U.S. Department of Transportation

The Ninth National Conference on Rural Public Transportation

Final Report

September 1990

NOTE: This report provides an overview of the events which took place at the Ninth National Conference on Rural Public Transportation. The participants offered a wide variety of view points on rural transportation issues, some of which may not coincide with Federal positions on the same issues. Inclusion of material in this volume does not constitute endorsement from the U.S. Department of Transportation, or any other element of the U.S. Government. Questions dealing with the operation of any Federal program should be directed to the appropriate officials.

The Ninth National Conference on Rural Public Transportation

Final Report
September 1990

Prepared by
Public Transportation Division
State Department of Highways and
Public Transportation
11th and Brazos
Austin, Texas 78701-2483

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Office of Technical Assistance and Safety
Urban Mass Transportation Administration
U.S. Department of Transprotation
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FOREWORD

The Ninth National Conference on Rural Public Transportation was held on October 29-November 1, 1989 in San Antonio, Texas and this report was developed from transcriptions of audiotapes of the conference sessions. As noted in the text, a number of speakers were not recorded due to technical difficulties. Similarly, tapes from the Intercity/Rural and Personnel workshops were unavailable and those sessions are not included in the conference proceedings.

Although we have tried to preserve the speakers' own words as much as possible, certain changes were necessary to improve the readibility of this report. We regret any errors that resulted from our editing of the transcripts and accept full responsibility for any such mistakes.

Finally, we must express our sincere appreciation to those who helped plan the Ninth National Conference on Rural Public Transportation, with special thanks to the Urban Mass Transportation Administration for their financial support. We also wish to recognize the 400+ conference attendees whose enthusiastic participation was the final - and most important - ingredient in producing a successful meeting.

Richard G. Christie
Director, Public Transportation
Texas State Department of Highways
and Public Transportation

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GENERAL SESSION: ISSUES FACING RURAL TRANSPORTATION OPERATORS - AN INDUSTRY PERSPECTIVE

David Raphael, Executive Director, Community Transportation Association of America, Washington, D.C.

My first rural conference was the meeting in Gorham, Maine. For years I envied people who talked about Arcata and Vail and some of the other early ones. But now that I'm at my fourth conference, I do get a sense of belonging. It's important for all of us to recognize that, with a ninth biennial meeting, we have permanence and are part of a serious movement.

In pulling together a list of issues, you generally focus on problems. As my list got longer and longer for this presentation, I wondered why I felt so optimistic and had a sense of well-being? One reason is that although the issues are serious, I'm extremely excited and energized about this industry, our new organization CTAA, and the opportunities before us in terms of reauthorization. This will take a lot of work but we can shape our future.

Yesterday's issues are today's programs and by looking at what has occurred historically we should have a sense of where we can go in the future. The passage of the Urban Mass Transportation Act in 1964 was the real beginning of the federal assistance program. But that did not include a specialized program for elderly and handicapped persons - Section 16(b)(2) - or a rural program such as Section 18. Groups like the one assembled here recognized those omissions and fought for the establishment of needed programs. Ten years later, in 1974, the Section 16(b)(2) program was established and Section 18 followed about five years after that. These programs were created because they were on someone's issues list.

We will hear UMTA representatives later this morning speak with understandable pride about the initiatives they have launched in this area. They should be commended for their support because it wasn't always there. Some of us remember the arguments we heard in 1978 when we were trying to establish a rural transit funding program. Through concerted effort, Congress moved the rural program forward even though "rural" was not part of UMTA's name.

Since that time, our efforts have paid off in terms of other initiatives. Rural operators put the lack of training, technical assistance, and support services on their issues lists and the RTAP program was established in 1986. Coordination problems have been around forever but have achieved greater visibility in the last few years. An UMTA/HHS Coordinating Council has been established and there is now Congressional support for putting greater teeth into coordination initiatives.

The CTAA is also an institution that developed largely because of an issue. Four years ago, operators recognized the lack of an effective voice on their behalf, someone to shape policy and to serve their needs. From that, NASTA was created and eventually merged with Rural America to form the CTAA. These are all positive accomplishments and we should recognize that most began as yesterday's issues.

What are the issues confronting rural operators today? The first category is associated with "coming of age", problems found in any emerging industry. We have a need for greater professionalism and for recognition. We are moving away from bake sales as a way of supporting our operations and toward local tax funding and millages. We are moving toward adequate, sustained, and professional salaries in this industry. Professionalism requires safe and appropriate equipment as well.

We also must be honest and recognize that this same push creates pressures to move beyond client transportation as a part of rural public transportation. We have always been champions of the "unpublic", a term I picked up from Kenny Hosen. We have a transit policy in this country that talks about the public as urban residents or able-bodied people or suburban workers. Everyone else - including the disabled, the elderly, and rural residents - are relegated to the "unpublic" category. We need to continue to champion these people but, as this field evolves, we must also take an honest and direct look at the need for full public access to and participation in the services that we provide.

Issues associated with permanence are also with us. Perhaps the best illustration of that is the growing recognition of the need for facilities. As long as we were "fly-by-nights" just scraping through, it didn't matter where we operated from. Jeff Nokes, one of the conference co-chairs, has an excellent model of an organized, modern, and appropriate facility in Ohio. That press for permanence is putting pressure on capital assistance resources that we previously had not needed or requested. Operating funds are not the only place where we are feeling the pinch now.

There is also the issue of being taken seriously, which means going beyond the notions and mythology that rural America is adequately served with pickup trucks. There has been a kind of tokenism associated with rural public transportation which requires that we now change our way of doing business. Because of the way the Section 18 and Section 16(b)(2) programs were created, there are great opportunities for irresponsibility at the federal level and sometimes at the state level. These block grant programs were a handy way to garner a few rural votes in support of an UMTA bill but nobody cared a great deal about the programs. The monies were allocated by formula to the states which, under pressure to distribute the money in a decentralized way, sometimes simply parcelled the funds out to the counties.

What we had was a lack of policy development and focus on the efficient use of the money.

I think that is changing. But we need to challenge some of the historical patterns and ways of doing things. I see positive signs on that horizon and believe the reauthorization process over the next two years can lead the way. Secretary Skinner's national policy hearings and the cluster groups were significant in that nine of those hearings focused on issues of rural transportation. Five or ten years ago, you would not have seen "rural" on that agenda.

Congressional oversight hearings are another example of how we can change the way things are done and move our agenda forward. About a year ago, we mounted the "15 for 50" campaign which was based on the idea that 15% of the public transportation resources was a reasonable request for rural and small urban areas that included 50% of the nation's population. We also included the Section 3 discretionary capital assistance program in that request. At one of the hearings, a representative from a national transit association told me, "We don't have any problem with your request to increase the Section 18 money, but what's this talk about the Section 3 funds? You weren't even here when Section 3 was established and you don't have any entitlement to that program." That kind of reasoning scares me. But my point is we have to move beyond tokenism and demand our fair share of the available resources.

Which brings me to the most serious current issue - resources, which really means funding. The inadequacy of our funding is damaging throughout our industry and we are caught in a multiple squeeze. First, there is an overall reduction in domestic funding which means the competition is greater. This affects us more than other segments of transit because of our dependence on social service and human service programs. Second, there is a decline in transit funding as a percentage of the federal budget. That is very worrisome and must be pointed out as part of the reauthorization process. We are operating now at about 50% of the relative level of commitment that transit had in the 1960's and 1970's. Obviously, the state commitment to transit funding has increased over the same period but I'm not sure that has been enough to balance the federal decreases.

We also suffer from the inequitable distribution of federal transit assistance. The numbers should be familiar to you: 39% of the population which meets the UMTA definition of "nonurbanized" receives roughly 3% of the UMTA funds. This amounts to $31 per capita spent in the largest cities and $1 per capita in rural areas. I'm not in favor of increasing our share at the expense of the cities but am merely pointing out how far short we fall in the commitment to meeting rural transit needs.

Stability of funding is another major issue for transit as a whole but is particularly serious for community and rural

transportation. If you graph Section 18 funding over the last five years, it looks like a roller coaster with peaks when we are successful in requesting more money and valleys when we are not. We end up dependent upon set-asides, which is like playing Russian roulette, trying to get someone to support our cause and set-aside enough money for Section 18 to equal the previous year's funding.

We have also become dependent on transfers from Section 9 which are equally risky in the long term. We do appreciate the states that have been active in this area. Nearly $20 million a year for the last three years has come into Section 18 from Section 9. That is equivalent to 20-30% of the funding allocated for Section 18 and has allowed the program to expand, increasing the number of operators almost 25% over the last five years. But this is living on borrowed money, on someone else's resources. We are spending almost $100 million a year on a program that receives a $70 million appropriation from Congress. This past year demonstrated how risky the transfers are as they decreased from $20 million to about $9.5 million due to growing needs in small urbanized areas. Texas, which must be commended as the leader in this field, had been transferring about $6 million a year into the Section 18 program for the last three years. That is equivalent to one-and-a-half times Texas' annual Section 18 allocation. However, Texas did not transfer any Section 9 funds last year which may be a sign of the problems in this area.

Although the implications are obvious, we must recognize that those who suffer are the people we serve or need to serve in rural areas. While almost 100% of the communities in urban America are served by public transportation, 40% of the non-metropolitan counties have no public transportation service and the level of service in the other 60% is mighty slim. Our estimates are that there is one vehicle in rural America for every 10,000 residents. In comparison, there are approximately six vehicles for every 10,000 residents in urban areas but we estimate they have 10-12 times as much service available there if you look at number of seats, schedules, etc.

The transit funding gap exists and hurts people. As part of the national transportation policy initiative, we identified 16 billion trips per year needed by transit-dependent populations. Approximately 75% of the urban specialized needs are being met but only 10% of the needed rural trips are being made. To put that another way, at this rate, someone would have to wait 12 1/2 years to get a ride to town or to medical services. We know that doesn't really happen and that the trips are either not made or are handled through other arrangements. But it does say a good bit about the quality of life in rural areas.

Operators also suffer as they face this squeeze daily. We see the results in rapid burnout as people are unable to continue working the long hours required. Operators are forced to put their energies into fund-raising and into coping with mounting

administrative requirements while their resources continue to dwindle. Lately we have been faced with regulations on drug testing, bus testing, commercial drivers' licenses, and underground storage tanks - with ADA and 504 on the horizon. Karl Johanson, a member of the CTAA board, probably said it best: "We get 4% of the funding and 100% of the regulations." Aside from the obvious toll on individuals, this creates an environment in which a burdensome, unreasonable regulation (such as the drug testing program) is put on the same scale as an issue of providing accessible transportation for all persons.

What are the issues ahead? Obviously we must maintain our current momentum and footholds. It is also increasingly clear that we must focus on economic issues as well and promote the linkage between economic development needs and rural and community transportation services. The Section 18 program has traditionally been viewed as a type of social service or welfare program for rural areas. However, no one would attempt to justify the urban mass transit program as a social program for the elderly. Instead, it is promoted as an economic program and one of the mechanisms that fuels the workings of an urban economy. We need to look at ourselves in that way.

We also cannot afford to ignore the issue of employment transportation. Unemployment and the emphasis on welfare reform which we see in many states are emerging as driving forces and may provide us an important set of resources. We must react to that need. When state welfare administrators start looking at rural employment and job training needs, the transportation gap becomes very apparent. That is a gap that we must attempt to fill.

We need to stretch ourselves and the country. We have the opportunity and responsibility to participate in the coming debate on national transit policies and priorities. There are 84 million people in this country who have limited or no access to private automobiles. That is about a third of our total population and includes all the people you serve in rural areas and specialized populations. It is clear that mobility is the missing link for these people. We represent a new set of voices that have not been effectively heard on a broad level in the past and we must establish a new national vision about the role of community transportation in our society and the urgent need to reorder our priorities. That older woman in rural Kansas cannot wait 12 1/2 years for a ride. We can organize ourselves to meet the challenge.

There are three things we must do. One, we must build strong state and national organizations to represent and serve our interests. We see exciting beginnings everywhere but we need your help in the competition for resources and attention. You have 4,000-5,000 colleagues who are not at this conference but who serve the same people. If we can focus this industry we can have the necessary impact. Second, we must develop and

articulate a practical program and plan for the 1990's. Our call for equity has taken us a certain distance but we must go beyond that and develop an affirmative, comprehensive, and realistic program that challenges all of us to accomplish bigger things.

Third, we must build more effective alliances than we have at present. That includes within the industry with groups like APTA, the intercity bus industry, taxi operators, and suppliers. But we must also build alliances with people who use and rely on public transportation. There is no more powerful movement in transportation today than the movement for accessibility. This links mobility with all the things we believe in as a nation - independence for people and the opportunity to live full and active lives. We must embrace that accessibility movement and broaden it to embrace the entire concept of mobility. We must broaden that constituency beyond the disabled community and create a coalition with the elderly and other disadvantaged persons.

That is the reason CTAA has endorsed the Americans with Disabilities Act. It is not only right but is also politically essential. We can't continue to say, "Well, we took a beating on Section 18 and Section 9 but we are going to go out and get more money." How are we going to do this? How can we build an effective political movement? The urban transit systems are not in the vanguard and do not represent the political momentum in our society. We have much better potential to build a coalition of people who use and operate community transportation systems. We can turn that national movement (which is currently focused on putting lifts on vehicles) toward making people mobile and free in this society. We can do that and I am very excited about the opportunities we have to bring this about.

GENERAL SESSION: UMTA INITIATIVES

Lawrence L. Schulman, Associate Administrator for Technical Assistance and Safety, Urban Mass Transportation Administration, Washington, D.C.

I appreciate having the opportunity to outline some of the activities that are currently going on in the Office of Technical Assistance and Safety, activities which should be of special interest to you. I am especially honored because I was the keynote speaker at the very first rural conference which was held in Greensboro, North Carolina in June of 1976. I was the director of UMTA's Office of Policy and we were then working on the legislation that led to the creation of the Section 18 program.

My responsibilities now are quite different as we have a very active program which serves a large constituency. The role of my office is to provide technical assistance to the broad range of constituents with efforts to improve productivity, training, safety, and performance of local transportation systems. We are able to provide information on solutions and improvements which can assist the transit community to provide more efficient transportation for your own constituents.

We do this in a number of ways: demonstration programs, independent evaluations, peer-to-peer reviews, seminars, and on-site inspections. In addition, we explore alternative opportunities that may be useful as we move toward addressing individual needs in communities. Finally, we provide you assistance to implement some of these innovative concepts in your own communities. Let me assure you that this is something we have done in the past and intend to continue doing in the future.

UMTA's programs, as they exist now, are based on needs and problems that are brought to our attention through a number of different means. Some are identified through state DOT's and local transit agencies while other priorities are established by Congressional mandates. These are expressed in various ways: conferences and workshops, industry liaison boards (formal and informal), special user groups, and general solicitations made to identify community needs. This process enables UMTA to focus its limited resources on programs to help communities improve their own efficiency and productivity. We are very proud of the progress that has been made in the last 10-12 years in the growth of the rural programs in which you are involved. These programs are in the mainstream of concern to UMTA.

One activity I want to talk about is the rural bus feeder project. This represents the true partnerships that are possible between the private sector and public agencies, identifying how these two sectors can work together to reinforce their own activities and address their individual needs. There are

currently 76 properties in 18 states working with Greyhound to provide service to more than 750 communities. This is already a major effort but we hope to expand the number of communities and properties involved in the program each year. Ultimately, this program will be able to move on its own initiative and inertia without federal funds. But, in the short term, we want to continue our support as it is still in its evolutionary stage.

We are currently completing an activity which will be very helpful in the continuing expansion of this program. That is a private/public sector video geared specifically to rural transit providers which documents some of the exemplary services now in operation, both as a result of the rural bus feeder project and of other independent activities. This video will outline marketing techniques that are available not only to expand the program (if you are already involved) but to also help you understand the techniques and principles that have been used in other areas. The video is being developed in conjunction with the national RTAP program and PPTN - the Public/Private Transportation Network - and will soon be available through your state RTAP coordinator.

Having mentioned RTAP, I would like to take a few minutes to talk about the national program which is managed by my office. What makes RTAP important are the types of activities that have been undertaken to help you in your daily business. The national program has produced a number of training modules as training was identified early in the process as one of the major needs of the rural transportation community. The first module addressed the issue of substance abuse awareness and we will talk more about that in a few minutes. The second module deals with understanding the special needs of the transportation community you serve. The most recent module is on emergency procedures for rural transit providers. The whole question of the safety of this very special constituency is one of the important needs that we are trying to address.

The RTAP national program has a 15-member Review Board composed of eight rural transit operators and seven state DOT representatives. This group has done an outstanding job, not only telling us what is needed but also working with us in the development and editing of the modules in terms of both substance and content. That sets them apart from most groups of this type. They not only tell us what is needed but also help deliver the products to meet those needs.

I also hope you are aware of the STARTS program training modules which have been completed by the Transportation Safety Institute. The STARTS program and the RTAP modules have been sent to the states and are available for reproduction and dissemination to you. Contact your state RTAP coordinator for more information. We thought about this network concept very carefully when we moved forward with the RTAP program, of using the 50 state RTAP coordinators to disseminate information

provided through the national program. We want to be a catalyst in providing the information but believe it is appropriate to work through the states in the implementation. This approach appears to be working and we will continue to follow it unless we hear reports to the contrary.

The next activity I will discuss is the drug control requirements that were developed to address the drug problems that unfortunately exist in this country. These efforts will have a significant impact on you as small operators and I hope you are all aware of those requirements. Your sector of the transit industry must be in compliance with those regulations by December of 1990 while the largest cities must comply by December 1989.

In an effort to assist the rural community with implementation of these regulations, we have set up a program network dealing with seven states - Montana, Pennsylvania, Texas, Massachusetts, Ohio, Florida, and Washington. The purpose of these demonstration grants is to design model procedures. The seven states have set up a "buddy system" in which they are available to provide technical assistance to adjacent states. For example, Massachusetts is taking care of the New England states. Again, contact your state RTAP coordinator or your UMTA regional office if you need information on this program.

Now I want to specifically address two sets of procedures and rules that are in effect. One is the anti-drug rule, which is the UMTA regulation. The other is the Drug-Free Workplace Act. It should be noted that, while you may be in compliance with our regulations, that does not mean you are automatically in compliance with the Drug-Free Workplace Act. Let me summarize the many differences and a couple of the similarities so you can understand how these two parallel activities may affect you.

The Drug-Free Workplace Act was passed by Congress and signed into law by President Reagan. In comparison, the UMTA rule is a regulation which was issued by our agency based on our existing statutory authority rather than on any new law. The second difference is that the Drug-Free Workplace Act became effective in March 1989 and covers all federal funds that have been awarded since that time. As I mentioned earlier, the UMTA rule goes into effect for smaller communities in December 1990 and for larger communities in December 1989. Another difference is that the Drug-Free Workplace Act affects all recipients of federal funds while the UMTA regulation affects only those that receive funds under Sections 3, 9 or 18. A fourth difference is that the UMTA drug regulation contains pass-through provisions which means that it covers subrecipients of our grantees as well as contracted services and maintenance contracts. The Drug-Free Workplace Act affects only the direct recipient of federal funds.

The Drug-Free Workplace Act applies to all employees of the federal grantee without distinction as to job functions. In

comparison, the UMTA regulation covers only the grantee and contractor employees that are performing sensitive safety functions as well as their supervisors. Still another difference is the Act requires that an employee must notify his employer of any criminal drug statute conviction for a violation that occurs in the workplace. The employer in turn must notify UMTA and the Act further stipulates that the employer must then take appropriate action against such employees up to and including, if necessary, termination or requiring the employee to participate in a drug rehabilitation program. In contrast, our regulation contains no conviction reporting requirements of any kind; nor does it require any punitive action on the part of the employer.

Another difference is that the UMTA drug rules require drug testing in five different cases: pre-employment, post-accident, reasonable cause, return-to-duty, and random. There are no drug testing requirements under the Drug-Free Workplace Act. The only reporting requirement under the Act is, as I mentioned earlier, conviction reporting. However, UMTA's drug regulations require grantees to submit semi-annual reports which summarize their drug testing results. The last difference is that the Drug-Free Workplace Act contains no provisions for temporary waivers for compliance. With respect to the UMTA regulations, grantees may request a temporary waiver of a specific portion of the regulation if there is a conflict with state or local law. For example, if your state has a statute prohibiting drug testing based on reasonable cause or suspicion, you could request a waiver of that specific requirement but would still be required to comply with the rest of the regulation.

There are common features in the Act and the UMTA regulations. Each requires issuance of an anti-drug policy although they are somewhat different. Each requires that grantees have drug awareness and training elements in their programs. Each requires that the grantee certify its compliance with the particular requirement - although as the requirements are different, the certifications are different as well. Neither the Act nor the UMTA regulations requires the grantee to pay for an employee assistance program or for the rehabilitation of employees. Finally, each contains similar sanctions for non-compliance which may include suspension of federal funds on existing projects as well as the potential for new federal grants.

On a more positive note, let me move on to another program which should be of interest to you - the National Easter Seals project. This program was established by Congressional mandate, under which UMTA has provided financial assistance to the National Easter Seals Society in both 1988 and 1989. Its purpose is to identify and overcome the barriers of public transportation to provide for the improved mobility of persons with disabilities. This is called Project ACTION - which stands for Accessible Community Transportation in our Nation. Rather than getting into the development of new technologies, we hope to take

advantage of existing ones and put them to better use. The project will also design cooperative models or techniques to identify disabled persons in the community, to develop outreach and marketing strategies to help them use transit services, to develop training programs to assist transit providers, and to apply technology to eliminate transportation barriers and promote accessibility.

To assist Project ACTION in meeting these goals, the Easter Seals Society has established a 15-member steering committee made up of public and private operators. You are all aware of an important legislative activity which will impact this same area, the Americans with Disabilities Act. We believe this project can go a long way toward the implementation of the ADA goals. Although Project ACTION has not moved as quickly as we had hoped, the delay has provided us the opportunity to use that program in support of some of the activities which will result from the Americans with Disabilities Act.

Areas of concern which must be considered as we develop these demonstration projects include: problems with wheelchair lift maintenance; operator training, sensitivity and awareness; the impact of adverse weather conditions in providing handicapped accessibility; safety of securement devices; and specific safety issues concerning people in wheelchairs riding on transit vehicles. The Project ACTION staff is currently completing a proposed listing of priorities which will be distributed to the steering committee shortly. It is important that the committee members have your input and the benefit of your special perspective. Total funding for Project ACTION is $3 million which, when you consider the total UMTA technical assistance resources available, indicates how important this activity is.

Another program you should be aware of has been in place for about two years and that is the University Transportation Centers. This Congressionally mandated program directs the Secretary of Transportation to establish focal points for the conduct of research and training specifically geared to the transportation needs of individual communities within the ten standard federal regions. For the last two years, UMTA has been providing $5 million a year to these ten centers. As an equal match is required this has resulted in a $10 million program. We hope this year to expand the program to include our sister agency, the Federal Highway Administration, to increase total federal resources to $10 million which, when combined with the match, would yield a $20 million annual program.

This very substantial resource is being made available for research in a whole host of different areas. With appropriate industry input from people such as yourself, this program can be an instrument in fostering the problem-solving research that will complement studies already underway as part of the broader national research agenda. I encourage you, either individually or collectively, to work with your regional transportation

center. Again, additional information on which universities are a part of these consortiums is available from your state RTAP coordinator or your UMTA regional office. The directors of these centers are actively seeking the input of the transit community as to what kinds of research projects can best serve their needs.

Another activity I want to mention is the technical assistance we provide under our managerial training program, which is referred to as Section 10. This program is specifically designed to provide managerial training activities through single agency grants. It was initially targeted to transit properties but has now been expanded to include grants to states as well. These comprehensive programs are specifically targeted to the smaller properties that lack the critical mass to establish an in-house program for their managers. The subjects are unlimited and can be designed to meet your particular needs in areas such as procurement, safety, drug awareness, management principles, etc. I encourage small operators to pool your resources and ask your state DOT to establish these programs if they do not already exist. We only have about five or six such programs in existence today but there is no reason why we cannot have fifty.

I hope I have been able to convey to you a sense of the vast number of opportunities for your involvement in the UMTA programs. The future for rural transit is extremely bright, it's exciting and unlimited. But we must collectively work to overcome what sometimes appear to be obstacles and to take every opportunity to work for the betterment of rural residents throughout the country.

Question: What is the match requirement for the Section 10 program?

Larry Schulman: That is a 50-50 program.

Question: You pointed out that the drug regulations apply to Sections 3, 9 and 18. Do they apply to Section 16(b)(2) as well? And if not, why not?

Larry Schulman: No, that program was exempted. There was a great deal of debate at the time and we decided it would not be appropriate to apply the requirements at this time to the Section 16(b)(2) program, given the type of services that are provided under that program.

Question: Do you have any training programs in the works relating to the Commercial Drivers License requirements?

Larry Schulman: We are working with Federal Highways on some programs that have been instituted under their requirements for bus drivers but I'm not aware of other activities that may be taking place.

Question: What is the future outlook for UMTA programs and policies, particularly as they relate to rural areas?

Larry Schulman: One of the important aspects of the national transportation policy initiative is the market constituency of the rural community. Through that process we hope to begin to articulate some of the long-term strategies dealing with the programs and the problems of the rural community. In a more specific sense, I believe UMTA programs will continue as a catalyst in working with rural operators and states. We are also expanding our areas of concern in terms of working with other agencies within the executive branch that have programs that require coordination with ours. We have a number of initiatives underway with HHS at the policy level in Washington. These will then filter down through our individual programs to bring about better coordination and integration of our resources. Some of these activities were initiated in the past eight years and we have already begun the dialogue to continue them over the next four to eight years. The new UMTA management team is certainly committed to continuing those types of activities.

Question: Why are volunteers exempt from the drug testing requirements?

Larry Schulman: This is similar to the debate we had relative to the Section 16(b)(2) program. The whole question of implementation of the drug rule became extremely complex as we looked at the smaller operations. We believed it would be very difficult to implement a requirement to test those volunteers in the same way salaried employees were to be tested.

Question: I've heard about some kind of training that was developed in Houston. Was that funded by UMTA?

Larry Schulman: I'm not sure if that particular project was funded under our managerial training program. Section 10 is a resource that is available specifically for the training of managers - as opposed to other employees of a transit property - for various purposes. Some managers need better skills in the procurement area while others need to improve their supervisory skills. Section 10 funds are available for a variety of projects. You might check with Wilbur Hare or Blas Uribe of the UMTA regional office.

Question: Going back to the issue of exempting volunteers and Section 16(b)(2) systems from drug testing, aren't we sending the wrong message to the public?

Larry Schulman: Again, our decision was based on the informality of those operations and potential problems with implementation. We are also aware of the difficulties associated with drug testing of contract maintenance employees. These are things that we are watching and there may be some opportunity for revisions to those regulations. Based on our observations of the small

urbanized systems' experience in implementing the regulations, we will have a better database to draw from in considering revisions before the December 1990 implementation date for smaller systems.

Rich Steinmann, Program Analyst, Office of Policy, Urban Mass Transportation Administration, Washington, D.C.

Due to weather-related problems, John Kline, our Associate Administrator for Policy and Budget, has not yet arrived and I was drafted to brief you on several activities we are currently working on in the policy office. The first is one that Larry Schulman alluded to, the National Transportation Policy. We have been very excited within the agency to have the opportunity that Secretary Skinner has given us to develop a national policy within a year's time.

That process began with the issuance of a document called "Moving America" which introduced the idea of developing a national policy and laid out an ambitious outreach schedule. We divided the issue into market clusters and obtained a different focus than we usually obtain in examining issues by transportation mode. UMTA staff members have developed new linkages within the department with people from the Federal Highway Administration, the National Highway Traffic Safety Administration, Federal Aviation and Federal Rail.

The rural cluster was managed by the Federal Highway Administration and UMTA was represented by John Kline and Lynn Sahaj. That group held hearings across the country and heard from a lot of rural transit people. They heard a lot about access of the transportation disadvantaged to America's transportation network which was very enlightening and we are now developing summaries of the outreach process which should be issued within the next three weeks. There will be a national summary, which will describe the entire process and what people said; there will also be individual market cluster summaries and the rural one should be quite interesting.

We are also working on the policy statement itself and are still on target for the January deadline. Although it is a little early to say exactly what the policy will include, I think you will find many of the concerns that have been addressed this morning. I urge you to get a copy of the final policy statement when it comes out in January.

This policy also comes at an opportune time because of the impact it can have on reauthorization proposals. Both the current Federal Highways and UMTA authorizations will expire at the end of Fiscal Year 1991. There is also need for reauthorization of the Federal Aviation program and some work on the Federal Rail programs. Again, it is too early to say what the reauthorization program will look like. We will probably make a program proposal in early 1990 and Congress may begin holding hearings the latter part of 1989. We do expect a lot of

discussion, debate, and controversy during 1990 on reauthorization.

Another topic I wanted to mention is the Americans with Disabilities Act. Most of you know that the Senate has passed a version and the bill has been introduced in the House. This would cause substantial changes in the way people do business by making access to facilities, both public and private, a civil right for disabled people. This is a new step forward which the Administration supports; we have already testified to that support in two committee hearings and may be called on again. It is not clear at the moment as to when the House will take action on the ADA. The original hope was to have a vote during this session.

There are some issues within the ADA that will affect small operators. Briefly, it requires that all new transit buses for fixed-route service be purchased with lifts. All new buses for demand-responsive services must also be purchased with lifts unless an operator can show that their service is accessible in its entirety, that service to disabled persons is equivalent to service for other persons. It puts a fairly strict accessibility requirement on intercity bus operators although there is a six-year lead time before that industry is required to purchase accessible buses. There are also some studies that may be done on that particular issue. In general, the ADA will be landmark legislation if it passes and you should follow that carefully.

Finally, I want to talk about our entrepreneurial services program which was announced several years ago. The concept for this grant program is that there are some unserved markets that private operators can enter on a commercial basis and ultimately earn a profit on. The grants are designed to get the services off the ground and are usually small, short-term capital lease grants to get things started. Most of the grants have been awarded in urban areas and many have focused on a commute trip (particularly on reverse-commute). But we are looking for similar projects in rural areas. If you are interested, contact either your UMTA regional office or the Office of Private Sector Initiatives in Washington.

Question: Have you projected what compliance with ADA will require in terms of UMTA capital assistance?

Rich Steinmann: The issue has certainly come up at the hearings but at this point I don't have a good answer for you. Much of that will be addressed in the reauthorization proposal and the national transportation policy. As you know, financial resources are very tight at the national level. We may see some Section 3 money used to cover the incremental costs of wheelchair lifts for buses. But it all comes back to the issue of overall transit funding at the national level.

Larry Schulman: Going back to an earlier question on anticipated problems with the implementation of the drug testing requirements in 1990, we are always interested in receiving documentation on specific problems or specific cases. I am not saying that changes are expected before December 1990 but that we are aware of the problems and continue to discuss them within the agency. We will also be monitoring what happens in the fringe of the urbanized areas where some of the problems may be similar to what you are anticipating.

KEYNOTE ADDRESS

Roland Mross
Deputy Administrator
Urban Mass Transportation Administration
Washington, D.C.

I want to thank all of you for inviting me here today because this is a prestigious group in my opinion. I want to also send along Administrator-designate Brian Clymer's apologies as he truly wanted to be here. I believe that we do have people in the Urban Mass Transportation Administration that not only have some understanding as to what it's all about but are also interested in it. And, frankly, I did not move to Washington at this point in my career to phase out a public transit program. That's not on the agenda.

Shortly after I met Brian Clymer in Washington, he said: "Roland, I want to assure that it's my management style to share. We'll share fully and openly in everything, including this travel schedule that the staff has developed for us." We were a little suspicious about that at first as it seemed they had a particular reason for wanting us on the road. But the staff realized there were a lot of you out there that we needed to meet, including our regional people. Brian is in Altoona today for the dedication of a facility that we are all greatly interested in - and which has a lot of congressional interest as well - the Bus Testing Facility.

When I was appointed to this job, former Deputy Administrator Matt Wirgau told me that one of my responsibilities would be to oversee the rural program. I admit to thinking, "Gee, that's good because that can't be a whole lot of work." But I quickly realized that was a gross misunderstanding of what this program is all about. After my first few months with the agency, I now realize that this task is going to require me to address a lot of issues that I hope are of as much interest to you as they are to me. It also means that I must be involved in a lot of ongoing activities relating to the provision of rural transportation.

I do believe that the experience I had in Indiana helped me prepare for this although I frankly admit that what I saw of the UMTA rural program from the Indiana perspective was very small. It is important that we address the problem of mobility very specifically. I recently learned that there are over 1,000 Section 18 transit operators, providing over 172 million trips annually. You are providing some very unique and important services to residents of the rural areas as well as to the elderly, the handicapped, and other transportation disadvantaged persons. The diversity of your operations is very striking for what most of you have in common are the use of smaller vehicles, personalized and humanistic service, and high efficiency.

These services form an important lifeline for those who would otherwise have limited mobility. While the number of trips and the amount of funding may not be large when compared to the bigger urban systems, the services that you provide are often more critical. For your clients, these services mean the difference between total isolation and the ability to live as active participants in the community. And providing mobility in rural areas is clearly the bottom line for all of us attending this conference. Let me salute each of you for your efforts in providing the rural transit dependent residents in your respective areas with their mobility. We at UMTA realize that it takes hard work, long hours, creativity, and an undying dedication and commitment to achieve this goal. So I'm delighted to report that the rural transportation program is not only alive in UMTA, but is alive in the United States as represented by all of you.

Let me talk for a few minutes now about some of our ongoing activities. Since 1983, when UMTA took over the responsibility for the Section 18 program, a series of management initiatives has been put into place. These initiatives have eliminated duplication of effort, increased coordination between UMTA's different offices, and made for a more efficient system of program delivery to our rural clientele. And these efforts are continuing. As many of you know, in 1987 we established an internal rural working group, which I now head, with representatives from our Offices of Chief Counsel, Budget and Policy, Grants Management, and Technical Assistance and Safety. Your interests are well represented at UMTA.

I am determined that we will fashion our programs and policies to make it easier for you to do more with the limited amount of dollars that you have. As Wilbur Hare pointed out, our turnover rate is quite high - which is one reason I keep my speeches relatively short. The important message from this is to get as much done as quickly as you can and as early as you can. And that is something we won't lose sight of.

We are extremely proud of the way that RTAP has taken off. This program has provided more training and technical assistance to rural transit operators than ever before. I'm equally proud that all 50 states have taken advantage of the program and have allocated these funds to individual state RTAP initiatives. Since the last conference in Ashland, Oregon, the national RTAP program has completed several training modules.

