

## **Notes: MAPC Meeting on Microtransit**

*By MAPC Zoom, 10.11.23*

Attendees: Rachel Fichtenbaum (MassDOT), Debra Galloway (Sudbury), Christina Hodge (Salem), Joshua Ostroff (Newton), Travis Pollack (MAPC), Alice Sapienza (Sudbury)

Objective: The purpose of this meeting, requested by Sudbury and organized by MAPC, was to have an informal conversation about using microtransit to address gaps in public transportation. Sudbury has offered subsidized taxi and Uber services to targeted groups of residents and is engaging with the MetroWest Regional Transit Authority (MWRTA) in two initiatives. The first is a CatchConnect, microtransit service within Sudbury (described in a current Community Transit grant application). The second is a three-community, Boston hospital shuttle based on the MWRTA shuttle serving Framingham, Natick, and Wellesley. The latter is expected to be a Community Connections grant application.

At this stage in the town's experience, Sudbury is also exploring expansion of services to all residents and the vendor, Via Transportation, which can provide software, drivers, and vehicles for micro- and paratransit services. Both Newton and Salem have employed Via for about 3 years

Background: In late 2018, the MAPC submitted an RFI (Request for Information) on microtransit and received six responses from US (including Via) and international companies. According to one analysis:

Public-oriented microtransit companies such as Via, Bridj, and Chariot are some of the most visible examples of microtransit. However, the last few years have not been kind to them. Of the three, only Via is continuing to operate at full capacity, while Bridj has declared bankruptcy and now only provides service in select Australian cities, and Chariot ceased all operations in March 2020. <https://www.urbanismnext.org/technologies/microtransit>

It should be noted that the [Worcester Regional Transit Authority \(WRTA\) received \\$459,430 in Discretionary Funding from MassDOT](#) to pilot an on-demand microtransit service with Via in Westborough, MA. As stated in that web announcement: "The project will be the first public-private transit partnership in the Central Massachusetts region that will introduce on-demand microtransit. The project will replace the community shuttle the WRTA currently operates in Town of Westborough, and it will provide a 'Transportation-as-a-Service' (TaaS) model to the WRTA using [Via](#), a private provider."

Continued shakeout of microtransit providers (software [TaaS] as well as turnkey) is expected, and the TNCs (e.g., Uber, Lyft) are exploring this niche along with regional transit authorities across the country. Although perhaps not "volatile," the microtransit sector remains economically and politically (given the role of the federal government in transportation) uncertain.

The following is a summary of Salem's and Newton's experience to date with Via.

Salem: Begun in 2020, Salem has expanded their microtransit Via services. From the website:

"The Salem Skipper will expand affordable and inclusive public micro-transit throughout the city of Salem, city of Peabody, and town of Danvers," according to an announcement from Moulton. "The project will provide key connections to the commuter rail, evening and Saturday service to Essex Tech and (North Shore Community College) as well as service to Cherry Hill Industrial Park."

"A lot of this has to do with getting people to jobs or job training," Kucharsky said. "We show that it's working to get people around this community." But many people in Salem need to go elsewhere for work, outside of the city, and, conversely, people come to Salem for work. "We know people who live here want to go to jobs in adjacent communities and vice versa, or for medical exams, or recreation," Kucharsky said. "We're trying to hit on all those needs if possible."

Via provides eight vehicles housed in a Salem garage, with four in reserve (provided by Avis) in case of breakdowns, etc. Unlike the TNCs, service is generally point to point rather than door to door. A concierge option is available for rides without a smartphone. Via oversees driver and fleet management, with garage attendants observing vehicle readiness. Christina stated that Salem transportation staff work closely with Via in terms of using the dashboard to oversee performance measures and adjust service as needed.

Via is known for paying drivers well (about \$41/hour, which includes the higher wage of WAV drivers), reflected in the vehicle hourly cost of around \$80. In Salem, usage of Via is about 450 hours/week (\$36,000). Given more than 2,000 rides/week, at this rate the cost is \$17 per ride. For comparison, Sudbury's average cost per Uber ride is \$19. (Via operates multi-passenger vehicles; the Uber "fleet" consists primarily of passenger sedans.) The attached exhibit summarizes Salem Via service from 12/20 through 6/23.

