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DOT-TST-76T-33

REGULATING AND INSURING PRE-ARRANGED RIDE SHARING

SEPTEMBER 1976

MASTER

FINAL REPORT UNDER CONTRACT DOT-OS-50240

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Prepared for
U.S. DEPARTMENT OF TRANSPORTATION
Office of the Secretary
Office of University Research
Washington, D.C. 20590

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1. Report No. DOT-TST-76T-33	2. Government Accession No.	3. Recipient's Catalog No.	
4. Title and Subtitle Regulating and Insuring Pre-Arranged Ride Sharing		5. Report Date Sept. 30, 1976	
		6. Performing Organization Code	
7. Author(s) James P. Womack		8. Performing Organization Report No.	
9. Performing Organization Name and Address Center for Transportation Studies 4061 Massachusetts Institute of Technology 77 Massachusetts Ave. Cambridge, MA 02139		10. Work Unit No. (TRAIS)	
		11. Contract or Grant No. DOT-OS-50240	
12. Sponsoring Agency Name and Address Office of University Research U.S. Dept. of Transportation 400 Seventh St., S.W. Washington, D.C. 20590		13. Type of Report and Period Covered Final Report	
		14. Sponsoring Agency Code OST/TST-60	
15. Supplementary Notes OST Technical Monitor: Ronald Fisher, UMTA, UTP-30			
16. Abstract This report 1) describes possible approaches to regulating and insuring pre-arranged ride sharing (inc. carpools, vanpools, subscription buses), 2) summarizes the arguments which have been put forward on behalf of various approaches, and 3) surveys the approaches actually being adopted in a cross section of the states. The possible regulatory approaches described vary from no regulation to comprehensive regulation covering entry, fares, service, safety, insurance, and competition with other operators and other modes. The arguments pro and con are found to center on the question of protection of pre-existing conventional transit operators. The survey results (from a 12 state survey undertaken in cooperation with the Federal Energy Administration and the Federal Highway Administration) indicate that carpools are not regulated in any state while subscription buses are regulated as common or contract carriers in 11 of the 12. The situation with respect to vans is varied with four states not regulating any vanpools four states regulating all types of vanpools and the remainder regulating some types of vanpools, generally those operated by third parties. The general trend is found to be toward de-regulation with all four of the states not regulating vans adopting this stance since 1973.			
17. Key Words Para-Transit Ride Sharing Urban Transportation Carpools Vanpools Subscription Buses		18. Distribution Statement Document is available to U. S. Public thru the National Technical Information Service, Springfield, Virginia 22161	
19. Security Classif. (of this report) Unclassified	20. Security Classif. (of this page) Unclassified	21. No. of Pages 54	22. Price MASTER

EXECUTIVE SUMMARY

This report 1) describes possible approaches to regulating and insuring pre-arranged ride sharing (i.e., carpooling, vanpooling, and subscription buses), 2) summarizes the arguments which have been put forward on behalf of various approaches, and 3) surveys the approaches actually being adopted in a cross section of the states.

The possible regulatory approaches described vary from no regulation to comprehensive regulation covering entry, fares, service, safety, insurance, and competition with other operators and other modes. The arguments pro and con are found to center on the question of protection of pre-existing conventional transit operators. The survey results (from a 12 state survey undertaken in cooperation with the Federal Energy Administration and the Federal Highway Administration) indicate that carpools are not regulated in any state while subscription buses are regulated as common or contract carriers in eleven of the twelve. The situation with respect to vans is varied with four states not regulating any vanpools, four states regulating all types of vanpools, and the remainder regulating some types of vanpools, generally those operated by third parties. The general trend is found to be toward de-regulation with all four of the states not regulating vans adopting this stance since 1973.

The insurance portion of the survey is limited to the situation with respect to carpools and vanpools. Carpools are found to be unencumbered by special insurance requirements in any state although discounts for carpool vehicles are not found to be significant. The situation with respect to vans is found to be highly variable in large part because there are no insurance

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classifications appropriate for vans and each underwriter is using his own best judgment in writing policies. In general employer operated vans, which are probably covered by workmen's compensation, appear to be in the best position to obtain coverage at reasonable prices while in many states third party vans are encountering premium costs so high that the programs must be subsidized if they are to attract riders.

This paper attempts three tasks: 1) to describe the range of approaches to regulating and insuring pre-arranged ride sharing; 2) to summarize the arguments which have been put forward on behalf of various approaches; and 3) to discover which approaches are actually being adopted at the state level where most of the decisions on regulatory practice are made.

Because our exploration necessarily leads through the semantic briar patch of state regulatory statutes and regulatory agency rules it is essential to develop clear definitions of the ride sharing modes we wish to study. This definitional process, I confess, is intensely tedious but also quite unavoidable. So let's begin:

By "pre-arranged ride sharing" I mean transportation arrangements where 1) ridership is by advance reservation, and 2) the same group of riders travels together on a continuing basis, and 3) routes are tailored to accomodate rider needs.

The arrangements falling under this broad heading are commonly termed "carpools", "vanpools", and "subscription buses". However, to discover how these modes fare under state statutes written long before they were conceived we need to be considerably more precise and I have found it useful to classify ride sharing arrangements in terms of four key characteristics. These are:

(1) The relationship between the vehicle owner and the riders -- whether the vehicle is owned by one of the riders, by the employer of

all or most of the riders, or by a third party: a non-profit corporation, a for-profit corporation, or a government agency (other than the employer of the riders).

(2) The nature of compensation, if any, received by the vehicle owner -- less than costs or none, exact cost compensation, or cost compensation plus a profit.

(3) The nature of compensation, if any, received by the driver -- none (other than a proportional reduction in commuting costs equal to that of the other riders); a free trip to work, use of the vehicle nights and weekends, and (possibly) retention of fares beyond a certain number; or a cash wage as an employee of the vehicle owner.

(4) The size of the vehicle -- auto, van, or bus.

An enormous number of ride sharing arrangements are possible (135, in fact, since the first characteristic allows five possibilities and the other three characteristics three possibilities each) and I have necessarily concentrated on the regulatory status of those arrangements which are being most frequently attempted. However, I have tried to identify those characteristics which are of key significance to regulators and insurers so that the reader may make a reasonable judgement of the status of arrangements other than those specifically discussed. The arrangements to be considered here are the following:

Compensation Carpool:

- (i) The vehicle is owned by one or more of the riders.
- (ii) The pool members compensate other members for the cost of providing the vehicles either by supplying vehicles on alternate days or by cash payments.
- (iii) The driver receives no compensation other than a proportional reduction in commuting costs equal to that received by the other riders.
- (iv) The vehicle is a passenger car.

Employer Vanpool:

- (i) The vehicle is owned by the employer of all the riders.
- (ii) The employer is compensated by pool members for the costs of vehicle ownership and operation, and program administration.
- (iii) The driver is one of the commuting employees, and receives compensation in the following forms: exemption from paying the fare, use of the vehicle nights and weekends, and retention of the fares paid by additional riders above a specified number.
- (iv) The vehicle is a 9 to 15 passenger van.

Non-Profit Vanpool:

- (i) The vehicle is owned by a non-profit corporation and leased to a group of work trip commuters.

(ii), (iii), and (iv) -- Same as for Employer Vanpool.

Government Vanpool:

(i) The vehicle is owned by a government agency and leased to a group of work trip commuters.

(ii), (iii), and (iv) -- Same as for Employer Vanpool.

For-Profit Vanpool:

(i) The vehicle is owned by a private, for-profit corporation (other than the employer of the riders) and is leased to a group of work trip commuters.

(ii) The corporation seeks to recover full costs and hopes to earn a profit as well.

(iii) and (iv) -- Same as for Employer Vanpool.

Subscription Bus:

(i) The vehicle is owned and operated by a private, for-profit corporation (other than the employer of the riders).

(ii) The owner seeks full compensation for his costs and hopes to earn a profit as well.

(iii) The driver is an employee of the owner and receives a cash wage.

(The driver may be a work trip commuter, however.)

(iv) The vehicle is a bus.

Approaches to Regulation

With these definitions in mind let's consider the range of possible regulatory approaches. In listing these I will not be constrained by what present statutes permit but rather will attempt to include all the possibilities which might reasonably be considered if the regulatory slate were clean. At one extreme is the complete absence of regulation. In this circumstance carpools, vanpools, and subscription buses could operate subject only to those safety and insurance requirements which must be met by all motor vehicles. At the other extreme is what might be termed "total regulation" which would involve the extension of present fixed-route common carrier regulation to include all types of ride sharing. Under this arrangement a state public utilities commission would promulgate safety and insurance requirements, devise guidelines for market entry, evaluate fare levels, and approve service changes. Because the agency would also supervise competing conventional fixed-route carriers it would have some of the functions of a multi-modal transportation planning agency. In between these extremes are numerous possibilities for partial regulation, as illustrated in Chart A. For example, the utilities commission could limit its interest in shared ride modes to safety and insurance requirements (Option 2). Alternatively, it could exercise a full range of regulatory powers but limit its concern

to services employing certain types of vehicles or carrying certain classes of passengers (Option 4). Yet another option (5) would be to create an independent ride sharing regulatory agency which would mediate between ride sharing providers and consumers but without specific reference to the interests of competing modes. Brief study of Chart A will indicate that many other options exist and we will find examples in our review of regulatory practice in a cross section of the states.

Arguments For and Against Regulation

Traditional arguments supporting regulation of transportation providers emphasize two relationships where state intervention may be warranted to protect the public: One is the relationship between the consumer and the provider of transportation services. It is argued that the state must in some instances protect the consumer from: 1) unsafe vehicles and operating practices; 2) uninsured or underinsured operators; 3) unreasonable or discriminatory fares (due in theory to monopolistic conditions, but in practice often involving questions of cross-subsidization); and 4) undependable or discriminatory service (again, theoretically the result of monopolistic practices but often actually a cross-subsidy or subsidy issue). The second relationship is that between competing providers of transportation services who, it is argued, will often need governmental supervision to avoid destructive competition through price wars or cream skimming. Government supervision in this instance, of course, is ultimately justified by protection of the consumer since it is argued that these practices usually lead to the monopolistic conditions resulting in 3) and 4) above.

