommended that a system be set up within the State Department of Transportation so that any North Carolina community can get general technical assistance to form car pooling programs;

2. Department of Transportation should determine the appropriate level of support for the urbanized areas;
3. Recommended that a demonstration area or a demonstration research . . van pool governmental example be set up to include a local government entity to show how van or car-pool projects can work for its employees and that a major effort be made to find a demonstration area who could also represent a demonstration program.

GROUP VI - STATE AGENCY COMMITMENT

Dr. Fuad A. Rihani, Department of Civil Engineering, N. C.

State University reported for this workshop as follows:

1. State Government (General Assembly) to immediately provide leadership to local, regional and federal levels for the provision of improved mass transportation services in the state.
2. The State Government commitment needs to extend beyond financial assistance into all phases of planning, implementation and management;
3. The State Government commitment needs to aim for a broad state-wide program, capable of effective coordination or related local, regional and state programs . . ;
4. The State Government commitment needs to be commiserate (?) with the minimum recognized needs of the State to insure positive return on the investment. The recent mass transportation program adopted by the N. C. D. O. T. Board of Transportation is recognized as a positive and needed step; however, experience of some states indicates the effort for North Carolina to upgrade its funding commitments significantly beyond requirements of matching federal funds for at least several years;
5. It is critical that the State Government recognizes the difference in the two basic forms of mass transportation - that of providing a social service and that providing a viable energy efficient and competitive ultimate mode within the Board of Transportation system. This is extremely important and extremely

critical so that State Government can make the proper commitments to the proper area.

Dr. Rihani emphasized the recommendation that State Government provides immediately the proper mix of legislative and administrative actions that will accomplish the problems. He pointed out that the workshop decided that it is not warranted that the details of mass transportation be dealt with to date, but rather to request a broad approach by the State Government in this area.

Recommendations from Group VI continued as follows:

1. Establishment of mass transportation objectives, policies and standards. These should reflect both a broad state-wide perspective rather than local technical details and the two identified modes of mass transportation. It is recommended that social service fault (?) and the social equity aspect receive higher priorities;
2. Designation of a single state agency . . . and is left to the wisdom of the State Government to decide which is the most effective way of doing it and the most effective agency to handle the proper responsibilities in the state. Designation of the single state agency to work, coordinate and help initiate, develop and evaluate mass transportations systems and services on a state-wide basis. This agency should be organized, very important Dr. Rihani said, and is extremely critical for the General Assembly and State Government branches to recognize that within the Department of Transportation some stream-lining is extremely critical - in the transportation planning and the mode of operation, this stream-lining is needed and specific to the accomplishment of any objectives you might have in mass transportation. This agency should be organized and authorized to effectively coordinate mass transportation efforts to the planning, design and management of all related transportation programs and services. Responsibilities of the agency should include:

- (a) Technical assistance to local, regional and state agencies, including the pro-

vision of planning, design, training, management, marketing, monitoring, information and evaluation services;

(b) Allocational program resources;

(c) Development and monitoring of uniform and effective safety standards to protect the system, its users and public.

3. Recommended the provision of the designated agency with adequate staff and resources to secure accomplishment of its mandate. This aspect of the recommendation was emphasized strongly by Dr. Rihani.
4. Recommendation of provision of local and regional levels with a minimum of \$5 million dollars annually in addition to the present commitments for at least three years - this was made specific because it was felt that it was essential to determine the general curriculum that the State Government needs to entertain. For three years for capital improvement's demonstration projects and technical studies, maximum funding flexibility should be as good - this will help evaluate the potential as well as the actual effectiveness of the programs in this state. The experience of West Virginia and other states indicate that for North Carolina this is the minimum level of commitment and time within which it can be proved whether the system means anything or is useful or not. If the state believes that an investment of an average of a total of \$5 million dollars a year in the state and expect mass transportation to prove itself as a social service and as the most competing board, the experience of other states indicate this is not probably going to happen - like everything else, a minimum amount of investment before any results can be seen. Dr. Rihani stated it was unfair for mass transportation to be judged in the future for inefficiency while the basic reason behind its failure is the absence of proper amount of investments for this operation.
5. Recommendation for the development and implementation of regulations that will provide all programs

with both flexibility and effective recourse.

6. Recommended the authorization and support of regional and local efforts to improve the development and management of mass transportation programs. Dr. Rihani stated that there was specific mention (by the workshop) of one program in West Virginia where the General Assembly authorized the regional agencies to be empowered to create regional transit authorities; and he stated that to his knowledge N. C. does not have this legal power. The General Assembly needs to help the regional and local agencies find out the proper administrative and other means that will help their proper coordination of regional mass transportation problems.

Mr. Cox stated that a document that will include those recommendations heard, as well as, the presentations made and these will be sent to participants at the conference.

Mr. Cox called on Rep. Barbee and Rep. Ray for any comments they might have. Chairman Ray, after acknowledging all those who had participated in the conference, called on Co-Chairman Barbee to begin discussions.

Co Chairman Barbee asked Mr. David Robinson to enlarge on the Piedmont-Crescent regional mass transit system that is proposed.

Mr. Robinson stated that the 1973 General Assembly appropriated \$100,000 to the Department of Transportation to study the feasibility of rapid transit in the Piedmont Crescent; a report was presented to the 1975 General Assembly, the original mandate was for looking at rapid transit in the state as a whole; and the Piedmont-Crescent was taken as a geographical focus for the study. This study has also been sent to communities all through the Piedmont-Crescent. Mr. Robinson said that, briefly, it raised certain questions related to the general feasibility of rapid transit, such as roadways, availability of rights-of-way, such as the railroad right-of-way the state has interest in along the Piedmont-Crescent. This is the first step of what might be a long project.

Senator McDuffie spoke briefly on the need to educate the public that mass transit is a service that is needed, not to replace the automobile but in connection with it.

