

JITNEY SERVICES PILOT PROGRAM STUDY

Executive Summary

prepared for



in association with



prepared by



Miller Consulting, Inc.

project development, engineering, traffic, economics and finance

Transit Systems Group



FOREWORD

This executive summary is a companion document to the 2-volume eight-inch thick "Project Notebooks" prepared for this study. These notebooks are on file at the MPO and FDOT District VI offices, if the reader wants to review more detailed information concerning this study.



ACKNOWLEDGEMENTS

This study was prepared with the assistance of the MPO staff, including Jesus Guerra, the study's project manager, Jose Luis-Mesa, the MPO Executive Director, and Mike Moore, who served as chairman of the meeting with the Jitney providers. All meetings were arranged by the MPO with few exceptions, and important data was collected by the MPO staff. The Consumer Services Department, including Mr. Raul Gonzalez and Mr. Joe Mora and the MDT staff, including Mr. Arnou Duverger were very helpful in guiding this study. The ADA office, including Mr. Daniel Holder and Ms. Gayle Krause were also helpful. The Jitney providers also contributed to this study. Mr. "Mac" Glasgow also attended most meetings and provided valuable input relative to ADA issues. Miller Consulting, however, is solely responsible for any and all opinions, conclusions, and/or shortcomings of this study.



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“...jitneys require no government subsidy.”



“...jitneys are not typically wheelchair accessible.”



1.0 INTRODUCTION

This report constitutes the “Executive Summary” for the project. This summary has been composed in question-and-answer format in order to give the individual reader the option of focusing on only those questions that are important to him or her. The questions herein were designed to address all of the issues contained in the scope of services for this study.

More detailed background information supporting the conclusions and analysis, herein, can be found in the accompanying “Project Notebook” on file at the MPO and Florida DOT District VI Planning offices.

1.1 Do Jitneys really make a difference?

The short answer is “yes.” Significantly, the Miami jitneys carry about 43,000 to 49,000 riders per weekday, or about 23% to 27% of Metrobus ridership. This represents about 18 to 20% of total transit system ridership. The cost to the taxpayer for carrying this significant portion of the transit market is zero. On Route 29 in Hialeah, jitneys carry over 100,000 trips per month while MDT carries less than 20,000 trips.

2.0 PURPOSE OF STUDY

2.1 What is the purpose of this study?

This study was produced in order to analyze a number of possible ways to expand jitney services, within a 90-day timetable, and on a “demonstration project” basis. The desired objective of the study was to identify one or more “pilot” projects that could be implemented quickly, and then evaluated during actual operations of the expanded jitney service. Since jitneys are profitable and require no government subsidy, the basic concept was to “test” different ways of implementing expanded jitney operations.



Jitneys currently carry almost 20% of all transit riders in Miami-Dade County and they require no taxpayer subsidies.

2.2 Why should we try to increase jitney services?

Jitneys require, at present, no government subsidy. Jitneys operate at a profit. All Metrobus routes require government subsidies. There are no profitable Metrobus routes.



2.3 What are the benefits of introducing Jitneys where Metrobuses currently operate?

More frequent headways and reduction of government subsidies in the area served. Jitneys also deviate from their fixed routes to get closer to possible patrons' origins and destinations.

2.4 What are the downsides of Jitneys?

Jitneys are not as roomy and comfortable as Metrobuses. The vehicles are generally older and are often not air-conditioned. Jitneys are not typically wheelchair-accessible.

2.5 Where do the Jitneys currently operate in Miami-Dade County?

Detailed jitney route data was provided by Consumer Services and is contained, in detail, in the "Project Notebook."

2.6 Where else are Jitneys currently operating successfully in the U.S.? Are they subsidized?

The most successful jitney operation is in Atlantic City where no subsidy is required, and there is no publicly-owned bus service.

2.7 How does the Atlantic City Jitney system work?

The Atlantic City Jitney Association (ACJA) is an individually-owned and operated service, running 24 hours a day, 365 days a year with a fleet of 190 minibuses. They received Federal capital funds once, when they purchased new vehicles. All vehicles comply with ADA requirements. The system requires no operating subsidy.

The Association owns their own vehicles. The Association puts all the paperwork together required for licensing and takes it to the City for approval. The City's fees are routinely \$300. They have a uniform fare of \$1.50. Whatever the drivers make they keep. They have a down payment of \$20,000 paid by each driver to pay for brochures, bus stop system and license. The Association owns their own bus stops. The Association also



Atlantic City uses wheelchair-accessible privatized minibuses as "jitneys."

has fleet policy for insurance of vehicles. They pay \$150/month and also have their own shop for repair to save on parts and labor costs.

"... the most successful jitney operation is in Atlantic City."



"... a variety of concepts were studied."





“... the best form of “insertion” was judged to be 100% privatization of one or more existing MDT routes.”



“...private financing was the best financing option.”