It is interesting that in current discussions of ride sharing regulation the former relationship has hardly been mentioned. Apparently the common perception is that most ride sharers are former auto drivers who have a ready alternative in the event providers fail to deliver on their promises. Also, because most ride sharers have a personal relationship with their fellow riders and with the ride sharing provider -- who is likely to be an employer or friend -- it is not a matter of an isolated individual facing a large impersonal organization. Consequently there is at the moment little expressed interest in government intervention to protect the consumer.

In contrast, a great deal of attention has been focused on the relationship between ride sharing providers and conventional fixed-route operators. The argument has centered on the conditions of market entry for ride sharing services. Let me briefly summarize what I believe are the major arguments for and against government intervention in this relationship:

The advocates of regulation have generally been conventional fixed-route operators, both public and private, along with state regulatory commissions. They have argued that regulation is needed to control the entry of ride sharing providers into markets presently served by conventional carriers. Such entry, it is argued, will often serve to undermine the financial viability of the conventional operation. For example, if a conventional carrier serves a given corridor and a subscription bus lures away half of the present riders, the carrier must either reduce the level

of service for the remaining riders, raise their fares, or obtain a subsidy. While the subscription bus patrons may be better off, either the remaining patrons of the conventional service or the subsidy-paying public will be worse off. Because, as the argument continues, conventional service at some level will have to be provided for those unable to drive themselves or find a ride sharing alternative, conventional service should be protected from encroachment if it is not to become too expensive for the public to afford^{*}.

As a practical matter to insure that regulators are able to perform their function adequately pro-regulation advocates have generally favored regulatory examination of all proposed shared ride arrangements^{**} with pro forma regulation of services not in conflict with conventional operations.

Advocates of unregulated ride sharing argue that conventional operators have no claim to protection and that a cost-benefit analysis would show that the public is usually better off when ride sharing is employed as a means of deficit skimming through elimination of highly unprofitable routes. These proponents continue that while a few members of the public will be hurt by reductions in conventional service these losses must be compared by the considerably better service received by those attracted to ride sharing. Also, they argue, there are limits on what the deficit-paying public can afford and on what the traveler has a right to expect, particularly when making a locational decision. These advocates note that private operators^{***} are

* An interesting case in point is the private fixed-route operator in Atlanta who recently protested introduction of vanpool service on the ground that some fixed-route riders would be lured away with a consequent increase in operating losses but that not enough riders would be diverted to justify abandonment of the service under the Georgia Public Service Commission's current abandonment criteria.

**

Actually, at present neither conventional operators nor regulatory commissions are advocating regulation of cash compensation carpools. It is unclear, however, whether they feel such regulation is unnecessary or simply recognize that it is a practical impossibility.

They point, for example, to the recent offer by the Southern Pacific Railroad (see New York Times 9/2/76) to give away 1,000 vans to its present rail commuters into San Francisco who will agree to form vanpools. The carrier hopes that enough commuters will be diverted that the California Public Utilities Commission will permit the railroad to discontinue its deficit ridden commuter operations.

alert to these possibilities while public providers usually resist service reductions no matter how unprofitable the service. They trace these differing attitudes not to differential sensitivity to the public interest but to the incentive structures of the respective managements -- the former to make a profit, the latter to expand the size of the organization and to politically buttress claims to public subsidies by providing service to as many people and geographic areas as possible.

A second anti-regulation argument is that regulatory bodies have a very poor record of coordinating competitors or of protecting the public. Proponents of this view point to what they maintain is a long history of regulators being "captured" by the parties they supposedly regulate. They argue that in the short run the conventional providers will dominate the regulatory process with the result that ride sharing will be excluded where there is even the slightest possibility of conflict with conventional service^{*}. In the longer run, if ride sharing should somehow gain a foothold even over the opposition of these captured regulators, large corporate or public ride sharing providers might capture the process and use regulation to suppress competing ride sharing modes or conventional services. In any case, the argument continues, regulatory history gives little hope that the consumer will receive significant protections since the process of regulation is too tedious and the payoff for the individual too small to attract the continued supervision of the average citizen. The process will therefore be dominated by those corporations or public organizations with the most direct stake in the outcome. This argument continues that

* As evidence they cite a 1975 case in Maryland where the conventional transit operator in Baltimore convinced the Maryland Public Service Commission to deny permits for vanpool operation even after the operator provided names and addresses of potential riders to show that none was at present a transit rider.

the best way to "coordinate" the transportation system is to encourage provision of the widest range of choices and let the consumer determine the best mix. This is particularly argued to be case since there are no significant scale economies or inherent monopolies in the economic structure of the competing modes.

A third argument advanced by those opposing regulation is that in the great majority of cases there will be no conflict between ride sharing and fixed-route service because the former appeals to long commute trips while the latter appeals to short commutes and other types of trips. However, the argument proceeds, regulators love to regulate and, indeed, find it in their organizational interest to increase their scope of operations. Paperwork and highly onerous reporting requirements can be expected to grow even in cases where all parties agree there is no conflict with other modes. These requirements will be particularly troublesome for the majority of ride sharing providers who are either individuals or employers who are not primarily in the transportation business.*

These arguments pro and con are, of course, the extremes and there are many positions in between such as non-regulation of services using vans or smaller vehicles or regulation only of services operating in certain corridors where a decision has been made to emphasize conventional fixed-route service.

* Proponents point to several recent instances as evidence: In Tennessee the Public Utilities Commission insisted (before recent legislation removed the agency from the picture) that vanpool drivers in Knoxville travel all the way to Nashville (the office of the PUC) to register their vans in person, this even though no conventional providers were protesting the proposed service. In several other state regulatory commissions are insisting that vanpool operators file tariffs and financial statements while at the same time disavowing any intention to evaluate vanpool fares.

Ride Sharing Regulation in a Cross Section of the States

In the fall of 1975 the New Perspectives on Urban Transportation Project, in cooperation with the U.S. Department of Transportation and the Federal Energy Administration, undertook a survey* of the regulatory and insurance status of carpools, vanpools, and subscription buses in twelve states. This report is based on the material collected in that survey supplemented by additional inquiries concerning unresolved questions and in order to make the material current as of July 1976.

The twelve survey states were chosen as a cross section. In some no ride sharing beyond carpools has been attempted and many regulatory questions have not been addressed. In others the regulatory climate has proved restrictive. In still others the climate has either been favorable or statutes have been amended in the direction of greater freedom for ride sharing. These latter states are, of course, the most interesting to our purpose and we will be careful to trace the development of new regulatory approaches to ride sharing which might be adopted elsewhere.

Common carrier regulation of ride sharing arrangements can be a significant impediment to their widespread implementation in two ways. First, the specific requirements including application fees, common carrier insurance, financial reporting, special taxes, and vehicle safety equipment, can greatly

*The survey was based on a questionnaire prepared by the New Perspectives Project staff and sent to a person in each of the twelve states knowledgeable about ride sharing. A list of the respondents is attached as Appendix A. We would like to express our appreciation to the respondents for the considerable time and effort they have taken to complete the questionnaire. The factual material presented in this report is from the questionnaire responses unless otherwise indicated.

increase total costs of operation. Chart B lists the requirements in each of the twelve states. Second, common carrier certification may be denied an applicant or the scope of operations may be severely restricted if there are other conventional carriers already certified to serve an area and claiming to offer adequate service. This is particularly a problem when these carriers maintain that conventional fixed route service is an adequate substitute for tailored-route ride sharing. In the following paragraphs we will detail the regulatory situation with regard to both of these impediments in each state. We will pay particular attention to recent actions to provide a more favorable regulatory context for ride sharing.

Arizona

A common carrier (or "common motor carrier of passengers") in Arizona is:

"...any person engaged in the transportation on any public highway by motor vehicle of passengers for compensation as a common carrier".
(Arizona Revised Statutes 40-601(4))

Note that the determinants of common carrier status are 1) receipt of compensation by the operator, and 2) an offer of service to the public at large as a common carrier. A similar concept is the contract carrier, defined as:

"...any person engaged in the transportation on any public highway by motor vehicle of passengers for compensation, and not included in the term common...carrier..." (ARS 40-601(6))

In this case the only criterion is receipt of compensation. Compensation is not defined but has consistently been interpreted by the Arizona Corporation Commission (ACC) as any compensation of any sort received by the operator regardless of the amount and of whether a profit was intended.

The Arizona statutes, which are similar to those in many states, therefore classify all six of our arrangements as common or contract carriers since compensation is involved in each. The contract carrier requirements for certification are substantially the same as for common carriers, and in either case the operator must obtain a certificate of convenience and necessity from the Arizona Corporation Commission. The necessary steps are outlined in Chart B.

Because Arizona (like most states) is monopolistic by statute, certification will generally not be granted to an operator unless any prior operator in the area is unable or unwilling to offer the service in question. This problem becomes particularly troublesome when the existing carrier offers only fixed route, conventional bus service and maintains that this is an exact substitute for vanpool or subscription bus service. Thus no vanpool operator might be certified but the conventional service would not attract the market segment attracted to vanpool or other tailored route, door-to-door services.

Once an arrangement is determined to be a common carrier it faces another barrier in that insurance will be more costly because common carriers are held to more stringent standards of negligence and it is much easier to recover from a common carrier than from an individual. This issue will be further discussed in the second section of this report.

