

A New Tulsa Transit Emerges Out of the Old

Tulsa's transformation a powerful example of customer-driven transit service

by Mark Pritchard

Robert Kennedy once said that some people see obstacles and ask why, while others see solutions and wonder, why not? The Metropolitan Tulsa Transit Authority (MTTA), CTAA's 1999 Community Transit Agency of the Year, is an agency that seeks out innovative solutions and whose leadership is not afraid to wonder, why not?

MTTA officials recognize that the role of their agency within the greater community has permanently changed. No longer will the agency provide a static, reactive service to its customers; MTTA now serves its region as a full-service mobility manager.

Birth of a Vision

Like many urban communities in the era of the 1960s and 1970s, Tulsa city officials were faced with what to do when its formerly private-operated transit served notice that it would no longer be able to stay in business. Not surprisingly, this announcement came at the end of a cycle of continually increasing fares and decreased service. Costs had risen, and patronage had dwindled to the point that private operators could no longer sustain themselves. This occurred in Tulsa in 1968.

After some debate, the officials of the City of Tulsa decided to use federal capital funds to purchase the assets and formed the Metropolitan Tulsa Transit Authority (MTTA) on August 6, 1968.

Our early years were days of considerable optimism. The federal funds allowed equipment and facilities to be upgraded. Service was improved and extended to outlying communities. There was a sense that with the improvements that were being made, we might experience a real transit renaissance in the Tulsa area. Many area residents could still recall using public transportation earlier in their lifetime, and there was hope that service would now be of a caliber again that it could be used for many trips.

The new public authority kept the downtown radial system orientation that had been the approach of the former private operator. This made good business sense in those days, because Tulsa -- for a mid-sized city -- had a substantial downtown with many tall buildings of employees, many of whom worked in oil-related businesses.

The economic difficulties faced by the nation in response to the OPEC oil embargoes, which drove up the price of gasoline dramatically in the 1970s, were actually good for our local oil-based economy. The former Cities Service Oil Company, headquartered in Tulsa, along with other companies asked MTTA to provide commuter shuttle service from outlying communities to their offices downtown. This was provided in part with funds from these companies.

The economic growth in this era accelerated the trend to lower population density and dispersed trips that was increasingly becoming a national phenomenon in the post-World War II era. Growth in employment, retail and housing began to move out from the downtown and adjoining neighborhoods, which had always facilitated fixed-route services.

After 1983, the economic bottom fell out of Tulsa as the oil industry hit tough times. Population actually decreased in the region, as high paying oil-related jobs grew increasingly scarce. Local government in Oklahoma is funded principally by sales taxes. With the economic decline, tax revenues also declined, which led to a reduction in transit services in the community. Ridership declined as services were curtailed and fares increased. Suddenly, MTTA found itself fighting another downward cycle like the one that had caused the private transit providers to fail.

With the return of some level of economic prosperity in the latter 1980s, the prevailing low-density dispersed development pattern continued. By the 1990s, it became clear that minimal fixed-route services in the Tulsa area, with its exclusive focus in and out of the downtown area was out of alignment with the travel needs of the transit using public.

A group of transit policy makers, community leaders, MTTA staff and customers met in early 1992 and developed what became known as Vision 2000 to help re-think what the role and purpose of transit should be in our community. This was the first step toward creating the type of transit system that MTTA has become today.

The Vision 2000 exercise recommended that a long-term regional mobility plan be developed that would guide transit decision making through the year 2010. Completed in 1993-94, the new plan recommended a hierarchy of services based on the differing needs of the various markets in the Tulsa region. It was a clear step away from our traditional transit service.

For the area within the City of Tulsa, a fixed-route pattern was recommended to take advantage of the city's grid arterial street pattern. This new fixed-route pattern could also provide more trip options for transit users than the existing downtown radial system.

Paratransit and timed transit centers were proposed for outlying lower-density areas as a better, more economic means of meeting the needs of those market segments, most of which have no transit service. Much of the service improvements contemplated by the plan were premised on a regional tax subsidy, which politically was not and remains not feasible at this time.

