



Examination of Regional Transit Service under Contracting: A Case Study in the Greater New Orleans Region

Hiroyuki Iseki, PhD, Charles Rivasplata, PhD, Rebecca Houtman, MS, Carl Seifert, Adam Smith, & Tiffany Sudar

MTI Project 2904
March 2011

An innovative transit contract shows early signs of improving transit service in New Orleans, but hopes that two neighboring agencies' use of the same contractor would improve regional transit coordination have not yet been realized.

SJSU Research Center
210 N. Fourth St., 4th Fl.
San José, CA 95112

Tel // 408.924.7560
Fax // 408.924.7565

www.transweb.sjsu.edu

Board of Trustees

Founder

Secretary Norman Y. Mineta

Honorary Co-Chairs

*Congressman John L. Mica
Congressman Nick Rahall*

Chair

Mortimer Downey

Vice Chair

Steve Heminger

Executive Director

Hon. Rod Diridon, Sr.

Thomas E. Barron
Ignacio Barrón de Angoit
Joseph Boardman
Donald H. Camph
Anne P. Canby
Jane Chmielinski
William Dorey
Nuria I. Fernandez
Rose Guilbault
Ed Hamberger
Hon. John Horsley
Will Kempton
Cindy McKim
William Millar
Hon. Norman Y. Mineta
Stephanie L. Pinson
Dean David Steele
Paul A. Toliver
Michael S. Townes
David L. Turney
Edward Wytkind

In late 2008, New Orleans Regional Transit Authority (RTA) began to execute a “delegated management” contract with a multinational private firm, in order to not only increase efficiency and effectiveness in operation and maintenance of public transit, but also bring in the private sector expertise in long term planning and financing in the unprecedented level in the U.S. This new contract also created a unique situation in which regional coordination between two adjacent jurisdictions could be improved through the contractor serving both.

This study examined two main research questions: (1) the effect of a “delegated management” contract on the transit service provision within a single system, and (2) the effects of having a single private firm contracted by two different agencies on regional coordination.

Study Method

The study combined three methodological approaches: (1) an analysis of operation and financial data obtained from the two transit agencies and the National Transit Database, (2) a survey to ask transit users about their perceptions of service quality, and (3) a questionnaire and interviews focusing on regional coordination that are compared to the results of a nationwide survey of transit agencies.

Findings

1. The analysis showed RTA's delegated management contract has had significant improvements on the several areas, including revenue miles and hours, trips per capita, cost per vehicle hour, and cost per passenger trip especially for the bus service by the end of 2009, compared to its counterpart.
2. Despite the improvement on the operating efficiency as well as some amenities, the service quality perceived by RTA transit users has not improved yet and marked the lower scores overall than its counterpart, because of a lack of basic services characterized by infrequent services, low reliability of the service, and difficulty to obtain information on schedules and service routes.
3. Despite some expectation, few actual efforts in terms of fare structure, use of technologies, vehicle scheduling, sharing facilities and information, and planning have been

made toward better coordination in Greater New Orleans, compared to the national average. Political concerns that arise mainly from financial issues, such as keeping local tax revenues within jurisdictions, remain major barriers to regional coordination.

Policy Recommendations

While calling for further research on the subject, this multifaceted study provides the following recommendations:

1. Taking into account continuous financial difficulties, local governments and transit agencies should carefully examine and consider privatization strategies outside the conventional framework, including a “delegated management” contract.
2. To improve transit users’ perception of service, transit agencies should emphasize fundamentals of transit services, such as service frequency and on-time performance.
3. In the region with many cross-jurisdictional trips, transit agencies should evaluate the level of regional coordination, using a coherent set of indices, such as those introduced in this study.
4. Metropolitan planning organizations should take strong initiative in the promotion of regional coordination with clear strategic planning for funding and implementation, possibly with state and federal financial assistance.



About the Authors

Hiroyuki Iseki is an Assistant Professor in the School of Architecture, Planning, & Preservations at the University of Maryland, College Park. His research interest includes: transportation economics and finance, public transit planning and management, travel behavior analysis and modeling, and regional transportation planning.

Charles R. Rivasplata, Ph.D. is a lecturer in the Urban and Regional Planning Department at San José State University, and a senior transport planner at the San Francisco Municipal Transportation Agency (SFMTA).

Rebecca Houtman, M.S. in Urban Studies from the University of New Orleans, is a fiscal analyst for the City of New Orleans Capital Projects Administration. Adam Smith is a graduate student in Urban and Regional Planning at San José State University. Carl Seifert and Tiffany Sudar are graduate students in Master’s program in Urban and Regional Planning at the University of New Orleans.

To Learn More

This research was funded by grants from the Mineta Transportation Institute at San Jose State University and the Gulf Coast Research Center for Evacuation and Transportation Resiliency at the University of New Orleans/Louisiana State University. For more details about the study, download the full report at transweb.sjsu.edu/project/2904.html