Over the past two years, the national RTAP program, with its 15-member Review Board, has been responsible for developing and disseminating several training modules and informational management materials. Let me take just a few minutes to list some of those items: Substance Abuse Awareness in Rural Transit; Understanding the Capabilities and Needs of Special Passengers; Emergency Procedures for Rural Transit Drivers; the Private Sector as a Partner; and the Specialized Transit and Rural

Transit Safety (STARTS) course, which was developed by the Transportation Safety Institute but distributed through the RTAP program. The national program also developed a catalogue of existing training materials, the RTAP national program bulletin, and a core bibliography for rural and specialized transit.

As you can see, the program has developed a rather full menu. And there is more to come. The RTAP national program Review Board has been invaluable to the success of this program and I congratulate all of you for your efforts. I'm also happy to announce that the RTAP national program third-year funding package has been approved. This outstanding rural effort has turned out to be an exceptionally good use of the taxpayers' dollars. Over the next 12 months, the national program will produce three new video-based training modules: Principles of Scheduling and Dispatching; Transit Board Member Training; and Passenger Relations.

Some of you heard a brief report earlier on the National Transportation Policy. As you know, Secretary Skinner has made that his number one priority and I can assure you it is the priority in the Urban Mass Transportation Administration as well. Through that process, six working groups, or clusters, were formed with each of them dealing with a different market segment. As Rich Steinmann mentioned, one dealt with rural America. These working groups conducted over 100 meetings throughout the country. Secretary Skinner has asked us to make sure that the Department as a whole does not lose sight of the vision and energy that is to be found among rural and specialized transportation providers. Many of you may have attended those meetings and the key point here is that your concerns will be well represented in the national policy.

I wanted to mention an experience I had in attending one of the rural hearings in Augusta, Maine. Through the good graces of the people up there, we had an opportunity during our visit to ride on the Waldo County rural transportation system. It was just a regular run and we all got up very early. When I say "we", I mean that everyone on the rural working group panel was on that vehicle: the Federal Railroad Administration, the Federal Aviation Administration, the Federal Highway Administration, and several of us from UMTA. You could see firsthand the working relationships between rural transportation and the provision of social services that so many of you are involved in. So now we can talk to our friends in the Federal Highway Administration and they do know what Section 16(b)(2) and Section 18 are. In fact, they will tell you that they heard many comments throughout those hearings, in the rural cluster group as well as others, about the need to continue a good, strong commitment toward rural transportation in this country.

Many of you are already involved in another program about which we at UMTA are very excited. I'm talking about our continued effort with the Rural Connection Program. This

public-private project by Greyhound and the Community Transportation Association of America is already making an important contribution and is now moving on to new successes. As you may know, the objective of this program is to use rural transit systems as feeder lines for intercity buses. The bus lines gain passengers, rural areas preserve and enhance their access to intercity transportation, and hopefully rural operators are earning additional revenues. Currently, 76 Section 18 systems are involved in the Rural Connection Program in 19 states, serving approximately 750 rural and small communities throughout the nation.

Another continuing program at UMTA is our Entrepreneurial Services Challenge Grant Program. This program is exciting because it is a true partnership between private entrepreneurs, the local community, and our agency. It is designed to stimulate new profit-making, self-sustaining passenger transportation businesses which will address community needs without a continued reliance on federal assistance. This morning we hosted a concurrent workshop on the entrepreneurial program for interested parties from this region and had an excellent turnout.

We are also continuing our efforts to work with the Department of Health and Human Services in the area of coordination. We recently held our first meeting of the Joint Federal Coordinating Council on Transportation with the new management teams from both agencies. Again, I have been given the opportunity to lead the UMTA side in re-establishing our commitment to that Council. At our initial meeting, my counterpart from HHS and I agreed to continue to hammer away at the originally agreed-upon objectives: (1) To remove federal barriers to coordination; (2) To coordinate planning and programming; (3) To coordinate technical assistance and program guidance; (4) To disseminate information; (5) To coordinate information management techniques; and (6) To encourage competition and consideration of private sector participation.

In addition, we also agreed to develop an action agenda involving further work by our regional offices to assess how well previous efforts to address barriers have worked; to direct contacts between UMTA and DHHS operating divisions to establish joint efforts; to develop possible joint projects in technical assistance; and to look at legislative changes which might aid coordination. We at UMTA intend to use all necessary resources to continue working toward those objectives.

One more item I need to mention is our recently completed "Guidebook to Best Practices in Specialized and Human Services Transportation". This is a jointly funded DOT/DHHS effort that identifies best practices by community action agencies, brokerage models, public, county and regional paratransit systems, private nonprofit systems, and volunteer programs. We hope that this guidebook will lead to a wider sharing of information in the area

of coordination. The report has just been published and copies are available at the technology sharing table.

In closing, let me suggest that we are limited only by our imagination and willingness to put our creativity to work. There has never been a time in our country's history when rural mobility challenges have been greater. But it is also true that there has never been a more exciting time in which to confront such challenges. It's been stimulating and encouraging for me to experience the commitment that you all bring to rural transportation. I am really honored to have the opportunity to work with so many of you. The enthusiasm that you provide has made me more optimistic about the future. I urge you to make optimism your watchword as well.

MARKETING

Moderator:
Peter Schauer
Peter Schauer Associates
Booneville, Missouri

Peter Schauer, Peter Schauer Associates, Booneville, Missouri.

Marketing is identifying and meeting needs. One of the strengths of rural transit is that we approach this product/service we call a bus ride from a true marketing standpoint and try to meet needs rather than selling what we have. The urban systems may be a little better at operations but we're definitely better at marketing.

The quickest definition of marketing is that it's half strategy and half advertising. The strategy part of marketing is knowing your goals and objectives, where you want to go. Rural transit managers do everything and marketing is one of those things that tends to wind up on the back burner. But you must observe the five basics: Your system must be clean, safe, easy to use, predictable, and sometimes fun. (I've added a sixth: priced right.) The "sometimes fun" aspect is one area in which the rural and small urban systems excel, emphasizing the interaction between the driver and the passengers which makes the bus trip more than just a ride.

But if your equipment and the rest of your system aren't in good shape, don't even think about advertising. Your drivers are the first thing to zero in on. If they say, "I don't know if I want to do that", you have a problem. The kind of attitudes you establish are critical. However, no amount of marketing can undo the damage to your image from a bad accident. Get your basics down and listen to your passengers.

As a member of the community, our purpose is to facilitate and provide transportation services that satisfy the public's needs and wants. In order to be an effective team, we develop a good working environment through good communication, and encourage personal responsibility which promotes personal satisfaction. Everyone on your team must agree what your purpose is.

Betty Green, Director, RIDES Transportation Project, Rosiclaire, Illinois.

Social service agencies have long been recognized as having the ability to raise huge amounts of money. Despite the advent of paratransit and rural public systems, many of us are still viewed as social service agencies. The responsibility of raising the required match lies with the director to keep the buses on the road and I find myself carrying on this tradition. A lot of

us relied on general revenue sharing for our local match but, when it went out the window, we wound up hosting chili suppers again. When you do that, you are continually projecting yourself as a charity service rather than a financially stable institution.

Peter Schauer did a marketing workshop in Illinois several years ago and said we needed to position ourself on the ladder. When you think of soft drinks, what do you think of first? Coca-Cola, because they are number one. You need to market yourselves as number one so that when people think of transportation in your area, they think of your system. I told my staff we are going to position ourselves at the top of that ladder - and we have. When you talk about rural public transit in Illinois today, you talk about the RIDES program.

This was not an easy position to achieve. You have to change not only the image of your program but how you, your staff, and governing board view your system. You must be careful that your board understands you are not a social service program. We have an advisory board to our transportation committee with representatives from the disabled community, the junior college, and the under-sixty population. Because you serve the general public you need these various groups on your board so that they can help market the system. I also stress to my staff that we are a public transit system now and that we have to market that system to everybody with whom we come in contact.

We believe training is very important and provided more than 730 hours of training for our staff last year. Some sessions were for drivers while others were aimed at management, dispatchers, etc. When you provide training to your staff you increase their self-esteem and their sense of professionalism. Also, you don't have to be paid a salary to be a professional. Many people in our business may not make a lot of money but are just as professional as someone who earns $50,000 a year. Get your staff involved in marketing.

Six television stations serve our area and we call them every time we expand our service area. When our Congressman recently announced our annual funding allocation, they called us saying: "Can we come out and do a story? Since you got more money than anyone else, you must be doing something right." Use those television stations and let them know you are doing something that the community needs to hear about.

Radio stations are very good about doing public service announcements free of charge. One reporter interviewed me and then played different segments of that conversation over the period of a week. We recently hosted the Illinois Paratransit Association meeting and invited the media to cover the event. We got a lot of coverage and at the same time were marketing our system.

With respect to newsletters, ours is newsy and not just for the riders' enjoyment. There are some things we want our County Board to be aware of; other items may be targeted at our funding sources. Local magazines are another marketing resource for you to consider. Our annual meetings are our biggest, and most enjoyable, marketing success.

Previously we had been having a Christmas party for the staff. But, starting with our tenth anniversary celebration, we made them really special. Our legislators make speeches and we always provide them information about our program as well through either a slide presentation or video that illustrates what our system is doing. As the county boards are the applicants for Section 18 funds in Illinois, we want them to appreciate the results of their efforts. We present our drivers certificates, safe driving awards, and patches and it is a time when our staff really shines.

Agencies that attended last year included the Civilian Job Corps and afterwards, I received a thank you note from them saying they attended many such meetings but ours was the first in which everyone was recognized and made to feel equally important. It was one of the best meetings they had ever attended. That was an excellent marketing tool as far as I was concerned.

In the past, we bought marketing items such as keyrings and fountain pens but I finally realized that this was not increasing our ridership because we were distributing them to people who already rode the bus. We then had these punch cards printed and every time a rider got on our vehicles their card was punched. Once they had earned 30 punches, they could turn in the card and receive a "RIDES Transportation" mug. The next time they filled up a card, we gave them a matching tray.

When our mug supply was depleted, our DOT suggested we contact local businesses for promotional campaigns. If you've never tapped McDonald's for fund-raising, you've missed one of the biggest opportunities that exist. They contributed a "Big Mac" for every filled card but did insist that we not offer a similar promotion to Hardee's. Grocery stores have offered 10% off on groceries, the florist donated a free arrangement, and the beauty school provided a free shampoo and set. These campaigns have helped the businesses in our community realize that RIDES is transporting people.

We also developed the RIDES Frequent Rider Club. Membership is $10 a month for which you receive a package which includes a flier describing how to use RIDES, a membership certificate, newsletter, fountain pen, balloon, and trip coupons. Family memberships are available for $25 and include three coupon books. We use these fees as local match because club members are not buying trips. People buy them for other family members but the memberships are non-transferrable. Some people never use the

coupons but instead view their fees as a way to support our system.

Another recent innovation is our new ridership package. When the dispatcher recognizes a caller as a first-time rider, we ask the driver to give them a facts sheet on the system, a fountain pen, and two coupons. On those rare occasions when we miss a passenger pick-up, we send them a letter apologizing for the error and include a couple of coupons. Also, when we initiate service in a new area and start distributing coupons, it helps people understand that this transportation is not free. Without a coupon, they would be paying a dollar. Those are the marketing tools we have used that have been most successful.

Peter Schauer: Those were a lot of good tips. You talked about the service being devalued initially, i.e. viewed as a charity, but much of your promotion seems to build on the charity notion?

Betty Green: Our coupons say the value is one dollar so when a person uses a ticket they realize this is not a free trip. We use fare boxes, rather than coffee cans, to reinforce this idea. On our club membership, you can only purchase one a year. Our office supervisor signs the coupons with the recipient's and/or purchaser's name so that they cannot be transferred.

Question: My system is trying to make that transition from social service to a broader ridership base and we are experiencing resistance. Some of our longtime riders perceive, as we become more professional, that we are becoming crass or insensitive. When we first started, we had a much lower volume of ridership. If we went to pick up Mrs. Jones at the nursing home and she wasn't ready, our driver would go find her. Now we have obligations to other passengers and if we spend time searching for Mrs. Jones we'll be 15 minutes late for our next pick-up. I'd like some tips on how you deal with that issue.

Comment: I came from the private sector and my problem was just the opposite, perhaps being insensitive due to dollars and cents concerns. We instituted fares where previously service had been free. It's been a balancing act between making it work financially and being cognizant of other factors. You may need to cross-subsidize your services and have one route pay for another.

Betty Green: We initiated service in one county, charging a fare from the beginning and have had much better success than in areas where senior citizens had traditionally ridden free. Sometimes you just have to live with those situations until the public's perception of your system evolves.

Comment: We use mini-boards which include staff members and passengers. Before we make system changes, we have brainstorming sessions so the board feels a sense of ownership of the ideas and will help us market the program.

Margi Ness, Executive Director, Special Transit System, Boulder, Colorado.

I was asked to be on this panel because I won the prize for having the most logos in the shortest time period, with four in 10 years. We paid a professional to develop our latest logo because my theory on marketing is "you get what you pay for".

We started out with a fairly simple design but it didn't tell you anything and it wasn't catchy. Then one of my Board members volunteered to develop another logo which had a highway on it. Next a graphic artist friend of one of our employees created a design which showed the mountains but that still did not tell you much about our system. We learned that STS is not like IBM, easily recognized by its initials. We also found that a trash company in town was called STS.

Finally, we hired someone to design our current logo which we put on everything. The real benefit of hiring a professional is that you talk to them about the kind of image you want to project. How would we use the logo? What will it look like on the vans? What's the best color to use on the vans? Our fleet had been yellow and when we put blue logos on the yellow buses it looked awful. We decided that white buses look the cleanest and sharpest.

We wanted our logo to convey a sense of action, to be happy and upbeat, showing that we were people helping people. One of the problems in using volunteers for this type of work is telling them if you don't like what they've done because they've donated their time. With our professional artist, we rejected their first four recommendations. You may think you can't afford this type of work but your image is a big part of what you do. We should be past the guilt stage of nonprofits trying to look as if we don't have much money. Also, you have a much better chance of securing funding if your material looks good as it reflects what your system is like internally.

We have hired a professional marketing person as well. Prior to this, our office manager handled our marketing and this employee was a good organizer and was good with people - which are very important. But it is more important to have somebody who has marketing experience first as they can learn those other skills. Everything we send out now goes through the marketing manager.

In our information packets we have a brochure and card that the drivers distribute to doctors' offices which describe how to arrange transportation for their patients. They also are given the number to call if the bus is late for some reason. This tells the doctors and other businesses who you are. We found that we might be taking people to the same place 20 times a day but that business had no idea who we were. We also developed

these cards with stickers that a passenger can remove and put on their telephone.

As Betty Green said, working with the media is extremely important. Our marketing manager developed a sheet called "Transit Tips" that we send out regularly to all the media in the county. It includes items they might feature in a newspaper article. But we don't wait for something special to happen because we want the media to think of us as transit experts and contact us whenever a transit event takes place.

Question: What kind of thing do you put in your "Transit Tips"?

Margi Ness: One describes a pilot program to improve air quality, our project with the Public Service Company to convert some vehicles to compressed natural gas (CNG). Another article talks about products and services that we provide, noting that federal dollars are dwindling and that nonprofits are doing venture projects. The focus is not just on Special Transit but includes items of interest to the general public. This article describes why we developed and are selling a safe-driving brochure for senior citizens. Rather than our paying for newspaper advertising they may do an article from which we get the publicity and possible business.

We also include items about our employees, awards they've received and other accomplishments. We had a grief counseling training session for our drivers recently, to help them deal with the grief they feel when a passenger dies. That training piqued a lot of interest and we're planning an article on it.

We started "Operation Gift Wrap" last year with Wal-Mart as we believe it is possible to do fund-raising in a professional way without making your system appear destitute. We set up booths and get volunteers at Christmas to wrap presents. I should also mention that anything that goes out with our logo on it is reviewed and approved first by the marketing manager and/or me to ensure it's a quality product. After we won the CTR Operator of the Year Award, we added to the bottom of our letterhead "National Award Winner Serving the Special Transportation Needs of Boulder County".

We also have a rolling billboard program which has been very successful. One of our pieces on this campaign says, "How far did your ads go last year? Get more mileage, advertise on Special Transit." We started the program last year and expect to earn $22,000 from it next year. It perpetuates itself and gives you excellent contact with businesses. We charge $125 a month for a six-month contract but only charge $95 a month if they sign up for a year. Advertisements on the rear of the vehicle are $85 a month (for six months) or $65 a month (for a 12-month contract).

The final item I wanted to discuss is our in-house newsletter. When we think of marketing we tend to focus on marketing outside the agency - but it's also very important to market internally as well so that your employees feel proud to work for the agency. At first, we just typed our in-house newsletter on regular stationery. However, we decided it was very special and deserved its own letterhead. The newsletter has all kinds of different information. For example, this article talks about heroes on and off the job, two drivers who received special commendations for extracurricular activities. The newsletter is a way to recognize people and keep intra-office communication going as well. We list birthdays and interview an employee each month.

Question: How much does it cost to print those newsletters professionally?

Margi Ness: It's not that expensive if you plan carefully. On our back page we always have the "Kudos" and "Take Note" features with our logo down at the bottom and another feature called "Shorts". We decided on a general layout for the newsletter and then had all the color work done. When we prepare each issue, it's just black-and-white work.

Question: Do you have someone on staff whose primary responsibility is producing these newsletter? I gather you produce two each month - one for your passengers and other people and your in-house newsletter. Are you producing them monthly, quarterly, weekly?

Margi Ness: The outside one is every other month while our in-house newsletter is monthly. A college intern (that someone else pays) puts these together and our marketing manager does the layout on a computer. We then take it to the printer.

Larry Hall, Executive Director, KiBois Area Transit System, Stigler, Oklahoma.

I was asked to talk about marketing for contracts. When I started with KiBois Transit, our goal was to provide the necessary services and remain solvent. Our strategy focused on four general areas. First, identify your potential business by looking at your service area and pinpointing transit needs. Not all needs can be met in the same way. Senior citizens, handicapped workshops, and Head Start are different public sector services. You must also be aware of private sector needs.

Second, know your capabilities, capacities, and restrictions. What can you do? What is your fleet size and passenger capacity? With respect to restrictions, all of us in the Section 18 program are aware of charter and other regulations we must comply with. Focus instead on what you can do in your area.

There are two sources of contracts for your system, one of which is the public sector. However, these contracts are generally limited by budgetary constraints as there is a great deal of uncertainty about funding levels from one year to the next. Like many others, Oklahoma is a "low bid" state. You are encouraged to do things as cheaply as possible and everybody wants the most service at the least cost. Being good samaritans, we sometimes provide services at a loss. But that doesn't go over too well with elected officials and board members.

Once you have identified a need to sell your services - advertise, advertise, advertise. That includes going to your local service organizations such as the Lions Club, Jaycees, and the Chamber of Commerce. At the end of each of our board meetings, there is time set aside for new business. One of our new board members asked about a newspaper article on KATS buses taking people to the Wal-Mart in the next town, away from the businesses in the board member's town. We began meeting with the Chamber of Commerce and, over a period of three years, changed our negative relationship with that town to the point that last year they provided $4,000 in match money for a vehicle.

Don't overlook in-house contracts either. How many of you are working in community action agencies? How many have contracts within your agency? They may not like it but remember, every time you move a bus it costs money so if Head Start wants service charge them.

Look into private sector opportunities as well. There may be a manufacturing plant that needs shift workers but potential employees lack transportation. You can negotiate with the company to subsidize those work trips. Don't be locked into the attitude of just providing service eight hours a day because a bus can operate 24 hours a day. Some of those factory shifts may be starting at the close of your "normal" workday and ending at midnight or 1:00 a.m. Your bus is just sitting there but could instead be generating income for your system by meeting those needs.

My third major point relates to service performance. You must provide safe, consistent service. You can't be fifteen minutes late here and ten minutes early there. If the roads are slick, park your vehicles rather than taking a chance with your passengers' safety and be sure the public knows you have rules and guidelines that protect their interests. Maintain your equipment in the best possible condition. Get your employees involved in a campaign for excellence by presenting safe driving and driver of the year awards.

To ensure you maintain high performance standards, be careful not to under-price your services. Again, we have to overcome that low bid mentality. Calculate your anticipated expenses carefully before you quote a price. We sometimes get caught in the "cost per passenger" trap; your costs are the same

whether you have 5 or 2 passengers on a vehicle. The private sector understands this as they are accustomed to thinking in terms of the cost of doing business. For example, on our work shuttles the passengers pay on a monthly basis, i.e. they have paid for that seat whether they ride the bus or not. This also provides us consistent cash flow on that particular operation.

My final suggestion is to keep your contract agreements short and simple - X service for a specified fee. Our funding is on an annual basis so we try and limit our contracts to six-month periods because our cost of operation may change or we may need additional equipment. Many factors outside your control can prove troublesome over a long-term contract. Again, base your pricing on your operational cost rather than your passenger loads. It is hard to balance your service obligations against the need to pay the bills. You cannot turn someone down who needs service but you can try to find a source of revenue for that service.

Evaluate your contracts completely before you renew them. Sometimes you need to say "no" and should not be afraid to do that. Always be on the lookout for potential customers because nothing ever stays the same. Your funding sources may change or disappear altogether. Look for new sources of revenue, especially in the private sector because those monies are theoretically unlimited and are unrestricted in terms of how you can use them.

The buzz words in the rural sector of Oklahoma now are "economic development". Elected officials are all interested in projects that will stimulate economic development and we have a lot of potential in that area. There may not be a manufacturing plant in your town but your system could provide service to one that is 40-50 miles away. Chicken processing is big business in our area. One of our towns had the highest unemployment rate in Oklahoma, but we also had poultry processing plants in our service area that were begging for workers so we set up a route to bring the labor supply to the jobs. At last count, about 33 people now have jobs because of the bus service. That was also one of the major factors that led to the $4,000 match contribution I mentioned earlier. The route pays for itself and also helps offset some of our other operating costs.

Question: How long did it take, from the time you identified that need, to get the vehicle and start the service?

Larry Hall: We already had vehicles programmed for that area. It took about 120 days to get the vehicle but we started before then with an off-hours program. Once the new bus was delivered, we instituted daily service.

Peter Schauer: What's the key to getting this process started? So many systems are perceived as just "elder buses" or something like that.

Larry Hall: When we began, all our vehicles were different colors with different logos, usually linked to the original funding source. We standardized our logo and use it in all our advertising. Local newspapers are usually begging for information and we keep our name in the public eye through repetitive advertising on the weather channel on cable television. We also have our name on motel room doors: "If you need service, call KATS". It's taken about five years to get to this point where our public relations effort is very good, primarily because of private sector involvement. The social service link was there at the beginning, but now we also have relationships with the towns in our area and the Chambers of Commerce.

Peter Canga, South Plains Area Rural Transportation Assistance Network (SPARTAN), Levelland, Texas.

I have to begin with this disclaimer: Check with your board of directors before you implement any of these ideas. Some boards may consider things like advertising on the sides of the vehicles as demeaning. Be sure your board understands that you are ambitious and that you are no longer a social service. You must first sell your program to your board of directors.

We often think of our passengers as the only beneficiaries of our services but businesses in our communities, such as doctors and banks, also benefit. Every time you deliver a passenger to their premises you add to their revenues. If your transportation system did not exist, many people might not visit those establishments. You must take this approach when you talk to local businesses about buying advertising on your system.

I agree that you should assign this responsibility to a professional because this job requires sales experience. You can contract it out as there are companies who provide these services. However, in rural areas you may not have access to those companies and may have to assign this duty to a staff person. Remember not to overload that employee with other duties. You can also ask for a list of volunteers as generally there will be people from the target communities on the list. That volunteer may eventually become a paid staff member but you have not had to invest your financial resources in training them.

The other thing you must do is inform your community about your transit services. This is vital if you are trying to change your image from a social service agency to a professional transit operation. We have put together a presentation for one of the agencies I work with to show at the monthly Lions Club and Chamber of Commerce meetings as these organizations are always looking for speakers. A 20-30 minute presentation like this can be shown by anyone on your staff as they will be able to answer the kind of general questions that are usually asked.

[Mr. Canga then showed a video featuring the Caprock Community Action Agency of Crosbyton, Texas.]

We use this program to tell the communities what transportation services are available. By featuring the community action agency, we are able to get them to pay for the production costs and count that as match.

All of the communities in our service area have some kind of celebration or local festival. We buy booth space and sell caps, t-shirts, and other items featuring the transit system. Uniformed drivers staff the booth and we generally clear about a 30% profit on sales. We also have styrofoam cups printed with our logo and toll-free telephone number and sell them to other community groups for their functions.

With respect to radio and television advertising, we buy some spots but insist on getting two or three at no charge for each one we buy. Those are public service announcements but they let us determine the time they will be aired. These donations can be counted as match if you obtain written documentation from the station indicating the cash value of the spots.

Question: Do you have your transit system established as a separate corporation under the community action umbrella?

Peter Canga: We don't have a separate corporation but we do business under the SPARTAN name and have registered that name with the city and county. It's a distinct nonprofit entity with its own board. Radio and TV stations like to do public service announcements for nonprofits and we also pay radio personalities to do live broadcasts from our facility when we have open houses (which we do every time a new vehicle is delivered). We buy these services at the regular, market price.

Another "two for one" we use is advertising in the telephone book. If you pay for a listing in the yellow pages you also get one advertising space. We have a separate listing for our transit service and ask the community action agency to include our toll-free service number in their listing as well (with the CAA paying for that one).

Another item is maps. You probably have to buy your system maps because the base map is copyrighted. But if you sell advertising for the map, the company may give you four or five thousand free. If you get them to document that each of those maps is worth $1.00, you can count that donation as match. Even without advertising, a company may donate maps for you to use and you can also count that contribution as match.

Someone mentioned earlier that they put advertisements on the sides of their buses. We have found that merchants prefer the rear because it provides a captive audience. If you drive behind the bus, you have to read the advertisement so merchants

will pay more for that space. We reserve the side advertisements for senior citizens and other groups who may use the space for birthday announcements, etc. We charge $10 a week for those ads and do the same with advertising inside the vehicle.

Another point I wanted to mention relates to unit rate contracting. I have established fares for each of my routes although some routes lose money as fares for local trips may be less than the actual cost of service. But our out-of-town fares are higher and that is the category most of the contract trips fit in. The Title XIX program pays the same fare for those trips as any other passenger would because we are operating a public transportation system rather than a Title XIX system.

COORDINATION

Moderator:
Lee Alexander
Alabama Transit Association
Birmingham, Alabama

Rich Steinmann, Office of Budget and Policy, Urban Mass Transportation Administration, Washington, D.C.

I want to talk about the history of the coordination initiative and our efforts with the Department of Health and Human Services, to tell you about some of the products that have already come out of that initiative. I will discuss a recent meeting of the Joint Coordinating Council on Human Service Transportation, where we are and where we are going over the next year.

This round of work on coordination began in May 1985 when Congress held a hearing on rural transportation, the role of public and nonprofit providers. UMTA and HHS testified that there was clearly a lack of communication between the agencies and that some real problems existed. UMTA proposed the establishment of a joint coordinating council as a way to address some of these problems. In October 1986, Secretaries Bowen and Dole signed an interagency agreement which laid out the goals and objectives of a joint initiative and established, between the two departments, a joint Council on Human Service Transportation and Coordination. The Council met for the first time in March 1987 to establish an agenda.

There were four areas where it was agreed that the regional offices would play a major role in the process: barriers to coordination; state-level coordination efforts; private sector participation; and the dissemination of information regarding coordination and other issues. The regional initiative was kicked off in May 1987 with letters to the governors asking them to designate someone at the state level to deal with the original initiatives. We sent guidelines to the field in July and began the process. By November 1987 at the Council's second meeting, there was a report on the regional working group activities. By March 1988, we were able to identify some specific barriers to coordination in terms of structure, regulations, or administrative guidance.

We looked at those barriers and provided information to the Council as to how real the barriers were and what could be done about them. At their next meeting in June 1988, the Council discussed draft responses to those barriers. This was a key effort as it focused attention on problems that the federal government was causing in the way programs were structured. The goal was to get UMTA and HHS out of the way of local efforts to coordinate.

By the end of 1988, we were ready to respond to the barriers identified. UMTA and each of the operating divisions within HHS that dealt with transportation prepared a set of questions and answers which discussed those issues. These were sent to our regional offices in late 1988 as guidance on how to deal with the questions and for dissemination to local operators. Some of these barriers were the result of miscommunications and those were easily addressed by indicating the broader intent of the programs in question. Some barriers were the result of administrative procedures and in several cases UMTA was able to revise or clarify program circulars. Many of the barriers identified were not as susceptible to change and we intend to deal with them over the next few years. These result from how programs are structured in the enabling legislation and will require either legislative or regulatory changes.

At the same time the barriers process was going on, we also funded the Region IV Transportation Coordination Consortium in September 1987. This was a joint UMTA-HHS grant which Charles Glover will discuss in more detail. The Consortium has allowed us to take a much more detailed look at the barriers, some of which were different from those identified by our regional offices and instead were specific to state administrative procedures adopted in the Southeast. We found that many problems are the result of state interpretations of federal program guidelines. We try now to focus more on the state level and the Region IV Consortium has developed a number of interesting products in that area.

The next task the Council took on was preparing a manual on best practices in human service transportation coordination. The manual, which has just been printed, does a couple of important things. First, it includes a number of case studies of successful coordination examples, both at the state and local level, using different structures and approaches. Second, it describes good examples of what states can do to make coordination work better. Third, it also provides the guidance that UMTA and HHS sent out to their regional offices relative to the barriers identified earlier.

Our most recent initiative has been funding by UMTA and the Administration on Aging (AoA) for two states to put on coordination workshops. The first was hosted in Austin by the Texas Department of Highways and Public Transportation in July. The second was held in September in Columbus, Ohio under the auspices of the Ohio Department of Transportation. We are very excited about these workshops as are the two states involved. Texas put together action plans as a result of the conference to link the AoA and DOT programs more closely and intends to implement this action agenda over the next two years. Both states are also preparing reports on their conferences which we hope to make available early next year.

Where we are going with this effort? As you know, we have new teams at UMTA and HHS that must take an interest in the coordination initiative if it is to continue. The Council meeting several weeks ago introduced the new members to the issue and re-energized people in both agencies. An action agenda was developed and a staff working group will meet in early November. There are five general areas on which the Council wishes to focus:

(1) To establish joint programs at the operating division level within HHS, six programs were selected. The Administration on Aging (AoA) works through local area agencies on aging that include transportation components. We have enjoyed a close relationship with them in the past. Head Start is an area in which there seems to be significant problems, primarily because those are direct federal grants with no state involvement. Rural Health is the third program due to the diminishing supply of health care facilities and the associated problems of access. The fourth program is the Public Health Service. Medicare/Medicaid is the fifth, the issue there being Medicaid billing which we hope to make easier for people at the local level. The sixth program is Developmental Disabilities which has a large transportation component.

(2) We will continue our regional initiative, following up on the barriers identified and addressed earlier to determine what problems still require our attention.

(3) We hope to fund more joint projects with HHS, probably in the technical assistance area.

(4) We will look at the information dissemination process again to make sure everyone knows what is going on and determine if better information is needed.

(5) Finally, we will consider proposing legislative changes to Congress to overcome that category of barriers.

We have a strong reaffirmation of interest in coordination from both UMTA and HHS. The Deputy Undersecretary of HHS for Intergovernmental Affairs spent several years at the Department of Transportation and should be particularly helpful in this process. We also have good people involved at the staff level and everyone is quite enthusiastic.

Marie Bishop, Grants Officer, Idaho Department of Transportation, Boise, Idaho.

I've only been in the transportation industry for two years. However, perhaps my very newness has been a factor in our successes as I didn't know that coordination was supposed to be difficult. Coordination is a process and a state of mind rather than an activity. Our emphasis is on the outcome and not on how

you got there. Our job is to help people achieve this state of mind.

Several days after I was hired in 1987, I attended a transportation meeting where people were excitedly discussing items such as the replacement of rolling stock. With my human services background, those words meant absolutely nothing to me and, having been raised on a farm, I pictured cows on wheels. However, I quickly learned the transportation language. At a meeting soon after with a group of human service operators, I began using my new vocabulary of transportation terms and was greeted with blank stares of incomprehension.

That was my first discovery. When I want something from another organization, I either have to learn to speak their language or help them understand mine. I developed a brochure entitled "Coordinated Transportation: Understanding Your Options for Cost Savings" which is written in human service language and introduces them to the concepts. Education is the first step in achieving that state of mind called coordination. The booklet helps the reader determine their transportation expenses and the cost of providing transportation and includes a section on contracting for service.

My second discovery was that I could not implement coordinated systems by myself. Coordination is a process that implicitly requires at least two people to pull it off so I began casting about for individuals to help me achieve the desired outcome. During the same time, I was asked to put together part of a rural project. The team players had already been identified and most of the preliminary work accomplished. All the project needed was that final boost to get it up and running.

After working with the local operators for several months, I was increasingly impressed with their enthusiasm for coordination, their excellent states-of-mind, and their focus on the outcome. I aligned myself with them in their respective communities and also included them on my RTAP advisory group and other transportation activities. They have become my strongest allies as they discuss coordination with their peers through their own networks and in their own language.

The third discovery I made is that coordination works best when the key players are also process- or outcome-oriented. Identifying your key players is simply a matter of finding out which organizations and people are willing to do the work. I use the initial meetings on a project to educate people about what coordination is and how a system works. I then ask them to identify what they need to do and we establish a time line to achieve the desired outcome. Each player is responsible for ensuring that necessary actions within their own organization parallel this time line. The result is a step-by-step process toward the defined goal and you are able to plot your progress toward that goal.

This leads to my fourth discovery which is that coordination succeeds only when the players have a feeling of ownership relative to the outcome. Ownership develops most rapidly when the players solve a problem they have identified. They know their own organization best. By the time each player has identified and resolved the problems that preclude or hinder their participation, they often have a very strong interest in seeing the project succeed. They are willing to tackle the problems, they participate fully in development of the system, they have pride of ownership in the outcome, and they all exhibit that coordinated state of mind.

I'd like to share two specific examples of coordinated systems. The first operates in a rural setting and has been in place for a year providing only specialized transportation with one vehicle. The players in this system are a nearby Section 9 operator, a Head Start center, a health and welfare child development center, and a sheltered workshop. One of the key points is that the Section 9 property oversees the operation of the system. The bus originates in the urban area, picks up subscription riders destined for the rural sheltered workshop and then we apply the "urban serving" theory with the operating costs eligible for Section 9 reimbursement. Income from the contract with the sheltered workshop is used as match.