Without political consensus and support to modify the system to be in better alignment with the market needs of the region, the MTTA system remained stuck in a time warp with its downtown orientation operating primarily in census tracts of the city that were not growing or losing population. It was frustrating, particularly because we knew how to better serve the city and its environs. Eventually, staff and board found the situation intolerable, and began to develop a new plan for fixed-route transit that better met Tulsa's needs.

As the Vision 2000 plan called for, a transit center approach was developed. And while we knew it didn't solve all of the problems, it clearly better facilitates the travel demands in Tulsa to other parts of the urban area beyond the old central downtown area. The first center was constructed in the downtown area, and ridership has grown 15 percent since it opened in May 1998.

After several legal battles during the last two years, the second transit center -- in the geographic center of Tulsa -- is finally ready to be built, and will be completed next summer. When it opens, it will offer fixed-route passengers even better service away from the old downtown core. The downtown center and the new center will be connected via Tulsa's expressway system. Services in the high-growth east and southeast portion of the city will now radiate out of the new center which is far closer than going all the way back downtown.

We've learned much in the past decade, but most of all we've learned how to make things happen. Often, it takes several approaches before we've enjoyed success -- the transit centers are a prime example. There is never a shortage of barriers or naysayers. We simply keep our objective in mind and push on.

Recognizing Fixed-Route Limitations

Even with the planned structural changes in the fixed-route system, there are still fundamental challenges that fixed-route transit can never address adequately. Even with a more market oriented fixed-route product, because the service is principally system-driven instead of customer-driven, there will always be trips that simply cannot be accommodated by fixed route. This is aggravated in Tulsa, and in other cities by a lack of service hours and frequency, that no matter how much more market driven the service design becomes, if it is not available (i.e. nights and weekends) or does not operate frequently enough (most of the service day) it will not meet the market needs of many customers.

It took years for us to realize this fundamental concept about serving Tulsa: there is no single solution that will meet everyone's unique mobility needs. We need to offer choices and options.

Meeting Market Demand

Community transportation approaches, whose point of departure is more generally more closely related to the customer's individual trip needs began to evolve at MTTA as a response to the inherent limits of fixed route. Organizationally, this was made easier by two factors: MTTA has a large ADA paratransit system for a transit authority its size (we currently transport more than 1,000 paratransit customers a day) and our paratransit service has always been contracted out -- which gave MTTA experience at having an extensive portion of its business being coordinated and brokered as opposed to directly operated.

The other factor that led to the emergence of community approaches was the arrival of Larry Hall (CTAA's Oklahoma State Delegate) in September of 1996. Larry had operated the Kibois Area Transit System in Stigler, Okla., covering four rural counties in southeastern Oklahoma for years.

The community transit focus on smaller vehicles, contracting for service with agencies and companies, and not operating unless there was demand led to an entirely new business approach for MTTA. With Larry's involvement, we were soon contracting with a community action agency serving counties surrounding Tulsa for service in areas beyond the traditional service area. What is more, this was accomplished with no subsidies!

This initial agreement with the community action agency then led to a TANF contract in an 11-county region in northeastern Oklahoma. Some of these services are provided directly by MTTA, but more often than not, the trips are in areas not served by MTTA, or occur at times that service is not provided. Partnerships with other transit systems and other private operators all became necessary to carry out the TANF agreement.

MTTA found itself changing its business in other ways. The frequent refrain from some parts of our region, "That people don't and won't ride buses in Tulsa", " seemed to be counter to the fact that most human service agencies, hospitals and increasingly private businesses all operate fleets of vehicles for passenger transportation. We found that, indeed, people will ride buses. What we also finally realized is that there is a need for passenger transportation in Tulsa, but not for the tired non-market oriented fixed-route system.

It is not unlike what has transpired in the goods movement industry. Many companies that manufacture products once had fleets of vehicles to transport their

products to market. Today, these same companies have increasingly gotten out of the goods movement business, because that was not their principle business and full service transportation companies offering inventory management and other ancillary services came forward to meet this market need.