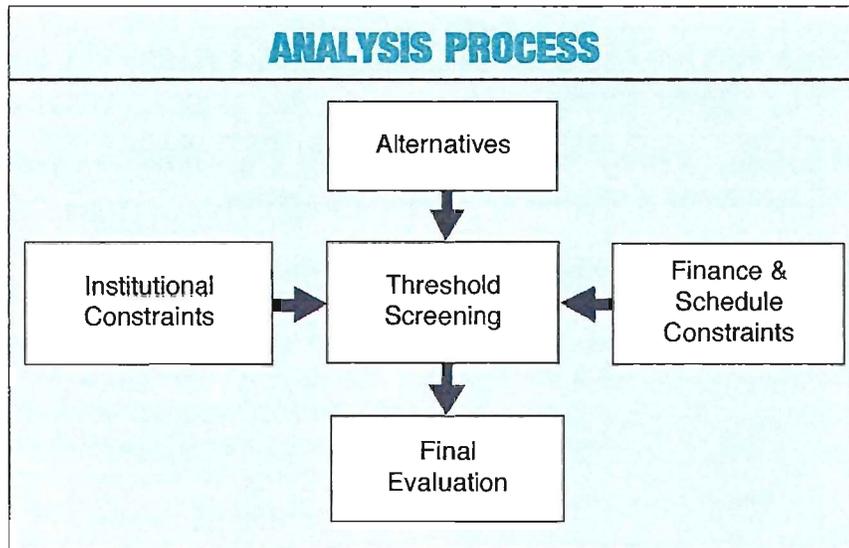


3.0 PILOT PROJECT ALTERNATIVES ANALYSIS

3.1 How were the Pilot Projects be evaluated? What guidelines were used?

The evaluation process included 3 critical steps:

1. Identification of reasonable alternatives.
2. “Threshold screening” of options that do not meet the schedule and institutional constraints required of a 90-day, quick implementation pilot program.
3. Evaluation of the surviving alternatives based on their financial feasibility, private sector preferences, MDT preferences, institutional/legal acceptability and ease of implementation.



The analysis process involved two phases: preliminary screening, followed by more detailed evaluations.

3.2 What options were considered for this study?

The matrix shown on the facing page describes a variety of concepts that were studied. Fixed routes, flexible routes, and area-wide dial-a-ride services were considered. Different degrees and forms of regulation were considered, ranging from rigid fixed route options, to no regulation at all. Different ways to inject more jitneys into the public transportation fabric of Miami-Dade County were considered, as well as variable forms of public or private financing. Fleet mix options and different ways to address ADA concerns were also studied.



JITNEY SERVICES PILOT PROGRAM

JITNEY SERVICE, REGULATORY & IMPLEMENTATION OPTIONS					
CATEGORIES	OPTIONS	PROSPECTS	IMPLEMENTATION PROBLEMS/OPPORTUNITIES	RECOMMENDATION	
Forms of Jitney Service	Fixed Route	Excellent	Current practice. No major implementation problems.	Pilot Candidate	
	Demand Responsive	Poor	Presents regulatory issues and legal issues relative to taxicabs.	Future Study	
	Hybrid	• Route Deviation Service	Excellent	Current Practice.	Pilot Candidate
		• Point Deviation Service	Poor	User comprehension; possible infringement on MDT and taxicab services; regulatory issues.	Future Study
• Checkpoint Service		Poor			
Fleet Mix Options	• All Jitneys	Fair	Economically best, but fleet quality lacking . Frequency good.	Pilot Candidate	
	• Jitneys and Buses (Mini-buses)	Good	Mini-buses can be wheelchair accessible.	Pilot Candidate	
	• All Buses, or Mini-buses	Fair/Good	May not be as economical as mixed fleet quality. Best fleet quality; frequency may suffer.	Pilot Candidate	
Forms of Regulation	Fixed Route	Good	Current practice.	Pilot Candidate	
	Hybrid Fixed Route/Subarea	Good	Current practice.	Pilot Candidate	
	Subarea/Right of Entry	Poor	Presents regulatory and legal issues relative to taxicabs.	Future Study	
	Unregulated Open Market	Poor	Presents regulatory and legal issues relative to taxicabs; infringement on MDT Service Areas.	Future Study	
Forms of Introduction and Application	Remove MDT Route & Substitute Jitneys	Good	Simple implementation. Possible ADA issues. Minimum public-private competition.	Pilot Candidate	
	Reduce MDT Route & Augment	Fair	Easy to implement - - gives users options. Possible ADA issues. Competition problems.	Pilot Candidate	
	Augment MDT Route	Fair	Easy to implement - - gives users options. Hurts MDT revenue Profile.	Pilot Candidate	
	Insertion into unserved area: • Feeder/Interconnector Service	• Feeder/Interconnector Service	Poor	Unknown probability of profitable service areas. No interest by providers.	Future Study*
		• Area service	Poor		
Forms of Financing	Reverse-bid or Negotiated Subsidized Contracts	Fair	Funding source problems; regulatory, ADA and labor issues.	Future Study	
	Privately Financed	Excellent	Current practice. Minimum problems.	Pilot Candidate	
ADA Options	• Retrofit all Jitneys	Poor	Not economically possible.	Discarded	
	• ADA same-day Dial-a-ride service	Good	Will require subsidy from public and/or private sources.	Future Study/Pilot Candidate	
	• Independent Dial-a-ride Service	Good	May not be economically feasible for small private operators.	Pilot Candidate	