In the past the ACC has informally exempted carpools using automobiles from common carrier classification and in 1974 ARS 40-601 was amended to broaden this exemption to include "carpool operators" and "carriers of employees":

"'Carpool operator' means any natural person when engaged either regularly or occasionally in carrying one or more other persons by motor vehicle on any public highway, with or without compensation but not for profit; provided that the carriage of such other person or persons is incidental to another purpose of the carpool operator. A carpool operator shall be conclusively presumed not to be carrying persons for profit if (a) he receives compensation not exceeding twenty cents per mile for total miles traveled; provided that the proportionate share of the carpool operator shall be included in such amount, or (b) he carries one or more of his passengers in consideration of his being carried in like situations by such passenger or passengers. The receipt of compensation in excess of twenty cents per mile for total vehicle miles traveled shall not preclude a carpool operator from showing that such compensation does not result in a profit to him or that such operator did not intend that a profit result. Such carriage shall be deemed incidental to another purpose of the carpool operator if, except in unusual circumstances, such operator is not making the trip solely for the purpose of carrying a passenger or passengers." (ARS 40-601(1))

"'Carrier of employees' means any person, or any group of persons acting as a joint venture, when engaged either regularly or occasionally in carrying one or more of such person's employees to or from their place of employment and their place of residence or other designated collection and delivery point, with or without compensation but not for profit. The term carrier of employees does not include any person having a relationship of independent contractor with an employer for the purpose of carrying his employees." (ARS 40-601(2))

Both "carpool operators" and "carriers of employees" are "conclusively presumed not to be either a common motor carrier of passengers or a contract motor carrier of passengers". This change in the statutes has the effect of deregulating carpools using any size vehicle so long as the operator does not recover a profit, and employer vanpools using any sized vehicle. Subscription buses are still common carriers while non-profit, for-profit, and government vanpools would be classed either as common or contract carriers.

California

Prior to 1975 a common carrier (or "passenger stage corporation") was defined to include:

"...every corporation or person engaged as a common carrier, for compensation, in the ownership, control, operation, or management of any passenger stage over any public highway...between fixed termini or over a regular route..." (California Public Utilities Code, Sec. 226)

All common carriers were required to obtain a certificate of convenience and necessity from the California Public Utilities Commission (PUC). The effect was to subject all six of our arrangements to PUC regulation. That the PUC's interpretation of "compensation" extended even to many compensation carpools was made clear by the Zappitelli vs. Southern California Commuter Bus decision in April of 1975. Zappitelli had bought a 12-passenger van and was transporting herself and 11 fellow workers from the suburban community where most lived to a work site some miles away. Zappitelli received compensation from the riders sufficient to cover all costs of vehicle operation including repairs and depreciation but did not expect and was not making a profit. The PUC ruled:

"The payment of the common expenses of driving to and from work may be reimbursable in a traditional carpool (as the alternate use of vehicles without compensation is the equivalent of a common expense sharing concept), as well as in the comparatively new vanpool and still avoid Commission regulation. Such costs items, for example, are gasoline, parking fees, repairs and tolls. Expenses associated with motor vehicle operation, which cannot be easily and directly ascertained, are not direct costs, and should not be allowed as reimbursement....The net effect of allowing depreciation...and maintenance expenses not attributable to pooling, would be not less than to partly finance the purchase of a vehicle for the owner.... This is clearly not reimbursement; and thus not carpooling in our view." (PUC Zappitelli vs. Southern California Commuter Bus decision, April 15, 1975, pp. 12-13.)

Because it was felt that the compensation rules spelled out in this case were so restrictive that many carpools and most vanpools would fail to meet them the California Department of Transportation drafted an amendment to Section 226 of the PUC Code to exclude from the classification "passenger stage corporation" (and thus from PUC regulation):

"...the transportation of persons in a passenger vehicle having a seating capacity of 15 passengers or less from place of residence to place of employment, if the driver himself is on the way to or from his place of employment."

This amendment, which became law in September 1975, has the effect of exempting all carpools, employer vanpools, for-profit vanpools, non-profit vanpools, and government vanpools using vehicles seating 15 or less from PUC regulation. Subscription buses would also be exempt to the extent that the driver is a work trip commuter and a small vehicle is used.

Colorado:

In Colorado a common carrier (or a "motor vehicle carrier") is defined as:

"...every person...owning, controlling, operating, or managing any motor vehicle used in serving the public in the business of the transportation of persons or property for compensation as a common carrier over any public highway between fixed points or over established routes, or otherwise..."

The fact that any such person carries on his operations either in whole or in part between substantially fixed points or over established routes, or under contracts with more than one person, or by making repeated or periodical trips shall be prima facie evidence that such person is a motor vehicle carrier..."
(Colorado Revised Statutes 40-10-10(4))

While the term "compensation" is not defined for motor vehicle carriers it is defined with regard to the similar concept of "contract motor carriers":

"'Compensation' means money or property of value charged or received ...,whether directly or indirectly, as compensation for the service rendered of transportation over any of the public highways of Colorado in motor vehicles by a contract carrier by motor vehicle any person, property, article, or thing." (CRS 40-11-101(2))

Such "contract carriers" are held to be identical to motor vehicle carriers except that they transport persons "by special contract" (CRS 40-11-101(3)). Both types of carriers must obtain permission to operate from the Colorado Public Utilities Commission through a substantially identical process.

The PUC has made no effort to assert authority over carpools even though any sort of compensation would technically make them subject to regulation. Subscription buses, on the other hand, would be considered common carriers by the PUC as would all types of vanpools. No subscription buses are known to be operating at present but the case of the one functioning vanpool program illustrates the problems common carrier certification may cause.

Statitrol Corporation located in Lakewood, a suburb of Denver, is commencing vanpooling in July 1976. The vans are certified as common carriers by the Colorado PUC and are allowed to operate anywhere in the four county Denver metropolitan area provided that they carry only Statitrol employees. Statitrol obtained its common carrier permit in 1973 after a public hearing at which there were no objections by established common carriers or the Denver Regional Transportation District (RTD). However,

neither the RTD nor any other common carrier offers service to Statitrol's far suburban locations and the Statitrol case does not establish a precedent for vanpooling requests in areas where other common carriers or the RTD are offering service. In Maryland and Georgia this situation has been found to be the real test of whether common carrier regulation will significantly hinder vanpooling. We will consider this problem further in our discussion of the Georgia case.

While Statitrol officials* report that the filing fee and the hearing process were a minor inconvenience and that the common carrier certification requirements themselves have not been a major barrier to vanpooling, a side effect of certification in the form of insurance availability looms as a major obstacle to the financial viability of vanpooling. When Statitrol sought insurance for the vans insurers stated that because of the vans' common carrier status they could only be insured as commercial buses. Statitrol is therefore paying a staggering \$1465 per van per year in 1976 for 250/500/100**liability coverage with \$100 deductible collision and comprehensive. This high premium is not due to the high level of coverage but to the commercial bus classification. In the second part of this report we will present evidence that coverage for non-common carrier vans operating in an identical fashion is available in other states for roughly a third the cost.

*Details on the Statitrol program are from telephone conversations with Russ Dhoogi and Bill Thayer of Statitrol Corporation on July 1 and July 19, 1976.

**Liability insurance coverage levels are usually expressed in an x/x/x notation which indicates so many thousands of dollars per person/so many thousands of dollars per accident/and so many thousands of dollars for property damage.

Florida

A common carrier ("motor carrier") is defined in Florida as:

"...all persons...owning, controlling, operating, or managing any motor propelled vehicle...used in the business of transporting persons or property for compensation over any public highway..."
(Florida Revised Statutes 323.01(7))

"Compensation" is defined as "...a return in money or in property or in anything of value..." (FRS 323.01(11))

An arrangement related to the motor carrier is the "private contract carrier" defined as:

"...any motor carrier engaged in the transportation of persons or property over the public highways of this state who is not a common carrier but transports such persons, or property, under contract for one or more persons for compensation over such highways, where such carriage consists of continuous or recurring carriage under the same contract." (FRS 323.01(8))

Both arrangements require the same type of approval process by the Florida Public Service Commission.

While it is not clear at present how the PSC will deal with all of our arrangements in practice since only one type of vanpool and no subscription buses have been attempted, it is clear that under the provisions of FRS 323.01 subscription buses, all types of vanpools, and compensation carpools are either common or contract carriers. The PSC can specially exempt specific arrangements and appears to have done this in the case of compensation carpools where it has made no attempt

to enforce its regulations. In the case of employer vanpools the PSC has indicated that common carrier certification will be necessary.

There has been only one attempt to operate vanpools in Florida, this being by Chrysler Corporation at Cape Canaveral. Chrysler pursued regulatory questions to the point of determining that its vanpools would be considered common carriers by the PSC. At this point Chrysler decided not to proceed with the program because several months would be required for certification and Chrysler employees at the Cape were involved in a short term construction project.

Georgia

In Georgia a common motor carrier is defined as:

"...every person owning, controlling, operating, or managing any motor propelled vehicle...used in the transportation of persons...for hire on the public highways...as a common carrier." (Georgia Code 68-601(c))

Common carriers must obtain a certificate of convenience and necessity from the Georgia Public Service Commission.

In Georgia as in many of the states studied (see Chart C for details) common carriers operating exclusively within a municipal area are exempt from state regulation but may be subject to local regulation. However, to date there have apparently been no attempts by municipal governments to assert their jurisdiction over ride sharing.

Although the definition of common carriers cited above seems to have two parts -- 1) whether the operator receives compensation, and 2) whether

the operator offers service to the public as a common carrier -- our informal discussions with the Georgia PSC as well as those of our respondent indicate that receipt of compensation is the most important consideration and that any arrangement where any compensation is received by the operator will be classed as a common carrier by the PSC. An informal policy exemption has been made for carpools with seven or fewer members but otherwise all of our arrangements are common carriers.