Newton: In early 2019, Newton submitted an RFP and, on the basis of responses, chose Via to replace a former taxi service for senior residents. By fall 2021, the service was expanded to all residents (a senior-only Via service was kept as door-to-door service with concierge option). Because Newton was an early adopter, Via kept its vehicle hourly cost to around \$60. Major funding sources for transportation in the city are the town's Department of Senior Services and state Community Connections and Workforce Transportation grants.

Joshua emphasized the economic and political challenges facing communities trying to meet gaps in public transportation by using microtransit. As a private company, Via has to succeed financially and likely will not be able to continue offering service to Newton at its former rate. In order to continue the service, the city has to find a sustainable way that is not as reliant on grants. Newton has been able to use mitigation funds from developers and funds from

educational and other institutions for whom city microtransit is important for students and workers. However, none of the former measures is predictable, and farebox recovery cannot make a meaningful contribution. The city did increase fares modestly and eliminated promotions, such as first week free rides, etc.

In August Newton was forced, because of cost, to reduce customer service from 10 vehicles to 4 (the senior service was not affected).

#### Some Conclusions:

**Via Performance.** Based on Newton and Salem experience, Via is an effective and efficient microtransit provider. Like Uber, Via's dashboard allows municipal staff easily to review performance at any time and work with the company to address issues. Driver availability has been good (Via can keep paid backup drivers in the area if necessary) and driver problems have been addressed immediately. Rider feedback is positive. Clearly, each city has municipal staff focused on transportation, and they have been vital to overall effectiveness and efficiency.

**Microtransit Costs.** The MWRTA microtransit vehicle hourly cost is around \$100, primarily because the RTA bears a high fixed cost of land for the hub/terminus (Via rents a garage for its vehicles) and for owned equipment (Via leases equipment). On the other hand, wages are lower. The listed average salary for an MWRTA driver is \$18, about half that which is paid by Via. One implication of a salary differential is attractiveness to the labor market. A March 2023 article about a federal grant to MWRTA for fleet electrification noted that "the MWRTA is also dealing with a bus driver shortage and trying to get new drivers, and seeks to expand routes, too."

**Sustainability: Who Does Microtransit? Who Pays for Microtransit?** In Massachusetts, communities pay an annual assessment to support the MBTA, if they are served by that authority; or, to support a regional transit authority, if only that is available to them; or to both, if they are adjacent to a community with MBTA service and are a community within an RTA network (other permutations are possible...). Rarely, however, does an assessment cover all the transportation services necessary; rarely can public transportation sufficiently reduce SOV congestion and improve environmental quality.

Should public transit authorities be the primary providers of microtransit, because they are publicly funded? And, will the additional service be publicly funded?

Microtransit pilots are encouraged as RTA goals (2019 report on Massachusetts Regional Transit Authorities).<sup>1</sup> But, transit authority incentives are based on current performance measures and associated funding priorities. RTAs organize, staff, and allocate resources in response to measures upon which they are judged by funding sources, among others. For RTAs, the number

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<sup>1</sup> *A Vision for the Future of Massachusetts' Regional Transit Authorities.*

one performance measure is ridership (or patronage, the number of people transported per unit time/distance, etc.). Microtransit cannot meet that measure of fixed route transit.

If RTAs partner with a microtransit provider, or a community does so (e.g., Salem, Newton), how will microtransit be funded, and sustainably? The very definition of a pilot is to prove viability of an initiative; once proved, it is expected to be integrated into ongoing operations. In both cities the pilot was successful. But, in both cities the challenge remains sustainability. Newton was required to scale back commuter microtransit services, it is hoped temporarily. Salem microtransit is financially stable now, but the future is not predictable.

Exhibit: Salem Data 12/20-6/23