A second key point is that operating costs not eligible for Section 9 reimbursement are covered by purchase of service contracts with the health and welfare and Head Start agencies. A third point is the vehicle was purchased with Section 9 monies using health and welfare funds as match. Head Start also made a one-time cash contribution in the initial stages which we used to cover insurance costs. Beginning in January, this system will also receive Section 18 funds to provide demand-responsive general public service.

The other example is a blended system operating totally within an urban area with no UMTA money. It's a mixture of 13 vehicles funded partially from Section 16(b)(2) and other agency programs. We call this a "blended system" because it literally blends clients from Head Start, the senior center, handicapped service center, and independent living center as well as two hospitals. All share rides on existing vehicles to maximize the use of that equipment. This idea had been discussed for a number of years but nothing was done until one of my human service allies agreed to discuss the benefits and realities of coordination with the group. It took just over a year from those first meetings to get the system up and running.

The first key point in the development of this second system was the establishment of a separate, private nonprofit corporation to provide specialized transportation services. Each participating agency then contracts with the corporation for service. We did this to take advantage of federal dollars and to guard against territorialism. The second key point is that

agencies with vehicles trade the use of the vehicles by the corporation for reduced costs per ride. They also presently retain ownership and insurance responsibilities.

Third, each agency determines eligibility, establishes priority for their own clients, and issues tokens or scrip to track those trips for billing purposes. The riders call the central dispatch number of the corporation for 24-hour advance reservations. Head Start uses a subscription approach as they have regularly scheduled trips. Fourth, seed money for start up and first year operating costs was obtained through a special DHHS grant. Five, the system does not transport the general public and, therefore, does not compete with the Section 9 operator.

To recap my basic coordination discoveries: (1) Learn the language of the human service organizations or help them learn yours; (2) Develop local allies who can spread the word and help educate people within their own networks; (3) Start small, be patient and make sure you have solid team players; (4) Foster a "can do" attitude by being supportive, providing information, motivating, and gently guiding the players to develop ownership in the outcome; and (5) Be flexible. There is no "right" way to coordinate. Each system is unique because the players and problems are different.

We didn't join forces with our human service counterparts because of a joint agreement issued at the national level. We support coordination because it makes sense to us, it's economical, and the time is right. Be creative in your approaches to coordination, trust the opinions and solutions from your local players.

Charles Glover, Planning Project Development Manager, North Carolina Department of Transportation, Raleigh, North Carolina.

I want to tell you how we have approached coordination in North Carolina and then talk about the Region IV Transportation Consortium that Rich Steinmann mentioned. In 1978, our governor appointed a committee on rural transportation to look at the use of available federal, state, and local resources. There was duplication between the efforts of our department and the Department of Human Resources and we knew there had to be a better approach to meeting transportation needs. This committee recommended establishment of our interagency transportation review committee which is our state coordinating council. We serve as the staff for the committee which is made up of representatives from most of the human service agencies. The Director of the Public Transportation Division chairs the committee.

The committee's primary job is to review the transportation addendum filed by each human service agency as part of their annual budgets. The addendum is a one-page form which gives line

item details on how the agency will spend their transportation dollars in the upcoming year and describes any equipment they need to purchase. Our staff level review focuses on whether the addendum is consistent with the local transportation development plan (TDP) for that county. Of the 100 counties in North Carolina, only a few do not have a TDP which is a prerequisite for any funding that is administered by the Department of Transportation.

Through this review process we have developed a working relationship with the Department of Human Resources and an agreement that we will fund capital needs from Sections 18 and 16(b)(2) with Human Resource monies being used as operating assistance. As funds become more limited, we may have to modify that policy. For example, the Americans with Disabilities Act will reduce the number of vehicles we can purchase with Section 18 funds but we will continue to use our programs to meet capital needs.

Our TDP's describe the type of funding that a given county will receive - whether it's Section 18 or Section 16(b)(2). One applicant agency is designated as the agency we will fund. Coordinated transportation is now occurring in 75 of our 100 counties in various forms. Approximately 30 to 45 counties have consolidated systems that provide service on a contractual basis through a lead operator. The other end of the spectrum is vehicle- and time-sharing between agencies. Whatever the TDP indicates as the most cost-effective and efficient means of operation is what we look for in approving grant monies.

A new $2.0 million elderly and handicapped transportation assistance program was enacted by our legislature during the past session. We now have the opportunity to provide direct operating assistance to elderly and handicapped systems. The $2.0 million is distributed directly to the counties on a formula basis with no match required. However, our intent is to generate additional trips rather than replace local dollars that were being spent on transportation. A TDP is also a prerequisite for this program and we require that TDP to be implemented.

The Region IV Transportation Consortium was initiated in 1985 and includes Alabama, Florida, Georgia, Tennessee, South Carolina, North Carolina, Mississippi, Kentucky, and the Commonwealth of Puerto Rico. The Consortium developed from concerns about barriers to coordination with the intent to focus on changes that could be made at the federal and state levels to remove those barriers. We received a grant from UMTA and HHS in 1987 and our first step was to identify barriers. We found a lack of understanding at the local level about the various funding programs as well as a lack of flexibility within HHS and UMTA programs. Using the grant dollars, we developed an agenda that detailed actions necessary to overcome these barriers at the appropriate level.

The federal Council is very important because it provides a forum that can correct some of the problems we've found. One of the programs we've had the most difficulty with in North Carolina has been Head Start. However, we have now begun to see movement by Head Start agencies to become involved in our client data systems. This process was helped along by an agreement supporting coordinated transportation which was signed by the various HHS program directors at the Region IV Atlanta office. Another factor is that Head Start is reducing its role in purchasing vehicles which has caused the local recipients to consider other funding options that may include purchasing service from another agency.

The Region IV Consortium's action agenda includes issues such as the Head Start question, cost comparisons for agencies participating in coordinated systems versus independent operations, and the use of the Welfare Reform Act to promote a positive environment for coordination. Another benefit from the Consortium is the sharing of successful strategies between the states. Alabama now has an interagency transportation review program modelled after ours. We believe the Consortium has just begun to scratch the surface in terms of what can be done.

Question: What are your plans to expand the Consortium to include other states?

Charles Glover: There has been some interest in expanding to include all the states within the Southern Governors Association which would bring in another nine states and more than double our membership. There are two schools of thought on expansion. Some fear a loss of focus and direction by having so many states involved. But there is also the positive impact of having more states with more clout to address the barriers we've identified.

Question: You use UMTA Sections 18 and 16(b)(2) monies primarily for capital and human service monies for operating. Is there a general public service issue related to that?

Charles Glover: We don't provide both sources of UMTA money to the same county. If the TDP establishes them as a Section 18 entity, they must provide service to the general public. We currently furnish approximately 10% of their net operating loss through the Section 18 program with human service contracts providing the balance of the budgetary needs. In essence, general public service is subsidized by the human service sector with various agencies participating on a cost-sharing basis. General public ridership is fairly low on our rural systems despite various marketing campaigns.

Question: Who pays for insurance if a vehicle is shared between several agencies? Does one agency driver provide service to the others? Or does one agency actually own the vehicle but let others use it?

Charles Glover: There are signed formal agreements between the agencies which specify who is responsible for what. However, you can only remove yourself from liability to a limited extent. In the case of a bad accident, the agency operating the vehicle at the time would be primarily liable.

Question: Do you actually save money through coordination? You may on capital costs but what about the additional administrative expenses?

Marie Bishop: There are savings but they are sometimes difficult to quantify because people were not aware of the full cost of their operation prior to coordination. Therefore, coordination appears to be more expensive if the costs are compared to previous expenditures. But you generally end up with greater levels of service that are more cost-effective.

Although it may not be cash savings, probably 95% of the time it is cheaper for them to participate in a coordinated system. The other 5% of the time coordination doesn't work at all and I'm very honest with those organizations. We don't perform a full-blown cost allocation study but merely ask them to estimate their time and expenditures for a year. Some of them have no idea how many hours the executive director spends on transportation so it's an education process for them.

Question: Have you encountered resistance when it comes to writing a check for someone else to provide the service? For example, the agency thinks transportation costs them only $10,000 because they rely on $5,000 from in-kind or other donations. But if they purchase service from another operator, they have to write a check for the full $15,000.

Marie Bishop: That's where the education process comes in. We don't have the problem of buses running half-empty as the costs are being absorbed by other agencies. No one has gone bankrupt. I don't encourage them to coordinate if it will not actually save them money.

Charles Glover: We address the fully allocated cost issue in the TDP by assessing what each agency's actual transportation costs are. The service design section of the TDP describes the costs associated with the recommended coordination strategy so each agency will be able to compare those costs. In many cases, there is not much difference. But the primary benefit of coordination is being able to provide more units of service. We encounter many situations where, for example, a caseworker was transporting clients but that was not considered a transportation expense. Under a coordinated system, you can't write a check for the time saved but it is much more efficient because the caseworker is providing the services they were hired to provide rather than serving as a glorified taxi operator.

Question: Does anyone coordinate Section 16(b)(2) services with Section 18?

Rich Steinmann: There are several case studies in the best practices manual which describe that. The key issue is that only private nonprofits are eligible for Section 16(b)(2) funding while Section 18 monies are available to almost anyone. The state decides if Section 18 funds can go to a private nonprofit and we've tried to encourage people to look at both funding sources.

Question: Will the national coordinating Council issue mandates to the state and local levels to foster coordination in rural areas?

Rich Steinmann: We hope instead to open things up a bit and make people aware, particularly on the HHS side, of how HHS monies can be used in conjunction with DOT programs. In the back of our best practices manual is the guidance that was issued by the HHS operating divisions to their regional offices and we will follow up on how that information flows from the regional offices to the state level. This is something of a philosophical issue within HHS as their programs are block grants and, in the spirit of federalism, they have taken a "hands off" attitude in terms of how the programs are managed by the states. That makes it difficult to make things happen from the top down. I would encourage operators to work with their states and determine what problems may initiate at the state level. At the national level, the point we are trying to make is that coordination does create savings and increase the quality and quantity of service.

Comment: It seems that HHS and DOT should consider putting money into more pilot programs that would include the private sector.

Rich Steinmann: The seed money issue was raised during our earlier coordination discussions during the late 1970's. Maybe we can look at that.

Comment: We do a lot of blending of Section 16(b)(2) and Section 18 and one major issue we're now facing is the drug testing requirements. Section 16(b)(2) operators are exempt from those requirements and are now asking if $40,000 in Section 18 funds are worth having to comply with that requirement.

Rich Steinmann: That's something we're going to have to review. We encourage people to let us know about their problems with implementation of the drug rule.

Question: Can HHS funds be used to match Section 9 as well as Section 18 funds?

Charles Glover: That's one of the issues the Region IV Consortium may address. We believe that's an inconsistency that should be eliminated.

Rich Steinmann: They cannot be used directly to match Section 9 but due to the Leahy amendment, HHS monies can be used as match under Section 18. There is definitely an inconsistency between the Sections 9 and 18 programs, a barrier which Region IV is looking at.

Question: In Region VIII, social service agencies can make a donation to the city which, if it's not tied to specific trips, allows that money to be used as match. Is there any chance that this could be made less restrictive?

Rich Steinmann: That would require a legislative change and we will be looking at that over the next year. With reauthorization coming up, this is a good time to consider such changes. The situation you described would not be allowed as direct match but there may be other ways to deal with this problem.

Question: I read that one of the conference committees is considering a bill that would direct UMTA to allow Section 16(b)(2) grants to be made to public agencies?

Rich Steinmann: One of the changes being considered would allow Section 16(b)(2) vehicles to be leased to public agencies although the grants would still be made to private nonprofits who would purchase the equipment.

Question: Is there any possibility of exempting UMTA-funded operations from Interstate Commerce Commission (ICC) regulations, particularly the insurance requirements?

Rich Steinmann: The Bus Deregulation Act did continue the insurance and financial responsibility requirements and UMTA has no authority relative to the ICC.

Question: Where does the money for North Carolina's new elderly and handicapped program come from?

Charles Glover: It comes out of our highway fund. We recently enacted a 5 1/4 cent per gallon increase in the gas tax which is expected to generate approximately $9.1 billion dollars for our highway program over twelve years.

Question: How many states have formed coordinating councils?

Rich Steinmann: I don't know the precise number but one of the best examples is Florida where they recently elevated that body from a council to a coordinating commission.

Charles Glover: This can involve anything from a legislative enactment to a constitutional amendment. In North Carolina, the governor established the committee through an executive order and we'd be glad to share the text of that order as well as the committee bylaws with anyone who is considering a similar effort. We also have a study done by the Region IV Consortium that documents very broadly what each of the 50 states is doing.

Comment: Iowa passed a mandatory coordination law in 1976 which relied primarily on persuasion. A stronger law was enacted in 1983 that said, "If you don't coordinate you will lose some of your federal funds". Oversight is the responsibility of the Iowa Department of Transportation.

Rich Steinmann: A lot of the action is at the state level. Maine has also been quite active and we believe the efforts we recently funded in Ohio and Texas will lead to further advances there as well.

Question: In your coordinated efforts did you include volunteer programs and/or church organizations?

Marie Bishop: We haven't included the church organizations to date. The volunteer programs will be built into the process. Our practice is to start with a small group to work the bugs out before we bring other interested organizations in. One of our systems includes the Retired Senior Volunteer Program and the Foster Grandparents will be added in another six to eight months.

PRIVATE SECTOR CONTRACTING AND ENTREPRENEURIAL DEVELOPMENT

Moderator:
Rich Garrity
Carter Goble Associates
Columbia, South Carolina

Greg Davis, Director of Research, International Taxicab Association, Kensington, Maryland.

The International Taxicab Association (ITA) is a trade association based in Washington, D.C., representing the interests of taxicab, limousine, livery, van, and minibus operators. Our current membership includes over 700 fleet operators in the United States and abroad. Some of those fleet operators own one vehicle but the average fleet size within the association is 25-35 vehicles. About 55% of our membership contracts with local human service agencies or local governments to provide some type of human service transportation.

One of the activities the ITA research department is working on now is a consumer choice (or user side subsidy) project sponsored by UMTA. We are also trying to develop a generic driver training program for the taxicab industry. We are studying elderly mobility issues and have developed contracting manuals for nonurbanized and urbanized areas. Copies of those manuals are available from UMTA. The ITA itself has sponsored two other studies that focus on the role of the taxicab industry and its relation to human service programs.

Let's talk for a few minutes about the Entrepreneurial Services Challenge Grant program. This is a relatively new federal program designed to stimulate development of small private business ventures to supplement conventional public transportation systems, to respond to unmet needs in the transit community. These grants provide seed money to get projects up and running because start-up funds have always been in short supply. UMTA has set aside $5.0 million in each of the first two years for this program. The kinds of projects they are looking for include:

(1) Intracity circulation service - fixed route for the most part, focusing on transit dependent populations.

(2) Reverse commute services - shuttle service for inner city unemployed to suburban jobs.

(3) Commuter express service - focusing more on the affluent commuter.

(4) Demand-response services - targeted for the elderly and handicapped, door-to-door or feeder service into

transit routes. This might also include weekend and late night service.

(5) Suburban circulation service - linking office complexes and shopping centers in various suburbs to one another.

The federal government wants these projects implemented quickly, without grandiose feasibility studies or transportation plans. They also want evidence that the projects will be self-sufficient within 12-18 months through either farebox revenue or participation from local businesses. However, UMTA does recognize that total self-sufficiency may be difficult in rural areas and will allow a 20% federal operating subsidy after the initial start-up period.

Eligible costs under the entrepreneurial program are primarily operating expenses. Capital purchases are not allowed although lease costs are eligible for UMTA assistance. Each UMTA regional office has a one-page fact sheet that provides general information on the program. The application must be submitted by a public entity willing to sponsor the private operator and administer the grant. UMTA is also looking for a local financial commitment by either the private operator or the public sponsor and the more local match (and assumption of risk) you have, the better your chances are for federal funding. The application consists of a business plan which includes the following: a description of the service concept; a brief market analysis; the equipment requirements; the management structure; legal and regulatory issues; a brief financial analysis; and plans to monitor and evaluate the effectiveness of the project.

Your public sponsor submits the grant application to the UMTA regional office and you must comply with the rules and regulations that apply to the UMTA program under which you are seeking funding. The Public-Private Transportation Network (PPTN) has developed a sample business plan for the entrepreneurial program which is an excellent technical assistance resource.

ITA received an UMTA grant two years ago to help stimulate interest in the entrepreneurial program and we will provide technical assistance to anyone, including non-ITA members. We have helped operators develop and refine their project concept, prepare materials requested by UMTA, negotiate agreements with UMTA, develop project budgets, design detailed service plans, and negotiate local contracts. We provide these services at no cost to the requesting operator or entity. This has worked very well and we now have four projects either up and running or on the verge.

Question: Are those four projects large or small-scale?

Greg Davis: Both. One small project is operating in Steamboat Springs, Colorado which is a resort community with a high cost

of living. Hotels had difficulty finding workers so a private operator proposed bringing employees from outlying areas. It initially was planned to run through the ski season but has worked so well that the city decided to continue it year-round.

On the opposite end of the scale, Yellow Cab of Baltimore is working on a 35-van reverse commute operation to transport inner city unemployed to suburban jobs. Not surprisingly, UMTA prefers the smaller projects ($50,000 to $70,000) because they require a smaller federal investment. For those who didn't receive copies of the handout, my name is Greg Davis and my telephone number is (301) 946-5700.

Question: The local operator would have to come up with 80% of the project cost while UMTA would pay 20%?

Greg Davis: In rural areas, UMTA money can be used for 20% of the operating cost after the initial start-up period. For the entrepreneurial program, there are no set formulas or percentages in terms of UMTA's share. They look at the project concept to determine if it is likely to be self-sufficient after 12-18 months. This program is not really tailored for human service agencies who have historically depended on government subsidies. Instead, UMTA hopes to focus on the private sector to develop small businesses.

Question: Are the sponsors generally cities and counties?

Greg Davis: Yes, under the Sections 3, 8, 9 and 18 programs. Section 6 grants can be made to nonprofit organizations.

Rich Garrity: Remember the entrepreneurial program as you think about the transit needs of your communities, particularly when you see an opportunity but lack the Section 18 funding to pursue it. UMTA is looking for a good rural project as there have not been that many entrepreneurial awards in nonurbanized areas. Due to the self-sustaining requirements of the grants, it is clearly easier to put together a project in an urban area where you are more likely to have employer and foundation contributions. This has been a major UMTA initiative, one of their top priorities in the last two years, and we expect it to continue for the next four years.

I would also call your attention to two publications. The first is called "Accept a Challenge" which defines the entrepreneurial program and describes some of the successful projects through questions-and-answers. This publication is available through UMTA and PPTN. Greg also mentioned the ITA contracting notebooks, one for urban areas and one for rural.

Steve Fittante, Director, Monmouth County Department of Transportation, Freehold, New Jersey.

My purpose today is to help nonprofit agencies and small public agencies look at the contracting issue, to overcome barriers and misperceptions that may prevent them from pursuing private sector contracts. There is usually apprehension about the boilerplate requirements of the contract and the actual day-to-day dealings with a private carrier. One of the first things that must be overcome is the lack of confidence in the other party's ability or willingness to perform. The ITA is trying to eliminate the negative stereotypes about the private sector.

But the private sector also has some misperceptions about dealing with nonprofits and the public sector. They often fear a lack of clarity regarding administrative requirements when dealing with a nonprofit agency. What paperwork must be generated and is that all or will additional burdens be imposed as the contract progresses? There is also fear that it may take two months to get reimbursement for services already rendered. However, many local governments have developed processes to expedite payments to small vendors. The key point is understanding the other guy's needs so that you have a balanced contractual arrangement that will protect both parties.

On the other side, public and nonprofit agencies are afraid the private operator will use a driver who is insensitive to the client's needs. Or the contractor may bid low to secure the initial contract and then hit them with a large, budget-busting increase when the contract comes up for renewal. A third concern is that the private sector's focus on profits will cause them to cut costs in ways that may sometimes hurt the clientele or the contracting agency.

Again, these are misconceptions or myths because the private companies I've dealt with in New Jersey all want to put their best foot forward. Private sector drivers are human beings too and share your concerns about senior citizens or disabled persons and want to help them. The private company will also use good equipment because they want the contract to continue. The private sector is looking for stable funding and a way to use their off-peak vehicle capacity. This is a symbiotic relationship in which both parties can benefit.

It is also important to remember that contracting is not an "all or nothing" proposition. Consider selective contracting if you identify a service segment that poses problems for you but might be less expensive through a private contractor. There are also ways to take advantage of funding sources that you are eligible for as a public or nonprofit agency. For example, the Section 16(b)(2) program is available to nonprofits and you could develop a contract that incorporates what the amortized cost of that vehicle would be if the private operator were providing it and reduce your unit costs by that amount. PPTN, which is a peer-to-peer network, is now working on a generic contract manual which will include a very straightforward request for proposals

and you should take advantage of these technical assistance resources.

What are some of the key issues to consider when developing a contract? One of the first items to be addressed is the development of a unit cost basis for reimbursement. You can choose from per passenger, per mile, per hour, etc., but should select what is most appropriate for your service area and operating plan. It is easy for the carrier to track passenger trips. However, if you have a growth situation you may wind up paying more based on an increment for each additional passenger if the vehicle trips are only slightly longer. You might instead consider a per mile or per hour unit cost although it is somewhat harder to verify those numbers for audit purposes.

With respect to establishing insurance requirements, be careful not to set the levels so high that they will discourage the private sector operator. You should also consider incentive clauses that encourage the operator to offer you a good base price and provide a bonus for extra effort. One way is to allow the private carrier to retain any revenues above a certain level which stimulates them to market the service and be more efficient in service delivery. You also should recognize that the private sector needs multi-year contracts because of their capital investment in vehicles. However, if you can lease equipment to the private operator, a single-year contract may be feasible.

Share the administrative load, particularly when you are dealing with small rural contractors. For example, if you are required to know the client's destination and the type of client using the service, you might develop a log sheet for the dispatcher to use and then assist them in totaling that information. There are ways to create divisions of labor that will decrease the burden on the private sector and save you money.

You must communicate. Sit down and talk with local private transportation operators before you reach the pre-bid conference stage. You may have to sell a school bus company on the idea of a shared-ride taxi program.

Question: Would you explain in more detail how the amortized costs of Section 16(b)(2) vehicles are used in contracting?

Steve Fittante: Let's assume you are responsible for the 20% match and go through the regular procurement process to obtain the vehicle. Taking the value of that vehicle, you then assign a straight-line life to it. One approach would be to determine the number of vehicle hours the operator would be using the equipment and reduce your unit cost contract by that amount. Another would be to have the carrier put up the 20% match. In practical terms, such negotiations must be done after the RFP process although your RFP should say something to the effect, "If you are the

successful bidder, we will lease back a vehicle to you which should bring down the cost per vehicle hour by x-amount of dollars".

Question: When you talk about a per mile basis, do you mean a vehicle mile?

Steve Fittante: Yes, and that brings up a good point as to whether you use "loaded vehicle mile" or "gross vehicle mile". If you use multiple carriers in an area, particularly if you have a large carrier that is outside your service area, you might consider using a loaded vehicle mile or vehicle hour basis. This avoids the situation where an outside carrier could underbid your local firms but you would pay more in the long run due to the deadhead vehicle miles and hours.

Question: Would you expand on your earlier statement about insurance levels? Also, have you encountered problems where the drivers are independent contractors of the private company?

Steve Fittante: The issue of drivers as independent contractors is a tough one because you must ensure that you have drivers available when you need them and that they will take the trips. Many companies offer some kind of an incremental payment and reimburse these trips on an hourly basis. Another approach is to ensure, through your meetings with the carrier, that they have a core group of drivers that are already providing human service transportation. This is one of the reasons you require performance bonds in your contracts to ensure that independent drivers will deliver the service.

Insurance is definitely a problem which limits entry into this market by private companies who cannot meet the insurance requirements. Make sure that your requirements do not exceed what you would carry as far as your own insurance but that still protect you from exposure to liability.

Rich Garrity: With respect to PPTN, Steve Fittante is one of the resource people available to provide technical assistance. The toll-free number for PPTN is 1-800-522-7786.

Ken Bock, Administrator, Delaware Authority for Specialized Transportation (DAST), Dover, Delaware.

We are highly centralized with all public and specialized services funded and administered at the state level. The Delaware Transportation Authority (DTA), which is a division of the Department of Transportation, has also created public sector subsidiary corporations that actually operate the public transportation systems.

Our one urbanized area is served by a fixed-route operator with a fleet of 100 buses. The operator is DART, one of our subsidiary corporations. There is also DAST which is a statewide

paratransit, elderly and handicapped specialized transportation provider. Both of these corporations are wholly owned subsidiaries of the state. We also contract for a variety of services.

DART operates a radial network with buses coming from the suburbs to the central business district. As most of you know, there is increasing demand for services that do not involve the central business district but instead are suburban-to-suburban movements with lower population densities. Part of our expansion plans for the next year are to establish several suburban hubs or "pulse points". We will use smaller vehicles to serve the low density areas and deliver passengers to the hubs. Riders will then transfer to the regular transit system for line-haul service. We have already determined that the feeder service will be operated by a private contractor.

One of the contracting issues we face is that DART has a unionized workforce and their collective bargaining agreement prohibits contracting any work that could be defined as bargaining unit work. We have addressed that problem by having DTA, as the parent company of DART, serve as the contracting entity in support of its DART subsidiary.

Another example involves the University of Delaware which has its main campus in the northern part of the state and a secondary campus in the southern end. They were operating van service to transport students between the two campuses and encountered various problems. We established a fixed route linking the campuses using vehicles purchased under the Section 18 program and state operating subsidies. The University actually operates the service but transportation is also available to the general public. Money previously spent on the van program is applied to the bus operation and we have the benefit of the University's slightly reduced labor rate as well.

We also have several commuter bus operations contracted to private charter operators for fixed route work trips. These are peak hour services designed exclusively to bring people to our major employment centers, principally Wilmington. We requested bids with a guaranteed minimum, i.e. what the bidder needed as a minimum on a daily basis, and awarded the contract to the lowest bidder, agreeing to the minimum they requested. The contract also establishes a threshold for performance and, if the contractor exceeds that standard, they retain half of any revenue above the established bid price. This provides an incentive for the operator to furnish quality service and to market and promote that service.

Another service that involves our providing vehicles to the private sector is the downtowner service, a noontime three bus loop around a pedestrian mall in Wilmington. The state purchased the vehicles with 100% state funding and put the service out to bid with the contractor leasing the buses for a dollar a year.

However, the vendor is responsible for insurance, maintenance, and fuel costs. We recently expanded the downtowner program through a separate contract with the private industry council.

We have a user side subsidy program for taxicabs in Delaware called SCAT (Senior Citizen Affordable Taxi). We sell scrip ticket books to ambulatory handicapped persons or senior citizens for $5 a book or half price. The rider then calls any of the five taxi operators in Delaware for service. The tickets are applied against the regular meter fare in 25-cent increments. The taxi operators turn in the tickets to the state at the end of each month and are reimbursed for the remaining 50% of the value of the ticket.

There are two primary advantages to the SCAT program. First, it provides increased mobility for people who previously could not afford taxi service and had no other alternatives. Second, it has helped to preserve the taxi industry in Delaware. When we began SCAT, any tips or gratuities for the drivers had to be paid in cash which created a problem. If the driver had a choice between trips by regular cash customers or SCAT customers, they would always choose the former because they had a better chance of receiving a decent tip. We have since changed the rules to allow passengers to use their SCAT tickets for tips as well.

It is a policy in Delaware now that any new services being considered are to be operated by the private sector whenever possible, whether it is expansion or a new program. We also intend to provide the vehicles in all cases and even maintain that equipment in some cases as well. The private contractors are responsible for insurance, fuel, and other operating costs.

All of our contracts are for one year due to state law, a situation that may be familiar to many of you. However, we include an option to renew for two succeeding one-year periods as well. This provides greater stability for private operators and a better contract price. We get a further reduction in price by furnishing the vehicles to the private sector. Most of our contracts are bid on a per hour price as labor is typically the single highest cost factor and is directly related to service hours.

What are some of the lessons we have learned through our contracting experiences? One of the most important is to establish good working relationships with the private sector. This includes pre-bid conferences as well as general meetings in which you learn about their capabilities and resources and acquaint them with your new programs. Our Department of Transportation has established a Private Operator Advisory Committee that meets twice a year. We discuss issues, concerns, upcoming bid opportunities, rule changes, etc. By sitting down with them and explaining what is required and what we are trying

to accomplish, we have dramatically increased the number of responses to our RFP's.

Another critical factor is having an effective driver training program to ensure that private sector drivers are sensitive to the needs of special client groups. You need a standardized training program and the public sector should work with the private sector to ensure high standards are maintained regardless of who is operating the service. As noted earlier, vehicle leaseback programs will reduce your contract expenses and minimize the down side of single-year contracting.

One pitfall I should mention is becoming captive to a single operator. We believe the key to privatization is competition, having multiple vendors involved in the program. Your negotiating position with the private sector is greatly diminished if there is no viable alternative to that single operator, either within your organization or through another private operator.

Question: When you lease vehicles to operators they are responsible for maintaining that equipment?

Ken Bock: Yes, in some cases. We may specify the maintenance schedule in the bid documents and the contractor is responsible for adhering to that schedule. We retain the right to inspect their records to verify that the required work has been accomplished. In other cases, we provide maintenance to the contractor at cost which represents a significant savings for the private contractors, particularly the smaller ones who do not have their own maintenance facilities.

Question: Who is responsible in cases of component failure?

Ken Bock: Some of that is negotiated on a case-by-case basis. If the vehicle is out of warranty, it is usually dealt with on a shared cost basis, prorated by mileage.

Question: You mentioned that the urbanized system was unionized. What effect has that had on your privatization programs? Are the private operators also unionized and is there a difference in labor costs?

Ken Bock: There is a difference in labor costs but that does not mean the union is the cause. None of the private operators we contract with are unionized as they are all much smaller.

DRUGS

Moderator:
Cathy Silins
Washington Department of Transportation
Olympia, Washington

Cathy Silins, Local Assistance Coordinator, Washington Department of Transportation, Olympia, Washington.

We received a 4(i) grant from the Urban Mass Transportation Administration (UMTA) for the development of innovative training materials to implement the drug-testing programs. During the next couple of months, we will be completing that series of videotapes. The first one, called "A Safe Ride For All", is geared toward policy makers and provides information for boards of directors that will be adopting a drug-testing policy. The second videotape, to be completed within the next month, will be an explanation of the UMTA regulation as it affects employees and supervisors. We will also be developing a training manual to accompany the videotapes and distributing those materials to any interested state department of transportation. They will have the option of ordering tapes in a 3/4 inch size which they can then reproduce to 1/2 inch standard VHS tapes to distribute within the state.

The third tape in the series is expected to deal with the employee assistance program (EAP) which is not defined or required under the UMTA regulation. We intend to explore the EAP options that may be available to our rural and small urban communities as well as other kinds of services that may be available to employees or their family members that are experiencing various problems. The third tape will not be a part of our original package.

[Ms. Silins then showed the video "A Safe Ride For All".]

Patricia Saindon, Administrator, Montana Department of Commerce, Helena, Montana.

Montana became involved in the drug-testing program about a year ago when our UMTA regional administrator called to ask if we had reviewed the interim rule and had any ideas as to how we would implement that rule in a very rural state. He also wondered if we would be interested in developing procedures and processes that could be used by other states. We were interested both for Montana as well as the other states in our region who face the same kinds of problems. Montana is a very large state geographically but we have an extremely small population base.

Many of our Section 18 operators are very small with one or two bus systems, are in isolated locations, and have minimal staff. We were concerned that they have no one who can write a

policy, their boards of directors are not particularly experienced in dealing with federal regulations, and other local resources are very limited.

As you have heard, UMTA's intent was to define the "floor" by establishing a minimum set of requirements. I was more concerned about finding the basement as I was not sure we could implement even those minimum requirements. We decided to write policies and procedures for the rural operators that they could then copy and add their names at the top. We also wanted to discuss how they would address each category of testing.

Pre-employment testing did not appear to be a problem because even if you do not have a testing facility locally you can send prospective employees to an out-of-town facility and combine the drug test with the required drivers' physical. We also did not anticipate problems in implementing random testing because the operator could make plans to have their safety-sensitive employees taken to a collection site. However, random testing is not legal in Montana.

Although reasonable cause testing is legal, there was a requirement that a supervisor make the determination that an employee should be tested and some of our systems do not have a supervisor. And what if you have not trained your supervisor to make that determination and they make a mistake? What is their legal liability? Further, the requirement to transport the employee to the collection site would not be possible in cases where you have only one or two drivers and the supervisor is your backup. We were also concerned about the payroll status of an employee who is removed from driving duties for a reasonable cause test.

We also encountered similar problems with post-accident testing as again, the supervisor has to make the decision as to whether the employee was responsible for the accident. Most of our vehicles travel long distances and a supervisor will not be readily available to make that determination. Who will transport that employee to the collection site? Is it reasonable to expect to perform post-accident tests within 32 hours? We also discovered that post-accident testing is illegal in Montana unless there is a fatality.

With respect to return-to-duty testing, we first thought this would not be a problem because it starts with the presumption that someone would have to test positive and be removed from duty. We believed substance abuse was not an issue in Montana but soon found out otherwise. On return-to-duty testing, we again had the problem of the employee's status while removed from the safety sensitive position. How long must they stay off duty and what do you offer them in terms of salary and benefits while they are off? Some of our Section 18 systems do not offer sick leave or vacation benefits, much less an employee

assistance program. Finally, we discovered that return-to-duty testing is also illegal in Montana.

This means that three of the five required tests are illegal. In addition, our legislature holds biennial sessions, the next one is not scheduled until 1991 but we must implement the drug testing program in 1990. I'm not sure what will happen as UMTA has not issued a single waiver to date and probably will not. Besides, the waiver is only for those systems who cannot implement their program by December 1989 while Montana will not be able to implement by December 1990.

However, what I have just described was easy in comparison to the logistical arrangements. You must find a collection site where a trained person can receive the employee's sample. The sample then goes to a lab which reports the results of the test to a medical review officer. Three of the Montana systems do not have anything in their service area that qualifies as, or can be made to qualify as, a collection site. Although you may do the collections on- or off-site, you must have certain equipment and trained staff familiar with the required procedures. There are strict chain of custody rules and the smaller clinics do not want to be held liable if they make a mistake. That puts our operators in the position of having to travel five or six hours to a collection site.