Rep. Heer called for comments as to recommendations for funding a system, such as the Michigan plan where funds are withdrawn after the second year after assurance of operations, and referred to Group II's recommendation that the state undertake a greater amount of funding of operations. He commented upon Section 5, Federal Funding, and the statement that operating funds are available but that it's not being utilized because local communities do not want to put up their share. Rep. Barbee responded that the people have to decide whether advice is wanted from Raleigh (General Assembly) and Washington (federal) and provide more money on the local level, or to send it all to state and the federal government and get what can be returned from Washington.

Rep. Heer said that extreme care must be taken in the allocation of funds that have no permanency and this is a philosophical matter that needs to be stressed, if it is a service, and not a commercial operation for profit but utilizing commercial management. He said this must be publicized and is extremely important.

Sen. McDuffie spoke briefly on car pooling and bus commuting and educating the public on mass transportation. He talked about the Winston-Salem guaranteed bus service, whereby a certain amount, say \$10 a month, is paid by a given number of riders by bus and organized by the people.

Mr. Cox referred to the Michigan plan where the system would be funded in the third year by the state, if successful, and that in eleven out of seventeen cases, the local governments were operating on 1/3 state, 1/3 fare box and 1/3 local subsidy.

Mr. James T. Barnett, Director, Choanoke Area Development Association, Murfreesboro, N. C. spoke briefly regarding one or two problems he was concerned with: the report that there is not legislation presently on the books which would allow counties to provide public transportation and referred to landmark legislation written in 1973-74 session which gave county governments/^{authority} to provide bus lines as transit systems (Mr. Barnett has (or will be) invited to the committee to speak further on the above). He said that the Department of Transportation should inventory and evaluate the potential capabilities of both private non-profit and private profit sectors as it relates to their abilities to effectively deliver public mass transportation

Dr. Rihani emphasized that legislation should be in the social service areas

Mr. Cox stated there were six different sets of recommendations at this meeting and it was expected that there would be inconsistencies.

There were other comments from the audience including **one person** who spoke on the cost of highways and parking lots, which are a very expensive operation for automobiles.

Sen. McDuffie spoke in defense of the good highways throughout North Carolina. He said he is willing to raise gasoline tax to improve and use it for mass transit. He emphasized that the public needs to help the legislators sell the General Assembly to approve 1 or 2¢ for operating mass transit.

Rep. Barbee commented on the law (referred to above) that prohibits charging for car-pooling and asked for input on this.

Mr. Barnett referred to the public utilities (Utilities Commission) and says that in car-pooling that you can only be reimbursed for the cost of (?) fuel

Chairman Ray summarized by saying that the Mass Transit Committee would come out with some worthwhile legislation and to keep in mind small counties, the constituents, etc.

There being no further business, the morning's session adjourned.

WORKSHOP ASSIGNMENTS

Group I - Regional Public Transportation (Governor's Room)

Jeff Coutu	R. C. O'Bryan
Robert L. Deaton	Larry Owen
Steve Dula	John Pappas
Zeno Gaynor	Marion B. Perry, Jr.
Charles W. Glover	George L. Reed
David C. Goss	J. M. Ritchey
Lewis G. Grimm	Lalifa Sen
A. T. Harris	R. F. Seedlock
Jim Huddleston	
Alice E. Kidder	Kathy Williams
David D. King	James S. Yu

Group II - Urban Public Transportation (President's Room I)

W. Jack Alston	A. Jack Holt	Ruth H. Mundy
Betty Chafin	Larry Meisner	Beth Mortimer
Rob Christensen	J. L. Pennington	Bob Olason
Jim Foil		Victor P. Poteat
Leo Heer		William Ray Rhyne, Jr.
Linda Hix		K. R. Roberts
J. Mills Holloway		Allen Rodeheffer
George A. Jenkins		John Schofield
Michael D. Kidd		Burton H. Sexton
Algis A. Lukas		James A. Summers
Harvey R. Mathias		Elizabeth Wilkerson

Group III - Rural Public Transportation (President's Room II)

Joe Bartel	Alice H. Greenlaw
Larry Biggs	Norman Gustaveson
Charles E. Bowler	George Harris
Jan Brewster	Terry Hoffer
Deborah K. Brown	Denese D. Lavender
Tim Clark	Ann T. Lichtner
Jim Daughtry	Shirley M. Lemons
Paula E. Dudley	Gary A. Miller
J. H. Enloe	Harry J. Palmer
William Floyd, III	Arthur E. Petersen, Jr.
Toni Foxwell	John Robinson, Jr.
	Deborah Underwood

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Group IV - Paratransit (Speaker's Room)

Bob Bach		Jim Hipp
Ted Ballenger		Percy J. Johnson
J. Barry Carpenter	Mary Oppermann	George Kapp
Louis Carver	William J. Veeder	Jim Ladieu
W. R. Clayton		Don Liner
Joseph F. Dunn		Danny Morgan
Dan Fleishman		Robert J. Omasta
Frederic D. Fravel		Molly Piper
Tim Goligoski		Sue Singleton
James H. Gray		N. Scott Thomas
W. C. Griffith		B. R. Tunstall

Group V - Carpooling (Senate Room)

M. R. Blair	Don Plaskett
Joe K. Donaldson	Cindy Rives
Evelyn A. Dodson	James M. Robinson
Frederick J. Haley, Jr.	David Roesler
Leonard Hysong	Albert Ruff, Jr.
Steve Kanoff	Craig H. Scott
Kathy Kotsche	Harold D. Simons
Jim Laumann	Deborah Swartz
Robert H. McDonald	Larry P. Ward

Group VI - State Agency Commitment (State Room)

J. A. Carter	Jim McDuffie
T. R. Currin	Debra A. Newman
Janet D'Ignazio	Theodore P. Nordman
Robert A. Eidus	Roy E. Payton
Harry W. Janzen	George Ransay
John Kallenborn	Marlene Rodenbeck
Banks C. Kelly	Philip Smith
	Arcelia Wicker