The case of Modnar, Inc., a for-profit vanpool operator in the Atlanta area, is instructive of the difficulties that common carrier certification may present for a ride sharing provider. Modnar was organized to provide vanpool service between Peachtree City (a new town about 40 miles from the Atlanta CBD), Sandy Springs, and downtown Atlanta. Modnar would purchase the vans and lease them to individuals who would be matched with other commuters through an advertising campaign conducted by Modnar. The driver-lessee of the van would collect fares from the other riders sufficient to pay the lease amount (which would include a profit for Modnar) with enough left over for the driver to compensate him for the time and effort involved in driving and maintaining the vehicle.

When Modnar approached the PSC for certification a number of certificate holders in the area, specifically four over-the-road fixed-route passenger haulers with a limited commuter service and MARTA, the Metropolitan Atlanta Regional Transit Authority, objected. Both groups maintained that existing service was adequate and that Modnar would be operating a "cream skimming" operation which would threaten the economic viability of the existing services. The PSC resolved this problem by limiting Modnar to the route

between Peachtree City, Sandy Springs, and Atlanta, and stipulating that no passenger could be picked up and dropped off within the two county MARTA region. The PSC believed these restrictions were adequate to protect existing certificate holders. Modnar, however, wished to serve the entire Atlanta region and re-applied for an areawide certificate. MARTA again protested as did the private certificate holders* but the PSC early in 1976 granted Modnar an areawide certificate provided: 1) that no passenger be picked up and dropped off within the two county MARTA region at the center of the area, 2) that no passenger be carried less than ten miles, and 3) that no passenger be picked up or dropped off at the Atlanta airport.**

A Modnar official*** indicates that PSC certification has not been an unduly difficult process once it was determined that a certificate of some sort would be granted. The operator may run as many vans as the market demands on the one certificate provided that a license is obtained for each new van (\$5 for the common carrier vehicle plate). A tariff must also be filed but this procedure is purely pro forma as the PSC has informally stated that it will make no effort to evaluate fares. The operator did not find it necessary to obtain legal counsel in presenting its case to the PSC but did find the certification process expensive in management time. However, the

* After the PSC hearing MARTA indicated that no future protests would be made unless the vanpool was directly competing.

** Modnar's also requested permission to rent the vehicles to other users during the day, and nights and weekends. This was denied.

*** Telephone conversation with Dr. Steve Dickerson, President of Modnar.

problems encountered are hardly such as to prevent any seriously interested party from establishing a vanpool program. For the longer run the approach taken by the PSC may present two barriers to the full utilization of the van mode:

1) Prohibition of service within the two county MARTA area limits the market for vanpooling in the Atlanta area. This is unfortunate because vans can probably provide better service than conventional transit between many points within this area.

2) Bringing vanpools into the sphere of common carrier regulation means that conflicts may now arise between competing vanpool providers.

The Georgia Code states:

"No certificate or authority shall be granted to an applicant proposing to operate over the route of any holder of a certificate or authority when the public convenience and necessity with respect to such route is being adequately served by such certificate or authority holder; and no certificate or authority shall be granted to an applicant proposing to operate over the route of any holder or a certificate or authority unless and until it shall be proved to the satisfaction of the Commission that the service rendered by such certificate or authority holder, over said route is inadequate to the public needs; and if the Commissioner shall be of the opinion that the service rendered by such certificate or authority holder over the said route is in any respect inadequate to the public need, such certificate or authority holder shall be given reasonable time and opportunity to remedy such inadequacy before any certificate or authority shall be granted to an applicant proposing to operate over such route. (GC 68-609)

While such monopolistic protections were originally introduced to prevent two carriers from offering identical service over the same route to their mutual disadvantage the vanpool concept is sufficiently different that it seems unlikely that such protection is warranted.

Until a competing vanpool operator applies for certification, of course,

it will not be possible to judge how this provision will be applied. The PSC could resolve the problem by formulating a policy that all vanpool applications not protested by a conventional fixed-route carrier will be granted.*

* Since completion of the body of the paper I have discovered a change in the Georgia statutes which substantially alters the regulatory situation with regard to vans. The change involves GCA 68-502(c) which formerly read:

"The term 'motor carrier' means every person except common carriers, owning, controlling, operating, or managing any motor-propelled vehicle...used in the business of transporting persons ...for hire over any highway in this State and not operating exclusively within the corporate limits of any city or town: Provided, that the term 'motor carrier' shall not include and this Chapter shall not apply to:

(1) ...cars...hauling people...exclusively between points not having railroad facilities, and not passing through or beyond municipalities having railroad facilities, where not more than seven passengers...are transported."

In February 1976 the word "seven" in (c)(1) was changed to "nine". This change was apparently made to benefit nursing home and other special services operators who use small vans. (The member of the legislative staff who drafted the legislation stated that nine was chosen as the new upper limit because the operators in question used vehicles of that size. Those connected with the legislation were unaware of the vanpool concept.) The bill passed unanimously and apparently unnoticed by MARTA and the private carriers who at the same time were vigorously protesting Modnar's request for area-wide certification. The effect of the new wording is apparently to permit ten passenger vanpools (the driver and nine riders) to operate without PSC regulation. It seems advisable to use "apparently" in this case because in a discussion with the PSC staff (9/28/76 telephone conversation with Tom Doyle of the Georgia PSC) I was unable to discover why Modnar's twelve passenger vanpools are still considered common carriers but ten passenger vanpools offering the exact same service would now be exempt motor carriers. (The point here is that you must be a motor carrier first before you can be an exempt motor carrier.) Also, it is unclear what is meant by "railroad facilities". MARTA is hard at work on a subway to be opened in 1979. Does this provision mean that vanpools can only operate under this exemption between now and the opening of the subway? In any case, Modnar's operators are convinced that they can operate ten person vans without PSC supervision and have placed five vans of this size on order. Modnar believes that the slight reduction in capacity will not seriously effect vanpool economics.

Massachusetts

In Massachusetts:

"...no person shall...operate any motor vehicle...for carriage of passengers for hire...by indiscriminately receiving and discharging passengers along the route..., or for transporting passengers for hire as a business between fixed and regular termini, without first obtaining a license for such operation from the city council of such city or the selectmen of such town..." (Massachusetts General Laws, Chap. 159A, Sec. 1)

Section 7 of the same chapter further states that:

"...no person shall operate a motor vehicle under a license issued as aforesaid unless he has also obtained from the department of Public Utilities a certificate declaring that public convenience and necessity require such operation."

Thus common carriers operate under a joint certification process in Massachusetts

The key provision of the statutes cited, as regards the concepts we are studying, is "for hire as a business". This makes it reasonably clear that subscription buses and for-profit vanpools will be considered common carriers. It is equally clear that compensation carpools will not be subject to regulation. There had been some uncertainty about the status of employer vanpools until June of 1976 when the Public Utilities Commission informed Masspool (the FHWA funded carpool/vanpool promotional program) that commutation arrangements meeting the following requirements would not be subject to DPU regulation:

- 1) The vehicle must be owned by an employer and driven by an employee.
- 2) the vehicle must be used primarily for employee commuting.
- 3) The vanpool employee-driver may commute to and from work in the vehicle only once each day.
- 4) No one other than the vanpool employee-driver may receive the incentive of minor compensation for undertaking the additional effort of managing and driving the vanpool.

No government or non-profit vanpools have been attempted to date and the attitude of the PUC toward these arrangements is unknown.

Minnesota

In Minnesota a "regular route common carrier" is defined as:

"...any person who holds himself out to the public as willing to undertake for hire to transport by motor vehicle between fixed termini over a regular route upon the public highways passengers..."
(Minnesota Statutes 221.01)

This statute makes it very likely that subscription buses will be considered common carriers subject to the certification requirements of the Minnesota Public Service Commission outlined in Chart B. The situation with respect to carpools is also reasonably clear since compensation carpools are not regular route carriers holding themselves out to the public at large and therefore are not subject to certification.

The regulatory status of vanpools under this statute is less clear. When the 3M Company undertook its vanpool program in 1973 a request was made to the PSC for exemption from common carrier regulation. The PSC responded that the 3M vanpools constituted "public transportation" but that the Minnesota Transit Commission Act (MS 473.01 sub.) transfers PSC powers over public transportation in the seven county Minneapolis-St. Paul metropolitan area to the Twin Cities Area Metropolitan Transit Commission (MTC). 3M was therefore instructed to seek a ruling from the MTC on the status of vans in the MTC area. The MTC responded by exempting the 3M vans on the ground that vanpooling was not "public transportation" (!).*

* See letter from David Coty, attorney for the MTC to T.A. Larsen of the 3M Company, January 23, 1973.

Although the outcome in this instance was favorable to vans the confusion exhibited by regulators as to the exact status of the mode indicated a need for a firmer legal base for vanpooling. A court decision in 1975 returning jurisdiction over "private public transportation" in the MTC area to the PSC and a proposal to establish a multi-employer vanpool program at several regional employment complexes accentuated this need. An amendment to MS 221.001(22) was therefore proposed which would exempt from PSC regulation:

"...a motor vehicle, in Chapter 221 referred to as a "commuter van", having a seating capacity of seven to 16 persons which is used principally to provide prearranged transportation of persons for a fee to or from their place of employment or to or from a transit stop authorized by a local transit authority which vehicle is to be operated by a person who does not drive the vehicle for his principal occupation but is driving it only to or from his principal place of employment, to or from a transit stop authorized by a local transit authority, or for personal use at other times by an authorized driver..."

This amendment was adopted in April 1976 with the result that all four of our vanpool arrangements are exempt from PSC regulation. Because the amendment defines "commuter van" in terms of vehicle size and whether driving the vehicle is a full time job, subscription buses will also be deregulated to the extent that a van is used and the driver is a work trip commuter to another full time job.