I have been contacted by several companies that offer mobile collection services. However, their answers were not satisfactory when I asked: What do I do on a Monday morning, when I suspect a person is under the influence of an illegal substance, and your nearest unit is four or five hours away? What do I do with that employee while waiting for the mobile collection unit to show up? We would have similar problems with unannounced random testing visits to rural transportation systems where vehicles frequently travel out of the county. You would have to match the system schedule with the mobile collection schedule to ensure the integrity of the random testing process.

I also called the sheriff's department and asked how they handled alcohol tests in isolated areas. The cost of breathalyzers is prohibitive. They have contracts with nurses in those communities to draw blood in alcohol-related cases. Then I asked what they did with the sample. One of the sheriffs replied, "I take the sample home and put it in my refrigerator until Monday morning because we don't have any mail service until Monday." That's their chain of custody. Another sheriff said, "As soon as I draw the sample, I take it down to the post office and drop it in the box even though the mail doesn't move until Monday." The State Crime Lab admitted there was a problem with these samples deteriorating but they had no alternative.

Finding a Health and Human Services (HHS) certified lab is not a problem, because there are lots of them and they all have marketing divisions who send you great volumes of information on

their labs. However, several were reluctant to do business with us when they learned that we would probably be conducting only 200 tests a year for the entire state. There are also concerns about the costs of the tests. Some people say that the higher the volume, the lower the cost so you should consider some kind of consortium lab contract. But other labs have said it doesn't really matter as their breakeven point is around 5,000 tests per month. Another thing we discovered was that some transit operators thought that a local clinic or hospital could perform the tests. We had to remind them that only HHS-certified labs can provide these services.

The third problem we encountered related to Medical Review Officers (MRO's). The interim rules specified the MRO must be a licensed physician and we found that many communities do not have licensed physicians. The MRO must also be trained to evaluate the lab results and determine if reasons other than substance abuse may have caused a positive finding. We now have only two physicians in Montana who are qualified to serve as MRO's and they are also concerned about possible litigation resulting from positive tests.

When I ask potential MRO's about their fee schedule, the responses vary widely on how much they will charge for negative and positive tests. Positive tests, of course, are much higher. If they have to travel to your state due to litigation, you must pay their travel costs plus their hourly fee (which ranges from $80-200 per hour) to prepare for the case. The matter of MRO's for isolated rural areas is a very real problem for us.

How are we attempting to resolve these concerns? Montana was one of the states to receive an UMTA grant to develop model procedures to help others implement the drug-testing rule. We were the first to develop policies and procedures and are now making revisions based on our most recent experiences. We hope to have a new manual completed in January 1990. The manual will also discuss issues such as collection sites, labs, and Medical Review Officers. Copies will be provided to each State.

Those of us representing rural areas perhaps did not comment hard enough, loud enough, or long enough on the interim rule. As a result, we have a rule that will be very difficult to implement in certain rural areas. We are trying to maintain a positive attitude and hope our materials will be helpful to others. But it is also my intent to do whatever is necessary to get the rule changed.

Randall Montalbo, Director of Program Development, Drug Intervention Services of America, Houston, Texas.

The UMTA regulations are contained in 49 CFR Parts 29, 40, and 653. Unlike other controlled substance regulations, the UMTA regulations do not preempt state or local laws. With respect to waivers, your letter to UMTA requesting a waiver should include

an opinion of counsel which outlines the conflict in your area, a statement which describes any action being taken to remove that legal impediment, and an estimate of when you expect to fully comply with the regulation (if ever). Any waivers granted are valid for a period of up to 12 months.

Regarding record-keeping requirements, you need to develop a tracking system on a statewide or regional basis. You may require subrecipients to maintain records at their facilities as well. States and direct recipients of UMTA funds may enter into consortia agreements in which the central office or collection site contractor is designated as the repository for collecting that documentation. The anti-drug program requirements include information on program administration, the collection process, reports of test results, and records retention. Each transit organization must individually report semiannually to UMTA although a consortium could design an efficient and accurate system for collecting the required data. Consortium members would also share the administrative costs.

We had a major problem in the FHWA program regarding the random testing requirements. The regulations say you must test the first year up to an annualized rate of 25%, with the last test of the year being at an annualized rate of 50% (which you use from that point on). That means if you have 100 employees, you would test 1.9 employees per month for the first 11 months and 4.2 employees during the last month. After the first year, you would test 4.2 employees per month to achieve an annualized rate of 50%. However, that is only the required minimum. Some of you with much smaller workforces may elect to test everyone. As noted previously, your company policy should specify the time frame allowed an employee for providing the specimen once they have been notified.

Post-accident testing is required where there are fatal injuries, injuries requiring medical treatment, or property damage of $5,000 or more. There is a 32-hour time frame allowed for collection and the FHWA rules currently place the responsibility for testing on the driver. However, there is talk that this will become the carrier's responsibility. Documentation is also critical to post-accident testing.

For reasonable cause testing, documentation is likewise important and requires the action of two supervisors in larger organizations and one in smaller agencies. The documentation should substantiate specific behavioral patterns. If an employee drops a wrench, is that cause for a drug test? If they have a runny nose or red eyes, should you require a drug test or do they just need an antihistamine for their hay fever? There are a number of checklists available that provide physical indicators of probable drug use.

The MRO keeps the individual test results which indicate all negative and positive findings. A positive test is kept for five

years, a negative for one year. Records pertaining to the urine specimen must be retained by the laboratory for a minimum of two years. I believe there are now 33-35 laboratories that have been certified by HHS on a national basis.

The semiannual reports to UMTA's Office of Safety require 13 items of information such as the total number of tests conducted during the year, number of tests by occupational category (driver, mechanic/driver, qualified supervisor), number of tests by test category, number of post-accident tests by accident category, post-accident time and hours until the specimen was collected, number of confirmed positive test results, etc. State agencies or consortia may submit consolidated reports as long as the required information is provided for each system. Follow the guidelines closely to avoid problems. Subcontractor data should be reported separately from the UMTA recipient's data.

Under 49 CFR Part 40.29, the laboratory provides statistical summaries to the employer with no personal identifying information and forms are being developed for this purpose. The kind of information the lab will report is: number of specimens received, number of specimens reported out, number of specimens screened positive for the various metabolites, and all the confirmatory test information. The laboratory must retain the urine specimen records for a minimum of two years. They must also have elaborate security systems and central computers for records maintenance to avoid litigation.

Jeff Webster, General Manager, Fresno County Rural Transit Agency, Fresno, California.

I have several rural hospital administrators on my board and they are more aware than I was of drug problems in the rural areas, primarily from a farm labor standpoint. I recently attended a presentation by the policeman in charge of the local drug task force. One of the surprising facts he brought out was that at least 35,000 of the jurisdiction's 350,000 population are currently using drugs. Cocaine is the primary drug of choice and accounts for an alarming percentage of the overall drug use despite the costs involved. There is also some heroin use but the other drugs we thought were prevalent in our area are not because of their prohibitive cost. Our abuse will probably fall in the category of antihistamines to control hay fever during certain times of the year as well as heart medication for several older drivers.

After the first regulations were issued, I was skeptical about the promises UMTA was making about a forthcoming set of guidelines to assist us in understanding the requirements. However, I was very impressed with the guidebook prepared by Battelle Laboratories as it is a good resource for preparing a policy to address the particular rules and regulations. A recent Battelle workshop pointed out areas of concern in the regulations, told us what to look forward to, what to consider,

what to embellish for our own protection, and how to present that material to our policy boards and employees for their acceptance and implementation. Appendix J of the guidebook talks about the advantages and disadvantages of consortiums which appear to be the best way to handle these requirements.

I am chairman of the California Association for Coordinated Transportation and it appears that using RTAP resources to implement these requirements would be in our best interests. We're poised to take over the RTAP program for Caltrans and are planning to bring the Battelle people out to prepare a model policy program which we could then modify on a word processor for each agency. We then hope to use our limited Section 18 resources to hire, through our association, an individual to supervise the implementation program on a statewide basis.

At our agency, we are committed to carry through on this program. We are concerned by suggestions that the federal guidelines are minimal and that we should broaden the scope of our policy statement. We will probably have to focus on what we can address at this time. We must all think about the costs of this program, particularly the potential costs in litigation. It's good that the larger transit properties will have their programs in place by December 1989 as we can monitor their progress and any problems they encounter before our own compliance deadline.

Comment: Our state law classifies drug use as a felony and failure to report a felony is also a felony. This negates the confidentiality requirements in drug-testing because the supervisor would be required to report a positive test to law enforcement officials.

Comment: Direct recipients of UMTA funds must also comply with the Drug-Free Workplace Act. Although the drug-testing regulations do not require you to establish an employee assistance program, that is required under the Drug-Free Workplace regulations. You must refer employees to a training program and should identify those training programs in your community.

Comment: Some communities do not have such resources. This is one of the "should's" in the UMTA regulations, as in "you "should do that", but UMTA does not require us to make those resources available.

Question: Isn't it required that at least a drug referral program or hotline number be established?

Answer: You are not required to establish those resources but we all need to look at what is available within our community and make our employees aware of those resources.

Don Tudor: Going back to the felony issue, you have probably violated the rule if you notify the supervisor of a positive test before any action is taken with respect to the employee. The MRO is supposed to contact the employee first and then the supervisor or designated person within the transit agency is notified. The MRO is the only one with firsthand knowledge of the test results and very few states require a doctor to testify against one of their patients.

Comment: The MRO is required through the NIDA regulations to contact the tested employee if there is a question about the test results to determine if there is another explanation for the test results.

Don Tudor: But it is secondhand information if the doctor tells something he knows to another person. If that other person is questioned in court about the test results, their knowledge is based on hearsay. This would be true even if the MRO sends verification of the test results as you are not trained to interpret those results.

Question: How much do the drug tests cost?

Answer: The average appears to be $10 to $15 per test, assuming only a certain number would test positive and require a confirmatory test.

Comment: Higher estimates may include MRO fees and a projected rate of confirmatory tests needed.

Randall Montalbo: The program we established for UBOA, including collection, confirmation, transportation, medical review officer, policy development, etc., was $64.75 per tested employee.

Don Tudor: A recent survey we did found that the samples averaged $10-$15 and the actual tests averaged $32-$49. MRO costs ran around $10 per negative and $25 per positive tests. Some people average those costs and charge $20 per test. However, we have encountered some exceptions, including MRO's who do everything for $11.

Ron Morse: Many labs are promoting and marketing these services now. However, once the rules become effective, the labs will have such a high volume of samples to process that you may have a substantial wait for test results.

SAFETY/RISK MANAGEMENT

Moderator:
John N. Balog
Ketron, Inc.
Malvern, Pennsylvania

Bill Hathaway, Transportation Systems Center, U.S. Department of Transportation, Cambridge, Massachusetts.

(Due to technical difficulties, the first portion of Mr. Hathaway's remarks are unavailable.)

Within the Department of Transportation there are a variety of organizations and one of the DOT agencies is the Research and Special Programs Administration, which includes three entities. The Transportation Systems Center (TSC) is one of the research and development arms of the department. Many of you are familiar with Bob Lower of the Transportation Safety Institute. The third organization is the Hazardous Materials Transportation Bureau.

There are about 550 federal employees at the TSC in Cambridge, Massachusetts and we do work for all of the Administrations within DOT, including UMTA. It can be basic research like setting up the national aerospace system during which we provided a great deal of assistance to the Federal Aviation Administration. Or our work can be very simple, helping someone develop a plan to assist in getting something done.

Question: Has your organization examined the safety of the rural market, the vehicles the systems use and things like that?

Bill Hathaway: One of the documents we funded several years ago was John Balog's "Evacuation of the Elderly and Disabled". We've just completed recommended fire safety practices for rural and specialized vehicles and are in the process of developing emergency preparedness guidelines. Our work is generally done in response to a question posed by someone in the government. The Center is industry-funded to a large extent, i.e. we work on a project basis and are not a line item in the DOT budget.

Question: Do you have learning aids available for an instructional class in emergency evacuation or is that primarly written material?

Bill Hathaway: We are working on several videotapes with the Transportation Safety Institute. We've also done a number of fire safety exercises which have been videotaped. In fact, the first one we did was taped at the Seventh National Rural Conference in Lawrence, Kansas in 1985. A lot of the material is in written form and we do a reasonable amount of training on request.

Question: Who should be on the kind of safety committee you recommended?

Bill Hathaway: You should have someone who does your operations or your dispatch, someone from maintenance and, depending on the size of your system, one or two drivers. Bring them together and ask them to share their experiences.

John Balog, Vice President, Ketron, Inc., Malvern, Pennsylvania.

What I'm going to do today is help you procure safe vehicles. Some of you buy your own vehicles while others have to purchase through state contracts. My suggestions should help with either case.

Procuring safe vehicles is really easy as you only have to remember three things. First, you must specify very clearly exactly what it is that you want to buy because the vendor is never going to provide more than what you ask for. Second, make sure the vehicles are properly built. That means you will have to send somebody to the factory to inspect the vehicles as they are being produced to make sure it's done exactly the way you specified. Third, don't accept the vehicles until you make sure they are exactly what you ordered. Those are the three basic steps but there are many other things that are required to make this happen.

You must have management control over your procurement process in the same way you control anything else within your organization. The important thing is to make sure that you have what I call a "procurement bid package". Many people buy vehicles by using a two or three page specification which says: "The vehicle should have four wheels, it should have fifteen seats, it should have a steering wheel and a V-8 452 cubic inch engine, etc." You will get less than you want if you use that process.

Consider doing some prequalification of vendors. You might require that they must have produced vehicles prior to your particular bid to ensure they know how to do it. You can also require that they have facilities and employees in place. Unfortunately, within our industry we have a lot of body-on-chassis manufacturers of small buses that build them on an "as sold" basis. Qualifying on the basis of facilities and employees shows that the bidders have invested time and money in their business and have the ability to perform. Bidders must also have a line of credit as nobody gets paid until after the vehicles are delivered. This will not be a problem for any good company. You should also ask for a reference list of satisifed customers as it's nice to know that someone else has bought vehicles of the same type.

The last prequalification item is that the vendors have the ability to meet the terms and conditions of your bid package.

That is sometimes unfair to new companies with a new vehicle that is better than anything else on the market (in their opinion) but who do not have any products out on the street yet or any satisfied customers. This condition may also be unfair to old companies with new products, firms who have been around a long time but have a new vehicle and a new way of doing things. There is also a legal question in some states about preventing someone from bidding.

If you cannot use the prequalification process, it is even more important to put together a bid package that will eliminate somebody who is not going to deliver the kind of equipment you really need. You've all heard of the "approved equals" process in which you specify various items. Then the vendors call and say, "Well, you asked for this but we'll give you this instead and it's a lot better than what you asked for." What data should you require that demonstrates their component is comparable to or better than what you specified? Will you be able to understand their data? Are you engineers, vehicle manufacturers, do you have a technical background? The answer to most of those questions is "no".

What generally happens is you acquiesce for the sake of expediency. The bids are due next week, you don't have the process, time, energy, or people to find out whether the component should be approved as an equal, so you say "OK". Another way to handle the "approved equals" process is to share your draft bid package (which includes your specifications and terms and conditions) with the industry. If they ask for "approved equals" or changes, you have ample time before formally issuing your bid package.

The terms and conditions are perhaps even more important than the vehicle specifications in some respects. You should require a performance bond as anyone who is fiscally responsible can afford to acquire a bond. Usually, ten percent of the bond value must be paid so if you require a $100,000 bond, the vendor would pay $10,000 for it. This bond will protect you in the event the vendor does not deliver as you can then liquidate the bond and have $100,000 in your pocket.

Delivery time and location are extremely important. You must specify very clearly that the vehicles must be delivered on this date, by the close of business, and they must be delivered at this location. You also should include a late delivery penalty or liquidated damages clause which says that you can charge a penalty if the vehicles are not delivered on time. The courts have said that, in order to be fair, you should also pay a bonus for early delivery. However, the bonus and penalty amounts don't necessarily have to be equal.

Acceptance procedures are extremely important and this is usually where people make mistakes. When you specify a delivery date and location, that does not mean you must accept the vehicle

at that point. Include in your specifications that you will have ten days to inspect the vehicle to make sure it meets the requirements before you will accept it. If instead you accept it and then perform your ten-day inspection and find problems, you've lost ten days out of your warranty period. If you find significant problems that require the vehicle to be returned to the manufacturer for two months, you will have lost two months and 10 days of your warranty period.

If you're buying more than one vehicle, don't have them delivered on the same day. Have one delivered on the day you prefer and schedule the second delivery a month later. That gives you a month to find out what's wrong with that vehicle before the second one is delivered. You control the process rather than trying to simultaneously inspect five or ten vehicles.

The last point I wanted to cover relative to terms and conditions is warranties as there are different kinds available. A "split warranty" is usually associated with body-on-chassis, small bus type vehicles. One vendor builds and sells the chassis to a second vendor who then builds a body onto it. If you have a chassis problem you go to one person and if you have a body problem you go to another person. What really happens, though, is that each will say it's the other's responsibility to correct. In contrast, if you have a "turnkey" warranty, the vendor who sold you the vehicle is responsible for fixing any problem. (The only exception is tires as they are handled under a different warranty.) I strongly recommend investing in an extended warranty. As part of your bid package, ask what it would cost to have a two-year, three-year or five-year warranty period.

You must also specify what the warranty procedures will be. Do you notify the vendor by telephone calls or by certified mail? Once they are notified, what are they required to do? Do they have to come and get the vehicle or do you have to drive it someplace? Make sure the vendor has to come get the broken vehicle and take it back. You should also specify that if it's a relatively minor problem, the vendor must repair it and have the vehicle back to you within five working days (or whatever number you pick). If you blow an engine under warranty and the vendor has to replace the engine or transmission, you may have to allow them 10-15 working days. However, unless you specify these terms, the vendor will do as they please and you don't have any control over the process.

My next point deals with fleet defects and you should write this into your bid package. For example, if you're buying ten vehicles and four of them (40%) develop a specific defect, your bid package should authorize you to say: I hereby declare that this is a fleet defect and you must retrofit every one of the 10 vehicles, even though six of them have not yet broken down.

Now let's talk about the specifications. There are two different kinds: performance and design (or engineering) specs. Performance specs define a functional level and set the parameters within which the part or component has to perform. This allows the manufacturer a lot of leeway as to how he or she can handle a requirement. A good example is the air conditioning system on your vehicle. You can specify that you want a 9,000 BTU Brand Q unit but do you know that unit is going to be satisfactory? In a performance spec, you might instead say, "Under the operating conditions we have in my location (with so many days above 90 degrees and so many days above a certain percentage of relative humidity), with so many door openings during every tour, with tours lasting eight hours a day, I want you to come up with a creative solution to solve that air conditioning problem." Then the vendor has to decide what will satisfy your needs. A performance spec has to be based on engineering judgment: You can't just specify that in 90-degree weather the temperature in the vehicle has to be 50 degrees within ten minutes because that's impossible.

The other option is the design or engineering spec. This is used when you know that there is a component that you want in your vehicle because you know it's the best possible component. For example, there is a roof ventilation escape hatch made by a company called Transpec. You can include in a performance spec that you need to have a hatch in the roof that can serve as a ventilation device, will also allow a person weighing at least 300 pounds to be able to move through it comfortably, etc. That would be a performance spec. But if you know that Transpec makes a good hatch, you can specify "Transpec Model No. X or equivalent". However, one of the problems is that if you're not totally familiar with what's available on the marketplace, you may specify something that is not as good as a newer product. For the most part, vehicle specifications are best if you use a combination of design and performance specs.

I also want to talk about certifications and bid sheets. One thing you need is to make sure your vehicles meet Federal Motor Vehicle Safety Standard 220, which is school bus rollover protection. You can require the vendor to provide a certificate that says your vehicle has met that standard. What that means is that the vehicle has to be able to withstand one-and-a-half times its own weight when it's upside down and not have more than a certain number of inches of crush. The vendor must take their vehicle to a testing facility, load it with one-and-a-half times its weight and see what the deformation is. If the deformation is less than the Standard allows, the testing lab will certify that it meets that specification. A word of caution, however. Some folks have never had their vehicles tested but will sign the certificate anyway.

The last item in this section relates to bid sheets. A lot of bid packages ask for a certain thing but there is not a form for the vendor to fill out. If you're buying four of this, six

of this, with an option for a five-year warranty, it's best to have the vendor fill out a sheet so that you can compare apples and oranges and avoid arguments at a later date.

No matter how careful you are, all of you are going to have accidents so it's important for you to ensure that the safety components on your vehicle are the things you want and need. Many of you operate raised roof modified vans and some of you operate body-on-chassis small buses. With these conversions, we're getting better as an industry but there is still a lot of junk being sold. A 15-passenger van with the top cut off is like a cardboard box with the top removed: if you apply pressure to either side, the box folds in. That's exactly what a vehicle does so the cap that is put on top of the vehicle has to be one with the structural integrity and capability that you need. It should hold the vehicle together and have a roll cage inside that is welded to the chassis and other structural members that run down the side of the vehicle into the frame. If you get hit from the side, you must have some structural members that will absorb the energy. If you roll the vehicle over, it will not collapse onto itself.

Be careful with raised roofs. Some of you are operating vehicles that, if you lift up the little rubber strip on the side, you would find sheet metal screws about a foot apart. That means the only thing holding the cap on your vehicle are screws that are one eighth of an inch in diameter. If you get hit from the side and roll over, the vehicle will come apart. With respect to body framing and construction, primarily for body-on-chassis buses, for a long time we saw vehicles with no structural members in the side walls or the roof. They were just skins. Some of them weren't even screwed together but were nailed together and after being driven for two months the whole vehicle would fall apart. You can now specify structural members inside the vehicles. What sort of skin you have over it (steel, plastic, fiberglass) is not as important as what is behind that skin and its capability.

Bill Hathaway talked about fire detection and suppression systems. Our industry has been slow in recognizing that our vehicles are extremely flammable and produce high quantities of toxic gases. As many as fifty or more different kinds of toxic fumes are produced when any of the materials in our vehicles burns so you must specify good interior materials. Bill Hathaway mentioned that he has a book which gives recommended flammability standards for different materials.

In our business, we have fires that occur in several different locations, in the engine and passenger compartments. We take a chassis that was designed for one purpose and what do we do with it? We add a big body, a wheelchair lift, a stereo system, all kinds of lights, and other things. We end up over-taxing the wiring harness within the vehicle which, in turn, causes fires in the dashboard area.

We also see fires in the engine compartment and I strongly recommend that you include a fire detection and suppression system in any vehicles you purchase. In the event of a fire on board (or engine overheating), the system will detect that fire and announce it to the driver with both a sound and a light. The driver then has fifteen seconds or so to get the vehicle over to the side of the road. The earlier versions of these systems would automatically shut down the vehicle which left the driver without any braking, steering, or other power and usually resulted in an accident. We usually also require an override switch that the driver can throw to hold off the suppression system if more time is needed.

You also need a 17-pound capacity halon system in your vehicles. Vendors may call saying, "There's a typo here, what you really mean is a four-pound ABC fire extinguisher". Assure them you want the halon system to address the kinds of fires you may have. You should also have a regular five-pound ABC type fire extinguisher in your vehicle for the passengers or the driver to use.

I recommend you include a deceleration alert system on your vehicles as well. In effect, this is a three-light system on the back of your bus. As long as the driver has his foot on the accelerator, the middle green light is on. When the driver takes his foot off the accelerator, yellow lights on either side of the green light come on, warning people behind you that your vehicle is coasting and starting to slow down. When the driver puts on the brakes, the yellow lights go off and the corner red lights come on. It has been demonstrated that these kinds of systems reduce the number of rear end collisions.

Every vehicle you operate should have a rear door and a side door for emergency purposes and there should be door handles on both the inside and outside. That may sound stupid but if you don't specify a handle, you don't always get a handle. There should be instructions on the inside and the outside of the vehicles on how to use those door handles. You should also have a locking policy. Some of you transport individuals that may open the back door and jump out so your policy should be based on the kind of passengers you carry. But you don't want to have a door that's locked and can't be opened if there is an accident that incapacitates the driver.

Everyone wants the maximum number of seats on every vehicle they operate. So we wind up with full width rear bench seats that block the back door. What good is a back door if it's blocked? Consider the average number of passengers you carry per vehicle hour. The typical system averages only two or three and does not need that rear bench seat at all. You also need a releasable mechanism for the lift as it blocks the side doors for the most part. In case of an emergency, it is much easier to carry people out through the side door than through a window or roof escape hatch.

Every vehicle should have openable windows. The White Book says you only need to have one on each side but you should specify that all your side windows should open. You also need instructions on both the inside and outside on how to open those windows. There was a fad for a while to buy high-backed seats which almost always block the middle of the window. Those seats are not as popular now that people have learned that you can't see a passenger who is having a convulsion or other emergency if the driver's vision is blocked.

A problem that no one seems to be able to resolve is how to keep the windows open while evacuating people. There's an easy solution but no vendor will provide it unless everyone specifies such opening devices with two levers and instructions. Another good thing about this system is that the instructions are printed upside down on one side and right side up on the other so if the vehicle rolls over a person can still read how to open the window.

I mentioned the Transpec hatch earlier and every vehicle should have two emergency escape and ventilation hatches in the roof. They should be openable from the inside and outside and should have instructions on the inside. You should also train your local emergency rescue forces how to open them from the outside as you probably don't want to have printed instructions there that vandals could read. These hatches need to be large enough but be careful that their placement on the roof does not reduce the vehicle's structural integrity. One of the nice things about having two hatches is they provide good ventilation for the bus.

Why do we need an escape hatch? If your vehicle lands on its side, what was previously the roof is now the wall and vice versa. Even if the "new" roof has openable windows, not many of us are eight feet tall and able to open the windows and climb out. It's much easier to use the hatch in the side wall (which was previously the roof). If you don't have a roof escape hatch and your vehicle is resting on its side, firemen will quickly provide you an escape hatch. In one of our simulations, the first thing they did was to use the "jaws of life" and cut each window member, dropping the whole roof down and destroying the bus. They thought it was a good way to get into the vehicle.

With respect to seating arrangements, all seats should be forward facing and each should be structurally designed to sustain the loads we're putting on it. I know of a number of low-speed crashes in which the seats have failed when the structural supports collapsed on themselves so you must specify the structural capabilities of your seats. You also need adequate aisle width. Again, in maximizing the number of seats on the vehicle we often wind up with a very narrow aisle which can also create interference with the window opening functions.

Seat belts should be provided for everybody on all types of vehicles. If you transport a lot of elderly or disabled people, you should consider having armrests to help them stay in their seats when you round a turn. They can also use the armrests as supports when they move through the vehicle. A good vendor will work with you on these kinds of things. If you find a particular arrangement does not work, ask the vendor to change this or widen that.

Wheelchair lifts and ramps should always be on the side. The platform should be releasable so you can lower it to allow access in an emergency. Every lift should also have handrails and appropriate stops to keep people from rolling off the end. The lift mechanism's exposure should be minimized as exposed moving parts can catch people's clothes and hands. Some people used to run the lift wires under the carpet where they would short out after a couple of months of having wheelchairs run over them.

Our industry has the right to say what kinds of wheelchairs and mobility aids we are willing to transport and which ones we're not. There are a lot of new mobility aids on the market now, some of which are gasoline powered and can reach speeds of 40 miles an hour. Why should you carry a gasoline-powered wheelchair on your vehicle? As an industry, we need to decide what we can safely carry and what we can't and then put our feet down.

Every wheelchair tiedown position should be forward facing and there should be adequate aisles. All tiedowns should be four-point systems with a shoulder harness such as those made by Q'Straint, Aeroquip and others. The UMTA guidelines issued several years ago discussed how to secure the wheelchair but didn't address the question of securing the occupant of the chair. Those guidelines also allowed the wheelchair to move two inches in any direction. We now have the technology to prevent that kind of movement, systems that can immobilize the device and not move more than half an inch in any direction.

Three-wheeled scooters are becoming one of the greatest liability issues we've ever faced. Medicaid and other health care programs have found that they can satisfy a lot of customers by writing a prescription for a Lark or an Amigo. You should never let any of your passengers ride on one of your vehicles while sitting on an Amigo, Lark, or other three-wheeled device. They are not designed to sustain those kinds of loads and there is no good way to effectively secure them. Also, anyone that can use a three-wheeled scooter has the ability to transfer to a loading or boarding chair and then to a regular seat once they're on board the vehicle. You're better protected and so is the passenger.

Bill Henderson, Director, Senior Information Assistance Program, Senior Services of Snohomish County, Everett, Washington.

The DOT rules on Section 504 have been in place since May 1986 and the changes in wheelchairs in that intervening period have been unbelievable. I have had a personal interest in wheelchairs since 1951 when I contracted polio. I was also interested from the point of view of having been a rehab hospital administrator. But getting into the transportation field gave me a totally different perspective. Under Section 504, you are required to transport any mobility aid that is commonly available. None of these rules ever considered the safety-related issues in terms of transporting the mobility aids. By direct reference in the interpretation of those rules, three-wheeled electric scooters are specifically included. You should not allow persons to sit on a three-wheeler while a vehicle is in motion because it's unsafe to do so.

In the last few years, at least two of the manufacturers of three-wheelers have included product safety disclaimers in their owner's manual. However, it's an "after market" warning that the purchaser will not know when they buy the device. One of the manuals specifically says, "Do not ride on this device on a public or private transportation vehicle regardless of the method of securement used because it is unsafe." The second manufacturer's disclaimer is not quite so precise, stating that the warranty is void if the device is damaged when used as a seat on a transit vehicle.

Various researchers have been testing mobility aids for a number of years and there's never been any question that wheelchairs are simply not a crashworthy transit seat. There are so many new kinds of aids available, there is no way you can expect a driver to remember the idiosyncrasies of each. Exotic materials are being used in chair construction, with aluminum and modular designs. My chair is stainless steel but the back is attached by two members that fit down into a tube and two pop rivets are all that holds this back assembly on the frame of the wheelchair. In a collision, crash, or panic-stop, the body lurches forward and then rebounds. You have protection forward, perhaps in your restraint system, but you have nothing to protect you if the back separates from the chair - or in the case of a three-wheeler, if the seat separates from the pedestal.

There are no safety standards for the design and construction of wheelchairs, other than those that were adopted by the Veterans Administration (VA) for chairs they procure. Some manufacturers do apply those to their other product lines but there are no standards for securement systems used in public transportation vehicles. One major manufacturer of wheelchair securement restraints says in their product literature: "This equipment is intended only to stabilize the vehicle under normal driving conditions." What are normal driving conditions? That probably does not include chuck holes, panic stops, collisions, fast cornering, hot dog drivers, etc.

We already know, because of the voluminous test reports available, that wheelchairs are uncrashworthy if used as transit seating. What are your options? Many of the consumer groups have moved the issue into the political arena and are petitioning transit boards, transit managers, county councils, etc., to force you through political pressure to transport their particular devices. I've been wrestling with an interim solution until we have standards that would provide objective information to use in making decisions regarding which devices should be transported.

Hopefully, the day will soon come when we have standards that apply to the securement systems as well. The International Standards Organization (ISO) is meeting this week in Washington, D.C. to discuss securement standards and the Community Transportation Association of America (CTAA) is sending a representative to the meeting so we should get a clear picture of what is happening at that level. But knowing that it took the VA 15 years to adopt standards for electric wheelchairs, I'm not looking for any immediate solution in this arena.

I have an advantage being in a wheelchair, in that I can say some things that you people can't. Maybe it's time that, as part of the eligibility determination process, we inspect wheelchairs against some predetermined standards. We would look not only at their construction but also very closely at their condition. For those of you who use ratchet tiedowns, the physical condition of the wheelchair frame is very important. You can very quickly ruin the frame on a wheelchair because, with very little strength input from the driver, you can exert a tremendous amount of force through the securement system.

Wheelchairs from nursing homes may have been used by a number of individuals who may be incontinent. That causes all kinds of corrosion and pitting of the chair frames as each one of those little pits is comparable to a nick in the metal and creates what is called a "stress rider" which leads to premature failure. If you use a ratchet securement system, it will accentuate the problem of premature failure. The other kind of problem we see, particularly with chrome polysteel chairs, is weld breaks. Little hairline cracks develop at the very edge of the weld and begin to rust. Again, those will simply not withstand the force that's being transmitted through them by the securement system.

Perhaps the time has come, as an interim solution, for UMTA or CTAA or someone to take on the responsibility for defining acceptable criteria in measurable, objective terms that will allow you to inspect a wheelchair and determine if you can or cannot safely transport that particular mobility aid. This would remove the whole issue from the political arena. I can guarantee you that, assuming ADA is going to be enacted, you are going to find your relationships with your consumer groups changing rather dramatically. They will have a lot more clout than is currently provided by Section 504.

Question: Is an international wheelchair tiedown possible?

Bill Henderson: I have a difficult time seeing that being accepted. A frequent question is, "Why don't the wheelchair manufacturers adopt a standard attachment point for securement systems?" One of the problems in answering that is that we've never defined the transit environment. Are we talking about a standard wheelbase van, a maxivan, a body-on-chassis bus, a 40-foot coach, or articulated buses? Each of these vehicles has very different operating characteristics and abilities to absorb energy.

The answer may be to design around the worst case scenario but for now there are no universal tiedown systems that will accommodate all of the mobility aids available, including orthopedic strollers and sports chairs. How many of you are familiar with the "turbo chair"? It is a juvenile chair, weighing about 225-230 pounds, with a seat that will elevate 24 inches. Several months ago, I saw an electric wheelchair that had an on-board computer, power elevating of the seat, power elevating and lowering of the back and footrest, and a chest respirator. You must be very careful in securing that $30,000 chair because no local repair shop can fix it.

We have to come up with a more systematic approach for dealing with this issue. It's not my goal to turn away people in wheelchairs but instead to have a sound basis for deciding which chairs we can transport safely. Other passengers in that vehicle have a right to safe transportation as well. I cannot think of anything worse than having a disabled person incur an additional injury because of a stupid, unnecessary attitude toward the whole concept of securement. How many of you operating fixed-route systems have run into the problem of the disabled passenger who refuses to wear the seatbelt because you don't require other people to use it? I agree that is stupid but it is considered discriminatory. Another thing you'll find is that there is a very real difference in attitude between my generation and the younger disabled.

David Ellis, President, David L. Ellis Agency, Harrisburg, Pennsylvania.