Group 10: David & Goliath

- 1. David
- 2. Goliath
- 3. King Achish
- 4. King Achish's men
- 5. King Achish's army
- 6. King Achish's soldiers
- 7. King Achish's warriors
- 8. King Achish's fighters
- 9. King Achish's soldiers
- 10. King Achish's warriors

Group 11: David & Goliath

- 1. David
- 2. Goliath
- 3. King Achish
- 4. King Achish's men
- 5. King Achish's army
- 6. King Achish's soldiers
- 7. King Achish's warriors
- 8. King Achish's fighters
- 9. King Achish's soldiers
- 10. King Achish's warriors

Group 12: David & Goliath

- 1. David
- 2. Goliath
- 3. King Achish
- 4. King Achish's men
- 5. King Achish's army
- 6. King Achish's soldiers
- 7. King Achish's warriors
- 8. King Achish's fighters
- 9. King Achish's soldiers
- 10. King Achish's warriors

APPENDIX F

REMARKS OF SPEAKERS AT

APRIL 1, 1976, MEETING

LOCAL MASS TRANSIT STUDY COMMITTEE - April 1, 1976

Exhibit 1

Comments by
Prof. Arthur Saltzman, Director, Transportation
North Carolina Agricultural & Technical State University
Greensboro, N. C.

Professor Saltzman's testimony is based on a number of research projects started in 1970 and focused on the smaller cities and rural areas' mass transit problems in N. C. The Urban Mass Transportation Administration has been funding this research.

Dr. Saltzman stated that most of the work done could provide useful input to policy makers who will decide on the course to provide better public transportation in the state. He said that he had seen first hand the importance in providing public transportation especially in the rural areas and a number of field trips to rural public transportation systems in the state and outside the state, and as the result of many of the field trips that persons without access to the automobile in rural areas are perhaps worse off than those with access to the auto in the urban areas. The rural poor who cannot afford an auto and the rural elderly who cannot drive are isolated without adequate access. This work has been done with the U. S. Urban Mass Transportation Administration as well as the office of the Secretary of Transportation.

Dr. Saltzman's first comment was on planning reasonable systems. He stated that transit should not be planned for large masses of people when there are not high densities and relatively few people within these low density areas who are demanding transportation services. The level of service that is required to meet the transportation needs in the rural and small cities is an order of magnitude, less than in the larger urban areas. What is needed are specialized transportation services that provide demand responsive transportation on a weekly or daily basis in the rural areas; and this theme of providing more personalized service to rural transit users is one that is especially important to serving elderly and handicapped persons. The transportation planners must become much more sensitive to individual needs of people who desire public transportation. Dr. Saltzman said that he believed that the word "mass" transportation in the small city should be considered as a "public" transportation.

Dr. Saltzman commented on cost and interpreting cost information. One concern frequently heard with respect to rural transportation especial-

ly many local and state government officials is the high cost per passenger trip for providing rural transit. In an analysis of the twelve systems visited it was found that the cost per passenger trip was running from \$3.50 to \$10.00 apiece with an average cost of approximately \$6.00 per round trip, per person. This sounds expensive, but there are two important factors that Dr. Saltzman believes make them reasonably efficient operations and justifiable. (1) When consideration of the per mile trip per passenger mile trip, this comes to about 6¢ per passenger mile which compares quite well with the urban systems; (2) the vehicular utilization rate, the number of seats that were actually occupied in these rural transportation systems was quite high (well over 60%) which is a good deal more than you find in the urban transportation system. The thing that drives the price up is the long distances traveled when rural transit is provided. It is important to notice that the very long trip lengths, on the average of 70 to 90 miles, should be observed and this perspective of the total benefits received and how much are a per mile basis instead of comparing it to the per trip basis.

Dr. Saltzman stated that this state should begin to consider subsidies for operating rural and small urban area mass transportation. Dr. Saltzman stated that (1) mass transportation is a service that should be provided to the citizens of an area, not open the coffers and let the money flow, for a reasonable level of service at a reasonable cost. He noted that N. C. is not getting their due share of the money from the federal and one reason is that we don't have the flexibility on the Powell Bill Funds nor the flexibility of some of our operating programs to match the money coming out of Washington - there are subsidies available on a 50/50 matching share funds. He said that N. C. is one of the lowest states with respect to how much we are getting back for what is put into the federal government in gas taxes (2) Another comment was made on the consolidation of resources and he believed that the way to have the most profound effect on transportation in the rural areas is to find ways to more efficiently utilize the equipment and man power that is currently used to provide transportation services. For example, if in one county there are ten different agencies providing services to the elderly, they should somehow be able to coordinate their vehicles and drivers to one consolidated system that could provide better service at lower cost per trip. Reasons for this not being done are: at the federal level it's the problem of number of funding sources and also at the state level.

There is no strong coordinating mechanism in N. C. to make sure that everything comes together and some level of coordination - every piece of legislation that designates funds for mass transit should have some clear indication that better planning is indicated, more coordination is needed and that we should be pooling our resources. (3) We need more and better skilled managers and planners especially in the rural areas; (4) we have to find ways of providing better salaries for attracting good transportation managers - \$8,000/\$10,000 is just not adequate for the caliber of persons needed. (5) Dr. Saltzman commented on vehicles and his concern if school busses were used to operate either local mass transit or rural transportation. There are real con-(?) problems associated with these vehicles as well as some legal and regulatory problems, and the fact that there are large numbers of under-utilized school busses makes their use seem very attractive, but in the institute's experience, Dr. Saltzman stated they have done nothing to provide the type of image for the system that is needed to draw passengers - people view these as poor peoples' systems and everything should be done to provide a first-class service at a reasonable rate, but in Dr. Saltzman's opinion the use of school busses has not done the job in any area that he has seen. The stigma of a poor people's bus negates some of the potential these rural systems have and will tend to inhibit ridership; also this factor tends to inhibit the amount of local business and local government support that is received by the local transit operations. (6) Dr. Saltzman suggested that we use the small vans, the types of vehicles that most systems have operated.

