FINAL REPORT
OF THE
GOVERNOR'S TASK FORCE
ON
RIDESHARING

Report/recommendations pursuant to
Executive Order #80-4
Task Force terminates May, 1982
Honorable Albert H. Quie  
Governor, State of Minnesota  
130 State Capitol  
St. Paul, Minnesota  55155

Dear Governor Quie:

It is my pleasure to submit to you the Report of the Task Force on Ridesharing created pursuant to Executive Order 80-4. The report presents recommendations for actions that can be taken immediately to facilitate increased ridesharing in Minnesota. Members of the Task Force are prepared to assist in the implementation of these recommendations.

Sincerely,

Richard P. Braun  
Commissioner

An Equal Opportunity Employer
TASK FORCE MEMBERS

Richard P. Braun, Commissioner, Minnesota Department of Transportation
Allan R. Boyce, Burlington Northern (Vice Chairman)
John Bernhagen, Senator, State of Minnesota
Duane J. Crandall, Minnesota AAA
Jeanette Janacek, City of New Brighton
Burton W. Johnson, City of Hawley
Kent Kaplan, Owatonna Tool Company
Kenneth Nelson, Representative, State of Minnesota
Robert Owens, for Lewis Lehr, 3-M Company
Booker Rice, Jr., Prudential Insurance Company
Harold J. Schuebel, Cenex
Hugh Solberg, Munsingwear, Incorporated
Carol Trusz, Northwestern National Bank
Brad Walker, Honeywell, Incorporated
Linda Vumbaco, Arrowhead Economic Opportunity Agency

Ex. Officio Members

Steven Balfanz, for Mark Mason, Minnesota Energy Agency
Richard Borne, Control Data Corporation
Marianne Curry, for Charles Weaver, Metropolitan Council
William Curtis, Northern States Power Company
Larry Haeg, Jr., WCCO Radio
Judith Hollander, for John Yngve, Metropolitan Transit Commission
William Lake, Federal Highway Administration
Arthur Schreiber, KSTP AM

Acknowledgements

The Task Force would like to acknowledge the efforts of the following persons who made presentations to the Task Force. Bob Owens, 3M Company; Jimmie Powell, Senator Durenberger's Office; Clarence Shallbetter, Ridesharing, Inc.; Randi Alcott, MTC; Jeff Bartlett, Prudential; Karen McNeill, NSP; Steve Pederson, Vanpool Services, Inc.; Art Schreiber, KSTP-AM; Don Berg, Mn/DOT; Don Hubert, Mn/DOT; Barbara Lundberg, Greater Hartford Rideshare Corp.; Robert Provost, Minnesota Insurance Information Center; James Kelly, Minnesota Department of Commerce; Jeff Nelson, Minnesota Department of Labor & Industry; Mark Mason, Minnesota Energy Agency; John Tubbesing, Mn/DOT; and Bob Benke, Mn/DOT.
<table>
<thead>
<tr>
<th>SUBJECT</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Background</td>
<td>1-3</td>
</tr>
<tr>
<td>Task Force Recommendations</td>
<td>4-6</td>
</tr>
<tr>
<td>The Need For Ridesharing</td>
<td>7-11</td>
</tr>
<tr>
<td>Ridesharing is Already Happening</td>
<td>12</td>
</tr>
<tr>
<td>Ridesharing Can Do More</td>
<td>13-14</td>
</tr>
<tr>
<td>Action is Needed</td>
<td>15-19</td>
</tr>
<tr>
<td>Recommendations</td>
<td>20-23</td>
</tr>
<tr>
<td>Appendix I</td>
<td>24-26</td>
</tr>
</tbody>
</table>
EXE C U T I V E S U M M A R Y

BACKGROUND

Minnesota has been a leader in nationwide efforts to save fuel and money by increased ridesharing since the 1960's. Numerous employers have sponsored programs to help employees pool rides. Fifteen employers now sponsor vanpools, with 425 vans operating. The vanpool concept was developed in Minnesota by the Minnesota Highway Department and first implemented by the 3M Company. This record of innovation continued with pioneering efforts by the Metropolitan Transit Commission in computerized ridematching and the use of personalized assistance to rideshare applicants.

While much was being accomplished, more was needed. Governor Albert H. Quie directed that the Minnesota Department of Transportation (Mn/DOT) develop and implement a statewide program to encourage and facilitate increased ridesharing. This program, known nationwide as MINNESOTA RIDESHAKE, was implemented on November 12, 1980. Its primary objective is to increase ridesharing by providing concept promotion and ridematching services while at the same time working with private sector and public sector organizations in establishing a network of regional, subregional and/or local programs.

As a further measure, Governor Quie appointed a 15 member Task Force on Ridesharing comprised of elected officials and private sector executives. Their responsibilities were to: encourage business and government leaders to initiate and expand ridesharing; assist in overcoming regulatory, financial, insurance and other institutional barriers to ridesharing; recommend actions that may be taken by government to alleviate obstacles to ridesharing; and provide a continuing dialogue between government and the private sector to facilitate development of ridesharing.

Commissioner of Transportation, Richard P. Braun, serves as Rideshare Coordinator for the State of Minnesota and chairs the Task Force. Eight ex-officio appointments were made to provide additional resources for the Task Force.