Ohio

In Ohio the following arrangement is subject to Public Utilities Commission regulation as a common carrier:

"A motor transportation company, when engaged in the business of carrying and transporting persons...for hire, in or by motor propelled vehicles of any kind...for the public in general, over any public street, road, or highway..." (Ohio Revised Statutes 4905.03(3))

Operation as a common carrier requires a certificate of convenience and necessity from the PUC. (See Chart B for details.)

In response to our questionnaire and to a follow-up interview* the PUC staff informally stated that subscription buses are definitely subject to common carrier regulation while compensation carpools and all vanpools, except those for profit, are exempt. The status of for-profit vanpools is uncertain. The key to regulation in the PUC's view is "whether the operator is in the business of hauling passengers for the purpose of making a profit", and it is unclear whether the PUC would consider a vanpool lessor to be in the business of hauling passengers (it is clear that there is intent to make a profit) or the lessee-driver to be in business. Whether the driver received compensation in addition to reduced commuting costs might be a key consideration since this might be construed to be a profit.

Oregon

In Oregon a common carrier is:

"(a) any person who transports for hire or who holds himself out to the public as willing to transport for hire, compensation or consideration by motor vehicle, persons...for those who may wish to employ him; or
(b) any person who leases, rents or otherwise provides a motor vehicle for the use of others and who in connection therewith in the regular course of business provides, procures or arranges for, directly, indirectly or by course of dealing, a driver or operator thereof."
[Oregon Revised Statutes 767.005(3)]

A related concept is the "contract carrier":

* Telephone conversation with Mr. Frank Ditto of the Ohio PUC, July 1, 1976.

"...any person who engages in transportation by motor vehicle of persons or property for compensation, other than transportation referred to in subsection (3) of this section [on common carriers], under continuing contracts with one person or a limited number of persons either:

(a) For the furnishing of transportation services through the assignment of motor vehicles for a continuing period of time to the exclusive use of each person served; or

(b) For the furnishing of transportation services designed to meet the distinct and peculiar needs of each individual customer which are not normally provided by a common carrier."
[ORS 767.005(4)]

Both types of carriers must obtain certificates of convenience and necessity from the Oregon Public Utilities Commission. The details of this process are outlined in Chart B.

From the above it appears that subscription buses as defined are clearly subject to PUC regulation either as common or contract carriers. The status of compensation carpools is also reasonably clear because the PUC has indicated that it "would not be concerned about the ordinary carpool arrangement using a conventional passenger car....However, if it [some carpool arrangement] is of a nature which effectively competes with certified carriers, the PUC will have a closer look."*

The status of vanpools is less clear, as it is in most states where no specific vanpool proposals have reached the PUC or PSC. In December 1975 the Oregon Department of Transportation (DOT) requested an opinion from the Oregon Attorney General on the regulatory status of a vanpool arrangement where the state purchased a 12 passenger van and leased it to an employee of some private organization or state agency. The employee-lessee would

* From correspondence between Oregon DOT and the Oregon PUC quoted in Oregon's response to our New Perspectives Questionnaire, p. 11.

solicit riders among fellow employees and collect fares sufficient to cover his leasing costs plus perhaps some compensation in return for his time and effort in driving and maintaining the vehicle. The Attorney General responded* that Oregon DOT does not become a common carrier under ORS 767.005(3) by merely leasing a vehicle for the use of others because DOT does not provide drivers or arrange for their employment as provided for in ORS 767.005(3)(b). Further, the Attorney General stated that the employee-lessee is unlikely to be a common carrier under ORS 767.005(3) because he "does not hold himself out to the general public as willing to transport any party who may wish to employ him." Instead, the Attorney General suggested, the employee-lessee may be a "contract carrier" under ORS 767.005(4). In supporting this view the Attorney General stated: "The lessee-driver will be engaged in transporting persons by motor vehicle. Also, compensation in the form of a free daily ride to and from work will be provided the lessee-driver. Further, if any profit were retained, it too would be compensation. Finally, the agreement between the lessee-driver and his or her passengers would be well described as 'special and individual agreements'."

Classification as a contract carrier would subject the employee-lessee to requirements practically identical to those for a common carrier. Since each individual lessee would presumably have to seek certification separately the situation would actually be worse than if DOT were considered a common carrier and could seek one certification.

* See letter from Richard Casswell, Assistant Attorney General, to Dennis Moore, Administrator, Mass Transit Division, Oregon DOT, December 4, 1975.

When Oregon DOT submitted its vanpool concept along with the Attorney General's opinion to the Oregon PUC* the PUC declined to state how the concept would be classified. Rather three possible classifications were suggested**:

(1) The vanpools as proposed could be operated under the provisions of ORS 767.035(11) which exempts from PUC regulation persons or motor vehicles:

"....while being used in the transportation of persons for hire if the operation:

- (a) is performed by a non-profit corporation or other non-profit entity; and
- (b) is not in competition with the scheduled regular route service of a carrier of persons which is subject to the provisions of this chapter or a service provided by a mass transit district formed under ORS Chapter 267, and
- (c) is performed by use of vehicles operating in compliance with ORS 485.310 to 485.420 [safety equipment]; and
- (d) is providing service with continuing regularity under a predetermined plan of operation within a radius of 40 air miles of the designated point of origin; and
- (e) is approved by the Mass Transit Division as complying with paragraphs (a) to (d) of this subsection."

(2) The vanpools could be operated as contract carriers after obtaining PUC certification.

* See letter from Dennis Moore to Charles Davis of the Oregon Public Utilities Commission, December 10, 1975, and Davis' reply of December 17.

** The PUC's response when presented with a hypothetical situation was typical of regulatory behavior. In our observation reliable answers on the status of vanpools or other arrangements can best be obtained when PUC's are presented with an actual proposal. Since we have argued elsewhere that regulators tend to restrict ride sharing in relation to its perceived threat to other modes of regulatory response to hypotheticals in the absence of reaction from competing modes tends to be meaningless. In this instance the PUC, in effect, gave no opinion at all.

(3) The vans could be leased by DOT to an employer who could "provide the passenger transportation as a private carrier of passengers".* [i.e., without any compensation -- otherwise the arrangement would be a contract carrier.] The PUC stated that "...private carriage of persons is exempt from PUC regulation."

In an effort to follow-up on the PUC response Oregon DOT drafted another letter to the PUC outlining a number of variations on the employer vanpool as we have defined it. In each case the vehicle would be owned by an employer of all or most of the riders and leased to the driver who would collect fares from the other riders and reimburse the employer for the full cost of the vehicle. The variations involved whether all of the riders were employed by the lessor of the van, whether the driver-lessee used the vehicle for personal purposes nights and weekends, and whether the driver retained fares above a certain number. The PUC, upon receipt of the letter, forwarded it to the Attorney General for an interpretation which was rendered in August 1976.**

The Attorney General did not directly address the question of whether employer vanpools are contract or private carriers. Rather he implicitly assumed that they were contract carriers subject to PUC regulation, and devoted his opinion to a discussion to exemptions which might be available to certain variations. In the Attorney General's view an exemption would be available under ORS 767.035(11) [discussed above] if the operation is per-

* The term "private carrier of passengers" should not be confused with "private carrier" as defined in ORS 767.005(6) which applies only to carriage of property. The term "private carrier of passengers" is used by the PUC to denote any carrier of passengers who is neither a contract nor a common carrier and thus not subject to regulation. An example would be an employer-operated work bus where the employer absorbs all costs and the riders pay no fares.

** Letter from Bruce DeBolt, Assistant Attorney General, to Don Haakenson and Malcolm Jones, Oregon PUC, August 16, 1976.

formed by a non-profit entity. Thus a vanpool where the riders exactly split expenses would be exempt but an arrangement where the driver retains fares above a specified number would probably be a contract carrier. Another possible exemption would be under ORS 767.035(1) which exempts from PUC economic regulation persons or vehicles which transport passengers for compensation if the operator stays within the city limits plus three air miles of the origin. Such operations would still be subject to city regulations but these as a practical matter might be accommodated more easily than state PUC regulations.

Because the Oregon PUC has only recently received the Attorney General's opinion it has made no official statements on how it will treat vans. The PUC could simply accept the AG's views or issue a differing set of regulations which interested parties could challenge through litigation. In my view the Oregon case is the classic example of how the status of ride sharing modes is rarely if ever settled in the abstract. Only when an actual operation is proposed or legislation specifically exempting certain modes is enacted are questions finally answered. In the conclusion I will note that one of the most important steps to be taken on the national level is to get at least one vanpool program functioning in each state. This approach is much superior, I believe, to research on hypotheticals beforehand.

For the moment the Oregon situation with respect to vans can be summarized as follows:

All four of our vanpool arrangements will likely be considered contract carriers unless confined to certain geographic areas or exempted under ORS 767.035(11). For a van to qualify for this latter exemption it must be non-profit and avoid competition with pre-existing private conventional carriers as well as with services provided by Chapter 267 mass transit districts

(which have been established in both Portland and Salem-Eugene, Oregon's two principal metropolitan areas). Officials at Oregon DOT* who are authorized by statute to evaluate 767.035(11) exemption requests state that their procedure is to automatically refer any service protested by such carriers to the PUC. However, they also state that only the former providers are likely to object to vans since the latter have been broadly positive toward ride sharing** and tend to view vanpooling, which attracts very long work trips, as a complementary rather than a competing mode.

Because of the very complex and uncertain regulatory situation with respect to vans Oregon DOT is considering the advisability of proposing an additional exemption under ORS 767.035 to specifically cover vanpools. A grant from FEA has been obtained to research the question.

Pennsylvania

In Pennsylvania a "common carrier" is:

"...any and all persons or corporations holding out, offering or undertaking, directly or indirectly, service for compensation to the public for the transportation of passengers..." (Pennsylvania Statutes Annotated 66 PS 1102(5))

Those so classified must obtain a certificate of public convenience and necessity from the Pennsylvania Public Utility Commission (PUC). The requirements for certification are given in Chart B.