Dr. Saltzman concluded that as a result of the research a handbook will be produced on how to plan and manage rural transportation systems that will instruct persons who actually do the planning on how to implement the rural transit system.

Dr. Saltzman noted that a conference will be held in Greensboro on June 7, 8, 9, which will focus on rural public transportation, the national conference being funded by the U. S. Dept. of Transportation and members were invited to participate.

Rep. Heer asked how to get away from the stigma of "poor people transportation". Dr. Saltzman answered that we must strive for a first-class system, and instead of serving only the elderly and handicapped persons, we should serve a work-trip in a rural area (a subscription bus) - go after the job related people and not just the social service agency trip.

April 1, 1976

Rep. Heer referred to the 6¢ per passenger mile, and inquired what the break-even figure would be. Dr. Saltzman dispelled the break-even concept and said to think of breaking even is not the way to approach rural public transportation. He suggested thinking of 1/3rd or 50% out of the fare box as being a reasonable expectation.

Rep. Enloe asked what percent of matching funds is required to receive federal funds. Prof. Saltzman said that for capital assistance in the areas of over 50,000, 20% matching funds must be provided; and for planning assistance in any area 20% matching funds must be provided (that is combination local and state). For operating assistance there is currently only assistance available to places over 50,000 population and for those places 50% matching funds have to be provided. Places of under 50,000, the only funds that are available (federal) is for capital equipment, that again is 80% federal, 20% matching funds. Dr. Saltzman said it is hoped that some pressure will be exerted to allow the smaller urban areas (under 50,000) to use that money allocated not only for capital equipment but for operating assistance.

Rep. Enloe inquired if there is a proposal for state funds or federal funds for this. Dr. Saltzman proposed that there is a necessity for state matching share.

Rep. Heer inquired about the ten agencies providing transportation. Dr. Saltzman named the following local agencies: Easter Seal Society, the Local Area-wide Agency on Aging, Y. M. C. A., ten or twelve social welfare agencies, twenty or thirty local agencies in Greensboro. There should be more legislation to force more coordination in the local areas. (See document attached)

Rep. Enloe asked if he were thinking of collecting a fee for riding, other than the social service agencies. Dr. Saltzman said that it wouldn't be free, that someone would have to pay for it, in many cases the social service agency that is willing and able to put up the local share; and, very often the client is asked to contribute, say, 25¢.

April 1, 1976

Mr. Gilbert stated that he would be talking about para transit, but first should talk about urban transportation systems and the kinds of programs that currently exist. Looking at the status of mass transportation in cities, it is found that decades of neglect and decay as equipment has deteriorated and profits diminished in the 1950's. In the last three years we have seen a fairly substantial amount of federal money going into local mass transportation, some of the more progressive states establish their own local mass transportation, particularly Michigan, Illinois, Pennsylvania, New York and Florida. Despite the millions of dollars of the federal money that has been spent to buy almost 21,000 new busses, there are still some substantial problems. One problem that persists is that many communities are not served by mass transit. Nationwide there are approximately 800 cities that have any form of public mass transportation at all, yet there are 2500 communities that have taxi service. Bringing this down to local level, there are approximately 43 cities over 10,000 population in N. C., there are 14 cities that have mass transportation systems, there are approximately 29 cities over 10,000 in population in N. C. that have no form of mass transportation, other than taxis or special service vehicles. Nationally in 1974 the transit industry lost 23¢ per passenger carried.

Mr. Gilbert proposed the following questions as to what N. C. should do: 1) Should it follow the lead of other states in establishing some sort of substantial state mass transit program, 2) Should it spend some money on mass transportation in addition to the one million spent this year, and if so, how much should be spent, a modest amount, a lot (what is a lot, etc.); 3) Or is it possible that in N. C. we have a chance to look at the experience of other states and perhaps do something different perhaps to avoid some of the pitfalls other states have made.

Mr. Gilbert in answering some of the above questions stated the following:

1. Beef up the role of the Division of Mass Transportation here in the State. There are currently six people in this division and he did not propose making it a giant division of mass transit, but he thought it important to provide the kind of technical expertise where transit authority members in individual cities can come together

to exchange ideas, hear from marketing people, have seminars, provide research;

2. Need to talk about need for capital assistance, need for providing money for matching money for operating subsidies.

Mr. Gilbert discussed para transit, the whole range of services, taxis, car-pooling, van-pooling, subscription busses, etc. One of the things that makes para transit attractive is because perhaps since it has been ignored, it has done pretty well in the past. It is largely a private sector, and until recently taxi cab industry has existed almost on its own. It has also been operated in an unsubsidized fashion. Because of this it is very cost-efficient. One of the reasons para transit is cost-efficient is it rewards productivity. He gave examples of cities with small population (2500) where there are no public transportation busses. Taxis operate at a profit in most cases. One reason is that the taxi is usually owned or leased from some company or paid on a commission basis, which means they must hustle to make their taxi productive. This is recently changing because operating expenses are up, about 40¢ a mile, and they are facing financial problems now and are becoming more interested in subsidies. Mr. Gilbert referred to a study on taxicab user characteristics. See attached. This study relates to small cities, cities between 10,000 and 100,000, such as Greensboro, Durham, Wilson, Salisbury, Lexington, Morganton, Roanoke Rapids and Goldsboro. People were hired to ride in taxis at the beginning of the month and the end of the month because the taxi operators say that during the first five days of the month, there aren't enough cabs on the street, but after this the demand goes down. The reason for this is because of people on social security, etc. using the taxis when they have received money.

Mr. Gilbert commented on the myths that taxi users are high income persons or low income person who uses the taxi for frivolous reasons. Neither is true he said. He said that people making less than \$3,000 per year comprise 1/3 of the taxi passengers; people making less than \$5,000 comprise over half of the taxi passengers. People use the taxis because they have no other service. Taxis have had increased operational costs, such as fuel, yet they cannot forever be able to pass on increased costs of fuel, for example, because they cannot afford fare increases to these people.