The Task Force, through this report, readily notes the importance of ridesharing and the need for additional efforts. It calls for increased incentives, removal of barriers and a carefully developed partnership between the private and public sectors that looks toward a decentralized delivery of ridesharing services by organizations in local areas and communities.
THE IMPORTANCE OF RIDESHARING

Ridesharing is a low cost, practical answer to many energy and commuter transportation problems.

- The cost of commuting to work is increasing rapidly, particularly for those who drive alone—$2 or $3 per gallon gasoline prices are no longer unthinkable.
- While fuel supplies are adequate today, the future supply situation is uncertain—contingency plans must be developed to help get people to work in the event of a supply curtailment.
- Work force availability is increased—distance factors can be offset by pooling longer trips.
- Additions to highway and street capacity will be limited due to funding constraints—more efficient use of existing facilities is possible through ridesharing.
- Public transit is not practical in all situations—costs, population density and trip patterns require alternatives such as ridesharing via van or carpools.

RIDESHARING IS ALREADY HAPPENING

Ridesharing is not a new idea—the difference is that public and corporate policies now recognize the many advantages.

- In some urban corridors, 50% to 60% of the commuters share rides in carpools and vans. In others, only 20% to 30% share rides.
- Vanpooling, the newest form of ridesharing, is growing rapidly with an estimated 425 vans operating in the State. But vanpooling is not an effective alternative for most commuters.
- Public transit is the second largest form of ridesharing. It accounts for 9% of the work trips in the Twin Cities area and up to 50%-60% in the center of the downtown. However, in the Twin Cities, 83% of the work trips are to areas outside the two downtowns.

A PARTNERSHIP BETWEEN THE PRIVATE AND PUBLIC SECTORS

The decision to share a ride is a personal choice made by the participants. The choice cannot be mandated, but it can be influenced through education and the use of incentives. Employers are in a key position to deliver incentives and encourage participation. Public agencies can adopt policies and programs that support private sector efforts. Both private and public sector leaders must participate in the planning and implementation activities for the maximum effectiveness.
The Task Force has concluded that the partnership should be formalized through the creation of --

- A State Rideshare Advisory Board to assist the Commissioner of Transportation in development of a statewide strategic plan for ridesharing and to advise the Commissioner on its implementation.

- Regional Rideshare Boards to coordinate strategic planning and implementation of rideshare programs in the 13 development regions of the State and to encourage local government and local business participation.

- Local Rideshare Programs developed and implemented by a local private/public sector team.

The organizational structure needed to accomplish the partnership arrangement already exists. No new agencies or staff are needed. Specific roles recommended for the participants include:

- Large employers providing ridesharing services for their employees on their own without public assistance.

- A cooperative effort by both the private and public sectors in local communities to organize ridesharing services for delivery to employees of smaller employers. Ridesharing programs and services should be decentralized.

- State, regional and local public agencies should develop facilities and adopt policies supportive of ridesharing, develop strategic plans with the private sector and support the development of ridesharing services in local areas.

- Private sector employers and organizations should provide ridesharing programs for their employees, participate with public sector strategic planning efforts and take the lead to form local ridesharing organizations.
TASK FORCE RECOMMENDATIONS

The Task Force has identified barriers that must be removed and incentives that can be implemented. Specific recommendations and the responsible implementers are summarized as follows:

THE GOVERNOR

. Advance legislation for elimination of barriers, creation of incentives and the funding of local ridesharing programs in 1981.
. Establish an awards program to recognize outstanding ridesharing programs.

THE LEGISLATURE

. Modify no-fault insurance legislation to alleviate liability concerns.
. Provide incentives to employers/corporations by --
  - establishing investment credits for van acquisition
  - providing tax credits for rideshare programs investments
. Eliminate taxable income barriers to ridesharing.
. Adopt provisions of the Model Law on Ridesharing.
. Establish a unique registration class for rideshare vehicles.
. Provide funds for rideshare programs.
. Permit local taxing authorities to "Special Levy" for transportation program costs.
. Commission a study of land use code impacts on ridesharing.

THE COMMISSIONER OF TRANSPORTATION

. Appoint a State Rideshare Advisory Board.
. Develop a statewide strategic plan for MINNESOTA RIDE SHARE.
. Continue development of park/ride facilities and preferential access lanes for high occupancy vehicles.
. Provide funding to assist regional, subregional and/or local programs.

EMPLOYERS

. Establish rideshare programs for employees:
  - make ridesharing a company objective
  - appoint rideshare managers
  - budget and provide funds
  - provide incentives to employees--parking preference, flexible hours, use of employer vehicles, subsidies, payroll deduction and shuttle services
. Support national and state legislation that eliminates barriers and provides incentives to ridesharing.
. Participate on rideshare advisory boards.
. Provide assistance to non-employees.
. Provide loaned executives or other resources to multi-employer, local and subregional programs and other employers.
. Promote ridesharing among other employers.
. Incorporate rideshare themes in corporate advertising.

REGIONAL DEVELOPMENT COMMISSIONS & METROPOLITAN PLANNING ORGANIZATIONS

. Provide strategic planning leadership for ridesharing programs by reviewing transportation plans, establishing ridesharing as a priority, identifying possible providers in local areas and determining appropriate models for ridesharing delivery.
. Establish private/public Ridesharing Management Boards to guide, review and make recommendations on the regional ridesharing plans.

CITIES, COUNTIES

. Participate in regional and local rideshare projects.
. Review land use codes to remove barriers to ridesharing.
. Develop park and ride facilities and implement preferential parking policies.
. Implement employee rideshare programs.
. Provide funding support for local ridesharing programs.