I'm going to talk about how you make risk assumption decisions. Everybody who runs a vehicle buys insurance somewhere and that insurance is a contractual transfer of risk. An insurance policy is a contract which says, "You're going to pay me X amount of dollars and I, in turn, am going to assume your financial liability that can arise out of a legal liability - up to a certain limit". Someone within your organization decides that you need insurance with a liability limit of $5.0 million or $2.0 million, or that you need comp and collision. I want to talk about how you make those decisions, how you decide at what level to transfer your financial responsibility.

You can never transfer your legal liability. Instead, you are entering into a contract with another company that is going to assume some responsibilities, one of which is that they will pay for costs or damages or assessments or judgments arising out of your legal liability. But they are not assuming your legal liability. Another point, these are private for-profit companies and if they pay out a lot of claims, they raise the price.

When an insurance underwriter is analyzing your operation, one of the things he will do is look at the kind of losses you have. He will look at "frequency losses", such as backing into fire hydrants, which happen all the time and cost $200 here or $600 there. A "severity loss" is much more serious as when a van burns up with six people inside. These losses can each be $100,000 to $500,000. One of the things we assume in the insurance business is that the frequency losses are where we will either make or lose money. We look at those losses and try to control them. You should also, to try and control them and to find out what those losses are costing.

Consider this scenario: George drives a van through the McDonald's drive-thru window and the van now has a sun roof. The body shop charges you $500 for a new roof but what line item do you charge that expense against in your budget? Most of the systems I visit have real spikes in their maintenance costs, with higher expenses in years where they had lots of little accidents and every $500 to cover their deductible was entered as a maintenance cost. This creates two problems. First, you may incorrectly believe your maintenance department is inefficient because your true costs are distorted. Second, you lack an accurate record of what you are spending on your insurance program. Your insurance expenses are the monthly checks you write to your local agent plus the dollars you spend to satisfy your deductibles.

An insurance company is really a very simple operation. We're betting that we can collect more from you as a group than you can possibly have us spend in paying claims. However, it costs us to process those low level claims (about 20 cents on the dollar) and you should consider if your deductible levels are appropriate. We see many applications from people who want a $50 deductible on a $30,000 bus. Someone will have to pay the $200 cost of opening and closing the claim file for a windshield and those low level losses may be better handled by you.

Therefore, one of the first things you must do is make sure your insurance costs are correctly identified and entered against that budget line item. That line item will probably have three components: (1) premiums, which you pay every month or every quarter; (2) in-house costs you assume, such as maintenance; and (3) administrative costs, i.e. your expenditures in administrative time for managing the insurance program. If you raise your deductible to $5,000, you must invest your time monitoring repairs and handling the paperwork.

Next evaluate what kind of cost benefit you expect by either raising or lowering that deductible. Is your comp and collision coverage costing you $15,000 a year and your insurance company paying out only $5,000 a year? Does that represent two $2,500 claims a year, ten $500 claims, or twenty $250 claims as that determines the amount of administrative time required? You then calculate the trade-offs between a higher deductible and increased administrative costs. Raising your deductible from $50 to $1,000 may reduce your premium costs by $10,000. If your administrative costs will increase by $6,000, you will have still saved $4,000. However, you are now playing our game, i.e. betting that your losses will not get any worse or increase in frequency.

Another thing you must understand is that the lower the dollar of insurance, the higher the cost. In liability as well as physical damage, coverage from $0-$5,000 is the most expensive layer because whenever you have a loss it starts at $0. Losses may not always reach the $5,000 level but they always exceed $0. So the biggest savings are at the bottom end of the scale.

One of the things you get when you buy an insurance policy is that someone assumes the financial consequences of your legal liability. Your insurance company also assumes the responsibility for defense, investigation, settlement, etc. Some people say, "What if we take the first $5,000 worth of liability and do it all ourselves?" Unless you have a fleet of 500 vehicles, that is usually not economically feasible because you would have to set up a separate contract with a third-party administrator or build an in-house claims department. In either case, the costs would be astronomical.

We've established a middle-of-the-road approach called a self-insured deductible in which we add a clause to the standard policy which says, "We're going to reduce your premium and you're going to be responsible for reimbursing us for the first X amount of dollars of claim settlement." Considering the assumption of the financial impact from third party liability is something you must study very carefully unless you have a large fleet with real actuarial credibility. We would not recommend a self-insured deductible until your premium reaches the $250,000-$300,000 level where you are big enough to make it actually worthwhile. In going through an assessment process, evaluate your data and be sure you have current data. When you assume these liabilities, either in physical damage or third-party liabilities, your analysis and evaluation must be thorough and concise because you will have to live with the results.

Another difference between comp and collision and third party liabilities is that an insurance policy runs for 365 days. Comp and collision are property coverages like fire insurance on a building. You insure the building and at the end of 365 days, it's either there or it isn't. At the end of a loss-free year, the insured puts all of the premium into the profit line.

However, third-party liability coverage is written on an "occurrence basis". Say I rode on your vehicle during 1989 and the bus stopped short, I was hurt, and I started receiving treatment from a doctor. In 1991 my doctor says, "As a result of that accident, you've got this degenerative back problem now and all sorts of physical limitations." Even though it's two years after the fact, I can get my attorney to bring suit for damages. Your liability is ongoing and has a "tail". When you assume the liability for third party claims, you're not clear just because you get through that calendar year without spending everything you budgeted. You have to let that money sit there for at least another three years until you are past the statute of limitations. If you have any open claims, you may want to let that money sit until all those claims are settled.

Again, make sure you really know what your insurance program is costing and what kinds of occurrences you are having. An accident is one thing and an incident is another, but they are all occurrences and it's always good to know what has happened in a given case. When a suit is filed 18 months later, no one is going to remember what happened that day unless you've taken an occurrence report and filed it at that point. The driver may be gone or may have forgotten the details over the intervening months.

Before you make any assumption decisions, make sure you have concise, complete, and valid data. You also have to establish an accounting system that is able to segregate those funds you will be putting into a self-insurance or higher deductible program. You must have what we call trust integrity to keep that money reserved.

Question: If a child is involved in an accident with your bus, is it true that you have to maintain a payment fund until the child reaches maturity?

David Ellis: You can get a full and final release from the parents but we generally maintain a small open reserve in those cases. What can happen is that when the child reaches the age of maturity, they may sue the parents and us.

Question: Has the insurance industry taken an active role in working with the legal system across the country to reduce or lessen some of the lawsuits that are being filed?

David Ellis: Anybody can file a suit. We try and work through arbitrators but the attorney for the plaintiff may not agree to that. We have been aggressive in filing suits for malicious use of the courts. But I have a problem with any kind of system that limits the plaintiff's rights just because I may think they're crazy. Overall, I think our system is good. However, in the past, the defendant's bar has not been as aggressive as the plaintiff's. We are now trying to get our counsels to be equally aggressive rather than just settle.

Comment: It appears insurance premiums over the years have escalated because money was paid out too readily.

David Ellis: Say we are faced with a claim that has absolutely no merit and we fight it. Then one of two things happens. You go through the case and win and instead of paying $25,000 in settlement and $5,000 in expenses, you spend $75,000 in expenses. The other scenario is when you incur the same $75,000 in expenses, the plaintiff demands a jury trial, and you wind up settling for $100,000. Those are the kind of setbacks that eventually translate into higher expense loadings and premiums.

What a lot of people in the insurance industry believe is that our clients want lower premiums. The way to have lower premiums in the short term is to make sure that settlement costs are as low as they can possibly be. The way to make that happen is to settle if you get an offer that you think will be the cheapest way out. Because that has become a common practice, many people look at the insurance industry as an entitlement program.

ACCOUNTING AUTOMATION & MANAGEMENT INFORMATION

Moderator:
Tara Bartee
Florida Department of Transportation
Tallahassee, Florida

Dorsey Darby, Operations Manager, Southeast Missouri Transportation Service, Inc., Fredericktown, Missouri.

Bill Osburn provided me a few ideas from the report "An Executive Summary of the Utilization of Transportation Accounting Consortium Information". That group was formed about seven years ago and their recommendations were first implemented four years ago. One of the primary points in this report was the need for documentation of expenses. Our funding agencies and auditors need this information of course. However, we have also found that in attempting to negotiate contracts with new agencies they always ask for a summary of our financial status.

A second important point is you must have an accurate accrual system of bookkeeping so that at the end of each month the report provides a true snapshot of where the company is financially. We have tried almost every bookkeeping variation but always had difficulty in being able to determine, from the financial reports, if we could take on new business immediately or if we should wait a month. If you are contemplating expanding your system or considering service cuts due to a shrinking budget, you generally have to make those decisions fairly quickly. With the right kind of accrual system, you will know this at the end of each month.

The third item to consider is a management information system. Based on our accounting reports, SMTS can isolate direct and indirect operating costs, depreciation, as well as revenue, cash, and in-kind match from our partners. (We call our customers "partners" because we are both in the business of serving people.) Most of the partners reimburse us on a unit cost basis such as loaded vehicle mile, vehicle mile, vehicle hour, or a combination of several factors. This management information system lets us show our partners what their investment is buying. We can also look at the books, isolate our costs, and know if we are able to expand services. We tried one bookkeeping system that uses the vehicles as cost centers but have not been successful with that to date.

We offer three suggestions for implementing this kind of system based on the SMTS experience. First, you must get everyone involved at the outset including people you do business with, board members, staff, riders, and community leaders. Expand your information base. We have used the Missouri University Extension services quite often and small business development centers can also provide a lot of free assistance.

Second, use a major accounting firm. After mixed experiences over the years, we have found a good accountant that we can afford. Two or three systems might pool their resources to hire an accountant. You may also be able to arrange for installment payments rather than a lump sum fee. Third, accounting is important to ensure that the return on these investments is worthwhile. We cannot spend all our money on our accountants but having a good accountant will definitely pay off in terms of system cost effectiveness.

Tara Bartee: By way of background, the Transportation Accounting Consortium was formed by eight states to jointly tackle the problem of accounting for transportation services in agencies funded by multiple sources. They developed a very useful manual which is available through your state department of transportation. Although the Transportation Accounting Consortium has now terminated its activities, the American Association of State Highway and Transportation Officials (AASHTO) is considering the development of a financial management system for rural and specialized operators that goes beyond basic bookkeeping and includes budgeting, full cost allocation, auditing, etc.

Darrel Feasel, Associate Public Transportation Engineer, Virginia Department of Transportation, Richmond, Virginia.

[Mr. Feasel's slide presentation was not recorded.]

Roger Phillips, Supervisor, Field Operations Section, Michigan Department of Transportation, Lansing, Michigan.

[Mr. Phillips' slide presentation was not recorded.]

Darrel Feasel: Human service operators in Virginia have many funding sources that require them to do various things with their accounting systems. One operator wanted to do away with their transportation component altogether because the recordkeeping is so complex. We have a state interagency coordinating council similar to that formed by the Departments of Health and Human Services (HHS) and Transportation (DOT). Our first task is to determine how much money we are spending on transportation.

Roger Phillips: We do not ask for the same level of detail in financial and ridership data from our smallest, specialized operators. Also, we do not audit the awards to the smaller agencies but instead allocate money to them based on passengers or miles.

Marj Walsh, Director, Care-A-Van, Fort Collins, Colorado.

We have believed in accounting automation and management information systems for so many years that this is no longer a big training issue for Care-A-Van. Back in our early days, we were fortunate to have the services of Matt Sterling who had

retired as comptroller for a steel mill. Matt set up the Care-A-Van books with the expertise, integrity, and professionalism he gained in the steel industry. So even in our earliest days we always had a lot of auditors around, not because they thought we were doing something wrong, but because they knew our books were in good shape.

That led to service on the Governor's Task Force on Uniform Transportation Accounting in which a group of volunteers and representatives from various state agencies developed a uniform chart of accounts. One thing that has not been mentioned today is privatization. If you are going to take bids and then compare the public sector costs against those of the private sector, you must have a uniform basis for that comparison. That was part of our reason for establishing the Task Force.

We then joined the Transportation Accounting Consortium (TAC) and found that work was remarkably similar as our system was also Section 15 compatible. A smaller system uses the same major line items but may not break them down in as much detail. I served as one of the provider-advisors on the TAC manual and commented on various drafts.

We got our first computer at Care-A-Van in 1979 and it would now be a candidate for a museum. One of our clients at the time, who was suffering from depression and looking for a job with the old CETA program, also had 20 years of computer experience. CETA assigned him to us and he made that computer do amazing things.

However, we did not use the computer for accounting because we needed it for program tracking. If you receive funds from agencies on aging you know about "unduplicated counts". We also used the computer to document the services we were providing to various meal sites. When we wore out that first computer, we joined with five other partners, including the Colorado Department of Highways, and obtained funding for new equipment.

We purchased Digital Equipment Corporation (DEC) units as they were the only ones at the time that offered an affordable multi-user system. All of the consortium wound up with DEC equipment but some found that they had the only DEC computer in town and we were able to obtain those machines when they shifted to IBM-compatible units. You can never stay current on hardware as it changes all the time. One of our largest clients is the rehab system and they have an agreement with a local development firm to purchase their computer services through that firm, with the responsibility for updating the equipment resting with the development company. That sounds like an excellent idea, particularly if you can obtain that as an in-kind donation.

An important thing to remember before you computerize your records is to first be sure they are in good order. If you do not have a good manual system, a computer will not help you. You must think through the process logically, analyzing how the data

interacts and moves from one level to another. A computer will manipulate this data more accurately and quickly but it will not correct flaws in your records system.

Our September report illustrates why I believe so strongly in having this type of management information system as it showed we had a $9,000+ deficit. Our line items are more detailed than those in the TAC manual. We include all the different funding source line items in our system. When we submit a proposal, we develop a spreadsheet with that funding source's line items. However, we also have information in greater detail than the funding agencies need and I receive two kinds of reports. The first shows the budget for September, the balance for September, the year-to-date, and what our budget trends are based on spending and income to date. The second compares this year's data with last year's, showing which items are higher or lower.

In searching for an explanation for the $9,000 deficit, I found that our auditor had moved some of our deferred income out of accounts receivable and into the fund balance although we had agreed to handle this a different way. We had also decided to do some work on high mileage vehicles as we rely on the Sections 16(b)(2) and 18 programs for equipment and funds are not always available for replacement units when we need them. However, those maintenance expenditures inflated our operating cost rather than depleting our capital account (which would have happened if we purchased new vehicles). I checked with my operations people who advised that two vehicles were completed in September and that no others were scheduled. Therefore, in six months' time our year-to-date figures will be much closer to what they normally are. It is important to investigate these items before you panic.

Our trips for September were down 2,000 from a year ago and I was concerned that something was wrong. However, we have a large contract with a rehab center and many of their clients have been moved from the center into the public schools. Also, the number of preschool trips drop off in September as some of the children start kindergarten. For some reason, those numbers don't build up again until later in the year. We also had fewer working days this September than last.

I put our budget on Lotus 1-2-3, in six-month segments all the way back to 1984. Because we operate on two fiscal years, I can then take the appropriate segments to determine the budget for the calendar year, the fiscal year, etc. We generally develop our budget in February and March. The Board receives a page showing income, a page for expenses, and a summary which indicates whether we have a reserve or a deficit. We also prepare a monthly balance sheet and use that information to generate other monthly reports which include income; expenses; hours of operation; volunteer hours; salaried worker hours; vehicle miles; cost per mile; cost per hour; cost per trip; how many new clients entered the system and their demographics; and

monthly trips and their distribution by gender, residence, age group, economic group, and ethnic group. The computer pulls that information off the schedules.

We have a computer-assisted scheduling system. It requires a lot of dispatcher brain power but all the demographic information is entered into the computer which then generates the monthly reports. One report tells what the entire system did during the month. We can also generate reports for various pieces of our service area and by age group, disability, etc. A mileage report compares data for the last five years and then calculates the differences in numbers and percentages for the last two years.

The reason we are doing this is accountability. No matter how big or small your system is, you want to be able to assure a funding source that any money they give you will be spent wisely and accounted for meticulously and that you will be able to provide whatever reports they need. We also find that because we already have so many different reports available, a funding source will not insist on developing their own format. It took a great deal of time to manually prepare daily attendance reports for the rehab center, for public school children, and for elderly meals program participants. The various funding sources now accept our computer form.

What do we have planned for the future? We have a bigger computer, currently stored in the garage, which the city no longer needed. Our facility, which we share with the city's fixed-route system, was originally designed with a few offices on the perimeter and open space in the middle but computers have changed our needs. So we flattened that transit center and started over, designing work stations that were more compatible with the current operations of the fixed-route system and Care-A-Van.

The re-design of the facility restored my faith in participatory management as well. I was concerned that people were comfortably settled into their work spaces and would resist any change. But people felt strongly that the computer assists us and began to make suggestions on sharing work stations, etc. The staff came up with most of the same ideas I had considered and are now ready to move ahead on this project.

My final suggestion is not to be afraid of automation. Many of us have been stalled by someone in a key position that does not want to use a computer. They certainly did not teach anything about them when I went to school and my granddaughters already know more about computers than I do. You will be convinced once you find out what computers can do for you.

However, remember that you must have a good manual system first and that it is very important to be accountable. Computers make a transportation system more professional and will avert

some of the crises caused by people not knowing their financial situation at all times.

Question: We recently started working with Title III-B and are finding it difficult to combine with the rest of our system. Reporting unduplicated clients is not as much a problem as unit rates in miles, vehicle hours, and trips.

Tara Bartee: Is your problem that you are not collecting that data?

Question: Yes. They want us to maintain odometer readings on the number of miles traveled by the senior citizen which would require major restructuring of our recordkeeping system.

Darrel Feasel: Your costs are not based on how long an individual passenger rides but on the trip totals. It would take you more time to record that information than it would to provide the service. It's an unreasonable request.

Tara Bartee: If your area agency on aging wants that information, say "Here is what it will cost you for me to provide that information."

Marj Walsh: It's a real disincentive to coordination as well because the easiest way to track that information is to have only one person on the vehicle and charge them full fare.

Comment: The full trip costs you the same amount whether that individual rode the whole way or only half. You might check with other agencies within your state or neighboring states and see how they deal with this.

TRAINING

Moderator:
Pam Ward
Ottumwa Transit Authority
Ottumwa, Iowa

Pam Ward, Transit Administrator, Ottumwa Transit Authority, Ottumwa, Iowa.

I have been a member of the Rural Transit Assistance Program (RTAP) Review Board since its inception and will be addressing the RTAP training materials that are now available for your use. There are currently four modules completed or nearing completion: Substance Abuse Awareness, Special Needs of Elderly and Handicapped Passengers, Emergency Procedures for Transit Drivers, and Using the Private Sector in Providing Services. The first two should be available through you state DOT transit division. The emergency procedures module is at the printer and should be issued within the next month. The private sector module should also be ready for distribution very soon.

These modules are multifaceted. There is a videotape that can be used alone or in support of the other training materials. There is also an audiotape of the student handbook as we are very sensitive to the fact that our drivers may not have the highest reading skills. In addition, the modules include a printed student handbook that is useful for both the trainer and the student and each has an instructor's manual as well.

The videotape has certain obvious advantages. If you are sitting in a classroom learning about a subject that interests you, your attention level will be high. But our drivers may not have that same focus and the videotape provides a visual experience that should hold their attention. A number of transit systems have reported that they are using the videotape as stand-alone, introductory, or refresher material for their experienced staff.

The audiotape has several advantages too. I already mentioned the literacy question but the audiotapes also facilitate the self-taught aspect of the modules. That is an important concept when you have a very small staff. You must keep your operation going while some of your drivers are in training.

The student handbook has been a valuable tool because some people like to follow what is being discussed and take notes in their handbook. For the instructor, it provides a fallback for reference purposes, such as, "Remember when we talked about how to handle your passengers better?" Or, "Remember when we talked about passengers not liking to be talked down to?" The handbook reinforces what is being discussed.

When the instructors' manuals were being developed, the Review Board wanted a product that could be used by a non-professional trainer. In many cases, the general manager, director, or transportation coordinator is called on to train the staff. That person may not have a teaching background or feel confident in that role. The instructor's manual offers guidance on how to be an effective trainer. On the other hand, the training manuals have been used in a university setting where people have marvelous teaching skills but are not as familiar with the subject matter. The manuals are designed to be effective in both settings.

We are striving to achieve several things with the RTAP training modules. We want to provide a flexible training program that can be added to, used piecemeal, used in its entirety, act as a supplement, and/or be a part of training for experienced personnel as well as the rookies who have no previous skills in this area. The key point is that the material be used in some way.

The content of the modules has been questioned by some. For example, the substance abuse awareness module contains information on the substances that are most frequently abused but it goes beyond the illegal items and that is important. I don't believe any of my staff is a hardcore drug user but this module talks about other things that can affect their driving. The manager's handbook discusses in general terms how to deal with employees and provides suggestions on developing a policy. But it does not go into specifics because there are other materials available on that subject.

The module "Understanding the Capabilities and Needs of Special Passengers" provides information on sensitive ways to deal with handicapped persons or passengers with special needs. My staff ranges in experience from less than one year to 19 years and, to ensure that each of them got something from the training, we presented a section of the module and then discussed that topic. I encouraged them to relate it to their own experiences by asking, "Do you have any passengers like this?" They began to share ideas and to think about their passengers as individual special people.

The module on "Emergency Procedures for Rural Transit Drivers" will discuss everything from special weather conditions to vehicle malfunctions, accident-related issues, and how to deal with passengers who become ill or injured while in transit. There will also be information out soon on using the private sector as a participant in service provision and how to integrate other operators into your service. This is based on innovative concepts that have worked in other areas and should give you some ideas about brokering or contracting opportunities.

These materials are all available through your state department of transportation, generally the office that

administers the Section 18 and RTAP programs. The items can be obtained as well from International Support Services, P.O. Box 405, Vienna, Virginia 22180. A catalog is also available that describes available training materials on topics that include accounting, finance, risk management, driver training programs, vehicle management, general management topics, marketing, passenger assistance techniques, passenger relations, personnel management, and safety.

The RTAP hotline and transportation resource center are tremendous assets available through the RTAP program. They can provide you information on any number of topics or refer you to other people who can provide assistance. A bibliography of reports of special interest has been developed which includes items such as the handbook of National Highway Traffic Safety Administration regulations. There are self-help networks and peer-to-peer networks that can assist you with training or heighten your awareness. A lot of information is currently available, and more is on the way, to help you increase your efficiency and effectiveness.

Charlie Dickson, Director of Training and Technical Assistance, Community Transportation Association of America (CTAA), Washington, D.C.

The Community Transportation Association of America (CTAA) is involved in various training and technical assistance activities. CTAA TransNet is the peer-to-peer technical assistance network of the national RTAP program. But I also want to talk about the continuum of training and technical assistance that is available through the RTAP program in general and through the CTAA. In June 1989, NASTA and Rural America merged to form the CTAA. We are the only national association that is solely involved with the community transportation industry, i.e. rural, specialized, and small urban systems.

I hope everyone is familiar with the RTAP hotline number (1-800-527-8279). The hotline is your first stop for information on the community transportation industry. We try to keep up with all the available training resources but we also have an extensive library of materials and publications that have been developed in this industry. We stay current on "who's who" in all the state transit associations, state departments of transportation, at UMTA, etc. We may not always have an immediate answer to your question but we will try to find one and get back to you.

The CTAA TransNet is the peer-to-peer technical assistance network for the community transportation industry. Our goal is to improve the ability of all rural, small urban, and specialized transit providers to deliver service. The network is built around a simple concept: We identify operators and managers of transit systems who have developed particular skills on particular subjects. When people call the hotline with a

question in that subject area, we put them in touch with that expert for assistance.

To maximize the use of the network, our peers develop workshops and technical assistance seminars that they can present at state transit association or DOT meetings. We currently have 48 people in the peer-to-peer network covering almost 30 different topics. We look for those who have made a contribution to the community transportation industry and are willing to share their knowledge with others. This program has been very successful so far.

Catalogs are available that list the network members but you can also call the hotline number and describe your problem and what information you need. We may have a publication that can be of assistance or know of a training course on that subject that is scheduled near you. Or we might suggest you call one of our network members as chances are someone else has already faced and solved the same problem you are now facing and that is where the network can help you out.

As a professional trade association, CTAA is also interested in the training needs of our memebers. We have developed a more extensive, in-depth training program than our peer-to-peer network can provide. CTAA is now providing one, two, and three-day seminars with professional trainers from various fields on topics such as accounting, management, substance abuse and drug policy issues.

Dave Cyra, Director, Office of Statewide Transportation Programs, University of Wisconsin, Milwaukee, Wisconsin.

The Office of Statewide Transportation Programs was developed in 1976 and follows the agricultural model. However, instead of getting more kernels on an ear of corn, we are trying to provide transportation assistance through conferences or workshops or other forums. We initially confined our efforts to Wisconsin but have branched out considerably.

In Wisconsin, we work with the state DOT and serve as their clearinghouse for videotapes, written materials, and reports. We also facilitate the use of a peer-to-peer network similar to what Charlie Dickson is doing on the national level. We target those people who are doing good things within the state and move them around to help others. Our peers are not reimbursed for their time when they make such a visit, but they are reimbursed for their expenses.

We also put on eight different workshops. Our two-week transit management workshop covers operations, management, and maintenance. Although, it is generally for fixed-route operations, we have had a number of participants in the last couple of years whose registration was paid with RTAP funds. We also have a rural/specialized transit management workshop and

have recently added an advanced workshop that deals with planning. When you finish that one you will be able to develop a marketing plan, a media plan, a coaching supervision plan, a training plan, etc. We can customize our training to meet your special needs.

During the last year and a half, we have received a number of requests from other states for help with training or technical assistance. Penn State handles technical assistance in Pennsylvania and we do the training. We have delivered 5-6 workshops there covering topics such as financial management (targeted at Section 16(b)(2) operators), defensive driving, passenger assistance techniques, train the trainer, etc. We are scheduled to do a maintenance workshop in December. In addition, I recently delivered 13 human resource workshops in two days in Washington and Oregon on topics such as motivation, communication, presentation, persuasion, marketing, feedback, team-building, problem-solving, and creative thinking.

Also on the management side, I have to tell you about two programs called PASS and MAPS. About three years ago, UMTA selected a consultant from Minnesota to develop management training for people in transit. I was concerned because the selected firm lacked transit experience although they were very good management consultants. They brought in people from the transit industry to help with these two programs. The results may not fit your needs perfectly but you should consider them.

PASS (Productivity and Supervisory Skills) is for the new supervisor and includes manuals that cover things like motivation and feedback. This program was designed to be delivered in a team situation with a transit practitioner and a facilitator. The transit practitioner brings the material down to the operations level while the facilitator ensures that there is sufficient participation to make the session worthwhile so the audience retains the material. MAPS is Management and Productivity Skills for the middle manager. These programs (which include the manuals, at least one video, and at least one audiotape) are available for $25 apiece from Houston Metro's training director. The first sheets in the training manual are gray-colored and are for the trainer, outlining the course objectives. They are very good participatory programs and I recommend that you review them.

The last area I want to discuss is the service aspect, especially safety. Jack Weaver founded the Advanced Driver Skills Institute which has developed a series of videotapes that can be of assistance, particularly if you are interested in defensive driving. One of the videos is called "A Driver's Risk Index", during which the students take a written test and, by reviewing their scores, you can get an idea as to whether they have a high or low risk potential. In many rural situtations you feel lucky to have any applicants for these jobs but this is a useful tool if you are able to select from a number of

candidates. Fleet Line Associates also has a personality performance test. Many of these firms have been working with the American Trucking Association for a long time and you may be looking for similar qualities in your drivers.

Safe Performance Associates (SPA) was also founded by Jack Weaver and their materials are consequently very similar. Call these firms and ask for review copies. Another interesting product from the Advanced Driver Skills Institute is called "Minus Ten". This is a videotape for van drivers used to raise their awareness of damages caused by turns or by backing up.

Another very good product is the National Safety Council's "Train the Bus Driver" program. The Missouri Department of Highways has developed eight videotapes that teach special skills for transporting disabled individuals. They run the gamut from epilepsy management to defensive driving and passenger assistance techiques. My favorite is called "Situational Analysis" which uses videotaped vignettes that ask the driver what he would do in a situation like that. To get these free tapes, call Phil Richardson at (314) 751-2551.

Our office put on a user-side subsidy workshop last year that was very good. We looked at the operational aspects, especially contracting portions of user-side subsidy. Also, Dave Lewis of Hinkley and Associates in Ottawa has developed software that helps you estimate demand in urbanized areas for specialized transit based on demographics. This product has been tested in twelve major urban areas in the United States and the parameters used seem to be pretty good. Two years ago we put on a 504 workshop and hope to do that again in 1990 although we will be concentrating on the Americans with Disabilities Act. Lastly, Bill Bell has handed the baton to us so we will be helping him host the next specialized conference in Sarasota during late October or early November 1990.

Barbara Brown: How many of you have received your copy of the STARTS program developed by the Transportation Safety Institute in Oklahoma City? It is very well done and we should make copies of it for everyone who wants it. The video has three parts. The first is on vehicle inspection and, unlike most videos that just talk to you, this one has the driver actually do the inspection and keeps the audience's attention. There is also a defensive driving section and a condensed passenger assistance techniques (PAT) program. The latter is a good refresher for drivers who had PAT some time ago. The STARTS program also comes with slides but getting them copied costs a fortune. The drivers receive a certificate when they complete the course, which is very important to them.

Dave Cyra: In one of the passenger assistance segments, there is a scene in which the person pushing the wheelchair is barefooted. Some people see that and say, "Throw the video away". Instead of

doing that, look at it carefully before you show it to others and then ask them to point out things that they wouldn't recommend.

Barbara Brown: I hadn't noticed that but I thought the dramatizations were very good. Our Board of Education has an excellent video on epilepsy that was produced for school bus drivers. It also includes a lot of dramatizations which I think you need to keep the students' attention.

Question: What's the status of UMTA's Section 10 program and can it be used in conjunction with a state RTAP program?

Charlie Dickson: It's generally a single-agency grant. In the past, Houston Metro would request a Section 10 grant to bring in training for their people or to send their people out to a class. Section 10 has often been used to send people to school for a semester. I wasn't aware until recently that states could apply for Section 10 and use it in a consortium for management training. However, Section 10 is not a management training course like MAPS and PASS; it instead funds your attendance of managerial training.

Dave Cyra: There used to be a fair amount of money available under Section 10 but I don't believe those funds are as plentiful now.

Charlie Dickson: There is less and less money going into Section 10 every year and they are all single-agency awards based on applications. You should also keep in mind that there is a 50% mathing requirement.

Dave Cyra: Previously, Section 10 would pay not only for registration and expenses but also the salary of the person attending the course. The first thing to be cut from eligibility was the salary. Now I guess the limitation is they do not pay for travel either.

Question: About a year ago, I was told there would be a summary that listed all the available video and audio materials?

Charlie Dickson: That is the training catalog Pam Ward referred to, which is part of the national RTAP project. We will send you a copy if you call the hotline. If you use any of the resources listed in the catalog, there is an evaluation form in the back that you can fill out and send to us. When other people call and ask for training suggestions, we can say that people liked or didn't like it.

Question: What are the guidelines for getting a TransNet peer to come to our agency?

Charlie Dickson: We try to be flexible but do have a limited amount of money available for travel. Depending on what the estimated total cost is, we may ask you to pay half the expenses.

But don't let cost questions deter you from trying out the network because we will work with you.

Question: How much do these courses cost and how well do the students retain the material?

Dave Cyra: Our resource manual includes costs. But the quality of training is linked to variety which costs more. It all depends on how much money you have to spend on training and the type of training you want to deliver.

REAUTHORIZATION ISSUES: FUTURE FUNDING FOR RURAL TRANSIT

Moderator:
Larry Harman
E.G.& G. Dynatrend, Inc.
Woburn, Massachusetts

Martha Bearer, Transportation Specialist, Office of Transportation, U.S. Department of Agriculture, Washington, D.C.

My introduction to the Transportation 2020 process came when we went to our users federation offices to review the testimony dealing with rural areas. There were five file cabinets of testimony and we copied all the material and divided it into six categories: service delivery, condition of infrastructure, safety, development potential, financing, and land use. Copies of our report are now available. We found that rural America is undergoing some permanent structural changes in its economic and demographic base but transportation is clearly vital to rural America.

Although the transportation system provides for direct and immediate access to basic commodities, it also provides access to necessary jobs and services often located tens or hundreds of miles away. As the rural economy diversifies and communities become more interdependent, the demands for transportation change. No longer can rural communities and rural residents thrive in isolation. Their economic wellbeing depends largely upon the access and mobility provided by a healthy transportation system.

The six issues we identified are not compartmentalized along modal lines, political boundaries, or levels of government but instead cut across all. Many of those who testified advocated that transportation problems should not be analyzed and tackled in isolation but should be viewed as part of a complete system, recognizing that if one component suffers, the efficiency and effectiveness of the entire system are reduced.

Several themes that we identified underline the rural transportation issues and recommendations presented at the 2020 hearings. They focus on the need to incorporate rural transportation concerns in public policy decisions and make appropriate adjustments to existing institutional arrangements to accommodate rural interests.

First, participants throughout the country emphasized the importance of maintaining and sustaining current services. With some exceptions, new construction needs are limited although funding for passenger services in more isolated rural areas may need to be increased. Second, there is a need for greater

public-private cooperation in providing adequate transportation in rural areas.

Third, planning of rural transportation services and construction of facilities should take on a regional focus since neither transportation patterns nor the individuals using transportation facilities follow jurisdictional boundaries. Fourth, government rules need to be reconsidered as the post-interstate era begins. Federal involvement should meet needs not easily sustained by state or local governments while states are being asked to assume greater financial and technical responsibility for maintaining existing infrastructure. Local governments must recognize the importance of organization and maintenance in meeting local transportation needs.

Fifth, the creation of intermodal opportunities can maximize available transportation resources by encouraging greater use of existing equipment and facilities. Six, encouraging multi-modal transportation options through appropriate federal policies can show greater competition among those and reduce prices for users of transportation services. Seventh, increased flexibility can expand available transportation resources with such flexibility applying to programs, funding, regulations, and standards.

This identification of rural transportation issues and underlying themes comes from broad-based input. A review of the people, affiliations, and states represented in the report indicates the pervasive nature of the rural transportation problem. The deregulation of transportation industries was a necessary step for the nation but yielded mixed blessings for rural America. Our rural transportation system, including both service and infrastructure, is fragile. There are continued instances of destabilized air service, missing links in passenger service, and inadequate roads and bridges.