Recommendations made by Mr. Gilbert are:

1. The Legislature should consider the possibility of directing the Secretary of Transportation to conduct a study of legal impediments to para transit utilization - a study to include taxation and insurance barriers such as taxation. In many states and probably in North Carolina there are barriers which preclude an individual to form a car pool and receive money to make it worthwhile. Any charge made in addition to operating costs would class one as a different kind of operation (not a car pool), for example the liability insurance would be changed (private automobile insurance would no longer cover). In some cases taxation policies on your house might change, it might become a business and therefore the rate would change. This is now being proposed for study by the Division of Mass Transit. The Legislature could be informed by this study as to what positive steps could be made toward giving people incentives to form car pools;

2. Two things need to be considered concerning taxi cabs. They are (a) allowing taxis not to pay state gas tax (refunding the gas tax money taxis currently pay that mass transit does not pay) amounting to an estimated 2% decrease in cost per mile for a taxi cab to operate; b) refund state gas tax to taxi operators to provide group riding (1,2,3 or 4 people riding a cab at the same time with the same origin, same destination, paying the same fares as if there were one person in the cab). In well over half the cities in N. C. that is currently the situation; (c) open up any policies decided upon to help bus systems, that taxis be treated likewise if they provide shared riding (shared riding is different from group riding - shared riding means one patron might be riding in a taxi, the taxi might stop to pick up another passenger maybe or maybe not having the same destination, but the two parties would share the cab at the same time);

3. Mr. Gilbert suggested having a modest demonstration program, where demonstrations in one, two or maybe more cities have some innovative concepts that would involve integration of mass transit, shared riding taxi service, or have the social service agency projects try to make a showcase so that local problems could be dealt with.

ADDRESS
by
JAMES T. BARNETT
on
RURAL TRANSPORTATION
to
THE NORTH CAROLINA CONFERENCE ON SOLUTIONS TO LOCAL MASS TRANSIT PROBLEMS
RALEIGH, NORTH CAROLINA - FEBRUARY 11, 1976

WHY RURAL PUBLIC TRANSPORTATION?

North Carolina is characterized by its comparatively large number of small towns and cities and its dominant rural nature. Therefore, in state-wide planning careful consideration needs to be given to rural viability. Our purpose here today is to explore the question of Rural Public Transportation.

Mobility in our rural areas is a more pressing problem today than it was in the past because of certain changes that have taken place over the last several decades. These changes, considered by many as progress, have affected our overall social and economic systems -- both favorably and adversely. To an inordinate degree, these changes have been traumatic to many rural residents.

Briefly, some of the significant changes have been:

1. Changes in Distribution and Marketing - The competitive supermarkets and mass merchandizers have replaced or seriously degraded the rural general store. This centralized distribution requires mobility on the part of rural residents.
2. Technological Changes - Technology in agricultural production has drastically reduced rural manpower needs. Contrary to what still seems to be a popular notion, the vast majority of rural residents are dependent upon non-farm activities for their livelihoods.
3. Changes in Self-Sufficiency - Rural families and farm families are no longer synonymous. Significant dependence upon home gardening and canning decreased with the demise of the mule. In spite of the recent resurgence toward gardening, fostered by economic recession, rural residents are likely to remain dependent upon the distant supermarket.
4. Changes in Employment Locations - These changes have required the displaced farm worker to commute to distant manufacturing plants and distribution centers.
5. Changes in Skills Requirements from Farming Skills to Other Skills Changes in this area have forced many without saleable skills to become dependent on public assistance; welfare is not a choice, but for many it is a degrading necessity. Older workers and women have suffered the most from these changes.

6. Changes or Expansion of Social Delivery System - "Country Doctor" health care has declined as specialized centers developed in more urban areas. Schools have been consolidated, thus necessitating added travel for extracurricular activities and has decreased the number of community centers. Welfare programs have expanded. All of these factors have increased the need for rural mobility.

We have briefly reviewed six significant changes that relate to mobility. All of these relate largely to individual needs. Another important consideration relates to a common national interest -- the need to conserve our natural resources. With approximately 25% of our petroleum products going for transportation, primarily for private motor vehicles, we must consider alternate transit methods. Please note the petroleum question has not been resolved, just deferred to haunt us later. Public mass transit appears to be a plausible and efficient alternative.

EXISTING MODES OF TRANSPORTATION

1. Private Autos:

In rural areas about 25% of the neediest residents do not have access to private autos, simply because they cannot afford them. An additional 25% (approximate) for economic reasons have older vehicles that are expensive to maintain and are not dependable means of transportation.

2. School Bus System:

A well-designed and cost effective school bus system is used exclusively for the transportation of school children. At first glance it may appear that expanded operation of school buses to serve general transportation needs for people other than school children is desirable. Some have advocated such expanded operation. Our examination of this alternative indicates that it would not be feasible for a number of reasons i.e. school buses are designed for a very special purpose. They do not meet adult comfort or safety standards for general transportation.

A public transportation system can, in some instances, effectively answer to school needs; however, school bus systems cannot answer to general community needs.

3. Intercity Service by Franchise Carriers:

We should recognize that Franchise bus systems (Seashore, Greyhound, Trailways etc.) generally do pass through rural areas on major highways and effectively answer to intercity transit needs, but in an overall sense, they are not a significant factor in providing localized rural transportation. A public rural system should be by design and mutual agreement supportive and complementary to these existing and effective intercity modes.

4. Uncoordinated Agency Services:

Local service agencies, generally in North Carolina human resources agencies, operate a sizable number of vans, buses and station wagons; however, these services are generally limited to a potpourri of special programs. For example, a separate bus transports only older citizens, a Vocational Rehab bus carries only its clients, a health program bus transports only their clients -- etc., etc. -- without coordination one with the other. In one incident related to us, three different agency vans met at the same time to transport a single client. Such an incident not only confuses the client, but is also costly and duplicative.

Harold Maness, Director of the Division of Plans and Programs, Department of Human Resources, in addressing the lack of agency cooperation, pointed out in a press release last spring, "This is a tremendous waste of public resources and is completely inefficient."