TRANSIT AUTHORITIES

. Incorporate ridesharing in operations and advertising.
. Participate in local rideshare projects.

ORGANIZATIONS -- PUBLIC AND PRIVATE

. Participate on the state rideshare advisory boards.
. Provide leadership for the industry, trade, profession or interest group members.
. Support public and private sector rideshare efforts.

INSURANCE INDUSTRY

. Clarify the impact of various forms of carpooling on insurance coverage and rates and publicize the savings available from carpooling.
. Promote the insurance savings features from ridesharing by aggressive marketing of ridesharing premium discounts.
### SUMMARY OF ACTION RECOMMENDATIONS

<table>
<thead>
<tr>
<th>GOVERNOR QUIE</th>
<th>LEGISLATURE</th>
<th>EMPLOYERS</th>
<th>COMMISSIONER OF Mn/DOT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establish an Awards Program</td>
<td>Modify No-Fault</td>
<td>Parking Incentives</td>
<td>Review Regulation of Public Transportation</td>
</tr>
<tr>
<td>Promote Programs</td>
<td>Adopt Tax Credits</td>
<td>Flexible Hours</td>
<td>Preferential Access</td>
</tr>
<tr>
<td>Support Legislation</td>
<td>Adopt Model Law</td>
<td>Employer Vehicles</td>
<td>Park/Ride Facilities</td>
</tr>
<tr>
<td></td>
<td>Unique Registration</td>
<td>Payroll Deduction</td>
<td>Evaluation/Research</td>
</tr>
<tr>
<td></td>
<td>Provide Funds</td>
<td>Subsidies</td>
<td>Program Management</td>
</tr>
<tr>
<td></td>
<td>Adopt Special Levy</td>
<td>Shuttle Services</td>
<td>Statewide Strategic Plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Partnership Role</td>
<td>Uniform Grid System</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Peer Promotion</td>
<td>Funding</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Management Boards</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Loaned Executives</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Program Funds</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Expertise</td>
<td></td>
</tr>
<tr>
<td>LOCAL/MPO/REGIONAL</td>
<td>PRIVATE SECTOR GROUPS</td>
<td>OTHER</td>
<td>OTHER STATE AGENCIES</td>
</tr>
<tr>
<td>Partnership</td>
<td>Promote Insurance Group</td>
<td></td>
<td>Prepare Energy Contingency Plans</td>
</tr>
<tr>
<td>Review Land Use Code</td>
<td>Lobby for Legislation</td>
<td></td>
<td>Adopt Fuel Priority Plan</td>
</tr>
<tr>
<td>Park/Ride Facilities</td>
<td>Advise Policy Makers</td>
<td></td>
<td>Participate in Management Boards</td>
</tr>
<tr>
<td>Preferential Facilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Programs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding Staff</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
THE GOVERNOR'S TASK FORCE ON RIDE SHARING

The Governor's Task Force on Ridesharing was created by Executive Order 80-4 on April 28, 1980. The responsibilities of the Task Force are to:

1. encourage business and government leaders to initiate and expand ridesharing,
2. assist in overcoming regulatory, financial, insurance and other institutional barriers to ridesharing,
3. recommend actions that may be taken by government to alleviate obstacles to ridesharing, and
4. provide a continuing dialogue between government and the private sector to facilitate development of ridesharing.

Governor Quie appointed 15 Task Force members and designated Transportation Department Commissioner Richard P. Braun as Chairman. Chairman Braun named eight Ex Officio members to broaden representation from corporations with rideshare experience and public agencies responsible for program implementation.

Task Force Activity

The Task Force met for the first time on September 19, 1980. Twelve meetings were held thru February, 1981. In addition, many committee sessions were held between Task Force sessions to address specific issues in greater depth. Initially, two working groups were created. The Incentives Committee was assigned the task of developing recommendations on actions that would encourage or facilitate formation of shared rides. The Barriers Committee was assigned the task of identifying economic, regulatory and administrative barriers to shared riding and to recommend remedial action. The Task Force, as a whole, addressed the question of rideshare program organization options and assignment of appropriate roles for participants. A third committee was created to formulate summaries of issues and recommendations for Task Force approval.

THE NEED FOR RIDE SHARING

I. Ridesharing is the best practical, low-cost answer to many energy and commuter transportation problems

Ridesharing occurs whenever two or more persons use one vehicle when going to and from work rather than driving alone. It also serves many other trips. The Task Force, however, primarily focused on work trips.
Ridesharing takes many forms:

- **Carpooling** - in which people trade off the driving or a person agrees to drive all the time while others are riders. It may be for part of the trip to work where someone is dropped off or for the entire trip, and may occur every day or only a few days per week depending on schedules.

  Some notable features of carpooling are the use of the existing fleet of privately owned cars, volunteer drivers, the negotiated arrangements and flexibility that permits change to hours, or days of the week when it is used depending on agreement of the parties.

- **Vanpooling** - in which a volunteer driver agrees to transport a group of eight or more persons to and from work in return for the use of the van as a personal vehicle after working hours, for a no-cost trip to work and for other possible rewards. The passengers usually pay a monthly fare.

  Vanpooling, which began at the 3M Headquarter in Maplewood, is especially attractive for people who travel longer distances to work where the cost of driving alone and even a small carpool is more expensive.

