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Why do regulated jitney services often fail? Evidence from the New York City group ride vehicle project

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ABSTRACT

Many US cities have unsuccessfully experimented with jitney projects to improve transit service, reduce costs, and adapt to shifting demographics. The impetus for this research was to take advantage of a natural policy experiment, the New York City Taxi & Limousine Commission's (TLC) Group Ride Vehicle (GRV) Pilot Project, to evaluate why jitneys often fail when regulated to supplement conventional transit. The Commission developed the pilot project in response to service cuts on dozens of New York Metropolitan Transportation Authority (MTA) bus routes throughout the city. These cuts, coupled with higher transit fares, dramatically limited transit access for many city residents. Shortly after the service reductions went into effect in June 2010, the Commission announced the pilot project to bring commuter vans (commuter vans are the licensed jitneys in New York City) to five service areas that lost regular bus service. They expected the project to improve access for New Yorkers and create opportunity for jitney drivers and operators. The pilot project targeted service areas in Brooklyn and Queens, and the Commission received commitments from five existing commuter van operators to participate in the project. The project was controversial for multiple reasons, including the City's willingness to privatize formerly public transit service and the imposition of two fares for Group Ride Vehicle riders traveling into Manhattan. The first Group Ride Vehicle began service in September 2010, and despite optimism from operators and the TLC, the program was unofficially discontinued after only a few months.

Though the pilot project failed to attract riders, it highlighted the importance of commuter vans for transit-dependent populations that rely on them and suggests many challenges to formalizing informal transit in the United States. Using the Group Ride Vehicle project as our starting point, we explore why informal jitneys in the United States succeed, and whether the conditions under which they prosper are compatible with conventional transit operations. Focus groups with operators, unstructured interviews with drivers and riders and participant observation are used to help explain the challenges facing the formalization of jitney services in New York. Our analysis identified four reasons why the GRV project failed: (1) a lack of subsidy to maintain service and build demand, (2) a two-month gap between the service cuts and jitney service implementation, (3) poorly branded service, and (4) confusing language used to describe the program. We argue that some of these factors are more perceived than real, but all of them reflect the difficulty of scaling up a niche jitney service to a general purpose transit service.

1. Introduction

New York City has the largest transit ridership in the United States. The MTA serves about eight million trips per day on its subway and bus services, and is responsible for approximately one-third of daily transit trips made in the country. Yet the transit market in New York is rich in many ways beyond the conventional fixed route service that deserves study. While New York City's yellow taxicabs are a popular and a well known symbol of the city, relatively unknown jitneys serve about 120,000 riders daily. On a ridership basis, the jitneys rank among the 25 largest U.S. bus systems. These ridership numbers suggest that jitney services play a major role in providing mobility and accessibility to a subset of transit users, though it is not clear if the rides taken by jitneys substitute or complement conventional transit service.[1] Scholars tend to fall into three camps when thinking about jitney services.

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[1] Jitneys are known as jitneys, minibuses, vernacular cabs, commuter vans, dollar vans and other names. We use the term jitney generically to describe these services, though they are locally known as dollar vans or Chinatown vans, depending on the location of services. In New Jersey jitneys are sometimes known as “immivans” because they serve immigrants almost exclusively.

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The first group views them as a market response to an unmet demand (Klein et al., 1997). The second group argues that they threaten the "public good" aspects of transit and fail to protect workers adequately (Kirby and Miller, 1975). The third group believes that jitneys and other for-hire services are low cost opportunities to improve transit services (Baker et al., 2010; Kirby, 1981; Rosenbloom, 1970; Weiner, 1975; Wohl, 1975).

Many transit and city agencies have experimented with jitney services as a way to complement fixed-route transit, serve areas with poor coverage and provide cost-effective travel for mobility impaired travelers (Cervero, 1998; Cooper et al., 2010). Los Angeles, San Diego, San Francisco and Miami all attempted to create new jitney services in the past few decades but scaled back or eliminated the programs after a few years (Center for Urban Transportation Research, 1993; Teal and Nemer, 1986). The Northern New Jersey Transportation Authority is currently studying jitneys as a potential addition to their transit services and has identified numerous concerns with safety, competition and public awareness (AECOM Technical Services, 2011). The City of New York developed a shared ride taxi program in 2005 to compensate for a transit strike (WYNC News, 2005), but it was abandoned after the strike was settled. One seemingly successful program, at least on financial self-sufficiency terms, is the Tennessee van program, though this seems to be the exception to the rule (Newsome and Meyers, 2011). It is of note that the Chattanooga, Tennessee, jitney system of about 85 vans served over 20 million rides annually in the late 1970s (Cervero, 1985).

