



June 12, 1986

Elliot Perovich, Chair
Regional Transit Board
863 River Lane
Anoka, Minnesota 55303

Dear Mr. Perovich:

Your efforts to restructure Metro Mobility are commendable. To improve mobility for the handicapped and elderly the region must depend on a lower cost system that provides more rides than have been available in the past. Your Metro Mobility Implementation Plan clearly takes on the most challenging problem—improving service while trying to lower costs.

The RTB plan buys a finite number of rides at a specific price. When the daily allotment is complete, no more rides are provided. We need to emphasize more service for the Metro Mobility riders. The way to do that is through stretching the subsidy dollars as far as they will go.

To offer the lower-cost providers the opportunity to offer their service at a price lower than their competitors, providers could be asked to bid on service for a given area. The RTB could set a maximum cost per ride, and let the providers bid a price to offer the service. The firms that meet the RTB's certification process and offer the lowest bids would serve the area.

Allowing variable fares is another way of building competition into the system. Again the RTB could set a maximum fare but let the providers offer rides for any fare up to that maximum. That way riders have an incentive to choose the lower cost providers. The \$1.50 fare proposed in the implementation plan may be affordable to some riders but others may wish for a lower-cost option. With competitively set fares, riders will be able to choose providers based on both the quality and price of the ride.

Some taxi companies already have the capability to schedule rides and group riders together in a timely manner. For instance on a snowy day at the beginning of a month when demand for taxi rides is high, some taxi dispatchers will group riders together with others who have common destinations. Taxi

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services with this capability may want to offer same-day rides to Metro Mobility riders. Some riders may view the same-day ride as an advantage and be willing to pay for it; others may decide that scheduling the trip the day before is sufficient for their needs. The option should be available.

Every attempt to allow the providers to compete with each other based on price is a step toward lower per-ride costs and thus more rides for the users.

Thank you for your attention to this matter. We would be glad to answer any questions that may arise over these suggestions.

Sincerely,

Curtis W. Johnson
Executive Director

cc: Tom Swain, Peter Vanderpoel

Identical letters to eight RTB members:

Doris Caranicas
Ruth Franklin
Alison Fuhr
Paul Joyce
Edward Kranz
Bernard Skrebes
Ken Bedeau