- **Public Mass Transit** - in which paid drivers of buses travel a set of fixed routes on schedule and passengers pay a specified fare. This service is found in urban areas. Service is most extensive to areas such as downtown Minneapolis and St. Paul where there are extremely large number of employees most of whom must pay to park if they drive a car.

  Mass Transit is most attractive to people who find the service very convenient, i.e., a direct route goes close to where they live and work, and in work centers where employees pay for parking. Most of this service is now provided directly by public authorities or under contract to them. Public taxes pay more than half of the cost of this service.

- **Buspooling** - in which a bus with paid driver is used to transport a large group of people along a route designed to directly connect their homes and job location.

  Buspooling may be sponsored by an employer or public transportation authority. Passengers pay a monthly fare.

- **Shared-Ride Taxi** - in which a paid driver of a licensed service responds either on demand or on a pre-arrangement to a request for service. Two forms of shared taxi riding exist—the common situation where a pre-arranged group of acquaintances travel together and a situation where two
or more individuals with similar origins and destinations are spontaneously pooled in the same vehicle. The spontaneous shared ride opportunity represents the greatest potential for "new" sharing. Public education and promotion of the shared service are needed to overcome a reluctance to share a vehicle with strangers.

1. The cost of commuting to work is rapidly increasing particularly for those who drive alone

Not only is the price of gasoline going up, but so are other commuting costs like the price of new cars and the financing of them. Many household budgets, pressed generally by inflation and incomes that increase slower than prices, must decide where to cut back and save. Transportation as the third largest budget item is clearly one of the prime budget saving targets. Some discretionary trips can be eliminated and others consolidated such as those for shopping. The essential daily work trip, too, will be scrutinized for savings especially by the 70% who drive alone. Other alternatives such as ridesharing need to be explored.

Increased transportation costs are likely to contribute to further requests for pay increases or possibly even for transportation allowances for employees.

Employers are also directly experiencing the increases in transportation costs. This is most obvious in the added costs of reimbursement for business trips, but it also included the growing cost of developing, improving and maintaining employee parking spaces for two downtowns.

2. While fuel supplies are adequate today, the future of reliable supplies is very uncertain

Shortages of gasoline due to the Arab Embargo in 1973 and again in 1979, caused considerable concern for the dependency of the United States on foreign sources for almost half of its supply from these countries. Recent events in the Middle East substantiate this concern.

Many analysts of petroleum supplies also suggest the dramatic supplies are currently near their maximum and will be both significantly more expensive and declining in volume as known reserves are depleted.
3. Additional highway/street capacity will be very limited as the highway emphasis shifts to maintenance of existing roads

Construction of new highways, lanes and freeways used to be the answer to congestion created by new development. However, objections to social disruptions caused by these facilities, continued concern about air pollution from motor vehicles and escalating road construction costs that far exceed revenues limit this alternative. Greater attention must now be given to the expensive job of maintaining and re-building the extensive roadway system developed over the past 20 years. At the very time gas tax and other user revenues are declining due to reductions in fuel usage.

4. While ridesharing generally is the answer, the capacity of public transit to handle work trips is currently limited and may decline in the future

Public transit is a form of ridesharing found in both rural and urban areas. In 1981, the Legislature appropriated $12.5 million for the biennial cost of service, in addition to funding for the Twin Cities MTC. In the metropolitan areas, transit carries 8% of the work trips overall. However, in very large work centers such as the two downtowns and the University, the combination of large numbers of employees who live along or near many routes, the high level of bus service with frequent runs during the peak hours and the existence of paid parking all contribute to substantial use of public transit. This is especially noticeable for persons who live close to work and some who live longer distances that have very convenient service. In the heart of the downtown upwards of 60% take the bus while on the edges of downtown, where service is lower, bus ridership falls to less than 30% and outside the downtowns to less than 10% and to less than 5% in the suburbs where over half of the people have jobs.

Many routes to the downtown cannot carry more people unless some buses are added. However, adding buses aggravates a severe problem created by the imbalance between peak and off peak service needs. Outside of the downtowns, by contrast, there are often plenty of empty seats on the fewer buses that serve other job locations. The addition of more buses and routes that would increase the convenience of bus service to more people would increase the number of riders. But it would also increase the total number of empty seats available and the amount of public subsidy needed.
Transit deficits are also likely to increase as the cost of fuel and vehicles continues to escalate faster than the increase in revenues. These factors suggest that during an era of fiscal restraint, there will be virtually no increase in the supply of transit service beyond what can be paid for entirely by riders. In fact, during this period there may be an actual reduction in total capacity if tax support does not keep pace with the escalating costs of vehicles, fuel and labor.

5. Other forms of ridesharing—particularly carpooling and vanpooling—are the most effective but least visible answer to most of our commuter transportation problems.

Ridesharing—particularly carpooling and vanpooling:

- Is very cost effective compared to other alternatives. It is the only practical alternative to driving alone for most people who live outside the metropolitan area and the 83% in the metropolitan area who work outside the two downtowns.

- Uses already available vehicles—the cars that people own.

- Makes more efficient use of the existing investment in roads, streets and parking facilities.

- Saves commuters dollars as they double-up and divide their driving alone cost between two or more people.

- Extends fuel supplies as there are fewer vehicles making similar trips.

- Saves parking space and reduces the need for acquiring more space, building some parking facilities and investing in the development and maintenance of these spaces.

- Provides a way for some people to get to work who might otherwise not be able to especially outside the downtowns. This increases the labor market for some firms.

- Can function to get people to work during a transit or energy emergency.