* Telephone conversation with Dennis Moore, Administrator, Mass Transit Division, Oregon DOT, September 27, 1976.

** Tri-Met, the conventional transit operator in Portland, for example, has also sponsored the local carpool matching program.

From our questionnaire response and a follow-up interview* it appears that that subscription buses are subject to regulation while compensation carpools are in practice exempt. The situation with regard to vanpools is far less clear. The PUC chose to "look the other way" when Scott Paper Company initiated the first vanpool program in Pennsylvania. The Scott Paper vans and others organized more recently are operating without any formal PUC ruling on their status and the PUC has no immediate plans to address the issue. In the PUC's view the term "compensation" as used in 66 PS 1102(5) means a profit and so the key question in van regulation is whether any of the parties involved is making a profit. If the driver was employed by the company to drive the van (i.e., if van driving was in his job description) then the arrangement would be considered "private carriage" which is exempt by statute. Alternatively, if the driver leased the vehicle from a for-profit vanpool operator and received compensation from the passengers for transporting them to work then the arrangement would probably be a common carrier. Employer, non-profit, and government vanpools where the driver retains the fares above a certain number (such as in the Scott Paper arrangement) are a borderline case in the PUC's view and for the moment are not being regulated.

Our discussion with the PUC staff pointed up an aspect of regulatory attitudes which we have seen in a number of states. This is that regulators tend to assert jurisdiction over new types of arrangements in proportion to the amount of competition the new arrangements provide for established

*Telephone interview with Barry Ernest of the Pennsylvania PUC, July 6, 1976.

certificate holders. Because the original Scott vans did not attract riders from existing carriers the PUC felt little need to assert jurisdiction. However, as the awareness of para-transit modes has increased and more vanpool programs have been started the PUC has begun to feel the need for a comprehensive policy in the event competition does arise. Staff members have been set the task of devising new guidelines for para-transit modes but there is no indication as yet of the form the new guidelines will take.

Tennessee

In Tennessee a "motor carrier" is defined as:

"...any person...operating any motor vehicle...upon any public highway for the transportation of persons...or for providing or furnishing such transportation service, for hire as a common carrier." (Tennessee Code 65-1502(b))

Any motor carrier so operating must obtain a certificate of convenience and necessity from the Public Service Commission (PSC).

From our questionnaire response and the statutes it is reasonably clear that subscription buses are common carriers subject to regulation. The case of compensation carpools is also clear when a passenger car is used because the PSC has made an informal "policy exemption" for such arrangements.

The situation with regard to vanpools has evolved over the past three years. When the Tennessee Valley Authority began its vanpool operations in 1974 it was informed by the PSC that employer vanpools were contract haulers subject to common carrier regulation. However, the PSC made no effort to enforce this decision and the vans operated initially without certification. When the city of Knoxville announced plans for a municipal vanpool program

the PSC informed the city that it would not longer "look the other way" and would insist that all vans receive individual certification as contract haulers. Knoxville officials felt that individual certification would be a major barrier to vanpooling and proposed an amendment to TCA 65-1503 which would exempt from common carrier regulation:

"...any motor vehicle, except taxicabs and airport limousines, used primarily for hauling fifteen or fewer passengers to and from their regular places of employment."

This amendment was signed into law in March 1976 but only after the following provision was added at the urging of the PSC:

"...provided, however, that the Public Service Commission...may establish a minimum level of insurance coverage to be required of all vehicles operating pursuant to this subsection."

The amendment as adopted exempts all of our proposed vanpool arrangements (except in the Nashville metropolitan area which was specifically exempted from the amendment) as well as subscription buses using vehicles seating 15 or less and compensation carpools using vans or buses. However, barriers to ride sharing of unknown magnitude may still exist. Specifically, the PSC has ruled that a "filing" of insurance is necessary to meet the insurance requirement. A "certificate" of insurance, which is required to register a private auto, would be a less rigorous requirement whereby the insurer certified that the vehicle was insured. A filing, in contrast, a submission by the insurer stating that the insured is operating as a "motor carrier" (synonymous with a "common carrier" in TLA, Chapter 65). Insurance underwriters who have examined this requirement have expressed fears that a vehicle so insured is subject to the

same "standard of care" as a common carrier. This would allow recovery in personal injury suits even in cases where no negligence on the part of the operator was shown, and might well lead to astronomical premiums. Ride sharing proponents in Tennessee are presently considering an additional amendment to Sect. 65-1503 to eliminate this potential problem.

Virginia

In Virginia a common carrier is defined as:

"...any person who undertakes, whether directly or by lease or any other arrangement, to transport passengers...for the general public by motor vehicle for compensation over the highways...whether over regular or irregular routes." (Code of Virginia 56-273(d))

Arrangements falling under this heading must obtain a certificate of convenience and necessity from the Virginia State Corporation Commission (SCC) by meeting the requirements listed in Chart B.

Prior to 1973 two types of ride sharing arrangements were exempt from common carrier regulation:

- (1) "Motor vehicles while used exclusively in transporting only bona fide employees directly to and from the factory, plant or other place of like nature where they are all employed and accustomed to work, provided that the operator of such vehicle shall first secure from the Commission a permit..." (Code of Virginia 56.274(5)) (emphasis added)
- (2) "Any motor vehicle while transporting not more than five passengers in addition to the driver, if the driver and the passengers are engaged in a share-the-expense undertaking and if they share not more than the expenses of operation of the vehicle." (Code of Virginia 56.274(10))

The first exemption has permitted operation of the Colonial Transit, Inc. subscription buses between suburban Virginia communities and the Pentagon with only a SCC "employee-haul" permit. This permit does not constitute a serious regulatory impediment because the only requirement is submission to the SCC of a signed statement that only bona fide employees of a single employer will be hauled in each vehicle. Issuance of the permit is then automatic without regard to common carrier service to the site.* A subscription bus hauling passengers to a number of places of employment would not be exempted from common carrier regulation under this statute and the Reston Commuter Bus, Inc. service between suburban Virginia and a number of sites in the Washington, D.C. CBD would have been subject to state regulation except that it was an interstate carrier under the jurisdiction of the Washington Metropolitan Area Transportation Commission (WMATC) which has been delegated federal Interstate Commission Authority over services within the Washington metropolitan area.

The second exemption has permitted cash compensation carpools using automobiles.

In 1973, at the urging of Reston Commuter Bus, Section 56.274 of the Virginia statutes was amended to add an additional exemption:

"Mini-buses controlled and operated by a bona fide non-profit corporation while used exclusively in transportation, for hire, for compensation, or otherwise, of members of such organizations if it is a membership corporation, or of the members of the community served by such organization if it is not a membership corporation; provided that such mini-buses shall not be operated over the same or an adjacent route and on a similar schedule as a holder of a certificate of public convenience and necessity or as a public transportation authority." (Code of Virginia 56.274(15))

* Mr. Stuart Nunley of the Virginia State Corporation Commission provided information on SCC employee-haul certificate procedures.

"Mini-buses" were defined in Section 56.273 as "any motor vehicle having a seating capacity of not less than seven or more than sixteen passengers and used in the transportation of passengers."

This exemption permitted Reston Bus to operate a number of non-profit vanpools between Reston and various points in the Virginia portion of the Washington, D.C. metropolitan area. The Washington Area Transportation Authority, the regional transit operator, challenged each of the routes contending that WMATA service was available. However, in no case was the WMATA route providing parallel, direct service and the SCC granted all Reston route requests.

The most recent changes in the Virginia statutes affecting ride sharing are a 1975 amendment which substitutes "twelve passengers" for "five passengers" in Section 56.274(10) (cited above as exemption (2)), and a 1976 amendment which substitutes "factories, plants and other places" for "factory, plant or other place" and deletes the word "all" in Section 56.274(5) (cited as exemption (1) above). The former amendment de-regulates compensation carpools using vans as well as automobiles. The latter permits operation of all types of vanpools and subscription buses using any size vehicle and carrying passengers to any number of work sites provided an "employee-haul" permit is obtained. Thus practically every variant of our six ride sharing arrangements is now free of significant regulatory impediments in Virginia.*

* Although non-profit vanpools were in many cases exempt under 56.274 (15) the 1976 amendment permits their operation even when a common carrier is providing similar service over the same route.

Summary

This state by state review, which is summarized in Chart C, indicates a very mixed situation with respect to ride sharing regulation: Compensation carpools are exempt in every state, subscription buses are considered common carriers in every state but Virginia, and regulatory practice with respect to vanpools is quite diverse. In four states statutes have been amended in the past three years to exempt all types of vanpools while three others have classified vanpools of all types as common carriers. In the remainder some types of vanpools are treated as common carriers and others are exempt, or no final determination has been made.

An understanding of the vanpool regulatory situation is considerably hindered by the tendency of regulators to determine vanpool status without providing a rationale. Thus statutes citing practically identical grounds for common carrier classification, such as those in Georgia and Pennsylvania, have led to practically opposite regulatory results and with no rigorous explanation from the regulators as to how the classifications were made. Our strong impression from discussions with regulators in a number of states is that the competition a new mode promises for existing common carriers or transit operators is more important than the new mode's specific characteristics. Thus in Georgia, where a regional transit provider and another common carrier were quick to brand vanpools as an economic threat, the PSC classified vanpools as common carriers. In Pennsylvania, by contrast, the proposed vanpools were at employment sites with no transit service. No objections were heard and the PUC declined to assert jurisdiction.

This same sensitivity to the interests of existing common carriers is the key, in my view, to whether classification as a common carrier will actually be a significant barrier to the success of a vanpool program. In Colorado, where vanpools are classed as common carriers, the one vanpool operator reports that certification was a minor inconvenience. No existing carrier objected and the operator was issued a certificate permitting as many vans as needed and without restrictions on area of operation as long as within the four county Denver metropolitan area. When we contrast this with Georgia where common carrier regulation has resulted in restrictions on the area of operation, it appears that it is the opposition of existing carriers rather than the certification requirement itself which is the key barrier.