Regular failure to formalize informal (or quasi-formal) jitney services in the United States remains a puzzle. There is obvious interest from planners and officials to recognize the benefits of jitneys, but the high failure rate of planning for them suggests that they are poorly understood, inhibited by institutional obstacles, or burdened by economic pressures. We explore these challenges by analyzing a policy experiment in New York City. In 2010 the Taxi & Limousine Commission (TLC) sanctioned Group Ride Vehicle (GRV) services in areas where the Metropolitan Transportation Authority (MTA) recently cut bus services. The program was greeted with enthusiasm from existing jitney operators, but was abandoned after a few months due to meager usage. The failure of this program, while unexpected, allowed us to study why it failed from the perspective of the operators and regulators.

This paper is organized as follows: Section 2 explains the perceived benefits of jitney and commuter van services and reviews different municipal approaches to implementing jitney programs in the United States. Section 3 describes the growth of commuter vans in New York. Section 4 summarizes critiques of jitney operations. Section 5 provides an overview of the TLC's GRV project and jitney operations in New York and presents data and analysis. Policy implications and directions for research are then discussed prior to concluding the paper.

2. Jitneys and commuter vans

Jitney services emerged in the United States during the 1910s and challenged streetcars for transit riders. The jitneys' point-to-point flexibility, shorter headways, and demand responsiveness allowed them to head-run streetcars—later fixed-route publicly operated buses—and poach streetcar riders. Cities enacted local laws and regulations, namely onerous insurance requirements, to discourage jitney operations and protect streetcar companies' transit monopoly (Gavis, 1990). Eckert and Hilton (1972) estimate that between 1915 and 1918 the number of jitneys operating nationally declined from 62,000 to 5879. With local governments willing to insulate streetcars from competition and eventually take over failing transit operations in the sixties, there has been little incentive for transit providers to innovate and counteract operating inefficiencies and low productivity. Despite a 100 years of regulations and heavy subsidies for transit, jitneys have continually resurfaced within niche transit markets that are poorly served by conventional systems.

Jitney services, generally, flourish in areas or amongst groups that are excluded from planning or outright ignored by transit agencies and private operators (Suzuki, 1985). In addition to the absence of traditional transit services, lower auto-ownership rates render residents in these communities transit-dependent (Chatman and Klein, 2009). Without access to transit, local entrepreneurs established informal services, such as carpools and camionetas, that provide valuable connections (Blumenberg and Smart, 2010; Valenzuela et al., 2005; Kemper et al., 2007). Since jitneys target niche markets, ridership pales in comparison to a transit network's total capacity. Cervero and Golub (2007) report that of the 8 million daily bus trips within Rio de Janiero in 2003, vans (or jitneys) served 150,000 passengers in select corridors, or two percent of total ridership. They go on to explain, however, that Rio's jitneys targeted high transit ridership areas that lacked access to reliable service. Within these carefully selected corridors vans might carry half of all trips, and in some neighborhoods, bus services might be abandoned because of competition from vans.

Policymakers in cities with existing jitney networks have tried to formalize them to improve service or reduce costs (Rosenbloom, 1970; Center for Urban Transportation Research, 1993; Teal and Nemer, 1986). Table 1 describes some of the characteristics of these systems. Miami and New York City realized high levels of ridership while the other systems struggled to attract and maintain riders. Most attempts to formalize these services involved a permitting process that asked operators to identify underserved routes or service areas, but provided little additional support.[2]

2.1. Critiques of jitney operations in Miami and Los Angeles

Miami and Los Angeles have tried to formalize jitney operations, but never committed fully to their long-term viability. In the early 1980s, Dade County—in 1997 the county adopted the name Miami-Dade County—commissioned the *Jitney Policy Report* to propose ways to regulate its growing number of jitneys (Administration, M. D.C.T., 1983). This study coincided with the Metro-Dade Transit Agency's bus restructuring plan that consolidated operations and

[2] While the permitting approach has been convention, scholars have identified other potential approaches, though these have not been incorporated into jitney experiences in US cities. Sørensen and Longva (2011) outlined four types of coordination paradigms to extend transit services: organizational, contractual, partnership and discursive. Thus far, jitney programs have been pursued using the contractual or partnership coordination models. Cities contract with jitney operators and often specify where they can travel, where they can pick-up and drop off passengers, minimum frequencies, insurance requirements, and vehicle inspection standards. In partnership models, which is more common in the U.S., operators and public agencies form voluntary partnerships built on trust.

The contractual model not only offers more protections against service defaults but also commits the state to a larger commitment to new transit coordination. This carries substantial risk for transit agencies that must negotiate with union labor, balance the costs and benefits of service expansion and justify multi-tiered services, for instance contracting with jitneys in areas that are already served by local buses. Neither of these models of coordination implies full privatization of transit services. Rather, the state maintains control over the types of services offered, though in the partnership model without explicit guarantees and expectations of a contract.Coordination is more difficult when multiple public actors with different mandates, preferences and constraints engage. In New York City, the TLC is responsible for licensing and enforcement but scarcely has the resources for subsidies or marketing. The MTA, as the region's transit provider, does cooperate with other agencies such as the TLC and the New York City Department of Transportation, but these efforts aim to improve existing services instead of developing new ones. Ultimately, the TLC needs to coordinate with the MTA before introducing new transit service.