- Improves timely arrivals at work.

- Can improve public transit performance by reducing excess peak period demand and long distance dead-heading thereby reducing costs and holding down the growth of public transit subsidies.
RIDESHARING IS ALREADY HAPPENING

II. More ridesharing will occur as the cost of gasoline and cars increases and as employers increase their support

Ridesharing is already a significant activity and alternative to driving alone for approximately 15-25% of the work trips in Minnesota. It becomes most attractive and necessary when people are making longer--more expensive trips to work.

Most ridesharing arrangements involve carpools that people have informally organized either on their own initiative or as a result of rideshare promotion programs. Some vanpools owned and operated by individuals are also informally organized. These ridesharing arrangements account for the bulk of ridesharing.

The various forms of ridesharing and their contribution includes:

- **Carpooling** - the largest form of ridesharing accounting for 15-20% of the work trips. In some near downtown and downtown work sites and where there is significant employer encouragement and support as many as 30-40% carpool to work.

- **Public transit** - the second major form of ridesharing. In the Twin Cities metropolitan area, it accounts for 8% of the total work trips. In the center of downtown, where transit service is the best and parking charges are in the highest, as many as 50-60% use the bus.

- **Vanpooling** - the newest form of ridesharing. There are now an estimated 425 vanpools operating in Minnesota mostly serving people who travel long distances to work usually at least 15-20 miles one way. Even though it is growing rapidly, it accounts for less than 1% of the work trips.

- **Buspooling** - very small but it exists in a few locations such as to collect Honeywell Avionics employees from suburbs northeast of Minneapolis and transport them to a facility in St. Louis Park. Control Data has also established bus services for its employees.

These arrangements will continue to be effective for many additional commuters when they decide to ride to work because it is getting too costly to continue driving alone.

Next to gasoline cost increases, the support and commitment of employers can be the greatest stimulus for ridesharing. In many cases, individual employers have taken steps to match their employees, assist them with forming carpools and vanpools, provide rewards and incentives, and simply make it easier by adjusting working hours. An estimated 15 Minnesota employers provide vans for vanpooling by their employees.
Public agencies have also facilitated some ridesharing. The first effort was a metropolitan area matching service provided to all applicants in 1973-74 after the Arabian embargo by the Minnesota Department of Transportation (Mn/DOT). The next effort consisted of the 1977-79 multi-employer "Share-A-Ride" demonstration sponsored by the Metropolitan Transit Commission (MTC) and delivered by the Public Service Options (PSO), Van Pool Services, Inc. (VPSI) and the MTC. This project focused initially on three multi-employer sites in southern Hennepin County and was expanded to eleven sites by 1979. The service included matching people for carpools and vanpools, and giving them the list, calling list recipients to determine what they did, providing complete vanpool service and transit route and schedule information. The current program "MINNESOTA RIDESHARE" has evolved further to provide rideshare program services throughout the State. Mn/DOT is utilizing its district offices outside the metropolitan area, while inside the metro area it has an agreement with the MTC to supply these services in the eastern half and a contract with VPSI for services in the western half. It also has a contract with VPSI for vanpool services throughout the State.

RIDESHARING CAN DO MORE

III. Ridesharing can do much more than is presently observed. Yet, its potential is limited because:

- Some people cannot find others to ride with because they work unusual hours, work part time or regularly have places to go before or after work rather than home. They will find it difficult to get together with others in carpools or vanpools.

- Many people—possibly 30-40%—live relatively close to work and the savings from ridesharing are not enough for them to forego some of the conveniences of driving alone.

- Some people—possibly 25%—of those who drive alone treasure the freedom, independence and privacy of doing this. They will not ride with others unless the cost of driving alone becomes prohibitive.

1. Ridesharing falls short of its potential impact because of barriers that are obstacles to formation of added pools by individuals and employers

Some of the barriers are legal in nature—such as the cloud surrounding exposure to worker's compensation claims that employers may face when they sponsor a ridesharing program. Another is a question about when and the extent to which in-kind services or payments for ridesharing are taxable income. These legal uncertainties or current opinions raise questions and dampen enthusiasm for ridesharing.
Differences in working hours by employees of one employer and often between different nearby employers are a significant barrier to higher levels of ridesharing. Pooling might require individuals to either come early or stay late--a price many are not willing to pay. Working hours and other institutional policies are set up by employers most often in light of their operational requirements. They can be either completely or selectively changed by employers.

Some employer attitudes are also barriers to further ridesharing. These include some large employers who are reluctant to spend the time and resources necessary to develop and operate an effective ridesharing service.

Finally, some employers--especially smaller ones--simply lack the number of employees and resources necessary to efficiently provide a ridesharing service by themselves for their employees.

2. The lack of incentives for ridesharing also contributes to ridesharing falling short of its potential

There are few incentives to encourage and reward people for riding to work other than simply the savings in the pocket book that will come as the gas price escalates.

A further cost reduction on insurance is possible for people who carpool. However, this benefit is not uniform nor well publicized. In fact, many believe their insurance rates will increase if they carpool when actually they will most often decrease.

Some employers regularly publicize ridesharing and commend employees who are pooling. Yet these instances are too few and far between. Others provide preferential parking while many see little purpose in doing so when they have an excess of parking.

The federal tax code provides a 10% investment tax credit to employers who purchase or lease vans for their employees. Limitation on the credit detract from its usefulness. Other credits such as those available for pollution control and energy conservation, however, are not generally available for ridesharing.