I do not mean to suggest that regulation is desirable, only that programs can operate successfully as common carriers under certain conditions. In addition to a lack of competition these conditions include the availability of insurance at a reasonable price. Modnar in Atlanta and Statitrol in Denver illustrate the difference this makes. Both are common carriers but the former has found an insuror classifying the arrangement as an employer (private) bus and charging \$713 a year for total coverage, while the latter has been unable to convince insurors its vanpools are not commercial buses and is therefore paying \$1465.

Because of the problems presented by regulation under the best conditions the trend is toward de-regulating vanpools. Although ride sharing proponents are also enthusiastic about subscription buses the inclination when seeking statutory changes or PSC/PUC exemptions has been to concentrate on the vans which are visibly different from buses and therefore easier to defend as a

different type of transportation. The typical amendment has been to exempt vehicles carrying 15 or fewer passengers where the driver is a work trip commuter. De-regulation employing this formula will doubtless spread in the next few years. For example, an amendment of this type will probably be proposed in Florida during the next session of the legislature. In my view no major conflict will develop over these types of amendments as long as vans are clearly drawing their ridership from the ranks of present auto commuters*. When vans begin to divert considerable numbers of transit patrons there will doubtless be strenuous resistance, but at this point regulation of vans will have become a much broader question concerning the long run role of conventional transit. Such an occurrence awaits development of institutional arrangements to implement vanpool programs on a much wider scale than seems likely at present.

In concluding this summary I would emphasize that it is the initial vanpool operation in a state which is most burdened by the regulatory process whatever the final outcome. One of the most useful steps in encouraging ride sharing nationwide would be to establish at least one vanpool operation in each state as soon as possible so that both regulators and would-be vanpoolers can become familiar with the local regulatory process and assess its suitability.

*In the one case to date where conventional operators have opposed such an amendment (Maryland, 1976) the vanpool proponents were able to show that no transit riders were likely to be diverted. The amendment was enacted without further opposition.

Insuring Carpools and Vanpools

In our questionnaire we sought to gather information on insurance rates and classifications for carpools and vanpools.* Our findings are summarized in Chart D.

With regard to carpools, we found that in most states (ten of twelve) a discount on the liability premium is offered for vehicles formerly driven to work every day but now driven less because of carpooling. The discount is usually 10 to 15 percent but in one case (Oregon) may be as high as 33 percent. However, in four of the ten the discount only applies if the auto in question is not driven to work at all, and rotate-the-driving carpools will not benefit. The resulting saving of \$20-\$30 per year is of some significance but is hardly a major inducement to carpooling; and if carpool drivers increase their liability coverage to reflect higher vehicle occupancy the potential saving may largely disappear. On a more positive note, in no state did we find evidence of insurers attempting to charge commercial vehicle rates for compensation carpools using automobiles. In three of the states insurance commissions have specifically addressed this issue and required that compensation carpools be charged no more than other private passenger vehicles.

*We did not attempt to gather information on subscription bus insurance because we assumed that commercial bus rates of \$1,000 to \$1,400 for total coverage would apply. Because this amount is spread over 40 to 50 passengers the financial burden is not likely to be so great for subscription buses as for vanpools. This is not to say, of course, that commercial bus rates are truly appropriate for subscription bus vehicles which are on the road and exposed to accidents only a few hours per day.

In the case of vanpools the insurance situation is extremely confused with practically every van in operation insured under a different classification and at a different rate. Premiums for 100/300/50 liability coverage plus collision and comprehensive are typically in the \$550 to \$650 range but our sample varied from \$267 for the Caltrans employer vanpools, which are covered under the State of California's fleet policy, to \$1250 and \$1465 for, respectively, the Commuter Computer/ARCO non-profit vanpools and the Statitrol Corp. employer vanpools which could only obtain insurance coverage under a commercial bus classification.

Vanpool insurance is in disarray because the vanpool concept does not fit any of the presently available insurance classifications. As a result insurers are writing vanpool policies using their best judgement as to which of the existing categories comes closest to describing the van concept. In some cases the resulting premium is reasonable or least financially bearable while in others the rate has been so high that employers and other vanpool promoters have had to subsidize insurance costs to make programs feasible.

There are several approaches to the vanpool insurance problem. The most promising is to develop a new insurance classification specially for vanpools. This would involve the following steps: The Insurance Services Office (ISO)*, the national actuarial agency for the great majority of auto

* In the U.S. insurance classifications and rates are developed by the insurance industry and approved by state insurance commissions. The Insurance Services Office, based in New York, serves as the actuarial clearing house for state rating bureaus (industry boards composed of representatives of the companies writing auto insurance in a given state) in 46 of the 50 states. The other four states have state rating bureaus performing a function like ISO's for their state. Classifications tend to be very similar nationwide even in those states not affiliated with ISO.

insurance companies, would develop a new vanpool classification for use nationwide. This proposed classification would be forwarded to the insurance industry rating boards in each state for approval. The final step would then be acceptance by the various state insurance commissions. The process would probably require six months to a year from the time ISO proposed the new classification. Although it is unclear how favorable the rates for vanpools would be under the new classification -- more on this in a moment -- a classification specifically for vans is still highly desirable because the present situation is so confused that many, perhaps most, underwriters will not take vans at all. Fortunately ISO has taken the question of a new classification under advisement and it is possible that a vanpool classification may be proposed within the next six months.

ISO officials have indicated* that because there is no significant experience base for industry actuaries to use in calculating premiums** they will necessarily look at the accident and claim experience of similar services. The major issue in proposing rates*** to accompany a new classification thus becomes: What present services are similar to vans? At the moment there are no definitive answers but it is possible at least to list the factors insurers consider significant in comparing one vanpool arrangement with another and in comparing vanpools with other services.

* Interview with Robert L. Brusaw, Manager, Commercial Automobile Division, Insurance Services Office, September 23, 1976.

** Actuaries in the auto insurance field typically deal with hundreds of millions of vehicle years of accident experience in setting rates. The accident experience accumulated by the 500 or so vanpools in operation at present plus those placed in service over the next several years will still be far short of the amount available for setting rates for other classifications.

*** ISO also proposes rates for various classifications and for varying arrangements within those classifications. Typically, insurance companies evaluate these premium rates which are formulated in terms of an average company and use them to develop a premium schedule for their company which they then have certified by the state insurance commission. Thus it's likely there will be differing rates offered for vanpool insurance even when there is a uniform national vanpool classification.

One key factor is the relationship between the vehicle owner and the riders. Because almost all states have a "fellow employee exclusion" an employee injured in a vehicle belonging to the employer will not be able to recover against the employer or the driver but must instead seek compensation from the employer's workmen's compensation insurance. Because workmen's compensation settlements are limited by statute and quite conservative in comparison with current auto insurance damage settlements, the addition to the employer's workmen's compensation premium (which is experience rated) should be modest and the insurance premium for the van should be roughly comparable to that for a private auto since in both cases the bodily injury liability insurance (which is the major dollar cost in a total insurance package comprising bodily injury, collision, and comprehensive coverages) is mainly insuring against bodily injury claims by persons struck by the insured vehicle.* In cases where the riders in a van are not employees of the owner the insurance situation will be very different. While it is difficult to predict claim experience in the absence of damage suit settlements it seems likely to the industry that claim experience may be little better than that of charter buses. Thus premiums may be quite high even with a new vanpool classification.

Another key factor, in the view of the industry, is the degree of control the owner/operator and the insuror have over the driver. Programs requiring drivers who are more than 22, who have a chauffeur's license, who have taken a defensive driving course, who have had no moving violations in several years, and who are driving a new and well maintained vehicle are likely to have lower premiums than programs without these requirements. This is both because such

* The other passengers in a private auto are likely to be family members who cannot recover against the driver.

drivers are likely to have fewer accidents and because in the event of an accident the operator and the insurer will be able to demonstrate that they have taken all reasonable steps to insure that a competent operator was in charge of the vehicle. While the general view is that vanpool operators, even third party operators classed by state PUC's as common carriers, will only be held to an ordinary standard of care (as opposed to the standard of care of a common carrier which essentially allows no defense against claims based on negligence) it is not clear that juries will understand this distinction; any evidence that operators have exercised all due caution will be quite important.

Another approach to vanpool insurance which may be appropriate for large employer programs is self-insurance. From our survey it appears that programs choosing this approach are selecting the \$480 per year rate adopted by 3M as the appropriate premium. This amount has proved more than adequate to meet 3M's claims to date but neither 3M nor any other vanpool program I am aware of has had an accident producing a disabling or fatal injury to a passenger in another vehicle or to a pedestrian where the van driver was found at fault.* Because employer vanpools are protected by workmen's compensation from claims by vanpoolers themselves and because the collision and comprehensive losses are inherently limited to the value of the vans injuries to non-vanpoolers will be the major source of claims. Therefore, 3M and other employers choosing to self-insure are typically obtaining protection against very large claims through additions to their corporate catastrophe policy. This may be a very inexpensive add-on if there is already a major corporate catastrophe policy.

* A survey of vanpool accident experience compiled by the University of Tennessee Transportation Center in July 1976 found only two vanpool accidents involving bodily injury. Only one of these involved injury to a person struck by a van and in this case no fault was determined. The company, however, assumed the cost of \$12,000.

Still another approach which offers the prospect for some reduction in bodily injury premiums for non-profit, government, and for-profit vanpools is illustrated by recent actions in Minnesota. In April of 1976 the Minnesota no-fault statute was amended so that vanpools will henceforth be classified as private automobiles for purposes of insurance. Vanpoolers who otherwise have auto insurance will now seek damages up to the \$2,000 no-fault threshold from their own insurance company in the event of an accident. If the individuals' claims exceed the no-fault threshold he will then seek damages from the insurance on the van. The vanpool insurance will also provide primary coverage for the driver and any passengers without auto insurance. While no quotations have been obtained from underwriters for coverage under the new law, the sponsors of the legislation* estimate that bodily injury premiums for non-profit, for-profit, and government vans will be reduced by 10 to 15 percent.