Notes:* Another option would be to use pilot project paratransit to displace current MDT buses and put MDT buses into an unserved area to test and/or establish the market before introducing paratransit or subsidized paratransit.

Source: Miller Consulting, Inc.





“... mixed-fleet options using jitneys and privatized minibuses were good pilot candidates.”



“... this study recommends that a range of moderate financial possibilities should be tested.”



3.3 What was the bottom-line conclusion regarding all these alternatives?

Because of the requirement to develop some pilot projects fairly quickly, many alternatives were screened out of consideration fairly readily. The following points represent the best options for possible pilot program candidates:

- The best form of jitney service was the current practice: “route deviation” service, where jitneys operate on a fixed route, but they are allowed to deviate from this route within certain constraints and/or rules.
- The best form of regulation would be the licensing arrangement that is currently in place, with some possible modifications to provide more flexibility and more expeditious licensing of qualified operators.
- The best form of introduction or “insertion” was judged to be 100% privatization of one or more existing MDT routes. Hybrid public-private routes produce some negative competition between jitneys and Metrobuses, to the financial detriment of both sectors. However, “blended” public-private service arrangements were not ruled out, either.
- Private financing was judged to be the best financing option.
- Mixed-fleet options using jitneys and privatized minibuses were determined to be good pilot candidates along with fleets composed of all buses and/or minibuses. “All jitney” fleets were also deemed to be acceptable.
- ADA 24-hour reservation dial-a-ride service, currently provided by Miami-Dade’s special transportation services, was deemed to be a possible solution to ADA issues.



MDT currently has a number of minibuses in operation.

3.4 How can jitney services best be expanded into areas that are currently served by MDT routes?

Several “insertion options” were studied. Options that required major institutional reorganization were eliminated because of the time-factor, for now. The “insertion” options were as follows:

1. Add or expand jitney services along an existing MDT



route, without reducing MDT services.

2. Reduce MDT service on a route and expand private jitney and/or minibus services.
3. Eliminate MDT service on a route and replace it with privatized jitney and/or minibus services.

3.5 Can Jitney operators operate minibuses and/or buses?

No. This can not be done under the current code.

3.6 Do the jitney operators have any specific MDT routes they would like to operate?

Yes. Routes 2, 9, 10, 17, 27, 36, 77 and 79 were mentioned by the jitney operators.

3.7 Are all of these routes currently losing money?

Yes. A table of financial data is presented in Table 1 below.

“...the existing jitney system operates on a hybrid basis: deviation service is provided.”

Table 1 MDT Route & Financial Data Matrix									
Route No.	Location	Weekday Financial Data							
		Rev. Miles	Rev. Hrs.	Direct Op. Cost	Avg. Rev.	Direct Op. Rec. Ratio	Est Bdgs	Bdgs/Rev. Hr	Rev/T Mile
29	Hialeah	303.2	26.7	\$914	\$419	21.5%	435	16.3	\$1.01
77	Carol City to Downtown Miami	2,461.8	197.4	\$11,899	\$7,306	61.4%	9,437	47.8	\$2.85
27	Opa Locka to Coconut Grove	2,259.5	197.6	\$11,408	\$6,466	56.7%	8,532	43.1	\$2.65
17	Opa Locka to Vizcaya	1,771.8	138.7	\$8,431	\$4,160	49.3%	5,672	40.9	\$2.12
2	Downtown Miami to Biscayne Gardens	987.1	103.4	\$5,704	\$3,095	54.3%	4,008	38.8	\$2.68
9	Downtown Miami/Little Haiti/N. Miami Beach	1,499.6	123.7	\$7,444	\$4,070	54.7%	5,074	41.0	\$2.48
10	Downtown Miami/Little Haiti/N. Miami Beach	777.8	66.2	\$3,926	\$1,859	47.3%	2,457	37.1	\$2.26
36	Miami Springs to Omni Bus Terminal	1,156.8	101.0	\$5,976	\$2,681	44.9%	3,436	34.0	\$2.09



“...the jitney providers have expressed no interest in the unserved areas.”





“... a two-part future study should be undertaken.”



“... several of the jitney pilot program routes connect to Metrorail stations.”



3.8 Which routes make the most sense for Jitneys to take over?

From MDT’s perspective, the “best” routes for Jitneys are the poorest-performing, financially. From the jitney’s perspective, the exact opposite is true. This study recommends that a range of moderate financial possibilities should be tested.