3. Confusion over the roles of the private and public sectors in the planning and delivery of ridesharing services has also contributed to the failure of ridesharing achieving its potential

Some large employers are providing ridesharing services to their employees on their own. Some of them believe ridesharing should and can be handled largely by private sector.
Doubt that the private sector would be able to maintain a contingency ability during periods of low interest has led the public sector to become a general provider of ride-sharing services, sometimes in conflict with the efforts of the private sector. These public sector efforts, while attempting to respond to a need, also require a plan and strategy that is compatible with and supportive of private sector efforts.

**ACTION IS NEEDED**

IV. **Ridesharing can realize its potential with additional incentives, the removal of existing barriers, with commitment from employers, a well developed plan for public efforts and a private-public partnership to assure delivery of ridesharing services to the large number of people employed by smaller employers.**

A strategic plan for delivering ridesharing services is needed... one that looks at available resources and strengths, obstacles to its development and expansion, the possible return from alternative investments of public and private funds, and the results that can be expected from alternative ways or organizing, marketing and providing these services. The objective of this strategic plan should be to outline the framework for a coordinated effort to increase the share of people riding to work rather than driving alone.

Some of the key elements and policies of a preferred strategy emerged from the discussion of the Task Force. These elements and policies, the Task Force concluded, include the following:

1. **Additional incentives to encourage more ridesharing should be provided by the State and by employers.**

The State can initially encourage more ridesharing by providing a set of financial incentives for employers and individuals to start ridesharing programs, carpools and vanpools and to increase the proportion who participate in them. These incentives should be tied directly to the results such as additional carpools, vanpools or increased proportions of employees who ride to work. The State, regional and local units of government can also provide other long term incentives such as High Occupancy Vehicle lanes, preferential access for car and vanpools, and preferential/low cost parking and park/ride lots for carpools and vanpools.

Employers can also be more helpful to ridesharing by encouraging employee participation and providing incentives. These efforts include regular publicity and information on ridesharing, preferential parking, transportation during the day for those who ride to work, prompt hours of departure, adjustment in working hours to permit people to get together in pools, even when they work for different em-
ployers, programs of rewards and recognition for those who ride to work and possibly financial allowances for those who carpool, vanpool or take the bus.

2. **Existing barriers that discourage some ridesharing need to be eliminated**

The primary public obstacles that dampen the expansion of ridesharing include uncertainties about the impact of these programs on liability exposure, and questions about if and when direct and indirect payments for ridesharing are taxable income.

The liability exposure matter not only has discouraged some employers from initially providing ridesharing services but it has further discouraged other employers with ridesharing programs from making them available to non-employees who may work next door.

Uncertainties about whether a payment for part or all of ridesharing service as taxable income causes some employers and employees to pull back from ridesharing. This included persons who might regularly drive a carpool, the drivers of vanpools who receive monthly payments for passengers, and employers who may pick up some of the ridesharing program costs or directly provide an allowance to participants. Generally, it appears the Minnesota Department of Revenue follows the rules of the U.S. Internal Revenue Service on these matters. However, the State can and should take leadership to eliminate this barrier at least to the extent it results from state taxes and to provide an example to the Federal government.

Another longer term barrier to ridesharing appears to be the current pattern of job locations and residential development. Development of large numbers of homes in subdivisions that are difficult to reach or to circulate in and the spotty development of jobs in small office and plants by themselves some distance from others greatly diminishes the possibilities for combining trips in ridesharing arrangements. They almost force single auto dependency. Greater attention to land use impacts on ridesharing potential is needed.

3. **Employers should arrange for ridesharing services for their employees and cooperate with other nearby employers in obtaining these services**

Ridesharing to succeed, needs commitment of top managers of the private and public sectors. . . both large employers and the multitude of small employers. This commitment is found in every successful program and makes the difference between a low and high level of participation. One of the objectives of a ridesharing effort should be to encourage greater commitment by employers and individual employees.
While commitment is needed from all managers, there is a difference between employers. Larger employers have both the resources and scale in a sufficient number of employees to effectively organize their own carpool/vanpool program. Some can even add other services such as use of company vehicles for business for those who ride to work. Smaller employers, however, lack both the scale and resources to act alone.

4. A cooperative effort by both the private and public sectors in local communities is needed to ensure that people who work for small employers are able to rideshare to work.

Approximately 75% of the people work for employers of less than one-hundred people. If ridesharing is to realize its potential, participation from these employees will also have to substantially increase. Most often, however, there is no communication between these employees who may actually work in the same office building or in one a few blocks away. Joint arrangements to establish these links can only be effectively done at the local level through the efforts of local organizations such as the Chamber of Commerce, a city, a group of cities, a transit provider or a combination of these.

A public role in assisting with these services—especially at the local level, may be necessary. The city already has contacts with many of these employers, the business organizations and the developers. It is also in the interest of the city to ensure people can get to work for employers located in their area and that their taxpaying employers have an adequate labor supply. In some rural communities, cities are also concerned about retaining their residents who may be commuting long distances to jobs. Finally, cities can help beyond participating themselves and encouraging others by adopting parking policies that reward or stimulate additional ridesharing, and by changing their building and zoning codes to enable and encourage ridesharing.

Private sector support and cooperation is also essential. Many business organizations already have some of the smaller employers as members. The sales and marketing experience of the private sector as demonstrated in the United Way drives and other community activities is also needed. Many larger firms that are providing ridesharing services to their employees may also be able to help by extending them to nearby small employers or to those in the community.