WHAT ARE THE ALTERNATIVE MODES OF RURAL TRANSPORTATION?

The most attractive alternative for rural transportation, that we have found is a planned and coordinated system, operating within an optimum geographical area, which centralizes and integrates the various agency transportation needs, and it should also answer to other rural transit needs, i.e. work and shopping runs. Such a system would have to foster and coordinate multiple usage of available vehicles. Stated simply, a number of different agency clientele could be riding the same bus at the same time. A limited number of such systems have been attempted throughout the country. Most of these were supported by OEO (now CSA).

We have reviewed many of these efforts and attempted to analyze and utilize both their successes and failures. Failures seem to relate to failure in the following areas:

1. Generally Realistic Cost Determination and Projection Have Not Been Made

We find that system costs must be approached realistically and not hidden by such means as utilizing allegedly "free" drivers supplied by other public programs. We must know our cost in order to plan and deliver.

2. Attempts to Use Improper Equipment, Such as Worn Out School Buses and Other Surplus Vehicles

Modern equipment that is designed for adult passenger comfort should be used, as such promotes ridership. The poor are reluctant to ride a vehicle that has a "poor peoples bus" identity.

3. Inadequate Public and Inter-Agency Support

Transportation system operators must enlist support of local government officials and local agencies by demonstrating, or otherwise ensuring, cost effectiveness and dependability.

Ideally, a successful system uses smaller units, generally demand responsive ones operated in limited geographical areas to feed larger units on fixed scheduled runs. All units should be responsive to a central dispatch. The optimum size of such a system is dictated by natural geographic areas and commuter patterns. Predetermining commuter patterns in a rural area is not an exact science, but is analogous to general marketing patterns. Commuter pattern determination must take into consideration the location of industry and the social services deliverers. Minimally in size, such a system could serve a single county, but it is more probable that it should serve a multi-county area. Marketing patterns and their influence on commuter patterns should subordinate political lines.

The legal entity to provide rural public transportation may be a private, non-profit i.e. a CAA, or a public, or a quasi-public entity (such as a Transit Authority), or a combination of these.

Reciprocal Agreements Between Transit Entities

If we assume that eventually such a public transportation system would cover the entire state, reciprocal agreements will be needed to cover overlap and/or passenger transfers. These agreements need not be complex or unworkable. We have the precedent of international postal agreements which are simple and equitable. Basically, the point of origin determines where the money goes. The return trip will provide equity.

COST EFFECTIVENESS

The cost of individual transportation by private vehicles, including taxi cabs and itinerate jitneys, can vary between 15¢ and 75¢ per mile. With a system using 11-14 passenger vans, as are common, these costs can be realistically reduced, excluding minimum fares, to as low as 4¢ or 5¢ per passenger mile. Larger vehicles, where load factors justify, can be somewhat lower in per passenger mile cost.

As a case in point, we find in our system that the overall operating cost of the typical van is 49.4¢ per mile. This figure includes drivers, fuel, maintenance, depreciation, dispatch, insurance, and all other overhead.

Our fixed costs are higher than we would like -- simply because we do not have sufficient rolling stock to meet the optimum level. Fixed overhead costs up to a point do not rise at the same ratio as direct operating costs. For example, 20 vehicles require about the same overhead cost as 10 vehicles.

EXISTING RESOURCES

Based on our experience and the study of the experience of certain others, it appears that there is a substantial existing resource that has not been effectively tapped. This resource is the money currently going into fragmented and inefficient individual agency client transportation. There are several hundred title programs being administered by various Federal & State agencies, each with its own and oftentimes conflicting guidelines. Practically none of the guidelines speak to third-party contracts for these services. Therefore, we should continue to advocate uniformity in guidelines with emphasis on third-party contracts where applicable and feasible.

Often an agency will acquire funds with which to purchase a vehicle on the false assumption that the acquisition alone will resolve its transportation problems. When you consider that vehicle cost represents only about 6% of total system cost, it becomes necessary for the agency to "cover-up" the remaining 94% of actual costs.

Individual Fares (Another Resource)

Very few rural systems have been able to utilize the existing resource potential of individual fares for work runs, shopping, etc. This is due to a number of causes, including legal or guideline constraints; mainly guidelines.

In our case, we think we have resolved the legal and most guideline constraints, but we have not yet implemented a fare service aimed at the private sector because of the lack of capital assistance with which to purchase necessary rolling stock for expansion. Heavy demands from the public sector pre-empt the private needs, which is unfortunate since providing for work and shopping needs would foster positive economic development.

LEGISLATION AND PUBLIC POLICY

Review of Enabling Legislation

In 1974 the North Carolina State Legislature, under House Bill 1952, gave county governments the authority to provide "Bus Lines and Mass Transit Systems", thereby putting rural areas on par with municipalities that had previously been given such legislative authority. This Act, along with other existing legislation, appears to be adequate as it does, in our opinion, enable county governments to enter into consortium and designate other entities to operate in the manner of a Transit Authority.

Waiver of Fuel Tax

Consideration should be given to the waiver of fuel tax to all public mass transit operators. This, in effect, would foster growth of such operators in a direct and equitable manner. Some have suggested the alternative that a portion of the fuel tax might be designated specifically for the public transit sector. The latter might prove to be cumbersome legislatively and could proliferate the red tape syndrome.

Capital Assistance

Limited capital assistance to rural systems is available on the Federal and State levels. This subject will be addressed by others during this conference.

Start-Up Assistance

We feel that start-up operational costs, as well as capital assistance, is needed initially by demonstration projects. This need has been emphasized to us in the myriad of inquiries we have received from all over the country, seeking information that we have gained from our limited experiences.

We make every effort to respond to these inquiries because we feel that the viability of rural America depends to a large degree on the mobility of rural residents. To respond to inquiries, we too often have to pre-empt pressing priorities without commensurate compensation; thus, the dissemination of information on demonstration transit projects is another cost related factor that should be considered in the funding of rural public transit projects.