3.9 Did MDT suggest any routes?

Yes. Miami Dade Transit suggested that routes with minimum overlap with other MDT routes be given consideration. Suggested routes are listed in table 2, below. Route “A” in the table is a minibus route with only two minibuses in operation at present. From the jitney operators list, MDT staff suggested that the best route might be route 17, or possibly, route 91.

Table 2 MDT Route & Financial Data Matrix									
Route No.	Location	Weekday Financial Data							
		Rev. Miles	Rev. Hrs.	Direct Op. Cost	Avg. Rev. Rev.	Direct Op. Rec. Ratio	Est Bdgs	Bdgs/Rev. Hr	Rev/T Mile
33	NW 103rd Street	710.4	62.1	\$3,666	\$1,741	47.5%	2,181	35.1	\$1.80
73	Ludlam Road: Miami Lakes to Dadeland	990.9	83.2	\$4,933	\$1,499	30.4%	2,031	24.4	\$1.29
75	Carol City to North Miami Beach to Miami Lakes	1,377.3	108.6	\$6,526	\$3,524	54.0%	4,208	38.8	\$2.35
"A"	Venetian Causeway Shuttle: Omni to Miami Beach	251.1	27.5	\$890	\$649	73.0%	839	30.5	\$1.80

3.10 Why not consider demand-responsive jitneys or hybrid route deviation systems?

The existing jitney system does, in fact, operate on a hybrid basis: route deviation service is provided. Totally flexible jitney service would run afoul of the taxicab industry and its regulations.

3.11 What is the “Smart Jitney” proposal?

This is a proposal submitted by Rene A. Gil of Miami Transit Systems, Inc. (dba Conchita’s Transit Express) which suggests that Route 29 be privatized. This proposal includes the leasing of five MDT mini-buses for \$1.00, coupled with expanded jitney service to provide better headways and more frequent service on Route 29 with no government subsidy. The privatization proposal calls for an improvement



in bus headways from 70 minutes to 30 minutes, and an overall headway using buses and jitneys of 10 minutes, which is extremely frequent service. Hours of operation would increase by 2.5 hours per day. This proposal should be given consideration for one of the pilot projects.

Route 29 "Smart Jitney" Analysis							
Criteria	Existing Services			Proposed Privatized Services			
	MDT	Jitney	All	Minibus	Jitney	All	Proposed % Improvement
Headways	70 min	14 min	---	30 min	---	10 min	30%±
Hrs. of Operation	6A-7P	5A-7:30P	---	---	---	5A-10P	17%±
Vehicle Trips/Day	23/day	120/DAY	143	---	---	172	20%±

Source: Rene Gil, Miami Transit Systems, Inc.

3.12 Can a private company lease federally-subsidized buses without strings attached?

No. Several "strings" are attached: county asset liquidation procedures and rules must be followed. If the vehicles have not reached the end of their useful life, federal rules would also apply. This means that the private company would have to bid for the vehicles, and there would be no guarantee of a successful bid.

3.13 What is a "pilot" program? Is it permanent?

A pilot program is a "test" of a new concept. It is not permanent. This test would have a duration of 6 to 12 months, depending on the results achieved. After the pilot "test" is concluded, the pilot project could be terminated, modified, and/or expanded.

3.14 Why can't the jitneys serve the areas of the county MDT does not serve?

The unserved areas of the county are currently not served by MDT because they are not productive areas in terms of potential transit riders. The jitney providers have expressed no interest in these areas because they are believed to be unprofitable. An analysis was performed to map-out the unserved areas. Analysis of these areas showed that they were either 1) high income areas unlikely to use jitneys, and/or 2) low density areas with very little ridership potential.

3.15 Should subsidized Metrobus service be extended into the unserved areas?

Possibly, but not necessarily. It should be less expensive to subsidize jitneys or privatized minibuses.

"... no TWU jobs will be lost as a result of this pilot program..."



"... no federal funding of jitneys is proposed at this time."





“... forcing every jitney to install a wheelchair lift would not be economically practical.”



“... there have been little or no complaints about the safety record of the existing jitney providers.”



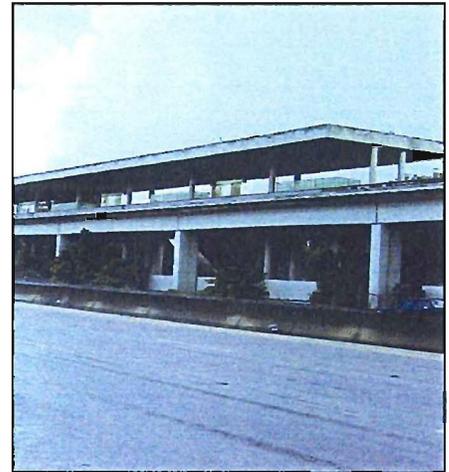
3.16 Were jitney service providers contacted to get their suggestions on this study?