Only when addressing the issue from a systems perspective can the cumulative impact of service and infrastructure problems be seen. We cannot afford to be parochial in our concerns or limit the scope of our solutions. Regional solutions should be sought since many of the problems and issues are not confined to a particular mode, political boundary, or unit of government. In addition, the human and financial resources in rural areas are limited. Through regional efforts, these limited resources can be targeted to areas warranting assistance and intermodal, multi-modal options can be explored. Specific solutions to transportation problems will vary by state and locality, but the solutions will be found through greater cooperation among the different levels of government and between the public and private sectors.

Lynn Sahaj, Sections 18 and 16(b)(2) Program Manager, Urban Mass Transportation Administration, Washington, D.C.

I want to tell you today what America has been saying about rural transportation in the outreach process that Secretary Skinner created for the National Transportation Policy. The target date for completion of the policy is January 1, 1990. There were six cluster groups established to look at various market areas of transportation: urban and suburban; rural; intercity freight; intercity passenger; international; and innovation and human factors.

Sixty outreach events were held altogether, including 34 public hearings and open forums. Of those 34 forums, eight of them addressed rural transportation issues and resulted in the accumulation of 2300 pages of testimony on rural issues alone. Each of the DOT administrations took the responsibility of chairing some of these hearings with the Federal Highway Administration in the lead on the rural forums.

It was a cross-modal effort, not just to look at each mode, but to look across the board at how the systems and networks are functioning and how they interface. One clear message that emerged was: Don't treat rural transportation needs as the country cousins of the big city systems as they are different from urban needs. Rural areas contain a disproportionate level of the elderly, disabled, young, and poor, many people who cannot drive or have no access to automobiles.

There was a great deal of testimony that local roads and bridges are old, inadequate, and that conditions are getting worse. There is great need for infrastructure improvement and upgrading and federal assistance is needed in that rehabilitation. There is considerable concern that the railroad network in rural America is deteriorating beyond our ability to restore it. Much of this problem was felt to be due to federal regulation of the railroad industry and a lack of financial support.

Safety was a major concern in rural areas. There is a higher accident fatality rate on rural roads than in urban areas with a large incidence of alcohol-related accidents. Another question is how to get better seatbelt use in rural areas. Emergency medical systems in rural areas are strapped for money, staff, and equipment.

People in rural areas were very concerned that the dedicated financing out of the highway trust fund (1) be spent, and (2) not be diverted to deficit reduction purposes. Planning was an issue that many people felt had not been dealt with adequately in rural areas, particularly the need for regional planning that was cross-modal to allow planners to look at possible trade-offs without concern for where the funding comes from, to eliminate biases in planning and implementation decisions.

Participants from rural public transportation were well represented in every hearing, presenting a message that was

clear, articulate, and fairly consistent in identifying the problems and potential solutions. On the funding issue, many testifiers commented that rural areas do not get a fair share of the UMTA dollars, the funding formulas are inequitable, or that funding is not consistent or stable from year to year. Many rural areas noted that they rely extensively on volunteers and they are proud of that level of community participation. However, the federal government cannot expect rural transportation to be provided by volunteers as a substitute for adequate funding.

Efforts of the Department of Transportation to coordinate with the Department of Health and Human Services were viewed as extremely important and should be strengthened and continued. Federal efforts set an example that establishes directions for state and local coordination. There needs to be greater flexibility in the use of UMTA programs within rural areas, particularly between the Sections 18 and 16(b)(2) programs. The private sector, where it exists in rural areas, is a valuable resource to be cultivated. Local areas need help in finding creative ways to involve these small entrepreneurs without bogging them down in paperwork or red tape.

We heard repeatedly that the Sections 18 and 16(b)(2) programs are critical for maintaining mobility for isolated poor and often frail, elderly populations who have no other means of access to medical, grocery, or other services. However, the existing services were often skimpy in some areas. Rural areas have a disproportionate share of the aging population which is expected to increase in the next 10-15 years. This trend will present a tremendous challenge to the entire country, creating an even greater burden for areas who have less infrastructure for medical and other services.

Regulations were an issue mentioned frequently. When the federal government drafts regulations they should be sensitive to rural conditions. Leave them flexible so that rural providers can apply the regulations in ways that make sense while achieving the desired objectives.

Regionalization of shopping, medical, and other essential services in rural areas has left many poor and elderly persons without access to such services in their own communities. At the same time, the trend of releasing patients from hospitals sooner has meant that more return visits to medical facilities are required. Examples cited were trips for chemotheraphy or kidney dialysis where individuals must travel 50-100 miles several times a week. Emergency medical systems are often called upon to provide this kind of transportation, simply because there is no other option that will be reimbursed under medical insurance plans. Suggestions were made to look at ways that the public transportation industry can meet these needs and eliminate restrictions on insurance payments.

Need for replacement capital was also mentioned on numerous occasions. Operators are investing in reconditioned engines and making vehicles last longer because no capital funds are available. There is also difficulty in raising the necessary local match, although this was not found consistently across the country but more commonly in economically depressed states and more isolated areas.

The drug rule could cause major implementation problems or difficulties in rural areas. The unknowns relative to cost were of particular concern when budgets are already strained. Drug testing of maintenance personnel was another issue because if the local private maintenance company refused to be tested, the operator would have no alternative source. The commercial drivers license was widely supported in rural areas but the cost was a concern to the operators. Would they pass this cost on to the individual driver or would the system assume the cost of the licensing and testing? Many requirements that result in only an incremental cost increase to urban systems may represent a major expense for the rural systems. The Americans with Disabilities Act had wide support although there were again concerns that the cost of equipping more vehicles with lifts might result in less service.

Rural operators testified that they were inundated with paperwork. It was not uncommon for an operator to receive money from 30-40 different funding sources, each of which might impose different requirements. They pleaded for the federal government or the Department of Health and Human Services and UMTA to work out a system where the funding stream could be simplified. Those different requirements were also a problem as one program required charging fares while another prevented it. All of these factors detract from the efficient provision of service.

We also found that some creative solutions are taking place such as brokerage systems, taxi involvement, and volunteers contributing many hours of unpaid service. There was often an emphasis on social service and client-oriented transportation because those are the funding sources that exist. But this neglects another segment of the rural population, i.e. people who need transportation to get to work, especially low-income persons who had to travel long distances to the available jobs. The Welfare Reform Act provides no funding for that type of transportation and if rural service is to expand, we need to look at economic development and employment funding resources.

Linda Wheeler, Director, Division of Public Transportation, Illinois Department of Transportation, Chicago, Illinois.

AASHTO is the American Association of State Highway and Transportation Officials and is an association of all the state departments of transportation. In the 2020 process, we undertook to look into the future and ask, "What are our transportation

needs, how do we get there, and what should our future policies be?"

The first task was to quantify the average annual dollar needs for the years 1992-1995, which would presumably be the authorization period for a new Surface Transportation Act. AASHTO looked at highways, public transit, railroads, and aviation but I will focus on the transit piece of the process. Our numbers represent only capital needs for existing systems and do not provide for any expansion or upgrading of equipment. It was particularly difficult to obtain estimates for Section 18 and Section 16(b)(2) because the database is not particularly solid. Our numbers are probably too low by APTA standards and too high by UMTA standards, so we hope they are close to reality.

After AASHTO completed that task, we turned to the question of what the policy should be to address these needs. What is the total dollar amount AASHTO has suggested for transit for the next authorization period? Current federal capital funding is $1.1 billion per year and AASHTO recommends an increase to $3.5 billion for the first year of the next authorization, increasing to $5.0 billion by the last year of the period. The recommendations are not specific as to how this could be financed. But you could fund at these levels through half of the new authorization period by using the current balance in the Mass Transit Account.

What could you hope to accomplish at these funding levels? We might put all of our money into rehabilitating existing transit systems and even make some headway on reducing the average age of the existing fleet. New starts could be funded at their current level. You could not keep up with the growth necessary to maintain the market share that public transportation currently enjoys and you could not expand service to underserved areas, which includes most of the rural and fast-growing urban areas. You would not be in a position to address the cost implications of the Americans with Disabilities Act or clean air initiatives. You would also not have money for a more flexible public transportation program with the kind of intermodalism that has been proposed.

The AASHTO proposal begins with a conservative approach to retain the existing Sections 3, 9, 18, and 16(b)(2) programs intact with the existing match ratios. It would also continue the one-cent transit portion of the Highway Trust Fund as well as the current level of general funding that goes into the transit program. Where AASHTO calls for changes and more flexibility is in increases beyond the current $1.1 billion level.

Representing the 50 states, AASHTO has a very disparate community of interest and looked for a compromise that would give everyone a reason for supporting the transit programs. That was the genesis of the proposal to distribute the incremental funds on a formula basis. Half would be based on the current Section 9

formula, using urbanized area population and transit usage factors, and the other half would be based on overall state population. The net result would be a much broader distribution of the funding generated by the transit penny.

There are some concerns as to whether Congress will allow public transportation programs to use the current trust fund balance. On the other hand, Congress might cut all general revenue funding for transit and those programs currently receiving general account funding would have the first shot at Mass Transit Account increments. We would first try to limit the cuts in the general account funding and then apply the new formula to any money above that level.

The new formula program would be on an 80-20 match basis and would be for capital only. However, it would broaden the current definition of capital projects, emphasizing projects to increase vehicle occupancy rates, shared rides, etc. AASHTO has also included traffic signals that would give preferential treatment to high-occupancy vehicles, exclusive high-occupancy vehicle lanes, transportation system management projects that would benefit public transportation, certain types of commuter rail capital projects, and shared funding. The latter would be projects that include both highway and public transportation elements, making it easier to combine the funding from those two resources.

Larry Harman: Reauthorization is a significant point in the life of any federal legislation. Modal agencies and regional interests are striving for consensus on the upcoming reauthorization and this cooperative effort is unprecedented but appropriate when you consider what we are facing in a 30-year time frame. If there is not any oil, what happens to all the highways? How are we going to move around? Those are the kinds of questions we need to begin to address now. There are very few organizations that can look to the future and adjust to that kind of change. We happen to be an industry that has adjusted very well during the 10-12 years of our existence and we are well-suited to lead the way on this issue.

Carol Everett: Linda, you talked a lot about capital. What is AASHTO recommending in terms of operating assistance?

Linda Wheeler: AASHTO called for the status quo on programs. We did some research on what operating needs might be, but there is not much data available to base dollar estimates on.

Question: Will the National Transportation Policy continue to hand responsibility down to the state and local level or do you think that there is really a chance that the policy will generate a resource development mentality at the federal level?

Lynn Sahaj: I really don't have any answers to that question. Obviously, the policy will include some suggestions for sharing

the funding issues among the state, local, and federal governments.

Rich Steinmann: It depends on what happens in Congress on the issue of deficit reduction and on the President's position on tax increases.

Comment: One of our problems is we try to convince everybody that we can be all things for all people. Instead of having a van for every client group, we must decide what our limitations are. There is a limit and we have to cut out the frills.

Question: Regarding the 2020 process, what actual strategy will be developed or what use will be made of this policy once it is published? What steps are being taken to see that the recommendations are considered and incorporated in the reauthorization?

Larry Harman: Through the reauthorization process of the federal government, we essentially re-create our entire transportation legislation. The Secretary initiated a historic outreach effort to which we supplied input. Now we must stay involved to be sure that the positions we advocated are incorporated in the reauthorization language.

To respond to the previous gentleman's comment, two shoes are going to drop. One of them is our energy supply, as anyone can figure out what happens when you deplete a non-renewable resource at an unimaginable rate. The other is global warming. We have been putting off decisions that affect our programs as part of our culture but can now choose to be part of the solution.

Comment: When you talk about cutting out frills, most of us are already at that stage where we cannot satisfy legitimate demands for transportation. If we do not expand these programs and capitalize on Secretary Skinner's efforts to mobilize support, we are going to get what we asked for. We should offer our suggestions and help to implement that plan.

Carol Everett: USDA's paper is one of the best things to come out in the last year that summarizes and organizes all the issues. I was also struck by the similar themes that emerged in the DOT and USDA efforts. While we focus a lot on the dollar issue, which is definitely important, we should not forget the regionalization and multi-modal concepts.

Question: Would the transportation equity bill drafted by Congresswoman Smith of Nebraska be an appropriate vehicle for reauthorization?

Rich Steinmann: The Smith bill recommended increasing the percentage share of formula funding that goes to Section 18.

There is also a bill called the Rural Partnership Act which adds a new program for intercity bus funding. The Department's position is that all of these proposals should be looked at in the context of reauthorization as some of them contradict one another and go off in very different directions. We want something that is consistent and all of this will be looked at in the context of the broader UMTA program.

THE UMTA RTAP NATIONAL PROGRAM: FROM THE OPERATOR PERSPECTIVE

Moderator:
Roger Tate
Urban Mass Transportation Administration
Washington, D.C.

Pam Ward, Transit Administrator, Ottumwa Transit Authority, Ottumwa, Iowa.

My presentation will focus on the input that operators can have in the development and direction of the national Rural Transit Assistance Program (RTAP). Our Review Board is composed of seven state department of transportation (DOT) representatives and eight operators, from all parts of the country. The DOT states are Pennsylvania, California, North Carolina, Alabama, Texas, Montana, and Oregon. The operators are from Virginia, Tennessee, Maine, Illinois, Washington, Colorado, Nebraska, and Iowa. We have a broad range of experience represented on the Board. This is an advantage when we develop training modules because we want them to be useful in a variety of settings.

What is our primary duty to the national program? We generally provide guidance but our role goes beyond that. We also consider the content of the modules and the other materials distributed by the national program and try to personalize those materials through our involvement.

Some of you who are hearing about RTAP for the first time today may wonder, what is the national program? It's training modules, the national resource center and hotline, the peer-to-peer network, and regional outreach meetings. The services and products that are being developed are intended to support the states' efforts where it is more efficient to centralize certain functions. Some of the materials, such as those for driver training, are in response to universal requests. In the past, we lacked a national information clearinghouse but now have one available through the RTAP hotline.

Describing some of the Review Board's accomplishments will illustrate how operators have input and influence the production of RTAP materials. A catalog of existing training materials has been developed and is now updated and expanded on an ongoing basis. As we learn about new resources, we continue to accumulate more information for the catalog. The catalog also contains evaluation ratings from operators who have used the training materials. A report has been developed as well that diagrams the training needs identified by operators and by states and we use that as a blueprint for our module production schedule. The Review Board and the national program managers are definitely listening to operators' expressed priorities.

The first training module to be completed, substance abuse awareness, will meet all or part of the training and educational requirements included in the new drug testing rules. The module on the special needs of elderly and handicapped passengers is an effective tool to sensitize your drivers and is being used by many systems as part of their orientation for new drivers. The emergency procedures module is at the printer now and should be available through your state DOT in the very near future. This material should be useful to both the new and experienced driver in handling a variety of situations. There is also a technical resource in the works that discusses using the private sector to provide transportation services. As operators, we need to be aware of such options so that we can improve and enhance the quality of our services.

The Review Board has several roles in module development. Each member has the opportunity to provide input on the content and major issues. The Board members who serve on the editorial committee then spend extensive time in revising and polishing the final product. Before a module is prepared for national distribution the full Board has another opportunity to review the materials.

Another facet of the national program is the RTAP resource center and hotline. The hotline number is 1-800-527-8279 and they are currently fielding over a hundred calls per month covering a wide range of topics. Most of the callers are either state officials or operators. The hotline is also available to receive information from operators. The RTAP resource center has a bibliography of reports of special interest as well. They are currently developing a handbook on regulations from the National Highway Traffic Safety Administration which should be of great interest to operators. They have also prepared an updated directory of all rural and specialized systems. All of these materials are reviewed by the Board as they are developed.

One of the best resources developed by the national program is the self-help technical assistance network. There are over 40 individuals now listed as TransNet participants. These people have expertise in a wide variety of technical areas and can help you over the phone or visit your system to provide assistance. The concept of operators helping operators is excellent and a "how to use the network" guide is currently being developed.

The national program also maintains links with the State RTAP programs through periodic bulletins. Six regional meetings have been held to bring states together to discuss issues and programs. Reports from those sessions are then disseminated through the national program, describing the wide variety of resources being developed with RTAP money and avoiding duplication of effort. Review Board members participate in the regional meetings, telling our peers what information is available and how to use it. There is also an ongoing outreach effort through various national conferences such as this one

where we have people available to talk about RTAP along with many operators whose travel to the conference was funded by their state RTAP program.

The other duty of the Review Board I wanted to mention again is assisting in the development of priorities. What are the most important things that we should focus on? Board members participate in the preparation of the annual work program for the various components of the national RTAP program. I consider it an honor to be a Review Board member representing other operators and to know that our input is being heard and acted upon.

Betty Green, Director, RIDES Transportation Project, Rosiclare, Illinois.

If you are not from a rural area, you may not fully appreciate what the RTAP program means to rural operators. Our system began service in 1977 under the Section 147 program. As the only Section 147 program operator in Illinois, I was on my own to a certain extent. I would look through periodicals and publications, find a name and call that system, only to find that they were not yet in operation or had already folded.

I remember returning from conferences in Houghton, Michigan and Vail, Colorado with my suitcases full of publications that I would search through for helpful information. This made me aware of the training my staff needed as, in our first two years of operation, we did literally no training other than a CPR class and a defensive driving course taught by the state police.

As we grew, I realized we had to do more training. I began to seek out other resources which, for a nonprofit in a small rural area, are difficult to locate. The ambulance service did our CPR training. The mechanic at the local high school taught our pre-trip inspection and maintenance classes. The mine rescue station did our first aid training. In short, we went anywhere we could for instruction and it was a difficult process. State training courses were generally held in Springfield which is 400 miles away. When you only have four drivers, your system cannot function if one of them is in Springfield.

We also provided training at each of our quarterly staff meetings and these taxed our creativity. For example, we designed our own bus evacuation training as I didn't know that other training material was available. We assigned roles to everyone and then went through a bus evacuation drill. It was very successful in making our drivers aware that if there is an accident or fire, they will have difficulty getting certain passengers off the bus. However, I'm not sure we did the evacuation properly because we didn't have any formal training in that area.

I was pleased to be asked to serve on the RTAP Review Board because I knew what my system needed in the way of training. The

first modules may not have been the best but did teach skills we needed. As a rural operator, I am now much more aware of our training needs and more confident of our ability to provide that instruction. We scheduled over 700 hours of training for our staff during the last year in 26 different sessions - for drivers, administrative staff, and dispatchers.

When we first used the RTAP modules, the drivers were nervous at the thought of having to take a test at the end. But once they passed, they had a feeling of self-worth and increased confidence. They are given a certificate which indicates to prospective employers that they are a professional driver.

The RTAP hotline has given me a link to other transit systems with someone available to answer my questions and to send material that I request. If they do not know the answer to a question, the hotline staff will find out. For instance, I asked for and received useful information on other states' legislation as we hope to secure state funding for the Section 18 program in Illinois. We have also used the toll-free number to obtain interpretations of regulations, material on bus safety, etc.

Through the peer-to-peer network you can contact other operators who have successfully dealt with the same problems you are facing. The hotline staff will contact the networker that is best equipped to address your particular concern. The resource catalog gives me a concise listing so I don't have to take home suitcases full of material anymore. Instead, I know what publications to order for my system rather than stocking my bookshelves with items that prove to be useless once I have the chance to read them.

The RTAP program has been an answer to my prayers. It has not fully come of age yet. We are still at the beginning and have made some mistakes. However, I think we are going to see continued improvement in the training modules and other materials during the coming year.

Judith Byman, General Manager, ATE Management Services, Lorton, Virginia.

Betty's remarks reminded me of the first national rural conference I attended in California in 1980 in hopes of receiving training. We had ongoing chaos at our system but kept waiting for those "normal" days in which things worked the way they were supposed to according to our carefully thought out procedures. The most important thing I gained from that conference was the opportunity to talk to people that had the same kinds of problems. This helped my sanity because I found out that it was abnormal to have things go smoothly.

As an operator, I think that the RTAP program has formalized that concept of sharing experiences. Prior to my life in Lorton, Virginia, I operated a system in northern Minnesota. We had a

trainer (at least in the last few years) and tried to be very proactive on training. Although our operations in Springfield, Virginia are different, the training perspective of the two systems is very similar. The RTAP training materials are as relevant and helpful to my Virginia drivers and system staff as they were in Minnesota.

We presented the emergency preparedness and special needs modules to new employees, using the full workbook and the entire package as part of our comprehensive orientation. As refresher courses for experienced drivers, they were helpful in a different way. Whether it's contending with a moose jumping in the road in Minnesota or the traffic in Virginia, a professional driver has certain common training needs. The available RTAP courses are good and fit into our program.

I use the peer-to-peer contacts the most asking, "Have you had this problem?" We don't need to make the same old mistakes all the time as we will make enough new ones. Instead, we should be learning from others' experiences as to what alternatives exist and work. Another product that has been helpful is the catalog. All of us have limited budgets and try to get a nickel out of two pennies and nothing is more frustrating that spending $500 on training materials that do not work. The catalog provides the opinions of others who have already used the training package, describing how it worked best for them, and making your job easier in the process.

Having a trainer on staff may be a luxury but it works well and helps us provide better service. I have a real bias about training and believe that if we are going to be the industry that we want to be, we cannot afford to not train our people. Training eliminates those surprises where a staff member has to deal not only with the situation at hand but the fear of the unknown.

I want to close by telling you about something that happened to us two weeks ago. We often talk about the difference between rural areas and big cities when it comes to radios and emergency situations. There is no difference. One of our drivers had just picked up a dialysis patient from the hospital and was taking the man home when he said, "Melody, I think I'm bleeding." Melody pulled the bus over and verified that he was indeed in serious trouble. She tried to call in on the radio but happened to be in one of those areas where transmission is impossible. The training she received, plus Melody's own dedication, made the difference. She instructed the man on how to keep the bleeding under control by applying pressure and determined that the quickest and safest way to handle the situation was to drive back to the hospital immediately. She saved the man's life. Even in urban areas with EMS close at hand, training our people is extremely important.

Connie Garber, Transportation Director, York County Community Action Corporation, Sanford, Maine.

I wanted to start by asking what RTAP means to you. How many people in this room have had professional training in community transportation? How many of you knew as a child that you wanted to be in community transportation when you grew up? The point is that about 95% of us have had no professional training. We wound up in this field either because we were "volunteered" by someone else or we backed into it from another field, inheriting this responsibility in addition to the 16 other things we were already doing. For some reason, we are in community transportation today and the question is, "How can RTAP help us do it better?"

In terms of what RTAP can do for you, there are the national and state programs which provide opportunities for training, technical assistance, and research. Other speakers have talked about the national modules, the peer-to-peer network, and the clearinghouse. RTAP has yielded some extremely important results: improved safety, improved sensitivity (of office staff as well as drivers), increased operating efficiency, greater professionalism, and ongoing networking. No one would dispute that if you improve in all of these areas you will be able to better serve your riders.

By doing these things, you will also improve your public relations as people in your community will notice your system. Issue press releases saying "Such-and-such training was provided to the staff at Ottumwa Transit". Although I can't guarantee it, this might even translate into a better chance of receiving local match monies. There is a direct relationship between the kinds of things RTAP can do for you and the result of that effort in terms of better service.

A previous speaker talked about professionalism and our industry. There has been some disagreement as to whether we want to be called an "industry" because that term has both positive and negative connotations. But if we surveyed the group present here today, looking at the geographic areas and types of clients they serve, you would find that we represent a cross section of America. All these years we've been thinking, "I'm the only one doing this, there may be another council on aging or sheltered workshop similar to us but they don't have to deal with this particular problem." Yet as a group, we represent so many common interests that it is important for us to focus on the commonalities rather than the differences. RTAP is designed to be able to pull those commonalities together and give you better information.

What can you do for RTAP? (You may have never expected anyone to ask that question.) The obvious first answer is - use it. There is nothing worse than creating a program, particularly one paid for with our tax dollars, and not having it used. We

all know that this is a time of scarce financial resources and yet there has been an ongoing commitment to RTAP at both the congressional and administrative levels. The quality of people we have been working with in Congress and at UMTA is excellent. But we need to demonstrate our need for the RTAP program by using the available products and services.

Some people are afraid to call the hotline because they think, "I don't have any good questions." Any question you have is a good one and the hotline staff will handle each one in the same efficient manner. For example, you may operate two or three vehicles of the same type and you notice that you have to replace the front brakes on them every 4,000 miles. You know all of your drivers aren't driving with their foot on the brake but can't figure out what's causing the premature brake failure. Call the hotline and ask if anyone else has encountered the same problem with that type of vehicle.

If you operate Ford E-350 vans you may have received calls from some people several years ago asking if you were using them as ambulances or as buses. There had been problems with the ventilation systems, creating the potential for explosions. If this is all news to you, talk to Charlie Dickson who is training director for the national clearinghouse and for the Community Transportation Association of America as he has details on the Ford E-250 fiasco. This is an example of the kind of information that can be spread through use of the hotline.

Second, you should also participate in shaping the RTAP program in your state. Each state has one. If you've been told that there is nothing you can do, that is not true. Some of the states have established RTAP advisory committees, as UMTA encouraged them to do, that help put together the state program every year and decide which projects are of the highest priority. If you are not already involved, call your state RTAP coordinator and call the hotline if you don't know who your state coordinator is. That person will also have the training modules that were mentioned earlier. There are some differences between the states in terms of how they disseminate the RTAP materials as some have set up lending libraries while others have actually copied the modules and made them available to operators.

At the national Review Board meeting this week, we discussed the work program for next year and the training modules scheduled for development. The modules will deal with dispatching, training your board members, and special topics in management supervision. We are moving from "hands on" driver training into some other areas and are talking about asking a representative from each state to attend a national-level workshop to learn how to use the training modules. In your next state RTAP program of projects, include money to cover travel costs for your representative to attend. Look at the RTAP program as a resource for obtaining training for and increasing the capabilities of your state personnel as well.

The third thing you can do for RTAP is - promote it. At conferences like this, we are on the cutting edge in terms of new information. However, don't forget the people who could not be here. There are approximately 1,000 Section 18 operators nationwide but the registration at this conference is around 400. (There are also a lot of community transportation systems that are not included in that 1,000 number.) When you return home, get a group together who have similar concerns and share the information you received here. That is a responsibility that all of us should take very seriously. All of us would benefit if we could provide some training, information, or technical assistance to every single operator that would help them do things a little safer, a little easier, or in a more professional manner.

People do look at us, including our legislators. Let your elected officials know that RTAP made certain training or service improvements possible. A legislator will have more of a personal stake in continuing RTAP funding if he or she is aware of specific benefits to their constituency. Give them constant feedback rather than waiting until there is a budget bill with an RTAP line item before them for a vote. Their support will allow us to continue the program and improve it.

The final thing you should do for RTAP is - demand it. RTAP is intended to be a resource for operators. If you are having trouble accessing it, if there is a problem in your state that has kept you from receiving the modules, you must demand that those resources be made available. This program is designed for you and if you can't get to it, raise a ruckus and find out why. Call the hotline or the national program staff if you run into roadblocks on the local level. RTAP is one of the best things that has happened to community transportation, helping us become more of what we want to be and to provide a better service for the public. RTAP is what we make of it and I think we can, through our individual and collective efforts, ensure that it continues.

Roger Tate: As you can see, the RTAP national program has come a long way in the past two years and we have a full menu of tasks still to be accomplished. We are currently working on an electronic bulletin board that is being field-tested and should be operational in the very near future. We are also updating the directory of rural and specialized transit operators which was first published two or three years ago and that should be available early next year. The national program is also encouraging states to work together to magnify their dollars and eliminate duplication of effort.

THE UMTA RTAP STATE PROGRAM: THREE MODELS FOR PROGRAM DELIVERY

Moderator:
Lynn Sahaj
Urban Mass Transportation Administration
Washington, D.C.

Karen Ross Grant, Planning Manager, South Carolina Department of Highways and Public Transportation, Columbia, South Carolina.

I am pleased to have the opportunity to tell you about South Carolina's Rural Transit Assistance Program (RTAP). Our focus is to help the operators build capacity at the local level to meet the mobility needs of our citizens. The Public Transportation Division (PTD) of the South Carolina Department of Highways and Public Transportation is responsible for the planning, coordination, and administration of public transportation programs sponsored by the state and federal governments.

Our 15-member RTAP advisory committee was established in November 1987 and includes representatives from three elderly and specialized transportation operations, five general public systems, one transportation association, a private operator, and an institution of higher education which is also a Technology Transfer Center. Four other state agencies serve on the RTAP committee as well: the Governor's Office, our State Health and Human Services Finance Commission, the South Carolina Department of Mental Retardation, and the Interagency Council on Transportation. Our office has a staff development and training coordinator who works with the committee and I serve as the facilitator.

The RTAP advisory committee provides the PTD ongoing advice and feedback on the implementation of our program. They meet on an "as needed" basis and have met no more than three times a year thus far. (That is an important consideration because of the time commitment required from the members.) The committee has provided our staff valuable direction and input on our training focus, curriculum, frequency of training, and program content. They have also helped us promote and evaluate what we have done. Our focus to date has been on driver training, preventive maintenance, safety, transit management, and governing board training.

We measure our effectiveness in terms of our accomplishments. Rather than doing a lengthy needs assessment, we surveyed our operators to determine their training needs and interests and also examined previous studies conducted through our Section 8 program to see what aspects of those studies might be applicable to RTAP. Our RTAP advisory committee helps develop our program to key on priority issues. After each training session, we then evaluate its effectiveness.

We have drawn upon several resources to implement the RTAP program. We use our internal staff development and training office because our laundry list of RTAP training needs included some topics that were already offered through the South Carolina Department of Highways and Public Transportation. That information is now included on a calendar that is shared with the transit operators so they can take advantage of the course offerings as well.

We also established a scholarship program for the operators. Since March 1988, over 171 local transit representatives have received RTAP scholarships to cover registration expenses at various courses ranging from how to use personal computers to stress management and dealing with difficult customers and employees. Working with our technology transfer center, we have sponsored workshops on preventive maintenance and risk management for drivers, mechanics, and management staff.

A vehicle operators manual was developed and four safety workshops were conducted in concert with a project we had initiated using Section 8 resources. We used the RTAP substance abuse awareness training module in those workshops as well. We also made six copies of the STARTS driver training package, held a statewide workshop for the operators, and have those copies now available for loan. The instructional services lab at the University of South Carolina helped us with the reproduction work and we currently have a waiting list of operators who want to borrow the STARTS package.

The staff development and training office in the State Budget and Control Office has provided logistical assistance on our workshops, helping with site selection, hotel arrangements, pre-registration, promotional material, on-site registration, audiovisual equipment, etc. We have also used consultants for curriculum development and to provide training and training materials. Those activities are carried out with input from our RTAP advisory committee.

Over 150 transportation managers and governing board members from nonurbanized areas have received training to date through three PTD-sponsored workshops designed to increase their efficiency at the local level. Topics addressed at these workshops included understanding our business, dealing with MBO (management by objective) plans, maintenance management, marketing, supervision, etc. The workshop for managers lasted 3 1/2 days while the governing board sessions were 1 1/2 days in duration.

The board sessions keyed on developing effective board/management relationships that would lead to better understanding of the customers, business, and mission of the public transportation system. Topics included understanding the role and duties of board members; how to deal with management of problems and to minimize them through interaction between the

board and management; how to quickly gauge the performance of the system; and how to evaluate management and staff performance.

What are our future plans? In 1990, we will continue our scholarship program, the management and governing board workshops (with emphasis on safety and a drug-free workplace), risk management, and generating local resources. Our program evaluations indicate that some folks still do not understand public transportation in South Carolina, how the system works, how agencies can interact, and how to tap resources. We will address these topics in our management and governing board workshops. We will also deal with marketing and promoting public transportation, developing and strengthening communication skills, dealing with the media and public relations, motivating employees and sharpening interpersonal skills.

RTAP resources now make it possible to recognize transit board members for their exemplary efforts as well as outstanding transit systems. Governing board members in our state serve on a voluntary basis and merit this recognition. Our advisory committee will work closely with the staff to develop the award criteria and it would be helpful to learn from other states who already have similar programs in place.

We will also continue to develop and strengthen our driver training and preventive maintenance training programs. Van and bus operators will need assistance in understanding how the commercial vehicle driver licensing requirements will impact them. We currently have a mobile driver training lab used for on-site defensive driving training and hope to update the audiovisual equipment on this vehicle. Driver and mechanic roadeos will also be conducted with awards presented to the winners.

What benefits have we derived from the RTAP program? The state administering agency now has a closer working relationship with the operators. We are aware of and able to address their training and technical assistance needs. Operators are communicating more with one another to determine what is working and what is not. We are also better utilizing and coordinating state-level resources. Previously the response to a new idea might have been "We've never tried that before so we can't do it". The response now is, "It makes sense, let's do it" or, "Show me that it will work". The positive thinkers outnumber the naysayers.

How can the national RTAP program help the states? We greatly appreciate the modules that have been developed; the latest one on emergency procedures received rave reviews from our human service systems. When additional modules are produced, should the states continue to distribute them or should they be made available directly to operators? It takes us a certain period of time to reproduce those materials before we can share them with operators. The national program should consider

developing modules on preventive maintenance, risk management, implementing the final drug-testing rule, management and governing board training, and preparing our drivers for the commercial drivers license requirements during the next few years.

The national program could also assist in distributing the training materials developed by other states. The recent catalog was great but in the last two weeks alone, we received 12-15 requests from other states wanting us to send them copies of our materials. We want to respond to those requests but our current supplies are exhausted and our budget will not cover mass reproduction. As stated earlier, we would also appreciate advice on how to structure our awards program.

In addition, UMTA should reassess the match requirements for the Section 10 managerial assistance training program which could be used to supplement RTAP initiatives. One reason more states may not have pursued those funds is the 50% match requirement as the same type of activities are funded through RTAP at 100% (no match) and Section 8 at 80%. In South Carolina, we have limited state funds available and our priorities for their use are in matching administrative, capital, and operating grants.

To summarize my remarks, RTAP is helping us do more with the dwindling financial resources available in South Carolina. We are doing an even better job of providing safe, efficient, and dependable transportation services to meet the needs of our citizens. RTAP is helping us build capacity, to train and network.

Janice Hennings, Executive Assistant, Minnesota Public Transit Association, Minneapolis, Minnesota.

The Minnesota Public Transit Association (MPTA) was formed in 1975 with five objectives: (1) to encourage cooperation among all the transit community in Minnesota; (2) to provide a network for the exchange of ideas and experiences; (3) to assist agencies and operators in the development of common purposes, policies, and regulations; (4) to conduct research and training; and (5) to act as the voice of the Minnesota public transit community in matters pending before the state legislature and at the federal level. The goals of the RTAP program are almost identical to those of the MTPA, both focusing on technical assistance, training, and coordination. That is why the Minnesota DOT chose us to implement and manage the RTAP program.