Public rural transportation is in its infancy. Energy conservation needs and the viability of rural areas require that it be given serious consideration and priority ranking by the North Carolina Legislature.

APPENDIX G

EXECUTIVE SUMMARY FROM

RAPID TRANSIT IN THE PIEDMONT CRESCENT:

A PRELIMINARY APPRAISAL

Rapid Transit In The Piedmont Crescent:

A Preliminary Appraisal

APPENDIX G

March 1975

Division of Mass Transit
(N.C. DOT)

EXECUTIVE SUMMARY

The 1973 Session of the North Carolina General Assembly charged the North Carolina Department of Transportation and Highway Safety to ". . . study and appraise the mass transit needs and alternatives for rapid intercity travel in North Carolina." As a first formal step in fulfilling the mandate, the ten-county area extending from Raleigh to Charlotte (known as the Piedmont Crescent) was selected as the geographic focus. Thus, the investigation reported in this document specifically examined the mass transit needs and alternatives in the Piedmont Crescent. ("Mass transit" was interpreted to encompass only those modes of ground transportation which utilize some new roadbed or exclusive right-of-way.)

The study approach taken was to examine the consequences of a choice between as broad a range of options as possible. In reflecting this approach, the "needs" for transit in the Piedmont Crescent were seen to be partly the result of yet-to-be-made active or passive policy choices, and partly the result of uncertain environmental pressures.

While an enormous number of transit alternatives could be considered technically feasible within this range of needs, only a few alternatives exhibited potential operational compatibility with the physical and market characteristics of the Piedmont Crescent. Alternatives with variations which included the following characteristics were considered worthy of some level of analysis:

Routing Patterns - Three possible variations were explored: (1) a pattern of service strictly connecting the three major subregions (Charlotte, the Piedmont Triad, and the Research Triangle); (2) a pattern of service interconnecting all of the thirteen cities along the Piedmont Crescent; and (3) an East-West pattern of service interconnecting all the cities between (and including) Raleigh and Winston-Salem, with transfer potential to existing Greensboro to Charlotte service.

Types of Right-of-Way - Three types of right-of-way were considered: (1) the North Carolina Railroad Company right-of-way; (2) Interstate or other highways; and (3) new acquisitions.

Velocity - Velocity ranges extending to over 250 miles per hour were considered.

Classes of Users - It was decided to focus on passenger applications, but with attention to any performance characteristics that might interfere with potential cargo applications.

The performance, economic, and energy analyses of the options support conclusions which appear useful, at least insofar as assessing what next steps should be taken about the future of transit in the Piedmont Crescent. The broader implications of these analyses as well as the prior qualitative assessments are summarized as follows.

TECHNOLOGIES AND PROCESSES

Conventional speeds - Considerable difficulty is faced by any bus or train system operating at conventional speeds in offering trip times that would voluntarily draw many travelers away from the private automobile. Shifts in environmental or policy constraints that could generate additional need will not necessarily improve the relative case for conventional speed technology. Any rail system will probably require a virtually new set of tracks anyway to avoid massive disruption of existing freight operations.

Busways - Busway systems are very sensitive to capacity requirements. If the transit need becomes sufficiently great, busway systems could eventually become one of the most expensive systems to operate. On the other hand, busway investment costs are the lowest among the alternatives considered and are highly efficient energy consumers.

Higher Speeds - Higher speed systems would probably experience greater patronage than busway systems but only if adequate feeder service in each urban area served is provided.

Elevation - It is possible that elevated systems in the higher speed ranges do not offer performance advantages commensurate to their costs.

ROUTE PATTERNS AND RIGHTS-OF-WAY

Subregional Versus Full-Service Routing - The issue of whether a Piedmont Crescent transit system should be a purely inter-regional installation serving only the three major subregions or more local in character serving all the cities along the line was illuminated but not resolved by the analyses. Full corridor service approximately doubles the target population at an investment cost premium of only 30 - 40 percent and an operational cost premium of 25 - 50 percent. However, serving just the three major subregions offers improvements in passengers' average velocity ranging from about 30 - 75 percent.

The final resolution of this question continues to hinge on whether the State and the localities wish isolation or interconnection and whether a Piedmont Crescent transit system is visualized as being integrated with a larger regional or National network which would dictate its characteristics.

East-West Routing - This pattern would probably represent the best environment of the three for conventional speed technology in that the best combination of performance and economics for conventional speeds was realized. This is not to say that this technology is preferred.

Types of Rights-of-Way - It was concluded that the safety issue and the more direct routing of the Interstate highways would probably favor their use for the bulk of the route if the overpasses could be modified at a reasonable cost.

POLICY DOMAINS

Transit as a Traditional Supplement - Any Piedmont Crescent transit system designed merely to provide a traditional supplement to a foreseeable growth market is likely to exhibit unappealing economics and limited utility.

Transit as a Policy Instrument - If the environment influencing modal splits (proportion of travelers by transit, automobile, air) changes enough or if interactions between Piedmont Crescent cities increase enough, the economics could be improved markedly and systems could be visualized that would play a major role in controlling and shaping the environment of the Piedmont Crescent. Modal splits may change dramatically due to possible Federal policies regarding gasoline allocation or taxation although the same policies may also inhibit the overall demand for travel. The only forcing policy option that appears firmly within the grasp of North Carolinians is the one related to the desired character of the Piedmont Crescent itself.

Interaction Between Technology and Strategy - It was concluded that the use of conventional speed technologies requires much tighter control of policies impacting capacity requirements to insure remaining within acceptable operational economics.

The following recommendations emerged from this investigation:

POLICY RESOLUTION

If an early decision on intercity mass transit in the Piedmont Crescent (and anywhere else in North Carolina) is desired, it is recommended that the North Carolina Department of Transportation and Highway Safety avail itself of the relationship between the desired character of the Piedmont Crescent and the future of transit at all decision-making levels (public and private). Such discussion can only enhance the prospects for North Carolinians to experience a future environment largely of their own choosing.