Yes. Jitney providers offered their valuable input to the study.

3.17 Why do we have to constrain the expansion of jitney services to whatever can be accomplished in 90 days?

The 90-day constraint only applies to the pilot project study. If one or more pilot projects are implemented, a two-part future study should be undertaken as follows:

- Part 1 – Evaluate the pilot program and make recommendations to collapse or expand the program, and how that should be accomplished.
- Part 2 - Study other short-term or long-range jitney/privatization options, including:
 - 1) total integration of privatized transit services,
 - 2) subsidized jitney services, 3) contract services, and
 - 4) other options that could not be studied and implemented in a 90 day period.



The “Smart Jitney” proposal provides for connections to Metrorail stations in Hialeah.

3.18 Why aren’t jitneys helping to provide better accessibility to Metrorail and major activity centers?

Several of the suggested jitney pilot program routes do connect to Metrorail stations.

4.0 INSTITUTIONAL ISSUES

4.1 What are some of the institutional issues for jitneys?

Institutional issues can arise in four areas:

- Federal labor law (13c)
- Federal operating subsidies and attendant ADA requirements (sect. 15)
- ADA requirements, Title II and Title III.

- ❑ Miami-Dade Consumer Services Department Licensing and Regulation.

5.0 FEDERAL LABOR LAW-13(c) REGULATIONS

5.1 How many Transit Workers Union (TWU) jobs will be lost?

None, as a result of this study, and none, as a result of any pilot projects conducted as a result of this study. If MDT bus routes are displaced, the displaced buses will be reassigned to other routes, so that no jobs will be lost and MDT's overall service stays at current levels.

6.0 FEDERAL FUNDS (SECTION 15)

6.1 What are "Section 15" funds?

These are federal operating funds used to subsidize transit operating costs.

6.2 Can't the county benefit from using Jitneys for Section 15 funding?

Jitney operations are currently counted in order to maximize the County's receipt of Section 15 federal operating subsidies.

6.3 What about Section 15 funding? How does this impact the jitney plan?

No Section 15 funding of jitneys is proposed at this time

7.0 ADA ISSUES

7.1 What is ADA?

It is the body of federal regulations designed to insure that disabled persons receive equivalent access to transportation and businesses.

7.2 Shouldn't all jitneys be forced to install wheelchair lifts?

In the process of understanding ADA issues, the consultant team interviewed several knowledgeable sources in order to understand the advocates' point of view, the regulatory issues and the legal issues. Persons interviewed included the following:

- ❑ Akira Santo, Division Chief, Federal Transit Administration, ADA Compliance Specialist



"... the county has already initiated steps to expedite the licensing process."



"... jitneys charge \$1.25 per passenger per ride."





“... this study is limited to studying small-scale pilot projects..”



“... the cost of a new Metrobus is approximately \$285,000. A jitney can sometimes be purchased for \$10,000 to \$15,000.”



- ❑ Robert Herman, Senior Advocacy Attorney, Paralyzed Veterans of America
- ❑ Will Morales, Management Training, ADA Resource Center
- ❑ Richard L. Wong, Attorney-Advisor, Office of the Chief Counsel, Federal Transit Administration, U.S. DOT
- ❑ Hal Morgan, Director of Education, Taxicab, Limosine and Paratransit Association

The jitney services, whether federally funded, or not, should have “equivalent” transportation available for Americans with disabilities. Forcing every jitney to install a wheelchair lift would not be practical for economic reasons. According to local installers, the cost of an installed wheelchair lift on a large van is between \$10,000 and \$12,000. This is about equal to the cost of the van in some cases.



MDT currently operates a fleet of minibuses. It is more practical, economically, to employ wheelchair lifts on minibuses rather than vans.

A better solution would be to provide separate vehicles on a reasonably demand-responsive (dial-a-ride) basis for disabled patrons. This service is currently provided and funded by the county. The service area for the county’s STS service covers the service area of all existing jitney routes.

7.3 Does the Atlantic City operation comply with ADA requirements? How?

All Atlantic City minibuses are wheelchair-accessible and comply with ADA requirements.

7.4 What happens, relative to ADA issues, if Jitneys receive federal funding, or they operate under contract to the county?

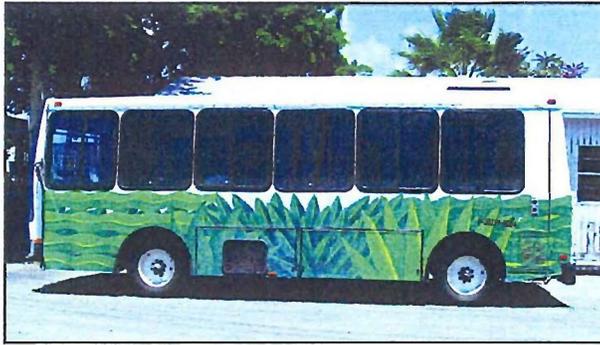
ADA “fleet requirements” come into effect. The jitney provider must provide a percentage of vehicles in his/her fleet with ADA access, that is equal to the percentage provided by the county. The county’s fleet contains about 95% wheelchair-accessible vehicles.