We currently have about sixty MPTA members but I must emphasize that the RTAP program is available to all of the state transit community rather than to members only. Our board of directors serves as the state RTAP advisory committee, representing rural and urban interests from around the state with varying backgrounds. As I am the only staff member of the MPTA, we rely heavily on volunteers from the membership. We have a

legislative study group, a newsletter editorial board, a conference committee, a bus roadeo committee, and a membership committee. Our MPTA board has monthly meetings and most of their discussion is devoted to the RTAP program because they are extremely excited about it.

Our RTAP program serves recipients of Section 18, Section 9, or Section 16(b)(2) funding that operate outside of our transit taxing district. Our 1988 program of projects was very short. We offered a safety seminar, assisted with the Minnesota Public Transportation Conference, and provided a diesel maintenance workshop. We also held our first annual bus roadeo which was very well received.

The RTAP program has expanded considerably this year. We created a scholarship program and have spent about $7,000 to date but hope to publicize this more during the next year. When we offer a program in-state, we fund the recipient's mileage, pay for their accommodations, and help with meal costs that are not provided as part of the conference up to a maximum of $750 per recipient. The same kinds of expenses are eligible for out-of-state meetings but the maximum award is $1,000 per recipient. These scholarships have been very helpful to a number of organizations. When Arrowhead Transit unionized several years ago, they were unsure as to how to negotiate their labor contract. Indiana offered a timely seminar on labor negotiations which a staff member of Arrowhead Transit was able to attend with an RTAP scholarship.

We also provided an accident prevention seminar in 1989, featuring Bob Lower and the STARTS program, which was very well received. We embarked on networking meetings as well because operators are expected to know a lot of different things and networking is a means of learning from other systems. It also helps to regionalize these pockets of providers.

The Minnesota Public Transportation Conference has been held for many years and our operators asked us to take more of a workshop/training approach. We were very fortunate to have several speakers provided through the Community Transportation TransNet. Past conference attendance had averaged about 90 but it soared this year to 175 which clearly indicates that the workshop approach was well received.

We are also using RTAP funds to help our DOT with their drug awareness demonstration project. Our main contribution is volunteer service on their advisory committee but we will use RTAP funds to print the policy guideline manual developed by the state. We will provide information and training materials as well and will purchase the substance abuse awareness module for operators who request copies. We have also purchased the National Safety Council's defensive driving course for transit bus operators and have similar projects lined up for the future.

The statewide bus roadeo was the RTAP project which stimulated the most interest and copies of our handbook are available. We all know that the drivers are the most important people in our transit systems. All the marketing in the world will be useless if you do not have good drivers. The roadeo helps boost the drivers' confidence, safety awareness, and camaraderie with other drivers.

We will also repeat most of our 1988 projects in 1989 although we will vary the topics somewhat. We are scheduling a maintenance seminar in the spring. We will be distributing the MAPS and PASS programs in December or January as we've heard good things about them from other states. We will also continue our participation with Minnesota DOT on the drug awareness program.

In closing, I would like to add my endorsement to Connie Garber's suggestion to be aggressive and get out there and do it. Our board certainly has a "can do" attitude. There are many different approaches that will result in a successful state RTAP program and, if you are not using RTAP now, talk to your transit association. When the director of our state Office of Transit was asked why he chose the MPTA to manage the RTAP program, he replied that he had learned to listen to his staff (who favored the approach) and to take chances. We are still learning too on RTAP but are very enthusiastic about the program.

Patricia Weaver, Assistant Research Scientist, University of Kansas Transportation Center, Lawrence, Kansas.

To help you get a feel for how the Kansas RTAP program compares to and differs from your state, I want to summarize some of the problems we have identified. As in most rural states, we have a lot of elderly persons which increases the demand for special services. Cutbacks in intercity bus service have been cause for concern in Kansas and we are looking at alternatives to connect the Section 18 network with the remaining intercity network. We found in developing an inventory of private operators (including taxicabs and bus companies) that there is a great deal of volatility in the rural market.

We also have revenue constraints with limited Sections 18 and 16(b)(2) dollars. That latter group is a very dynamic one as we previously had difficulty identifying agencies as transportation providers and, as a result, some of our training sessions for drivers and transit managers were not well-attended. The RTAP program has increased people's recognition that transportation is an important component of overall mobility in the rural communities.

With respect to our RTAP program, saying that Kansas uses the "state university model" is misleading as this is a cooperative effort. We work closely with the Kansas Department of Transportation and the Kansas Public Transit Association, which started in 1982 and has really come into its own during the

last few years. We have an RTAP advisory committee as well, made up of public and private operators and representatives from our office at KTrans, that works on developing the program each year.

At one time, Kansas had about 100 Section 18 operators, which was one of the highest numbers in the country. This has fostered a trend to develop coordinating councils within counties or multi-county areas to develop bulk purchasing arrangements, consolidate services, etc. The RTAP program has helped those councils get off the ground as well and provided support to the operators themselves.

We initiated the UMTA RTAP program in October 1987 and will finish our third funding period in February. We built on an existing program as we were already the FHWA RTAP center (which is often referred to as Technology Transfer or T^2 program). That effort was originally funded in 1983 when FHWA was still administering the Section 18 program and included roads, bridges, and public transportation. Not many of the T^2 centers got involved in transit but we were already active in that area and included as much as we could with the available funding. The UMTA RTAP program has allowed us to significantly expand those efforts.

We offer three major services through RTAP: information dissemination, training, and technical assistance. We produce quarterly newsletters and fact sheets, distribute publications, operate a video lending library, and provide literature searches on some of the materials. Those of you who are doing newsletters know the kind of effort it takes. We take pride in ours and consider it the cornerstone of our program. We try to fill a niche by placing less emphasis on news and legislative issues, because the transit associations deal with that along with "Community Transportation Reporter". Instead, we focus on practical and technical applications that are targeted not only to managers but also to drivers, dispatchers, and other agency staff members. We complement the information issued by the state transit association in their monthly newsletter which deals more with legislative issues and industry news.

We have also provided some profiles on agencies within the state because they do not get a lot of recognition. Connie Garber mentioned how we all do what we can and may think we are not doing the best job. Our newsletter profiles agencies in hopes that others will glean some ideas from the report and share information. We have received feedback from the agencies we featured indicating that they use those articles with their local funding sources and as a marketing tool.

Our fact sheets are single topic issues that we are not able to cover in depth in the newsletter. Topics are generally identified by the advisory committee. As far as publications and videos, there are a lot of resources available to us and we could not do our program in Kansas without the national RTAP program,

Norm Paulhus at DOT Technology Sharing, the Community Transportation Association of America, and the other states. This is too large a task to tackle on your own. You must take advantage of the available resources.

With respect to the training program, the number of courses we offer and our degree of involvement vary. We have tried to focus on topics that are transit-specific and encourage agencies to attend other workshops (such as first aid, CPR, defensive driving, etc.) that are available in many local communities. We just finished a tour of the state with our driver training program which included some of the STARTS material. Attendance at each workshop varied from 50-70, which is a record, and we received a lot of good feedback. We also provide management training and a scholarship program. A lot of people from Kansas are here today having received RTAP scholarships to take advantage of the resources available at this conference.

Other features of our training program include coordinating with the state association and using local hosts who provide assistance with logistics. They also do a lot of advertising for the program. In the future, we hope to provide more local training for drivers rather than bringing them to a central location, which is difficult and expensive for the systems. We will continue to have extensive involvement by the Kansas DOT staff. They attend most of the workshops and report that they appreciate the opportunity to meet with the operators in a group setting. The RTAP advisory committee will also continue to set our agenda and schedule.

We established a toll free hotline to provide technical assistance after much discussion on whether it was needed. Our experience has proven that it is a valuable resource as people appreciate being able to call in at someone else's expense. We pay a monthly fee of about $50 plus so much per minute for that service; our total monthly costs for the hotline average $150.

RTAP STATE COORDINATORS ROUNDTABLE

Moderator:
Lynn Sahaj
Urban Mass Transportation Administration
Washington, D. C.

Joseph Daversa, Chief, Rural & Intercity Division, Pennsylvania Department of Transportation, Harrisburg, Pennsylvania.

We have about half of the states represented so we should have a good discussion and exchange of ideas on RTAP. I will discuss the results of a survey distributed by the American Public Works Association (APWA) this spring. The survey was done for several reasons. The national RTAP Review Board had spent a lot of time discussing the need for information exchange about the program. With the decentralization of activity once it gets to the states, we knew there was a wide variety of approaches to implementing RTAP and that the states were at different stages of implementation.

Another reason for the survey was to close the information gap so that a state would not duplicate the work already done by another. Those who were not as far along would benefit and perhaps accelerate their programs by using successful techniques from other areas. The survey noted a variety of approaches but also discovered many similarities. Again, this is useful to know in compiling a comprehensive database so that we can get the most benefit from the available money.

We also wanted to get feedback from all of the states. Presently, six DOT's are represented on the national Review Board and, while we all talk to our neighbors and have a sense of what they are doing, we wanted to open the process up and give other states the opportunity to present ideas to the Board and include their perspective on future directions we should pursue.

The final reason for the survey was our belief in the importance of capturing and documenting on a national basis the major benefits of the RTAP program. Although RTAP has been viewed rather kindly the last few years during the federal budget process, you never know when the budget analysts might attempt to cut RTAP as a way to save a few dollars. There have been proposals to fold RTAP into the general Section 18 apportionment and let the states then decide whether that function is important enough to continue funding.

The survey format was developed by a subcommittee of the Board, including operators and DOT representatives, and we also had input from UMTA staff. The survey was targeted at 1988 program activities and 49 states responded (which lends more credibility to the data). The Board saw the first draft of the

results last week and we hope the final report will be ready in January.

Before I start talking about specific numbers reported in the survey, I need to make several disclaimers. Some of the results were expressed as percentage distributions of how the funds were used, i.e. how much went to training, technical assistance, etc. That kind of information has probably not changed significantly since the survey data was collected. However, some absolute numbers were requested, such as how many people were trained using a particular national module, and those numbers are increasing constantly. In addition, we recognize that the survey focused on activities sponsored by or conducted by the state departments of transportation. However, these materials are also being made available in some cases through state transit associations and the survey was not able to capture data on activities that did not flow through the state DOT. Therefore, there is more RTAP activity occurring than is represented in these numbers.

The first section deals with the administration and organization of state programs. One of the things we were interested in was program delivery. Of the 49 states reporting, 44 are using in-house staff in some manner for the administration and management of the RTAP program. Most of those tasks are administrative but some states are also providing direct technical assistance and training. Thirty-two states were using consultants, primarily for delivering courses and training. The state transit associations were part of the delivery mechanism in 29 states, again mainly in conducting training. Twenty states reported university involvement in the areas of technical assistance, in an advisory role, for research resources and libraries.

There is obviously some overlap in those categories as the total exceeds 49. In Pennsylvania, we checked every answer because we use in-house staff, we've contracted with a consultant that happens to be a university, and our advisory board includes members from the state transit association. Does anyone have comments on different methods for delivering programs, what you feel might work best? What other things should we be looking at? How can we speed implementation or improve the delivery of RTAP training resources, documents, and programs?

Question: Going back to the survey, can you tell how many states are directly administering the RTAP program?

Joe Daversa: Since UMTA makes the money available to the states, they may have checked it thinking, "We have a contract with UMTA and, although we have turned the program over to the university or transit association, our program staff is still involved." On the other hand, there are some states that are very actively involved in the delivery of RTAP training and the survey does not distinguish between those two extremes.

Question: Do you have information on what activities each state has undertaken?

Joe Daversa: Yes, but we do not know what resources are directed toward any single activity. One state may have kept half of the money in-house to develop training materials and contracted the rest to the transit association or university. That would be interesting information to have. The final report will include a profile of each of the states that responded, describing how their programs are operated and managed. Although you may not find precise numbers on how resources were allocated, you will get a sense of the state's direct involvement.

Another question we wanted to explore through the survey was the degree and/or the method of operator involvement. An early draft of the RTAP circular "required" the states to establish an advisory board that included operators but that was modified to "strongly encouraged" in the final circular. We found that 30 states have formal advisory groups that include operators. The national Board has discussed this on a number of occasions and believes it is critical to the success of RTAP to include operators as they are the target group for training and technical assistance. The transit systems must carry the program one step further and deliver it directly to their employees who actually provide the services. It would be extremely difficult for a state agency to manage the RTAP program in a responsive, responsible manner without involving the operators.

These advisory panels generally have 6-12 members and include both Section 18 and Section 16(b)(2) operators. About half also have private operators represented and it's common to have other state agencies included as well (such as health and human services, aging, mental health, developmental disability, etc.). Although other agencies are not members of our board, we invite other interested parties to attend at appropriate times. The most common type of board involvement has been to identify and prioritize needs, to monitor and review as projects are implemented, and to help develop program policies and procedures. We worked through our advisory board from the start in determining a basic approach to service delivery.

As the RTAP program continues to develop, we should see diversification in the allocation of resources, with more emphasis on different activities as the highest priority needs are met. A broader forum may then be more useful in defining future priorities. The survey also asked about other beneficiaries of the RTAP program. The circular specifically identified Section 16(b)(2) and Section 18 operators as potential recipients of this training. But over half the states reported that Section 9 operators were participating as well and over a third reported private sector beneficiaries. Also mentioned were local planning agencies and other state funding agencies.

The next section of the survey asked what the states were doing with their RTAP apportionments. The responses indicated that 50% of the money was allocated to training, 35% to technical assistance, 10% for support activities, and 5% for research. Again, these distributions are likely to shift over time. One of the exceptional aspects of the RTAP program is the absence of federal regulations and mandates. We have a tremendous amount of flexibility and can influence how it is implemented and what needs we will address.

With respect to training activities, the survey reported that 243 RTAP-sponsored courses were attended by almost 6,000 persons in 1988. The most common topics were finance, accounting, marketing, computer applications, safety and defensive driving, passenger relations, supervisory training, and vehicle/fleet maintenance. Twenty-four states have developed original training materials on various topics. The survey also found that 774 scholarships were awarded in 1988.

The final report will provide a wealth of information and we should all use it to our best advantage. We hope to include some conclusions, observations, and recommendations based on the data. The national Review Board has also discussed doing updates at two-year intervals to measure what is happening with RTAP, to identify trends and shifts in emphasis, and to find better ways to share information and network on RTAP activities.

The last part of the survey posed several open-ended questions, one of which dealt with research and what the states' priorities were in that area. Topics mentioned included financing for rural transit systems; vehicle specifications with a safety emphasis; management of rural systems; driver training and safety; performance standards and evaluation; and passenger assistance techniques. Those are items that we will be considering at future Review Board meetings. Some may also be applicable for regional meetings as activities to be undertaken jointly by several states.

Patricia Saindon, Administrator, Transportation Division, Montana Department of Commerce, Helena, Montana.

My assignment is to talk about the practices and the products that have been developed by the states. As the director of Montana's state RTAP program, I believe we are doing a good job in terms of program delivery. Those in the audience who represent other states probably feel the same way. We're doing our best with a new program, trying to deliver a good product to our operators.

However, as a member of the national Review Board, I hear comments from operators indicating that the states are slow in getting the training materials, money, and national program products out to the systems. There is some concern as to whether RTAP is reaching its designated target audience. This is valid

criticism because some states have been slower to implement the program than others.

When we were getting started in Montana, our initial plan was to use the state transit association as our advisory board. However, our association is made up of the larger systems and does not include a good cross section of Indian tribes and small 16(b)(2) operators. After the first year, we established a separate RTAP advisory board with Sections 16(b)(2) and 18 operators. The transit association is represented as is the Indian reservation and our board includes fixed-route and demand-responsive operations.

The operators did not fully understand what the RTAP program was about in the early days. When we held a committee meeting and told them what we wanted to do, they would generally agree with our plans. However, they did recommend that we establish a scholarship program which has proven to be one of the better uses of the RTAP money.

As you heard from Joe Daversa, there are many variations on the administrative theme among the states. Most of the services in Montana are currently delivered by state staff. However, that may change depending on the recommendations of our advisory committee. We have not hired a lot of consultants, we do not have a university system to tap into, and our transit association is currently not able to manage the program. But I would like to hear more from those of you who are contracting RTAP to your state transit association as that seems to be one of the better practices.

I receive fliers from other states that are providing a lot of training. Although we haven't sent anyone to the East Coast yet for RTAP courses, it does make us aware of what others are doing and alerts us to potential training. We look at the agendas to see who is conducting the course because we may want to have them do something similar in our state.

David King, Director, Public Transportation Divison, North Carolina Department of Transportation, Raleigh, North Carolina.

[Due to technical problems, Mr. King's remarks are unavailable.]

INCREASING FARES

Moderator:
Dave Marsh
Capital Area Rural Transportation System
Austin, Texas

Kenny Hosen, Senior Associate, Ecosometrics, Inc., Bethesda, Maryland.

I'm going to approach this subject in the traditional sense of how to increase fares without hurting your ridership too much. There are some set rules that have been used in urban areas for many years that tell you what will happen when you change fares. Although the numbers may be different in rural areas, the concepts are the same. I will talk about fare elasticities, policy considerations, and different types of fare structures.

Let me start with a definition of "fare elasticities". They are a measure of the relative responsiveness of transit ridership to changes in fare levels. For example, if you raise fares X%, ridership declines X%. Naturally, when you increase fares you lose some riders and when you decrease fares you gain riders. Elasticities can be broken down into any number of categories. How is a fare increase going to affect various income groups or work trips, school trips, shopping trips?

You may already have an idea of some of those relationships. If you increase fares for work trips by 10%, you have a 0.1 elasticity which means you are going to lose 1% of your riders. But if you raise fares for shopping trips, you may lose 2.3% or more of your riders. Off-peak fares are very elastic as you will lose 4% of your riders for every 10% you increase fares. That is significant and tells you to consider increasing peak fares only because you will not lose nearly as many riders and will gain more revenue.

Income group elasticities are what you would expect, i.e. those people who make the least money are the least elastic. They will still use the transit system because they need to get to work and may not have a car. You can raise fares and this group will still ride. If you raise fares, you are instead going to lose some of your "choice" riders.

Examples from urban areas show that an elasticity of 0.5 means you will lose 5% of your riders (which is a lot) for every 10% increase in fares. Decreases in fares yield the opposite results. An "elastic" route may be midday service on which you will lose a lot of passengers if you raise fares because they don't need the bus. Work trips are very "inelastic" as most people will continue to use the service no matter what the fare is.

Another example shows a fare and revenue increase with ridership remaining fairly stable. This leads to the conclusion that you can increase your peak hour fares and gain a lot of revenue without losing many riders. If you decrease those fares, you will not gain many riders and it may not be worth it. Transit demand in the largest urban areas is elastic, averaging 0.3. Small cities have larger elasticities and this may carry over into rural areas as well - people will leave the system as you raise fares across the board. However, if you know which elasticity levels are less sensitive to ridership fluctuations, you can target fare changes in those areas.

Off-peak elasticities are double the size of peak fare elasticities. Short trips are more elastic than long ones, i.e. short trips are more discretionary and people may choose to walk or ride a bicycle or ask someone to drive them. Work trips are the most inelastic as those trips must be made and traffic congestion makes transit more attractive, etc. Travel by the elderly is slightly more elastic than the average as they are not captive riders and may drop out in higher percentages than the rest of the general public if you raise fares.

Question: Do you think that may not be as much a factor in isolated, rural areas?

Kenny Hosen: That's a good point. We really don't know much about rural areas yet. We may be able to use some of your experiences to do a study on elasticities in rural areas because there is currently a lot of disagreement on this subject.

Question: Is there a formula you can use if you are doing your budget and trying to figure out how much revenue you need and how that equates to passengers and fares?

Kenny Hosen: If you have an elasticity of 0.3, you take the percentage of your fare increase and multiply it by 0.3 and that will give you the estimated ridership decrease. For example, if you increase fares by ten percent, your ridership will drop by approximately 3%.

Question: You multiply that by your average fare per rider?

Kenny Hosen: Exactly. If you are looking for revenue gains, you shouldn't be looking for ridership gains at the same time.

Question: Have there been any studies done for systems that did not initially charge fares and then started charging?

Kenny Hosen: There's very little data on those situations. Has anyone here had that experience?

Comment: I operate a Section 18 program in Tennessee and we began a fare system in 1987. Initially, our ridership dropped 7-8% but has since built up again.

Kenny Hosen: It generally takes a least six months for it to come back up again. Anyone else have a similar experience?

Comment: We had a drop of 10-12% but our ridership built back up slowly once people got over the shock.

Kenny Hosen: We can translate that into saying that, based on these experiences, rural transit ridership is very inelastic and is not subject to a lot of change. That may be across the board or it may just apply to the elderly or to work trips. Has anyone instituted a fare increase recently? We have an interesting case in Austin where Capital Metro has just gone "free fare" on the urban bus system. They don't charge fares for anything and we really don't know what to expect from that. During the initial period, they have had over 44% increase in ridership but we don't know if that level will remain steady. Capital Metro wanted to increase ridership which relates back to goals and objectives and using your fare policies to help you meet those goals and objectives.

Question: In Austin, what did you start out charging for fares?

Dave Marsh: My system operates in the rural ares outside of Austin. Our fare is "distance sensitive", meaning what you pay depends on how far you go. Locally 0-50 miles costs $0.50 and it goes up incrementally based on distance traveled.

Kenny Hosen: Dave Marsh' rural system does some work for Capital Metro and some of his routes are also now free. Do you have any ridership figures on that service?

Dave Marsh: We operate three contract routes for Capital Metro outside their core city area. One is a feeder to an express bus, i.e. an over-the-road coach that runs long distance into Austin over a very congested corridor. Our service is a feeder with a free transfer; we never charged but riders would pay when they got to the Metro bus. That route's ridership went up 12.5% in the first month of the free fare program. We also operate another dial-a-ride service which used to cost $1.00 (compared to the normal fare of $0.50) and utilization of that service increased 40%. The third route we run is another feeder from a rural area into the metropolitan area; ridership has increased 27%.

Question: What is the time element in the elasticity? When you raise your fares and lose some ridership, what is the recovery time to get that ridership back?

Kenny Hosen: The numbers I was citing earlier were based on six months. You will lose some riders forever but chances are that many will return eventually. After 6-12 months you will have a much better idea of the impact of the fare increase.

Let me talk now about a few policy areas you should consider. Revenue generation - do you need money and how much do you need? To determine this, you take your costs and subtract your funding from other sources. Whatever is left is the money you need to generate from the farebox. The second consideration is ridership which must be viewed along with revenue because if your focus is on raising farebox revenue you will not be able to increase ridership.

Another criteria we use in setting fare policy is equity, the "ability to pay" principle which states that fares should be set to favor those who are least able to pay. That is consistent with many of our social service backgrounds. The other one is the "benefits" principle which says that fares should be paid in proportion to the benefits received. Everybody should pay for what they get, i.e. more for a long trip than a short one, etc. Another factor to consider is operational feasibility. If you implement a complicated zone-based fare, it may confuse the riders and cost you money in the end. Obviously, the easiest policy to implement is a flat fare.

You have to consider each of these factors as well as social and environmental issues. One of your goals may be to provide more service to the elderly and cutting fares to the elderly may satisfy that goal. If your goal is to get cars off the road in the middle of the day, you can generate more ridership by cutting your midday fares. You must consider these social, economic, environmental, and political goals when developing your fare structure.

Flat fares are the simplest to administer where the rider pays a set fee. Another common variation is time of day fares (peak and off-peak) and you can probably generate a lot of riders by decreasing the off-peak fares. Distance-based fares may be set up by zones or may be based on actual miles traveled. This type of fare structure is best in terms of equity and revenue generation potential but is inconvenient to riders, leads to fraud in some cases, and may increase your operating costs due to slower passenger boarding.

Quality-based fares are another reasonable variation. If you are providing an over-the-road coach commuter service you are going to charge a bit more than if you are providing a downtown trolley service. You may charge more for demand-responsive trips. There are also special purpose fares, such as half fares for the elderly during off-peak hours, or fares as a promotional strategy. If you have an unproductive route, you may increase ridership by lowering fares for a month or providing free service for a month.

If you use these ideas as tools in developing your fare policies, you can maximize your riders and your revenue at the same time. Elasticities are the key in knowing what makes people

tick. With the growth in the rural transit industry, I think we will know more about rural elasticities in the next few years.

Sandy Broder, President, Denver Mobility, Inc., Denver, Colorado.

I want to share our experiences with the private nonprofit group, Denver Mobility, and some of my biases on corporate attitudes and leadership to avoid constant funding crises. When I began work with the agency in 1980, our budget was about $150,000 and we had one vehicle and two staff employees. We had to rely on our talents to ensure we were in a financial position 10-20 years down the road to provide the transportation needed by our clients. Our budget today is $2.1 million and we operate a fleet of 41 vehicles, seven days a week from 5 a.m. to 11 p.m. Many of our contracts provide 24-hour service. We have no geographical limitations so we are able to provide 10-mile and 600-mile one-way trips. We have no age or route limitations either.

We have had to develop a system that would generate enough earned income to allow us to provide service to the handicapped and elderly population whose reimbursements, whether from contracts or government sources, are generally less than our expenses. Over the last seven years, we've been able to earn 90% of our gross revenue through contracts for service. This year that equated to $1.8 million out of our $2.1 million budget. One of the interesting things I have found is that this is extremely easy. Out of the $300,000 that we consider fund-raising, approximately $122,000 comes in the form of 16(b)(2) equipment and the rest is basically capital funding. We do not receive outside subsidies to support the system.

As leaders of your agencies, you have a responsibility to provide excellent service to the greatest number of people. If you take that responsibility seriously, you will be held accountable by the community and yourself for the success or failure of your agency. When I see other systems struggling, continually cutting back routes, laying off drivers and going to the community for additional subsidies, I think they need to change their attitude. Ours at Denver Mobility is that we are the best ground transportation agency in Colorado and the five-state region. My staff knows they have the authority to provide whatever service is needed. This attitude establishes a corporate culture that you can do the trip, you can fulfill the contract, and then you can start earning some dollars.

In terms of leadership, it is your responsibility for making that company succeed. If you have a $200,000 shortfall, if you can't pay your drivers enough, if your operations manager is making less than the competition in the private sector - hold yourself responsible for making changes. One of the ways you can do that is to begin competing. Nonprofit transportation agencies too often consider "competition" a dirty word. Denver Mobility receives revenues from about 60 different funding sources,

including Medicaid and Title III (which are based on competitive cost per unit rates) as well as the American Cancer Society, Multiple Sclerosis, and other such agencies.

One of the things we don't do is provide free transportation. If someone calls us, regardless of their age or handicap, our reservationist will not schedule transportation for that person if there isn't a funding source available to pay for the trip. We will instead offer them service on a fee basis. We have set our goal at 100% self-sufficiency and are now very close to reaching that. We have achieved this by going out to various entities in the community - hospitals, clinics, hotels, banks, ski resorts, convention bureaus, and anyone else who could possibly use ground transportation - and letting them know we are available. Although 95% of our services are directed to the elderly and handicapped population, we can also take corporate VIP's to a ski resort for a conference. We will charge them $500 round trip and make a very large profit which we then use to support the E&H system. This concept has worked very well over the years and is one reason Denver Mobility is such a strong, financially sound organization.

One of the problems you may face is a shortage or scarcity mentality, where you say, "We don't have the vehicles, we don't have the drivers, we can't go out and do this type of work, etc." When you are evaluating those types of contracts, you must think beyond the initial operational problems. If you can either sustain or expand operations through a contract, even if you just break even initially, that will help you turn a profit later which will allow you to pay higher driver salaries, buy better equipment, market your services, etc.

Several years ago at a state association meeting, we invited all the doctors and hospital folks to meet the transportation providers. One of my competitors said they couldn't bring any of their agency brochures to the meeting because it would have cost $200. If she had brought the brochures, she probably could have negotiated $20,000 worth of Medicaid contracts. The point I am making is, go ahead and spend the money. If you need more vehicles, find a local banker who will loan you $10,000 and buy used vehicles. I would encourage you to compete at every possible level whether against private taxi operators or bus companies because the contracts are out there.

You should also market boldly. Don't be afraid to let the community know that you are the best transportation company in your area and that you are willing to provide any type of transportation they want for a price. Use all types of resources such as earned income and subsidies, foundations, corporations, city gas programs, job training monies, etc. Consolidate all those funding sources under your roof so that you are not in the situation of turning down client A because another agency has that funding.

Become risk takers. You must grow in the transportation business in order to remain successful. A two- or three-van system will not generate enough revenue for you to continue operations over a ten-year period. If you don't take risks you will not be able to reap the financial rewards. If it means operating seven days a week and on holidays, do it because it will pay off later.

Denver Mobility's motto is, "We are better because we care". We serve 10,000 unduplicated clients, providing about 250,000 E&H trips per year. Your standards of excellence should be high and you should aim for perfection. That may include having vehicles so clean you could eat off the floor, having drivers in starched uniforms, or not deviating from your schedules and routes. As the executive director you set the standards and your staff will follow. If you accept mediocrity within your agency, your agency will be mediocre.

With respect to tax issues, people used to say it was against the law for nonprofit agencies to make a profit. I'm sure you all know better. But do you know that nonprofit agencies can have excess revenues over expenditures? Whether or not you want to call it a "profit", that's what it is. In terms of related income, there are no limitations on the amount of money that your nonprofit entity can make. With respect to unrelated income, the allowable percentages range from 15-75% of your total budget. If your board of directors expresses concern over this issue, spend $300-400 on a tax attorney and have them explain to the board that you can make profits/excess revenues which will benefit the community as well as your agency.

Before we can make changes in our transportation systems, we must change our own beliefs and attitudes. Many of the ideas you will hear at this conference are not particularly new but certain people are willing to take those ideas one step further and put them in action. Once you have changed theory to reality, you will have changed behavior. And once you have changed behavior, you will then be able to change attitudes. Once your attitude changes, your whole corporation will be different. Even if you only implement one new idea, take the attitude that you can do anything you want if you are willing to work hard enough for it. Success is not dependent on other people but rests solely on your shoulders.

Question: Do you purchase any vehicles through the 16(b)(2) program and are there problems in charging E&H clients for service?

Sandy Broder: We either purchase them outright or go through leasing programs. Section 16(b)(2) is a primary source for us. While the client may not pay for the service, we have a contract with the area agency on aging that reimburses X amount of money for X trips.

Question: Do you have problems with vehicles sitting idle? And at what mileage do you replace your equipment?

Sandy Broder: None of our vehicles sit idle but instead average 12-14 hours a day in constant service. It's somewhat embarrassing that we are still operating 1979 vehicles but we have a maintenance staff that works 365 days a year. We do all of our maintenance in-house including body, paint, and engine work and have found that we can extend the life of our transit vehicles far beyond 100,000 miles (which reduces our need for capital funding). We also buy used vehicles from other competitors in the Denver area.

Question: Do you operate any of your vehicles on alternate fuels?

Sandy Broder: No. I've looked into that and didn't feel the cost savings would be worth the bother.

Question: Do you get any negative feedback from private operators about your contract work?

Sandy Broder: There is a tremendous amount of competition in the Denver area with four other nonprofit agencies operating on a county-wide basis as well as eight private-for-profit companies. And yes, I do take a lot of heat although it is my nonprofit peers who give me the most problems. Most nonprofits tend to be afraid of competition and I suggest you use that to your advantage.

One of the counties in the Denver area recently tried to restrict our operations. We pointed out if they were providing the service, people would have no need for Denver Mobility. Build a better mousetrap and make them dependent on your service. Since your mission is to serve the public, the fear of a monopoly will dissipate and you will start earning money. Every nonprofit should have a goal of total non-reliance on government funding or limit it to a minor role so that you can control your own destiny.

Otis Livingston, Executive Director, Pee Dee Regional Transportation Authority, Florence, South Carolina.

I'm going to tell you how to earn $100,000 in cash. We have 138 vehicles, with 85-90 in daily service, and 116 employees; we serve a six-county area. Like many other organizations, we've added frames on our vans to rent out sign space. Although we haven't really pushed that program we have gained some benefit, primarily in trade-off agreements with the local television and radio stations. We put their sign on our van for $75 a month and build up advertising credit for 12-18 months and then spend the whole amount in one major promotion.

In 1988, we decided to implement a program to generate more revenue, patterned after Adopt-a-Bus in Norfolk, Virginia. Since we primarily operate vans, we call this our adopt-a-van program. A local business firm contracts with the Pee Dee Regional Transportation Authority and obtains the exclusive use of the exterior of the vehicle for advertising space. That firm then hires a graphic artist to paint their logo or advertising message on the vehicle. We retain a small space for our own identification and logo. This program has some obvious advantages. Placing their message on one of our highly visible transit vehicles advertises that company throughout our service area because our vehicles are a mobile advertising medium. Our costs are quite reasonable in comparison to standard, stationary billboards.

What does this program involve? We sign a contract with the business firm for a period of 12-36 months. Fees for the service depend on the duration of the contract and where the advertising is targeted. For a rural area, we charge them $200 a month for the use of the van. In the metropolitan Florence area the fee is $300 a month. We require the customer to pay us in advance and collect a two-month deposit when the contract is signed. (That deposit represents the last two months' rental fee.) The balance of the fee is due in equal monthly installments beginning with the first month after the van is put in operation.

What does the fee include? It obviously gives the advertiser exclusive use of the exterior of the van. We guarantee full maintenance of the van and extend credit if the van is taken out of service for more than five consecutive work days. We also try to schedule the advertiser's vehicle to operate on various routes to provide exposure in different localities. If they prefer to advertise in the rural area only or the urban area only, we try to accommodate them.

We will often schedule in advance to provide service to a specific industrial site, shopping center, etc. As a bonus, we will also display the vehicle at a local civic event or enter it in a Fourth of July or Christmas parade. My drivers love to be in parades and will volunteer for those assignments.

The advertiser has the responsibility to pay for the application of the advertising message on the vehicle. Sometimes it is painted and sometimes it is a vinyl stick-on sign. The latter are very durable and colorful and can be custom-made. Generally the advertisers must be of a reputable character and are limited to standard commercial advertising. We do have a few restrictions: we don't allow them to advertise alcoholic beverages, tobacco products, or politicians.

We also encourage our advertisers to use cooperative advertising and split the costs with another firm. For example, this Hardee's van has an advertisement on the rear for a Honda-Mazda dealership. Another example is the Pepsi-Cola van

which has a small sign on the rear of the vehicle which probably paid to have the van painted. Your advertisers can write off these expenses as a cost of doing business.

