

WORK SESSION  
Wednesday, November 16, 1988

## Passenger Transportation in Rural Areas

### *Moderator*

Brenda Rice  
President  
Kentucky Public Transit Association  
Project Director, Rural America

### *Panelists*

Donald R. Cress  
President  
Cress and Associates

Ned Colcord  
Transportation Planning Specialist  
Barren River Area Dev. District

Rick Sparer  
Senior Transit Planner  
Lexington-Fayette Urban Co. Govt.

## Passenger Transportation in Rural Area

### INTRODUCTIONS

Moderator, Brenda Rice, is President of the Kentucky Public Transit Association. She operated the first rural public transit system in Kentucky in 1979 and is the Regional Transit Coordinator for the central Kentucky region. Her background and education are in service provision and program management in the human services field.

As President of Cress & Associates, Donald R. Cress is responsible for the firm's management and business development. He had almost 30 years' experience in engineering and aviation consulting and is recognized as one of the Nation's most experienced aviation planners. Mr. Cress earned both his BS and MS in Civil Engineering from the University of Kentucky.

Ned Colcord is Transportation Planner for the Barren River Area Development District. He earned a BA degree from Morris Harvey College, which is now called the University of Charleston, in West Virginia, and a Masters of Public Service from Western Kentucky University. Before working at the Barren River ADD, Mr. Colcord worked with the Warren County Planning Commission in Bowling Green and the Charleston Planning Commission in West Virginia.

Richard L. Sparer has been the Senior Transit Planner for the Lexington-Fayette Urban County Government since 1980. He has almost 13 years' experience in the transportation planning field, including serving as transportation planner with the Kentucky Transportation Cabinet. He earned a BS degree in Planning and Development and an MS in Geography and Planning from Eastern Kentucky University.

### SUMMARY OF PRESENTATIONS

*by Brenda Rice*

Moderator Brenda Rice outlined the purpose of the panel: to present a picture of the current status of passenger transportation in rural areas, including its history, the impact of deregulation, and alternatives for the future.

Demographic and other structural changes are having an impact on the need for passenger transportation. As more rural centers drop below a minimum population necessary to sustain basic services, more rural people will be forced to travel longer distances to access medical care, shopping, and other services. Agriculture, manufacturing, and the service sector rely on effective and efficient transportation systems. Deregulation has modified the transportation system service rural areas. Where the transportation industry once cross-subsidized low and high revenue routes, deregulation allowed the market forces to shape its services. This resulted in a loss of service in all modes to the rural areas.

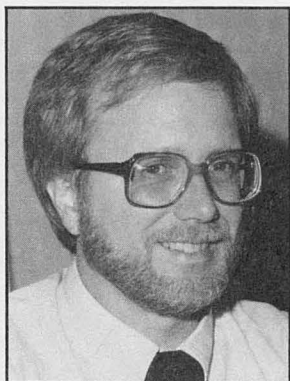
Don Cress discussed the airline industry. Air service prior to deregulation is not expected to return, since deregulation fares have increased while the quality of service has decreased. Despite this, the airlines are not making a high profit due to increased labor and insurance costs. The most noticeable impact in operation is the development of the hub system. This funnels passengers from lesser markets into larger, usually urban, hubs for transfer to larger carriers. Competition is limited by the hub system where the market is served by a few large carriers. It was suggested that limited regulation might aid the industry.

Ned Colcord addressed the impact of deregulation on rural areas. Current status features an overloaded highway system, an intercity bus industry withdrawing from rural service, and a national loss of passenger and freight rail service. The flexibility for rates to reflect costs allowed by deregulation spawned competition for traffic leading to the development of economies of scale, resulting in a growth in regional and shortline transportation services.



*Ned Colcord*

While there has been an initial loss of service, deregulation also created greater opportunities for service. This has, however, led to expansion of feeder services, increase in transportation costs, and reduced quality of services. Rural areas are challenged to develop or attract services to meet their particular needs.



*Rick Sparer*

Rick Sparer pointed out some of the innovative measures a local community could take to provide access to mobility for its residents. Examples were a vanpool service, cost-effective rural services using subcontracts with the private sector to feed to larger providers, and carpooling efforts. While these services can be operated cost effectively, the continued financial support from the federal, state, and local levels is vital to the future of passenger transportation in

the rural and urban areas. Particular attention should be given to the transportation needs and/or problems which arise from developing employment centers.

Discussion focused on the lack of feasibility studies to determine the market for rural passenger transportation, as contrasted to the urban markets. Conclusions were that air and intercity bus travel cannot be expected to return its services to rural areas, concentrating its service instead in metropolitan hubs. While the rural areas of the country and Kentucky were the most affected by these changes, the low income, elderly, and disabled, who compose a higher percentage of the rural population, were the most at-risk. Air travel often was not accessible to



the low income, who comprise a market for intercity bus. Local alternatives were seen as the key to tie the rural areas to the hubs where intrastate and intercity transportation could be accessed. The existing network of rural public transportation systems, which are currently underfunded on all levels, are facing the double blow of increased demand and decreased funding.

The conclusion was that local alternatives were needed, in the form of local transit services subsidized by local, state, and federal governments. These services would replicate the hub-and-spoke system that the other modes of passenger travel have found to be the best alternative to continued minimal service to non-urban areas.