7.5 Can the “fleet requirement” be met by jitneys?

Only if a jitney service owner converted his fleet to wheelchair - accessible minibuses.

7.6 Wouldn't minibuses be too expensive for privatized operations?

Not necessarily. Used minibuses can be purchased for about \$25,000 to \$50,000 - this is still, far less than a Metrobus.



Used minibuses with wheelchair lifts can be purchased for \$25,000 to \$50,000.

8.0 CONSUMER SERVICES

8.1 Are jitneys unsafe? Who regulates them?

The Miami-Dade Consumer Services Department regulates jitneys. Vehicles must be inspected regularly and drivers must carry a Florida chauffeurs license. There have been little or no complaints about the safety record of the existing jitney providers. It is in their best interest to operate their fleets safely. If they don't, their insurance costs can skyrocket and their profits could evaporate. Many jitneys are inspected quarterly to make sure their brakes are in good working order and the vehicle is roadworthy. Jitney driver's licenses are checked quarterly for suspended licenses, and all jitney operators/drivers must undergo police and FDLE background checks.

8.2 Are regulatory changes needed in the Miami-Dade Consumer Service Code? Can jitney licensing be expedited?

The CSD is currently in the process of revising the jitney licensing code to more closely resemble the limosine licensing process, which is an all-administrative process. It is believed that the licensing requirement can be streamlined down to two weeks.

8.3 Why don't we just do away with all jitney regulations and let the open market dictate?

This option was evaluated and judged to be too aggressive for a short-term, quick implementation pilot project. It is fraught with too many institutional and legal problems. The financial impact on existing taxicab franchises and the MDT would be severe. There are numerous legal issues, too.

8.4 What is the fare charged for jitney service? Is this regulated?

Jitneys charge \$1.25 per passenger per ride. Fares must be



"... the core of this phase of the jitney study is to foster privatized profitable jitney expansions."



"... it is likely that total Metrobus subsidies will increase as a result of the pilot program...."





“... projected spending for transit in Miami-Dade County is proposed to represent 66% of all transportation funding over the next 25 years.”



“... from 1990 to 2000, transit market share of work trips declined from 5.27% to 4.73%, a 10.3% drop, nationwide.”



communicated to Consumer Services, but they are not regulated.

8.5 Are transfers accepted between Jitneys and Metro-buses?

Some jitneys do accept transfers.

8.6 What does the Miami-Dade Comprehensive Development Master Plan say about jitneys? Does it need to change?



Jitney and MDT fares are \$1.25.

The Mass Transit Element of Miami-Dade’s “Comprehensive Plan” does not contain any language that either encourages or discourages privatized jitney services. “Objective 3” talks about “utilizing public and private sources of funding for mass transit,” but elaborates by suggesting a policy supporting a dedicated source of *public* funding. The appropriate “mix” of publicly and privately-funded transit is not explicitly addressed, nor is the long-range role of privatization. For example, is it the county’s long-range policy to expand privatized jitney and minibus service and decrease MDT bus subsidies? Should MDT’s bus subsidies increase, stay the same, or decrease in relation to expanded privatized transit operations? These issues have not yet been addressed by the policies and objectives in the Transit Element.

8.7 What about Puerto Rico’s “Publico” jitney system, and other private jitney/minibus providers in the Caribbean and South American cities? Can’t they be used as models for Miami-Dade?

Yes and no. Foreign private transit services, particularly 2nd world and 3rd



Puerto Rico’s “Publico” jitney system.

world operations, do not have to contend with American minimum wage laws and income levels. Their economic fundamentals are skewed away from U.S. economic realities. In addition, they do not have to contend with the U.S. regulatory framework. Miami-Dade’s existing, successful jitney operation is a reasonably good “model” to use in the U.S., along with the Atlantic City model. A literature search was conducted which

included a review of studies that evaluated the transferability of foreign jitney operations to the U.S. There is not a lot to learn from foreign applications that is not currently being applied in the U.S. where applicable.



9.0 FINANCE

9.1 If Jitneys are so profitable, why not replace all MDT routes with jitneys?

No policy decisions have been made to effectuate or evaluate such a scenario, at this time. This study is limited to studying small-scale pilot projects. The actual, observed benefits and disbenefits of the pilot projects need to be carefully studied before such a sweeping change could be seriously considered.