5. Ridesharing programs should be developed, designed and operated at the local level with primary responsibility for implementation assumed by the private sector.

From a statewide perspective, a de-centralized strategy for development and operation of ridesharing services will be more effective than an effort to centralize them.
This de-centralized-localized strategy should become the major focus for current State efforts. It means that local private employers and/or governments will determine their own needs, contribute local resources for direct local benefits, select their provider(s) and manage their delivery system. People in local areas readily know the extent of transportation problems, the interest in ridesharing and can devise better responses than persons outside of these communities. Marketing efforts are more likely to be effective and the services more responsive when they are not only delivered in local areas but "owned" by the local community.

A local approach allows and encourages an investment in ridesharing by the private sector in the areas where they have employees. It also permits employers to loan personnel to resolve problems close to home. Finally, it recognizes that ridesharing needs and opportunities vary from city to city and within cities and regions.

6. Statewide and regional public agencies and private organizations should join in a partnership to support and facilitate the development of ridesharing service in local areas, assist them and initially invest in their development.

Although delivery of ridesharing services should be done by local areas statewide public agencies such as the Minnesota Department of Transportation, and regional planning agencies should be supportive and encourage these efforts. This support can take the form of planning information and guidance, general promotion of ridesharing, some technical assistance and initial start-up funding.

Similarly, statewide and regional private organizations should assist these local efforts by informing their members about ridesharing generally and specifically the opportunities for local area programs, by participating in the planning for these programs and in directly assisting with the formation of these programs.

7. Multiple providers of ridesharing services at the local level should be encouraged. Direct delivery of ridesharing should not become a public monopoly.

Providers of ridesharing services to employers and employees are those entities who organize, obtain and deliver various ridesharing services to the employers, employees and residents in their local territory. It is important that different arrangements to do this be developed and tried. They should reflect the strengths within the area and if necessary assemble them in a structure or arrangement that will be most effective.
Options for providing ridesharing services include a single large employer who supplies services to its own employees and those of nearby employers; a business organization on behalf of its employer members; non-profit ridesharing corporations; a city; a group of cities jointly; or a group of cities and the local business organizations; or the transit authority within the local area. Whatever the appropriate provider entity, the decision should be locally determined and remain flexible depending upon local circumstances.

There should also be multiple suppliers of specific ridesharing services such as marketing, matching, pool formation, vanpooling and technical assistance. Providers, after they determine what services are needed, should determine if there are available suppliers and carefully weigh the merits of contracting for these, especially where these are not contributed services.
RECOMMENDATIONS

The Minnesota State Ridesharing Task Force concluded that four basic issues need to be addressed to spur an increase in ridesharing.

These include actions by many employers, public bodies and organizations to:

1. Increase employer commitment and ridesharing activity
2. Provide incentives for employers and employees
3. Remove legal, institutional and attitudinal barriers
4. Develop and coordinate providers of ridesharing services in local areas to insure maximum participation by all employees—especially those who work for smaller employers.

To accomplish this large task, we recommend a private-public partnership of agencies, employers and organizations be forged. This partnership recognizes the marketing expertise, contacts and management skills of the private sector and the essential need for employer commitment that can only come from conviction—not from mandates. It also recognized the many ways in which the public sector too, can facilitate organization for local service delivery; provide incentives; promote ridesharing and adopt policies that will have a long term influence over the potential for ridesharing. A partnership is the preferred arrangement. The critical first step is to begin defining the terms of this partnership in more specific recommendations.

I. We recommend employers—especially larger ones—take action in 1981 to increase the ridesharing by their own employees by:

1. Making ridesharing a priority company objective and setting ridesharing goals.
2. Designating a ridesharing manager within the company and each major facility to be responsible for program development and operation.
3. Budget and provide funds for the administrative costs of the program.

In addition to these actions, private sector employers should:

- Support national and state legislation directed to eliminating barriers and providing incentives for ridesharing.
- Appoint top managers who will actively participate on state and regional management boards.
- Assist other employers who are starting programs.
- Participate with other employers and business organizations in ridesharing promotion activities.
Contribute resources and expertise to local ridesharing efforts.

II. We recommend the Governor advance and the Legislature adopt legislation to eliminate existing barriers for ridesharing, provide incentives to encourage greater employer and employee participation and to fund initial efforts at development of local ridesharing programs.

The specific legislation needed in these areas include:

1. **Remove barriers to increased ridesharing**

   a) Modify no-fault insurance legislation to make this coverage primary for any damages arising from the operation of an employer owned or controlled vehicle in commuter ridesharing. This would continue to keep liability on the commuter rather than shift it to the employer's general liability or worker's compensation as employers more actively promote and assist their employees to ride to work and reach out to assist non-employees.

   b) Exempt employers from liability for damages arising from the operation of a vehicle in commuter ridesharing if the employer does not own or control the vehicle.

   c) Modify the tax code to exclude from personal taxable income any payments to volunteer drivers of vehicles used for commuter ridesharing or employer payments to employees who ride to work.

   d) Exempt ridesharing vehicles from emergency illumination requirements.

   e) Exempt ridesharing arrangements from minimum wage and overtime laws.

   f) Specifically authorize the use of state and other public agency vehicles in ridesharing arrangements including both public and non-public employee participants when not needed for official public use.