RETENTION OF OPTIONS

In the absence of forcing policy decisions, it is premature to focus on a single transit alternative to the exclusion of others. As the policy dialogue progresses, effort can be directed toward those preparatory steps which all options have in common and toward resolution of technical issues which will further discriminate between them.

TECHNICAL STUDIES

Several key questions deserve early clarification:

Right-of-Way - In order to substantiate the tentative conclusion that use of Interstate highway right-of-way offers the best potential for higher speeds without elevation, a preliminary cost and feasibility study of the necessary modifications to overpasses, medians, and shoulders would be desirable.

Feeder Systems - A conceptual study of the possible classes, sizes, and locations of feeder systems in the cities and subregions of the Piedmont Crescent would be very useful. The potential differences in urban transit systems with and without the existence of a Piedmont Crescent transit system should be identified.

Modal Split - Despite the probable dominance of Federal policies impacting over all automobile usage, an understanding of whatever institutional and policy leverage is available to the State could improve visibility into potential transit economics. Specific areas worth exploring are (a) possible mechanisms for inducing shippers and existing carriers to permit shifts of cargo from current modes to transit, and (b) the level of potential passenger traffic specifically generated or controlled by State or local governmental activities.

ORGANIZATIONAL FOCUS

If the above recommendations are pursued, it would probably be useful for the North Carolina Department of Transportation to provide a specific organizational focus for such activities.

PREPARATION OF REPORT

The preparation of this report by Transyt Corporation, Newport Beach, California, was financed through a grant from the North Carolina Department of Transportation and Highway Safety under the provisions of the North Carolina Current Operations Bill of 1973.

The material contained in the report was developed by Transyt Corporation independently of the providers of intercity mass transportation in North Carolina and thus does not reflect their views on existing or proposed passenger services. Instead, the overall intent of the report has been to provide a basis for a continuing dialogue between private enterprise, the State and Federal Governments on the subject matter.

ACKNOWLEDGMENTS

Transyt Corporation wishes to extend its gratitude to the staff of the North Carolina Department of Transportation for the considerable assistance rendered in the assembly of appropriate background material for this study. Particular thanks should also be extended to W. J. Cameron for permission to use his unpublished doctoral thesis as a data base.

APPENDIX H
DRAFT LEGISLATION
MOTOR FUEL REFUNDS FOR
PRIVATE NON-PROFIT TRANSPORTATION
SERVICES

AN ACT TO PROVIDE MOTOR FUEL TAX REFUNDS FOR PRIVATE
NON-PROFIT TRANSPORTATION SERVICES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-446.3 is rewritten in the title to read as follows:

"Refund of taxes paid on motor fuels used in operation of motor buses transporting fare-paying passengers in a city transit system and in operation of private non-profit transportation services."

Sec. 2. G.S. 105-446.3(a) is rewritten in the first sentence to read as follows:

"(a) Any person, association, firm or corporation, who shall purchase any motor fuels, as defined in this Article, for the purpose of use, and the same is actually used, in the operation of motor buses transporting fare-paying passengers in connection with a city transit system as hereinafter defined in subsection (b) of this section or in the operation, by private non-profit organizations, of motor vehicles transporting passengers under contract with or at the express designation of units of local government (such transportation above and hereinafter referred to as private non-profit transportation services) shall be entitled to be reimbursed at the rate of eight cents (8¢) per gallon of tax levied by this Article upon filing with the Secretary of Revenue an application upon the oath or affirmation of the applicant or his agent showing the number of gallons of motor fuel so purchased and used."

Sec. 3. G.S. 105-446.3(d) is rewritten to read as follows:

"(d) If, upon the filing of such application, the Secretary of

Revenue shall be satisfied that the same is made in good faith and that the motor fuels upon which said tax refund is requested have been or are to be used exclusively for purposes as set forth in said application and for the operation of a city transit system or for private non-profit transportation services, he shall issue to such applicant a warrant upon the State Treasurer for the tax refund."

Sec. 4. G.S. 105-446.3(e) is rewritten to read as follows:

(e) If the Secretary of Revenue shall be satisfied that the applicant for any refund authorized by this section has collected or sought to collect any refund of tax or taxes on fuels not used in the operation of a city transit system or for private non-profit transportation services, he shall issue to such applicant notice to show cause why such application should not be disallowed, which notice shall state a time and place of hearing upon said notice. If upon such hearing the Secretary shall find as a fact that such applicant has collected or sought to collect any refund on fuels which have not been used in the operation of a city transit system or for private non-profit transportation services, he shall disallow the application in its entirety and the applicant shall be required to repay all tax or taxes which have been refunded to him on said application.

Sec. 5. This act shall become effective July 1, 1977.

APPENDIX I
DRAFT LEGISLATION
ADMINISTRATION OF
STATE PROGRAMS RELATING
TO PUBLIC TRANSPORTATION

A BILL TO BE ENTITLED **FOR REVIEW ONLY**

AN ACT TO AMEND ARTICLE 2B OF G.S. CHAPTER 136 BY CHANGING THE
TERM "MASS TRANSPORTATION" TO "PUBLIC TRANSPORTATION"
AND BY AUTHORIZING THE ADMINISTRATION OF STATE PROGRAMS RELATING
TO PUBLIC TRANSPORTATION.

The General Assembly of North Carolina enacts:

Section 1. Article 2B of Chapter 136 is amended in the title by deleting the word "Mass" and inserting in its place the word "Public".

Section 2. G.S. §136-44.20 is amended in the title by deleting the word "federal" and inserting in its place the words "public transportation".

Section 3. The first sentence of G.S. §136-44.20 as it appears in the 1975 Cumulative Supplement to 1974 Replacement Volume 3B is rewritten to read as follows:

"The Board of Transportation is hereby designated as the agency of the State of North Carolina responsible for administering all federal and/or state programs relating to public transportation, and the board is hereby granted the authority to do all things require under applicable federal and/or state legislation to administer properly public transportation programs within North Carolina."

Section 4. This act shall become effective upon ratification.