9.2 Why are Jitneys profitable and Metrobuses are not?

The cost of a new Metrobus is approximately \$285,000. A jitney can be purchased for as little as \$10,000 to \$15,000, which is a savings of up to \$275,000. Furthermore, Miami-Dade Transit bus drivers' salaries range from approximately \$26,500 to \$38,000 per year. Some jitney drivers are only paid about \$50 per day, which is equivalent to about \$13,000 per year. With vehicle costs about 20 times greater, and operator costs 100% greater, it is easy to see why Metrobuses require a subsidy. This is predominantly the case, nationwide. It is not unique to MDT.

9.3 Should jitneys be subsidized? How?

Time does not permit consideration of this option in the context of a 90 day pilot program study. However, this is an option that should be given consideration in a future phase of this study.

9.4 Couldn't jitneys do more if they were subsidized?

Yes, but the core goal of this phase of the jitney study is to foster privatized profitable jitney expansions in selected places where it makes sense to do so. Some jitney subsidy programs might be evaluated in future phases of this study.



MDT has maintained small increases in transit ridership while nationwide ridership has been decreasing.

9.5 If Metrobus service is reallocated to other routes and it does not decrease, then there are no savings in subsidies, right?

This is true. It is likely that total Metrobus subsidies may increase. Total transit services will also increase, however.

“... public transit farebox revenues should continue to decline, creating more pressure to find more economical ways to deliver transit services.”



“... To MDT's credit, MDT ridership over the last nine years has increased about 0.2% per year..”





“... jitneys are one possible answer. Jitneys should not, necessarily, be viewed as a panacea either.”



“...The county’s licensing process should be streamlined...”



9.6 What is the bottom line cost to MDT if the Jitney Pilot Program is approved and implemented?

The safest assumption would be to assume that the displaced MDT operating hours are reassigned to new routes and that they produce no net increase in revenue on those new routes. At the same time the revenue from the preceding existing route would be “captured” by the private sector, thereby producing a net loss of MDT revenue equal to the displaced route’s revenue, with no attendant reduction in total MDT fleetwide operating costs.

9.7 Shouldn’t we be increasing, not decreasing, funding for transit, and expanding conventional MDT services? Isn’t transit funding falling behind when we should be spending more? Aren’t we wasting too much money on highways?

Not necessarily. Increased transit spending is always an option. Miami-Dade Transit is capturing about 3.9% of all work trips, according to the U.S. Census Bureau. Work trips are the primary contributor to the peak hour urban traffic congestion problem. At the same time, projected spending for transit in Miami-Dade County is proposed to represent 66% of all transportation funding over the next 25 years, according to a March 2002 report by FHWA/FTA entitled *Compilation of Spending Data From Adopted Long-Range Plans*. There is no question that the County is heavily committed to transit spending in the foreseeable future. An argument could be made that transit operating subsidies could be reduced a little. This study is intended to suggest some pilot program tests of unsubsidized jitney concepts. There is no proposal, within the context of this limited study, to significantly reduce or increase long-term transit spending beyond current planned levels.

9.8 Isn’t transit ridership and farebox revenue on the rise nationwide? Shouldn’t we be increasing MDT operations to respond to increasing transit ridership trends?

From 1990 to 2000 the number of nationwide work trips on transit declined by 2,000,000 trips. Transit market share of work trips declined from 5.27% to 4.73%, a 10.3% drop, nationwide. The worsening trends for transit are produced by several continuing trends according to the Urban Mobility Corporation:

- ❑ More people being able to afford cars.



Metrorail is a key component of the Miami-Dade transportation system. Jitneys should complement this system.

- ❑ Households without cars dropped from 11.5% to 9.3% between 1990 and 2000.
- ❑ More households in suburbs
- ❑ More jobs in suburbs
- ❑ Suburbs poorly served by transit
- ❑ Increasing costs of transit
- ❑ Irregular work hours and intervening errands on the worktrip are not conducive to transit
- ❑ Outer suburb growth
- ❑ Inner suburb growth
- ❑ Central city declines
- ❑ No powerful forces at work to counter these trends
- ❑ Trends expected to continue absent a cataclysmic energy shortage or economic catastrophe.

These national trends suggest that transit ridership and revenue should continue to decline at the national level. This will create more and more pressure to find more economical ways to deliver transit services which tend to grow in cost every year. In contrast, and to MDT's credit, MDT ridership over the last nine years has increased about 0.2% per year as shown in the graph. The question is "how long will MDT be able to "fight off" the national trend? And, "at what expense?" Jitneys are one possible answer to expanding transit service at minimum cost to the taxpayer. Jitneys should not, necessarily, be viewed as a panacea either.

9.9 What about the half-cent sales tax? Suppose it passes?

The half-cent sales tax, if passed, will be used to improve Metrobus service on every route. Jitneys will still be a cost effective option that should continue to play a significant role in providing a powerful mix of public and private transportation services. The sales tax issue will not change the fact that jitneys require no taxpayer subsidy. Therefore, jitneys can help extend the purchasing power of each tax dollar, whether the sales tax passes, or not.



“Three or four pilot projects should be tested...”