These changes are consistent with the Model Law on Ridesharing recommended by the National Committee on Uniform Traffic Laws and Ordinances.

2. **Provide incentives to encourage both individual and employer initiative**

   a) Provide a 15% investment tax credit to individual taxpayers, groups of taxpayers or employers who lease or purchase commuter vans.
b) Provide a tax credit to employers to offset part of their expenses for setting up and administering ridesharing programs with the credit graduated to the percentage of participating employees.

c) Establish a unique vehicle registration category for commuter vehicles including vanpools and employer controlled carpools and maintain the current fees charged for commuter vans.

3. **Provide funds for local ridesharing programs**

   a) Appropriate a modest amount of state funds to be used in matching federal funds by the Department of Transportation for local ridesharing development. The majority of these funds should be allocated and made available for delivery of ridesharing services in local areas by both private and public organizations and associations.

   b) Authorize cities and counties to levy on property a small tax beyond their levy limit and to use their county and municipal state highway aids for ridesharing programs.

III. **We recommend the Commissioner of Transportation appoint a state ridesharing advisory board to serve as an advisory body to the Department of Transportation.** The functions of this management board should include participation in the development and adoption of a statewide strategic plan for ridesharing that looks toward the Department of Transportation planning and facilitating ridesharing rather than delivering it directly or through its agents, unless there is no one else available. The board would also recommend a policy framework to govern allocation of state funds; evaluate the needs and results of state ridesharing efforts; review the department's budget and work program for ridesharing and those of other agencies requesting state funds; review general marketing and promotion plans and make recommendations for legislation.

Membership of the management board should consist of representatives of both the private and public sectors. A majority of the members should be representatives of private employers providing ridesharing services to their employees, private operators and business organizations that have many smaller employer members. Public sector members should include representatives of cities with interest in ridesharing services, organizations of cities, transit authorities, regional development councils and the Metropolitan Council.

IV. **We recommend Metropolitan Council review its transportation policies to establish ridesharing as a priority, determine the appropriate ridesharing delivery models and identify possible providers for the metropolitan area. The Metropolitan Council**
should further establish a private/public Project Management Board with membership similar to the state ridesharing management board to guide this activity. In portions of the state where Regional Development Commissions have adopted transportation plans, they should perform a similar review and develop a proposal for ridesharing delivery in their areas.

Following completion of the Council's review and its proposal for ridesharing delivery models, public institutional roles and responsibilities should be made explicit and clarified through an interagency agreement. This should be done by the Metropolitan Council in the metropolitan areas as the regional coordinator of transportation planning in cooperation with the Minnesota Department of Transportation and the Metropolitan Transit Commission. Interagency agreements may also be entered into by Regional Development Commissions or Metropolitan Planning Organizations outside the Twin Cities area.

V. We recommend insurance carriers and the industry through its trade associations and information centers, clarify the impact of various forms of carpooling on insurance coverage and rates and broadly notify all policyholders and the general public about the savings available from carpooling.

VI. We recommend the Governor commission a study of land use code requirements as they affect the potential and future of ridesharing. This could be done with participation of the State Planning Agency, the Minnesota Department of Transportation, the Metropolitan Council, the League of Minnesota Cities, the Minnesota Association of Regional Commissions and/or other organizations concerned with land use, such as the Building Owners and Managers Association.
APPENDIX I
PROGRAM ORGANIZATION

The Task Force determined that successful programs would result from a careful process of needs assessment and program design. The process should include participation of public and private sector representatives. The program process involves three phases of action:

1. Strategic Research and Planning

   The committee defines research and planning activities to develop policies and a strategic plan as follows:

   a. Inventory existing travel behavior

   b. Identify barriers to ridesharing

      1) Legal
      2) Attitudinal
      3) Economical
      4) Institutional
      5) Vehicle Availability
      6) Vehicle Technology - Productivity

   c. Forecasting the Future

   d. Identify markets (who are the buyers? where are the buyers? how to organize the buyers?)

   e. Identify providers, suppliers, organizations (who are the potential providers? what are their capabilities?)

   f. Identify product services.

   g. Delivery mechanisms (how? possible options or models? who can do it most cost-effectively?).

   h. Identify Incentives.

   i. Management Structure.

   j. Financing Mechanisms.

   k. Decision--The Plan.

2. Operational Planning

   The committee makes a distinction between strategic planning and a project-specific operational plan by defining the operational plan as follows:

   a. Identify Buyers/Markets.
b. Identify Specific Buyers and Markets to be Served.

c. Identify Geographic Service Area.

d. Conduct Market Specific Surveys.
   1) Gauge Market Penetration Potential
   2) Attitudes
   3) Needs/Wants

e. Develop and Test Marketing Program.

f. Identify Resources Necessary to Implement.
   1) Organizational Structure
   2) Staff
   3) Management Policies
   4) Materials
   5) Capital
   6) Legal

3. Rideshare Program Service Delivery Functions

The committee defines the rideshare program service delivery functions as follows:

a. Marketing
   1) General promotion and awareness/education
   2) Specific to employers
   3) Specific to employees
   4) Specific to residents

b. Pool Formation
   1) Matching (computer or manual)
   2) Brokering

c. Vehicle Acquisition
   1) Lease
   2) Own
   3) Third party

d. Technical Assistance

e. Assess Results
   1) Monitoring
   2) Evaluation

f. Prepare Contingency Plan
g. Program Management

1) Funding and budgets
2) Staff administration
3) Contracts