We figured, why couldn't the same phenomenon be applied to the passenger transportation business? Agencies, hospitals and businesses in the passenger transportation business are all spending extraordinary sums for labor, insurance vehicles, training, routing and all of the other elements that go into the getting passengers from location to location. And this is not their principle business.

MTTA developed this mindset within the organization and set up a sales force within its traditional public sector organization. Sales of contract services, priced to fully recover all of MTTA's fully allocated costs began to thrive. Contracts with hospitals, private employers, Headstart and a host of other human service and began providing net revenue to MTTA.

Brokering Mobility Management

The success of this community transportation/entrepreneurial strategy attracted the interest of the others within Oklahoma. Based on the performance of our TANF service, Medicaid officials of the Oklahoma Healthcare Authority approached MTTA about providing brokerage and coordination services for Medicaid non-emergency services throughout the state. In this case, Medicaid was not looking at MTTA's ability to directly operate service, but rather to coordinate, manage and broker the services of other transportation providers -- a foreign skill set for most conventional fixed-route operators that are managerially equipped only to directly operate services.

New concepts like procuring transportation services in other regions, negotiating rates, contract monitoring and performance auditing are all being (or will be) added to MTTA's repertoire of skills and abilities. Effective June 1, 1999, MTTA began taking reservations and scheduling Medicaid non-emergency trips in a pilot program in several counties throughout Oklahoma. When launched statewide in the spring of 2000, it is projected that this Medicaid project will add \$5 million in gross revenues to our current \$13 million annual operating budget.

More importantly, these concepts are changing how the organization must do business, and for the first time since the early days of the formation of the authority, we have real hope of providing the net revenue necessary to improve the sometimes meager transit services that are available in the area.

The concept of mobility management is frequently held out as a new paradigm for public transit operators to enhance their mission and manage public mobility as

opposed to only operating service. MTTA is certainly progressing toward adding mobility management to its array of transportation services. Our principle business, still, is directly operated service with conventional subsidies. An important adjunct, with net revenue possibilities are mobility management services like TANF, Medicaid and the array of contract services that are producing net revenue.

Realizing our Bold Vision

MTTA's vision is to leverage its assets, expertise and infrastructure in an ever-expanding effort to both operate and manage public mobility. The core business for the foreseeable future will be fixed-route transit and ADA paratransit. It is anticipated that a portion of the net revenue will be used to expand the core business services.

We also anticipate that mobility management services, at least those that have income producing potential, will also continue to grow. MTTA has already illustrated that it has sufficient credibility as a transportation expert to attract a variety of corporate and human service agency customers to either leave the driving to us or our contractors. These organizations are willing for us to manage their transportation needs in a way that best meets their needs. After all, we are the transportation professionals in Tulsa.

Transit operators need to be increasingly bold in their visions and recognize that they have skills and expertise that are in heavy demand if they can simply align themselves with the varied demands of a changing market for service. We need to think like a business sometimes, and not like a social service.

Technology offers opportunities to assist MTTA and others planning contemplating a similar paradigm shift in their business. MTTA has invested in an integrated call center, which is currently supplying fixed-route information, ADA paratransit reservations and scheduling and more recently reservations/scheduling for TANF, Medicaid and contract service trips. This investment in the scheduling software was vital in getting the statewide Medicaid agreement, and provides a powerful competitive advantage as MTTA continues its effort to mobility manage other sources of passenger transportation. Automatic vehicle locators and the promise of related technology will be important in competitively going to the market with the skills and abilities to provide effective mobility management.

Management of a transit system headed in the direction of MTTA will mean significant change. MTTA is currently well equipped to directly operate service and has a sufficient complement of dispatchers, safety and training personnel and route planners. What are increasingly needed in the new environment are the skills of contract monitors, financial analysts and internal auditors. These are not your

typical transit skills. The management challenge is understanding these challenges and developing these skills accordingly.