* The Public Service Options group in Minneapolis which is developing a third party vanpool concept for use at suburban employment centers.

CHART A

REGULATORY OPTIONS

Regulated Characteris- tics	NO REGULATION	PARTIAL REGULATION				TOTAL REGULATION
	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
A. Safety		x	x	x	x	x
B. Insurance		x	x	x	x	x
C. Entry			x	x	x	x
D. Fares				x	x	x
E. Service				x	x	x
F. Intermodal Coordination				x		x
G. All classes of service/ riders					x	x

Common Carrier Requirements*

STATE	FILING FEE	TIME	INSURANCE OR SURETY BOND	FINANCIAL REPORTING	SPECIAL TAXES	SAFETY EQUIPMENT
ARIZONA	\$50 for certificate plus \$5 per vehicle	3 months on average	Bond of \$25 to \$5000	monthly	2.25% of gross receipts	Yes
CALIFORNIA	\$75	3 months minimum; up to 6 months when contested	Yes; 100/350/50** for vans; 100/700/50 for full size buses	Yes	None	Yes
COLORADO	\$35 for certificate, \$5 for each vehicle	2-3 months, more when contested	Yes	Yes	Yes	Yes
FLORIDA	\$500 for certificate	1-3 months	Yes	Yes	Yes; \$25 per year for vans seating 12 or less; \$50 for buses seating 13-25; \$100 for buses seating 21	Yes
GEORGIA	\$35 for certificate; \$5 for each vehicle	1 month if uncontested, longer otherwise	Yes	quarterly	\$25 per vehicle per yr.	Yes
MASSACHUSETTS	\$10 for state permits; no more than \$10 for local permit	1-3 months	Yes	Yes	No	Yes
MINNESOTA	***	3 months, can be longer if contested	Yes	Yes		Yes
OHIO		4 months	Yes	Yes	\$4 per passenger seat per year	Yes
OREGON	\$150 for certificate plus \$5 for each vehicle	2 months	Yes 10/20/10 required	monthly or quarterly	\$.99 for each 100 lbs. of vehicle weight	Yes
PENNSYLVANIA		3-5 months	Yes; 25/150/10 for van; 25/300/10 for full size bus	Yes		Yes
TENNESSEE	\$50 for certificate; \$5 for each vehicle	several months	Yes; 25/200/10 for vans; 25/400/10 for buses	annual		Yes
VIRGINIA	\$50 for certificate		Yes	Yes	1% of the value of the vehicle as "Rolling Stock Tax"	Yes

* Source: New Perspectives Ride Sharing Survey/Questionnaire responses

** -/-/- indicates the required liability insurance coverage per person/per accident/property damage in 1,000's of dollars.

*** A blank indicates that no information was obtained.

CHART C

State Common Carrier Regulation of Ride Sharing*

STATE	CARPOOL	EMPLOYER VANPOOL	NON-PROFIT VANPOOL	FOR PROFIT VANPOOL	GOVT. VANPOOL	SUBSCRIPTION BUS	LOCAL EXEMPTION**	KEY DETERMINANTS OF REGULATORY STATUS
ARIZONA	N	N	Y	Y	Y	Y	N	Carpool: Profit for driver Vanpool & Subscription bus: com- pensation for vehicle owner
CALIFORNIA	N	N	N	N	N	Y	N	Vehicle size; whether driver & passengers are work trip commu- ters
COLORADO	E	Y	Y	Y	Y	Y	N	Compensation for driver or vehicle owner
FLORIDA	E	Y	Y	Y	Y	Y	Y	Compensation for driver or vehicle owner
GEORGIA	E	Y	Y	Y	Y	Y	Y	Compensation for driver or vehicle owner
MASSACHUSETTS	N	N	?	Y	?	Y		Whether arrangement is for hire as a business
MINNESOTA	N	N	N	N	N	Y		Vehicle size; whether driver & passengers are work trip commu- ters
OHIO	N	N	N	?	N	Y		Whether operator is in business of hauling passenger for profit
OREGON	E	Y	Y	Y	Y	Y	Y	(Attorney General's opinion pend- ing)
PENNSYLVANIA	E	N	N(?)	Y	N(?)	Y		Profit for driver or vehicle owner
TENNESSEE	E	N	N	N	N	Y	Y	Vehicle size; whether driver & passengers are work trip commu- ters
VIRGINIA	N	N	N	N	N	N		Whether passengers are work trip commuters

* Source: New Perspectives Ride Sharing Survey/Questionnaire responses

** Exemption for common carriers operating exclusively within a municipality

Key:

Y = Arrangement considered a common or contract carrier

N = Arrangement not a common or contract carrier

E = Arrangement exempt from regulation by PSC/PUC policy

CHART D

Carpool and Vanpool Insurance Status*

STATE	CARPOOL DISCOUNTS AND AMOUNTS	VANPOOL OPERATOR	TYPE OF VANPOOL	TYPE OF INSURANCE	INSURANCE RATE (van/year)
ARIZONA	No discounts required by law. Most companies offer lower premiums for autos not driven every day but saving is offset by need for increased level of liability. Possibly no net saving for carpoolers.	Sperry Flight Systems	Employer	Self-insured**	Approximately \$506
CALIFORNIA	Discounts offered for vehicles not driven to work. Saving partially offset by additional liability coverage needed for carpool vehicles.	Aerospace Corp.	Employer	Fleet policy***	\$554 liability \$120 collision
		Caltrans	Employer	Fleet policy	\$79 liability \$183 collision
		Commuter Computer/ARCO	Non-profit	Private****	\$1260
		Golden Gate Bridge Auth.	Employer		
		Ralph M. Parsons, Inc. University of Cal., San Francisco	Employer Employer	Self-insured	
COLORADO	10-15 percent liability discount for vehicles driven to work fewer days per week due to carpooling. Although increase liability coverage is recommended for carpool vehicles the additional cost could not absorb much of the potential saving.	Statitrol Corp.	Employer	Private	\$1465 for 250/500/100 liability and \$100 deductible collision and comprehensive
FLORIDA	None.	None	-	-	\$718 for 300/1000/100 with \$100 deductible collision and liability
GEORGIA	None.	Modnar, Inc.	For profit	Private	
MASSACHUSETTS	No discount is required by the state insurance commission. At least one company offers a discount of 10 percent on liability premiums for vehicles used in a carpool on a rotating basis. Purchase of higher liability coverage levels would absorb some of this saving.	Polaroid	Employer	Private	\$450 for 250/500/100 liability coverage
		New Eng. Mutual	Employer	Private	\$527 for 100/300/50 liability and \$100 deductible collision
MINNESOTA	Yes, for vehicles left at home altogether. No, for vehicles driven fewer days in a rotating carpool.	3M	Employer	Self-insured	\$480
		General Mills	Employer	Fleet policy	
		Cenex	Employer		
		Honeywell	Employer		
		Prudential	Employer		
		Richfield State Bank	Employer		
		E.C. Ernst, Inc.	Employer		
OHIO	Some insurers offer 10-15% liability discounts to carpoolers who drive no more than two days per week. Discounts not required by state.	Midland Corporation	Employer		-
		None	-	-	
OREGON	Discounts of 12 to 33 percent on liability premiums are offered by insurers for reduced driving due to carpooling. No insurer, however, is required to offer discounts. State insurance commission has ruled that insurers cannot classify compensation carpools as commercial arrangements and therefore charge higher rates.	None	-	-	-
PENNSYLVANIA	Some insurers offer discounts of 5-10 percent on liability premiums for vehicles left home because of carpools. No state requirements that discounts be offered.	Scott Paper	Employer	Fleet policy	\$480
		Smith, Kline	Employer		
		General Electric	Employer		
		Prudential	Employer		
TENNESSEE	Insurers offer a 25% discount on liability premiums for vehicles left home because of carpooling. However, if a vehicle is driven even one day a week, it is considered a work trip vehicle and is ineligible for the discount.	TVA	Employer	Private	\$532 \$520
		Knoxville	Government	Private	
VIRGINIA	Some insurers offer discounts of 10-15 percent for carpool vehicles provided the vehicles in question are not driven to work more than twice a week.	Reston Alan M. Voorhees, Inc.	Non-profit	Private	

* Source: New Perspectives Ride Sharing Survey/Questionnaire responses

** Insurance is internal to the operator. Typically a portion of vanpool fares are placed in an insurance fund with the employer covering any claims in excess of the funds' resources.

*** Vans have been added to other vehicles under a corporate fleet insurance policy with a private insurer.

**** Vans are insured with a private insurer under a policy separate from other corporate or operator insurance.

APPENDIX A

Questionnaire Respondents

Arizona	Tom King, Arizona Office of Economic Planning and Development, Phoenix
California	George Gray and Jeffrey Gualco, California Department of Transportation, Division of Mass Transportation, Sacramento
Colorado	Allan Stockman, Federal Highway Administration, Denver
Florida	Dr. Stan Crowe, Florida State Energy Office, Tallahassee
Georgia	Herschel Bryant, Federal Highway Administration, Atlanta
Massachusetts	New Perspectives on Urban Transportation Project staff
Minnesota	Robert Owens, 3M Company, St. Paul
Ohio	David Sweet and John Gordon, Public Utilities Commission, Columbus
Oregon	Jack Graham and Dennis Moore, Oregon Department of Transportation, Salem
Pennsylvania	Raymond Holst, Governor's Energy Council, Harrisburg
Tennessee	Dr. Frank Davis, University of Tennessee Transportation Center, Knoxville
Virginia	Eugene Arnold, Virginia Department of Highways and Transportation, Richmond

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