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Transit & Finance

SUPPLEMENTING RURAL TRANSIT REVENUE VIA PACKAGE DELIVERY SERVICE

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Provision of transit service in rural areas is costly because of large distances and limited ridership. Alternative revenue streams offer rural transit operators diversified funding and potentially leverage increased typical funding by providing a local match. Rural areas also face a challenge related to efficient and affordable “last mile” package delivery. Many delivery companies are shrinking routes or increasing delivery fees for rural services to offset increased costs. As an alternative revenue generating service and a solution to the need for package delivery services in rural areas, transit operators could partner with package delivery companies to provide last mile package delivery services via existing demand response door-to-door transit service. To determine the viability of this concept and draft guidance for rural transit operators that wish to provide such service, existing literature is reviewed, the current state of the package delivery industry is summarized, and data and best practices—gathered directly from stakeholders, including transit operators, intercity bus operators, and freight companies—are translated into a guidebook format. This presentation will summarize the findings and outcomes of this research project and discuss the potential for supplementing rural transit revenue through providing package delivery services in rural areas via transit vehicles. The presentation will also introduce the project’s major outcome—working with a transit operator and a package delivery company, we will launch a pilot, transit based, package delivery service in a rural area of Texas in September 2016.