“...jitneys can extend the purchasing power of each tax dollar...”





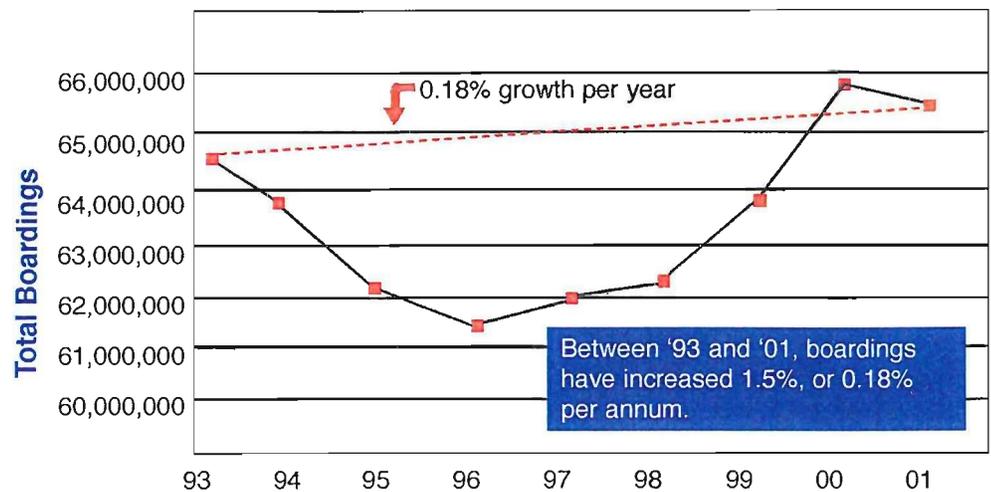
“A long-range study of privatization options should be undertaken...”



“... All traditional measures of transit performance should be studied during the pilot program test...”



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10.0 CONCLUSIONS

10.1 What are the recommendations of the study?

The recommendations of the study are as follows:

1. Two or three pilot projects should be tested, as outlined herein.
2. The pilot program should involve a comprehensive “before-and-after” evaluation study.
3. A more comprehensive long-range study of jitney expansion options should be undertaken with a view toward possible privatization and contract carries options that may require more than 90 days to implement.
4. The county’s licensing process should be streamlined, as is currently planned.
5. The concept of creating a private “jitney association” similar to some degree, to Atlantic City’s association should be explored further.
6. Incentives should be given consideration to encourage/ assist jitney operators to provide more and more ADA accessible vehicles. The best way to do this is to provide economic incentives for them to install lifts, or convert their vans to minibuses with wheelchair lifts. These incentives could take the form of:
 - ❑ Increasing the 15-passenger limit to 30 passengers for jitneys. This is considered a priority action.
 - ❑ County purchase of jitneys at above-market value if “traded in” for wheelchair accessible minibuses.

- ❑ Government guaranteed loans for minibuses with lifts.
 - ❑ Low or no-interest government loans for minibuses. The Florida State Infrastructure Bank is one possible source, except that it is overcommitted at this time.
 - ❑ County bonus payment to accessible jitneys who pickup STS riders. (STS service costs about \$50 per round trip.)
 - ❑ The county could consider providing grants to jitneys that want to install lifts, or convert to wheelchair-accessible minibuses.
 - ❑ Legislation could be proposed that eliminates the sales tax on private vehicles with lifts.
 - ❑ All of the above.
7. Consideration should be given to requiring all jitneys to have working air conditioning at each inspection.

10.2 What criteria were used to make the pilot program recommendations?

Feasibility, in a nutshell. Recommendations in this phase of the study must be able to be implemented quickly, and with minimum regulatory activity. Cost feasibility, patronage, ease of implementation, agency preferences, private sector appetites, and interconnection to rail stations were considered.

10.3 What kinds of things would be evaluated in the event that a jitney pilot project were implemented as a “test” project?

If the pilot project recommendations are implemented, “before-and-after” studies should be conducted. These studies should analyze consumer satisfaction, comfort, convenience, cost, service, schedule adherence, frequency of service, and so on. All traditional measures of transit performance and consumer satisfaction should be studied. More detailed evaluation measures are contained in the Project Notebook.

10.4 What pilot projects are recommended?

The following pilot projects have been recommended by the consultant, after consultation with Miami-Dade Transit:

1. Route 29 should be privatized and the “Smart Jitney” proposal should be given consideration, subject to obtaining satisfactory service guarantees, and provided an economically feasible way can be found for the provider to lease or purchase minibuses..
2. In addition to Route 29, two or more of the following routes should be “tested:” Routes “A”, 17, 33, and 73 should be given consideration for privatization using a combination of jitneys and minibuses, on a “pilot program” basis. All four routes do not necessarily have to be tested.



“...financial incentives for installing lifts should be considered...”



“Routes 17, 29, 33, 73 and “A” should be considered for privatization...”