How do we find advertisers? We drive up and down the roads and look at which companies use billboards. We also advertise in our Chamber of Commerce newsletters and send brochures directly to potential customers. My board members help me with contacts in some of the towns and counties they represent. But we don't have to spend a lot of time finding advertisers.

Our customers have included banks, automobile and mobile home dealers, hospitals, a pharmacy, tire service companies, fast food chains, a radio station, etc. Each time we put one of these vans in service, we have a ceremony with the new proud "adoptee" parents and take pictures for the local newspaper. This provides news for the papers as well as advertising for my program.

All of the businesses contracting for adopt-a-van have found the advertising idea clever, unique, and economical. In addition, many support our program and like to work with a community organization such as ours and benefit their own businesses as well. Interestingly enough, all of our advertising clients to date have signed up for more than 36 months. Our contract specifies that the PDRTA will assume the costs of painting the base color on the vehicle if the contract period exceeds 36 months. Otherwise, the advertiser pays that cost of $600-700. Most use a white base color van which is what we normally buy so we don't have to incur the expense either. Even when we have a van painted, we recoup those costs in a couple of months.

We now have a dozen vans and one small bus involved in the program which will generate $97,000 in cash for us over the first three years. Within the next few weeks or months we can easily raise that to $150,000. But the program goes beyond the obvious financial impact. Perhaps of equal or greater value is the benefit we derive from our partnership with the local business community. The public-private nature of the adopt-a-van program helps us be recognized as full-fledged members of the business community and has significantly improved our image.

We also found that passengers like to ride in these vehicles because they are cheerful and brightly colored and lack any of the stigma associated with social service programs. My drivers love the vans too. The advertisers have a billboard the size of an elephant roaming around in places where stationary billboards are prohibited. These vehicles travel to the suburbs, industrial areas, and everywhere else giving them miles of exposure to the buying public.

The money that PDRTA receives from the program is positive cash flow, i.e. money without strings attached. We can use those dollars to buy more advertising or put them back into the system

to improve our service network. Therefore, the ultimate beneficiary is the public because they are getting better service and we have less need to go to local governments for match money. We also have less need for fare increases as long as we are generating this kind of revenue.

Question: Have you encountered any skepticism in your program, with people thinking this is a little bit much, that we don't want our vehicles to look like that?

Otis Livingston: Not at all. Our brochure features the Hardees van and says, "Have you seen this sign in Florence? If you have, you are one of thousands." Everyone sees that van all over town and knows who it belongs to because we have our name and telephone number on the front panel of each door. The cash advantages of this program far outweigh any negative feedback we have experienced.

Question: Have there been cases where the public assumes it's a company vehicle rather than a transit vehicle?

Otis Livingston: Yes, we have had people wanting to ride to work in that vehicle because it has their company name on it. But we haven't experienced any real problems. If they want to ride our system, all they have to do is call our dispatcher. I really haven't received any negative feedback except from my bookkeeper who thinks I should charge more than $200 a month for the advertising space.

Comment: I agree that the idea is unique and the colors are striking, but our local elected officials want to be identified with the service that is being provided.

Otis Livingston: Sign racks are good but are a lot more trouble. We usually sell them on a monthly or three-month basis and you can order the racks in various sizes.

John McBeth, Transit Administrator, Brazos Transit System, Bryan, Texas.

Brazos Transit is sometimes referred to as "Anything for a Buck Transit" and the only color that is striking to us is the green in our bank account. When government funds began disappearing in the early 1980's and the new buzz words were "user side subsidy", we began looking at our operation to determine how we could capture that subsidy. We looked at who are the ultimate beneficiaries, the end users. In most cases, the business that you are transporting that passenger to is the end user who should be paying for the public transit infrastructure just as they pay for curbs and gutters and other such items.

We represent ourselves that way to local businesses, that we are shipping goods to their front door just like a trucking

company and that they should be paying the freight. We will carry anybody, anywhere within our geographical area. When we were analyzing our system in 1982, we wanted one we could sell and not just market. You can market all sorts of things but the real measure of success is whether you sell your product. We found several points that help us with the private sector who are our primary customers these days.

To work with the private sector, you must provide a high level of quality service because they will not buy junk. You must provide consistent service, taking their people where they want to go, when they want to go and the way they want to get there. You must also do this within their hours which are rarely 8-to-5. We carry a lot of commuters, with some of our operations starting at 4:30 a.m. and ending at 9 p.m. We also have two units that operate 24-hours a day, 365 days a year. Someone asked if it was difficult to find people to operate that equipment. As a matter of fact, you find the most responsible people to drive during those hours and we have never had a problem with those routes, drivers, or dispatchers.

You have to give the private sector what they want when they want it. We never tell anybody "no". If they ask us to do something, we say, "Sure, we'll write up a proposal and bring it to you tomorrow". We never tell them we have to check with our board because they don't care about that. You enter your negotiations acting like a business and you close them the same way.

Many of you may have Title XIX Medicaid contracts so you already have a built-in clientele that you are taking to physicians. But Medicaid clients are not the only people who get sick or pregnant or need to go the doctor. As we were already carrying traffic to the doctors' offices, we went to them and said, "We can bring you more patients - how much will you pay?" They actually expected this sales pitch so we were able to dovetail that service with our Medicaid program without spending more money or changing the operation.

We went to private businesses and sold them merchant passes which they could use in their advertising campaigns. The customer pays the Brazos Transit fare for the trip to the store but the merchant gives them a free pass to get back home. The pass now typically includes two trips as a way to get the passenger back to that merchant's business to shop again. We do the printing and include the firm's logo on the pass; they just pay us for the product.

Our most successful and profitable initiative has been our commuter routes. We expanded our service hours from 6 a.m. to 6 p.m., with equipment heading out of our central hub early in the morning to the small cities and rural areas. We established a series of park-and-ride lots, donated by the cities and counties, where we pick up public school teachers and other employees who

have jobs in the rural area. That's one thing about small communities: the public school teachers are a built-in transit clientele. After we drop them off at school, our bus is used for other things between 8 a.m. and 5 p.m. Then we pick up the teachers and bring them home. We use our vehicles an average of 14 hours of day and the average odometer reading is 200,000+ miles.

The Woodlands Express is our most successful commuter program. The Woodlands is a fairly exclusive community about 20 miles north of Houston. We carry people from a 600-space park-and-ride lot, which was built with Section 18 funds, from The Woodlands to downtown and midtown Houston, Greenway Plaza, and the Texas Medical Center. We charge $100 a month for a book of tickets. For that particular operation, we have a transportation advisory council composed of various corporate officials. The Woodlands Corporation is owned by Mitchell Energy and Development Corporation and Century Development Corporation also has houses in The Woodlands. In talking to prospective home-buyers, they want to be able to tell them how they can travel to jobs in Houston.

Another council participant is the Downtown Merchants Association which includes people from Texaco, Tenneco, Texas Commerce Bank, Interfirst Bank, Mobil, and Exxon USA. Houston has now established an "energy corridor" which is much closer to our park-and-ride lot. Individuals pay at least $20,000 for council membership and the fee increases based on the number of employees and their route requirements. However, none of that money is used to subsidize the route nor does it give them specific routing authority. Instead we invest those fees in a business development plan which allows us to leverage more state and federal monies.

The Woodlands' operation carries about 550 people per day. This is a totally privatized service that we manage with only two employees as the 15 buses used are operated by Trailways Commuter, Inc. We also have a private security company and contract for lot maintenance. We recover 94% of our direct operating costs from the farebox each month, making it the most successful park-and-ride program in the United States. Half of the required 25-30% subsidy comes from Section 18 or state money with the other half from the private sector.

If you have the time, you can go out and make anything happen. You can obtain monies from any source but you have to be willing to go after it. You must also adopt the attitude Sandy Broder spoke about, "We are better because we care". If you are willing to work with the private sector and meet their needs, you can raise tremendous amounts of revenue, most of which is unrestricted and can be used for any purpose.

Question: When selling your services to end users, do you get all of the doctors' offices to buy into it?

John McBeth: All you have to do is sell it to one and then send your marketing person down to the next one saying "Doctor Smith is doing this". Doctors compete for patients too. When a person goes to the doctor they spend about $197. If the doctor can subsidize a portion of that fee in any manner, he will draw more business than his competitors. These trips are scheduled on a "first come, first served" basis and it is to the doctor's advantage to ensure that his patients have a reliable source of transportation. They can also write these expenses off as a cost of doing business. The physicians are paying the full cost of service and, if this is done through a contract, in Texas those monies are not considered revenues but are purchase of service funds.

Comment: In your area, you have lots of medical services available so there is competition between doctors. But that is not the case in many rural areas.

John McBeth: Most of our rural areas have lost doctors but that has actually made it easier for our system because we have more clients going to a central location. Even when we had more rural physicians, they were willing to pay a premium to get people to their door.

Question: Do you receive Title III money?

John McBeth: Yes, but only for service to and from a nutrition center. If elderly persons want to go somewhere else, they must pay the regular fare under the terms of our Title III contract. That may be different in other states.

Question: What about Medicaid clients?

John McBeth: Medicaid pays us the same way, except at a higher rate because we prioritize their clients. The Medicaid program is fairly tight in Texas in that we must call and get prior approval before transporting them to authorized destinations. But if a Medicaid client is traveling for other purposes, they pay the standard fare also.

Question: When businesses buy coupons, do they also pay the full cost of service?

John McBeth: Yes, they purchase books of coupons directly from us through our marketing office. We do count that revenue as fares because it is not derived through a contract. It would be too much of a hassle to negotiate separate contracts with that many businesses.

PERFORMANCE MEASURES

Moderator:
Jon E. Burkhardt
Ecosometrics, Inc.
Bethesda, Maryland

Jon E. Burkhardt, Vice President, Ecosometrics, Inc., Bethesda, Maryland.

Performance measurement is a commitment to a process of change, looking at what is going on now and ways to make that better. There are two different perspectives you can adopt. "Internal" means within the operations of a transportation system while "external" means a viewpoint larger than that, e.g. a county, state, or national perspective.

The first reason for performance measurement is to track a system's performance over time. That is different from the second purpose, which is to track a system's performance in comparison to similar systems. A third purpose is to compare a system's performance to another mode, such as a bus to a taxi mode. Another internal purpose is to measure the system's objectives in a quantitative fashion. One of the possible external reasons for performance measurement is to allocate resources.

The primary reasons for this monitoring, evaluation, and change process are to save money and to avoid problems. You want to better meet the needs of the clients of the system; to control the costs of services; to support and justify charges to clients and client groups; to provide data for public information and for public relations purposes; and to provide information which can be shared with other agencies who are doing similar things.

Generally we are talking about four kinds of measurements: resource efficiency, service effectiveness, cost effectiveness, and system productivity. Resource efficiency is the service provided divided by the resources expended such as hours of service divided by the cost of providing them. Service effectiveness is the service consumed divided by the service provided using indicators such as trips per hour, revenue per hour, trips per mile, and revenue per mile.

The third category is cost effectiveness: services consumed divided by resources expended such as trips per dollar spent. It is also revenues divided by expenses - which is your operating ratio. One of the key factors to look at is system productivity: passengers per capita, revenue per capita, and revenue per passenger.

There are some fancy urban evaluation systems but I recommend you keep the system as clean and as small as possible.

Again, the purpose is to be able to make changes and you cannot do that if you are buried under a mountain of data. Keep it simple and in a common sense perspective.

Finally, it is important to tie performance measurement to strategies and the big question is, "What do we do now?" There are four possible answers. One is to continue doing the same thing, to preserve. The second is to enhance - if some things are going OK and others are not, make it a little better. The third option is to alter, i.e. to make significant changes in route structures, services, costs, techniques, etc. And your fourth option is to discontinue, replace, or start over again.

Betsy Kachmar, Program Manager, Indiana Department of Transportation, Indianapolis, Indiana.

We have been using performance measures for our rural systems for about eight years. We looked at different statistics and agreed on three that we want to emphasize so strongly that we have tied our funding formula to those indicators. That kind of link is one of the best ways to get people's attention.

The first indicator is locally derived income as a percent of operating expenses. We chose that because one of our goals was to increase local participation in transit operations, knowing that federal funding was decreasing and state funding was not increasing. To ensure systems' survival we encourage them to seek local revenue sources which we define as fares and general fund revenues, donations, bake sale receipts - whatever money you can find locally.

The second measure is passenger trips as a percent of the service area population. How well are you serving the people in your area? The third indicator is passenger trips based on total vehicle miles. How efficient are you at picking up passengers rather than putting a lot of non-passenger miles on your vehicles?

As I said earlier, we had several priorities that we wanted to encourage when we established our funding formula. One was increasing local financial support. A second was to provide a dependable minimum or base funding that transit systems could count on receiving every year for long-range planning. The third was to improve the efficiency and effectiveness of the transit systems.

We began using the formula in 1985 and have continued to study its effectiveness and make some revisions. One of the things we found was that the formula was rewarding systems for operating at higher deficits (which was not something we wanted to encourage) and not necessarily rewarding the systems who significantly improved their performance. Those trends were due to the weighting of the deficit, which is rather difficult to

explain. Because the formula was not working in the desired way, we modified it.

We divide all our public transit systems into four groups: the big systems, the medium-sized systems, the little systems, and "none of the above" which are demand-response and county-wide systems. Within those groups, the transit systems compete against each other for the performance pot. Ours is actually a two-part process. We give the systems a base level of funding based on their population and they then compete for the remaining funds by comparing their performance to that of similar systems. This has resulted in improved performance by some systems due in part to the formula incentive as well as the fact that everyone wants to do a good job.

Linda Wilson, Executive Director, JAUNT, Inc., Charlottesville, Virginia.

As the only operator on this panel, I have a somewhat different perspective. What really happens is we tend to over-measure. You find that every member of your board of directors wants to know something different about how you run your organization and all these measurements remain long after those board members leave office.

Our system is based in Charlottesville, Virginia and includes an urbanized area that was recognized in 1980; a small urban community with a fixed-route bus system; the county surrounding the urbanized area; and four other non-urban counties. We are a public corporation with each of the localities we serve owning stock. Board membership is based on the amount of service we provide to each locality so a number of the members are appointees and some are our staff members. Each of the board members has different wants and concerns.

In the urban areas where there is a city bus system, the only public transportation we provide is for the disabled. In the five rural counties, we are a general public system. We also provide different kinds of services: demand-response in one county and modified fixed-route in another. In addition, we provide transportation for 77 human service agencies, each one of which wants us to do something different. And then there are the state people who want one kind of statistic and the federal people who want something else.

The board committee for planning and evaluation develops our goals and objectives and monitors our performance on a monthly basis (as they found they could not get everything done in quarterly meetings). They look at everything we do, the performance measures and the services. They review quality, quantity, efficiency, and effectiveness and report back to the full board.

The planning and evaluation committee serves as a performance measurement process. Our annual goals and objectives are based to some degree on the budget goals and projections which state that for this type of service we expect to carry this many people this many hours and this is what we think it will cost based on what our hourly costs have been. They also indicate what we expect our revenues to be and each locality determines the fare structure for public ridership. We actually charge agencies more than the full operating cost because if that cost rises, we must be able to cover it.

We also monitor monthly performance indicators such as trips per hour and costs per hour. We produce a detailed monthly ridership report which shows every trip we make by category and, under those categories, how many of the passengers were public riders and how many were agency clients, their destinations, their age, if they are disabled, etc.

We do three surveys each year. One is a passenger survey in which we ask for information on their age, income level, their destination, and how long they've been using the system. We also ask questions about their satisfaction with the system and whether they like the driver. (The driver's name is on the form and most of our passengers ride with the same driver all the time.) We ask whether they have received assistance getting on and off the vehicle, if needed. Were they required to wear their seatbelt? Do they feel the driver operates the vehicle safely? This is a multi-use survey.

We have been doing an annual survey of human service agencies since 1984 and it takes a totally different approach. We want to know if they find our scheduling effective and if we are doing a good job with their passengers. We ask about billing, their needs that are not being met, etc. They always respond that they want free service 24 hours a day, seven days a week but their satisfaction with our service has been growing over the last five years. We also ask them about other forms of transportation. This year they reported dissatisfaction with the local taxi service. Since the planning committee includes the taxicab association representative, they have been studying ways for us to assist the local cab company to improve their passenger relations.

Our third survey deals with on-time performance. We had a lot of complaints from users of our demand-response service that we were not picking them up on time for return trips. We now have a special form that the drivers complete so we can determine how much time elapses from the time the person calls to be picked up until we actually pick them up. The average waiting time this year was 17 minutes although people say they wait for hours.

We also prepare a monthly financial report that breaks down our costs between urban and rural and between public and agency trips. Revenue is broken down the same way. We also maintain

driver trip sheets which we input into a computer. Our drivers complete a daily inspection sheet on the vehicles to check their maintenance and we have a computerized program which monitors fleet status by vehicle. We also have incident reports which tell us what is happening in terms of incidents and accidents.

Roger Phillips, Supervisor, Field Operations Section, Michigan Department of Transportation, Lansing, Michigan.

I will describe how we distribute our money and how we look at performance indicators. We have a fairly large program in Michigan and do monitor performance. However, the distribution of state funds does not really reward performance. We subsidize transit operations in 82 of our 83 counties and those systems include: 14 urban systems, 55 nonurbanized, and 47 specialized service operations. All three categories receive state monies and the urban and nonurbanized receive federal funds as well.

We have so many nonurbanized systems in Michigan that our federal Section 18 money doesn't go very far. Seven or eight years ago, some of the systems received as much as 50% of their budget from Section 18 but that percentage has now dropped to 10%. We also distribute over $100 million in state dollars annually to our public operations with additional monies available to the specialized systems.

How do we collect performance data? All of the urban and nonurbanized systems are required by state law to submit quarterly reports using a standard four-page form. (The specialized systems use a much simpler form.) One page lists all their sources of revenue while another details their expenses for the quarter. The last page reports their operational data which includes vehicle hours of operation, vehicle miles, whether the passengers are senior citizens or handicapped, days operated, etc.

Once we receive all the quarterly reports, we publish and distribute them to every transit system in Michigan. The reports include a comparison of each system's statistical data with that recorded for the same quarter during the previous year. This gives them an opportunity to review their own performance trends and to compare their system with others in the state.

How we distribute our state money is very interesting. Until 1988, we paid the urban systems up to 50% of their nonfederal share and the nonurbanized systems up to 60% of their nonfederal share. There was a big disadvantage to this because, if a system spent more than they had estimated at the beginning of the year, we still gave them the same percentage of funding. For example, Detroit is our largest urbanized area with a budget of about $100 million per year. If they overran their budget by $10 million, we would have to finance a percentage of that overrun and those monies would have to come from somewhere else

in the state. We had no control of the situation and the systems had no incentive to stay within their budgets.

Our law has changed and no longer keys on the nonfederal share. We now pay them the lesser of two amounts: a percentage of their eligible expenses or last year's allocation plus the "growth cap". The first allows urban systems 40% of their eligible expenses and nonurbanized 50%. The "growth cap" is the percentage increase predicted for state funding. For example, we are predicting 3% funding growth for 1991 so the second factor in our "lesser of two amounts" calculation would be the amount they received the previous year increased by 3%. Any increases above that cap must be covered by the local system which prevents one system's overruns from hurting the rest of the state.

Whenever we talk about performance, we want to reward the productive systems. But how do you make those comparisons between systems in an equitable manner? There are at least five factors that make such comparisons difficult. The geographic area served and population density cause significant problems in comparisons, particularly for demand-response systems. Wage scales are different in each area, with urban systems generally paying their drivers more than the nonurbanized properties. We know we cannot compare demand-response systems with line-haul operations, but some of the other factors also preclude comparing demand-response systems. Finally, the availability of local funds in large part determines the levels of service offered.

However, we do have a $2.0 million bonus program in Michigan which addresses some productivity and efficiency issues. The amount of local share and farebox revenue collected relative to other systems determines the amount of the bonus each system receives. The $2.0 million pool is shared by all of the systems, varying from 0.5% to 2.0% of their total budget, and they receive a one-time bonus check at the end of the year.

In terms of encouraging systems to improve their performance, our quarterly report does that. We will soon publish a transit governing board information handbook which should be a valuable educational tool. A number of years ago, we developed a small transit system management handbook for the operators and we continually update that material. We are doing everything we can to encourage and educate the systems on transit productivity to help them with their local decision-making. We will also be looking at a new legislative funding package in 1992 and productivity will again be considered as a means of distributing state funds.

Jack Apostolides, Associate Public Transportation Engineer, Virginia Department of Transportation, Richmond, Virginia.

The administration of state financial and technical assistance is the responsibility of the Virginia Department of Transportation. In 1972, the Virginia Legislature required us to

begin collecting statistics on financial and operating data from all public and private transit systems in the state. The Joint Legislative Audit Review Commission recommended in 1981 that VDOT begin performing annual evaluations of the systems, analyzing their operating performance as well as their financial data.

One of the goals of these annual reports is to ensure consistent content and an enduring record of transit performance. Another is to assist transit organizations in establishing standards for efficient and effective service. We wanted a system that would provide valid information yet be simple to administer and not overly burdensome on the transit properties. The information collected should also assist public officials and transit organizations to cooperatively identify problems that could be addressed with state or federal technical assistance.

Our Performance Evaluation System (PES) is designed to serve as a basis for management policy. It is used as a tool to assist transit managers in making informed decisions about the efficiency and effectiveness of their service. The PES also provides statewide information to public officials, showing trends and characteristics of what is occurring.

The second objective of the PES is to identify opportunities for improvement where technical assistance might be appropriate. VDOT uses the findings of the PES in developing our annual program of technical assistance projects. In reviewing a system's annual performance report, if we have identified a particular area of concern, we will offer that transit property technical assistance. Problems common to a number of systems may warrant a statewide project.

There are four basic elements in the PES system. The first is data reporting because the key to any evaluation system is complete, accurate, and timely data. The PES system collects service input data which describes the financial and non-financial resources expended to provide transit service. We also collect service outputs which document the quantity and quality of service. Another data type is service consumption or passenger-related data. These data requirements are also modified for different types of transit systems with properties in the large urban areas submitting 56 different pieces of information while the demand-response rural systems submit only 33.

The second critical element in the PES is data validation. Our system is fully computerized and will tell us whether the data falls within an acceptable range for both reasonableness and correctness. If the data falls outside that range it is not necessarily wrong, but we will ask the transit system to re-check their figures. A lot of mathematical errors are caught through this process.

The third element of the PES is performance evaluation and Virginia has chosen to focus on three indicators: resource efficiency, service effectiveness, and cost effectiveness. One of the goals of our system was that it be structured as a hierarchy that could receive and report information for use by public officials and transit organizations. Our approach places cost effectiveness at the top of the tree, with resource efficiency and service effectiveness as major branches.

Each year we publish the results of the transit performance evaluation in two volumes. The first gives a system profile for each transit property, showing their operating and financial data and graphing their performance indicators over the last four years. The executive summary volume describes statewide transit performance for the year.

We have found the PES to be very beneficial. It provides the operators a management tool to use in setting standards for their service. It also serves as a cross-check for people like Linda Wilson who already have a data collection system established. In addition, we use it to develop our program of technical assistance projects.

Patricia Saindon, Administrator, Transportation Division, Montana Department of Commerce, Helena, Montana.

The lack of money was what prompted us to look at performance evaluation. We have no state money for public transportation in Montana and receive less than $500,000 a year in Section 18 federal funds. As a result, we do not allow new operators to apply for Section 18. We presently fund ten Section 18 systems and obviously are not able to provide 50% of their deficit; instead, it is probably closer to 30%.

We observed that some of our programs were growing substantially while others were providing less service each year and we began looking at how to reward and help the systems that are growing. We considered passengers carried, vehicle miles traveled, hours of service, and client groups served. Our funding formula now allocates monies based on a system's previous year's operating statistics, comparing their current application with line item expenditures for the past year. We do not fund administrative expenses at all.

Because we cannot compare some of our fixed-route services to each other we instead compare them to themselves. Are you providing more rides? Are you traveling more miles? Do you have additional vehicles? If a system is requesting more money than they received the previous year, we look at what they are proposing to do this year and then analyze any variances to determine their funding allocation.

We have also looked at performance measures which include everything a system is doing, how the board of directors

operates, how the equipment is maintained, the office structure, etc. Before we award a capital grant, we do a complete management review. This was initially popular with the systems as they wanted to know how they could improve their performance. However, now people are not as anxious to have us look them over. Our purpose is to find ways to make our equipment last longer and to make the systems more efficient because funding is extremely limited.

Question: I wanted to ask Linda Wilson what kind of information her drivers collect?

Linda Wilson: The trip sheet has miles and hours traveled. We also note passenger names if a contracting agency requires that information. We track destinations and fares paid as well.

Question: Has any state addressed the problems Linda mentioned and developed a multi-funding agency reporting system so you're not doing 10-15 different reports for five different agencies?

Jack Apostolides: Our forms are patterned after the Section 15 reports so that the systems don't have to collect a lot of additional information. We don't require any information from our social service programs for our transit performance reports.

Roger Phillips: We are now trying to determine in Michigan where all the transportation monies come from. We know where the Department of Transportation funds are going but do not have information on social service or mental health programs. Recently passed legislation, however, will require those programs to determine where their money is spent by county and we hope that will help in our statewide coordination effort.

Linda Wilson: We advise agencies that contract with us about the basic data we collect. If they want additional information, we make them pay extra. But this is still a problem.

Jon Burkhardt: The Transportation Accounting Consortium was a multi-state effort that attempted to put social service reporting systems together with Department of Transportation reporting systems. Norm Paulhus at the Technology Sharing Office in the U.S. Department of Transportation has publications on that work.

Question: For those states that base a portion of their operating payments on deficits, how do you audit the systems to make sure the costs they report are valid?

Betsy Kachmar: When we did our analysis of how the formula was working we analyzed several other things as well. Are we collecting the right information? Are we using all of the information we are collecting? And how valid is the data that we are collecting? We hire consultants to check the data in a timely fashion but it is certainly a concern.

Our study team included a lot of operators and one of the things we found was there was confusion about definitions of data items and how to collect that information. So another outcome was a serious effort on our part to clarify the definitions and provide a data collection methodology handbook.

Another concern related to grouping transit systems for comparative purposes. When we analyzed how the formula was working, we found there were enough similarities within the groups to validate those comparisons. The real problem was to make sure people were collecting the same information in the same way to avoid skews in the analysis. We have a uniform system of accounts for our contractors and require them to have an audit each year. The audit provides verified financial numbers and even the operating numbers can be verified. However, reconciling those numbers may take two years.

Linda Wilson: Starting in 1986, the Virginia DOT required all systems coordinating transportation to recover their full costs from human service agencies. No Section 18 funds would be provided to human service agencies. Each year we determine what proportion of our ridership will be human service passengers and then completely eliminate that portion from our public ridership budget.

If we have a human service client and a general public passenger on the same vehicle trip, we calculate those numbers statistically. We split our annual operating budget into three categories: urban public, nonurban public, and human service. We submit the nonurban public budget for Section 18 funding and the urban public portion for Section 9 funding. We then have to make sure we recover the rest from fares. It is complicated to keep up with but it works.

LEGAL ISSUES

Moderator:
Donald Tudor
Carter Goble Associates, Inc.
Columbia, South Carolina

Tony Anderson, Attorney and Partner with Eckert Seamans Cherin & Mellott, Washington, D.C.

The Americans with Disabilities Act (ADA), which is making its way through Congress, isn't particularly new to transportation systems as it's modeled after the 504 regulations in many respects. However, Congress has eliminated some of the choices that existed under 504. The most obvious example is the ADA requirement that all new fixed-route buses purchased 30 days after the Act's effective date be lift-equipped. Some systems already have a 100% lift-equipped fleet but this will be something new for most operators. How are we going to pay for this? The Act does not provide any funding support and the Attorney General has said that this requirement should be accommodated within current program budgets, which may prove to be difficult.

The ADA will cover certain situations that were not previously addressed under 504 and all public transportation providers will be subject to the law. For example, if you are a state agency that passes your Section 18 funds on to other entities but you operate a state transportation system - you are covered. If you are a locality that decided you did not want to seek Section 18 funds because of all the federal requirements - you are covered too. Fixed-route operators will have to purchase lift-equipped buses even if they receive no federal dollars. If you are a public agency that contracts with a private provider for services, that private operator must have lift-equipped buses and all their future purchases must be lift-equipped.

Some accommodations have been made for rural operators because fixed-route systems in rural areas are different from those in urbanized areas. Rural systems may not have the luxury of buying new vehicles but instead may purchase used equipment. What are the requirements relative to those used vehicles? You must make a good faith effort to first acquire lift-equipped vehicles. However, if you make a national search and cannot locate accessible used equipment, you may buy vehicles without lifts. If you are rehabilitating a vehicle to extend its useful life more than five years, that vehicle must be lift-equipped.

For paratransit services, the ADA requirements are more complicated. Every system that operates fixed-route services must also maintain a paratransit component although the paratransit service may be provided by a contractor. The paratransit criteria in the ADA sound familiar because they are

the same as exist in the 504 regulations. You must include people who cannot ride fixed-route systems. You must also make some accommodation for their companions. For example, if a mentally impaired person cannot use your fixed-route system and that person is going out on a date, you must accommodate both persons on your paratransit system as well (whether or not the companion is capable of riding the fixed-route service).

With respect to response times, the Act requires that your paratransit and fixed-route systems be identical. If you have 15-minute headways on your fixed-routes, your paratransit system must also have 15-minute headways. As in the 504 regulations, there can be no restrictions on trip purpose. Fares must also be similar although the ADA does not specify what "similar" means. The only guidance you have in this area is to perform the comparable fare analyses that you've been using for the 504 regulations. Paratransit hours of service must be identical to the fixed-route operation and the service areas must also be the same.

The reason the paratransit issue becomes difficult is that the eligibility requirements will change as your fixed-route system approaches 100% accessibility. For example, two years after the ADA you may have only 10% lift-equipped buses in service under your normal replacement schedule. That means you may have much greater demand for paratransit service. Ten years after the ADA is implemented you may have 80% lift-equipped buses in fixed-route service and the demand for paratransit will be much lower at that time.

I have been discussing the ADA in terms that are probably more appropriate to larger systems but the Act also discusses other operations. If you provide demand-response service only, that is what you must provide to individuals with disabilities. All of your vans are not required to be accessible but you must have enough accessible vehicles to meet the needs of your disabled passengers. When you get a call, you could ask, "Do you have any special transportation needs? Are you disabled or do you require any special assistance?" If the answer is "no", you can send a van that is not lift-equipped. If someone answers, "I'm in a wheelchair", you have an obligation to send a lift-equipped vehicle to pick them up. This means that the make-up of your fleet will depend on the make-up of your riding population.

The Department of Transportation will have to promulgate regulations to cover a lot of the details that are not included in the Act. We have gone through 13 years of rule-making for the 504 requirements and may see the same process with ADA. That is not intended as a criticism of DOT but to point out that they are going to need a lot of information from you to draft those rules. If you have questions during the process, ask them when you receive the notice of proposed rule-making. Ask for clarification if there are things that do not make sense. The

Secretary can only write good regulations if he or she has an idea of the problems you are facing.

Helen Knoll, Regional Counsel for UMTA Region VIII, Denver, Colorado.

I'm going to talk about two sets of regulations today: bus testing and drug testing. With respect to bus testing, UMTA issued a new bus testing regulation last August. When the Surface Transportation and Uniform Relocation Assistance Act (STURAA) was under consideration in 1987, Section 317 was inserted to require that any new bus models had to be tested before our grantees would be allowed to purchase them. UMTA's regulations established the Altoona site to be run by Pennsylvania State University. That notice of proposed rule-making was extremely comprehensive, giving the impression that we were going to test every bus on the road. However, UMTA paid attention to the comments received and the result is a regulation that should have some utility to transit operators.

The regulations state that we will test new bus models that come on line after September 1988. In each application to UMTA for the purchase or lease of buses, a recipient must certify that any new bus model or any bus model with a major change in configuration or components, with UMTA funds to be obligated after September 30, 1989, will be tested at the bus testing facility and a test report provided by the manufacturer before final acceptance by the grantee of the first vehicle. For the moment this regulation only covers (1) buses 35-40 feet; (2) another special 30-foot bus; and (3) 25- to 35-foot buses. You should look at the regulation and determine whether a particular bus you want to buy is subject to testing because UMTA will not tell you. Instead, talk to the manufacturer and decide if this is a bus that must be tested.

A "new bus model" means a bus which has not been in mass transportation services prior to October 1, 1988. Or, if it has been used since then but has undergone major changes, that would cause it to be considered a new bus model. A "new bus model" means it "has a change of major components or significant structural modifications."

Seven types of test will be performed: maintainability, reliability, safety, performance, structural integrity, fuel economy, and noise. This information should be of great interest to a transit manager in determining whether you want to purchase a particular vehicle. Bus testing is not "pass-fail". Some people mistakenly believe that UMTA or the testing facility will say, "This is a bus you can buy and be sure that it's a quality product". Instead, we will simply provide you with information such as how often it broke down, how safe it was, etc. It is then up to you to decide whether or not to purchase the bus.

With respect to drug testing, there are two sets of UMTA regulations. The session this morning outlined the basic requirements so I will focus on the legal issues and try to address those in some depth. The "control of drug use" regulation requires that you have a four-point program: (1) You must adopt a drug use policy; (2) You must have an employee education and training program; (3) You must institute drug testing; and (4) You must do some record-keeping and reporting. As far as the testing itself, you test for five kinds of drugs and you have five kinds of tests. An easy way to remember the kinds of tests are to think of them as the "two P's and the three R's". The "two P's" are pre-employment and post-accident; the "three R's" are reasonable cause, random, and return-to-work.

The reporting requirements are quite detailed with 13 different categories of information you must report to UMTA (or to the state) after you've instituted your drug testing program. Keep your records in that format so that you can produce the desired report. One of the common problems we have when we ask grantees for certain information is they say, "I don't keep the information that way". You know now what the regulation requires and should keep your records in that format from the start.

What are some of the issues that we see in relation to these regulations? One question is, "How low do they go?". They extend to subrecipients so a subrecipient that is providing transportation services must comply with the drug regulations. They extend to private operators with whom you contract as an UMTA recipient, so that contractor's employees are covered. This will also extend to your maintenance contractors although UMTA is wrestling with that particular issue. As Larry Schulman mentioned in the first general session, UMTA is considering exempting the "mom and pop" garage that occasionally does maintenance work for you without a formal maintenance agreement. But unless we choose to interpret the regulation more loosely, all maintenance operations are now covered.

As stated before, private service contractors are generally covered. However, an UMTA legal opinion exempts them if they receive payment from you strictly by voucher. That is, if you give your passengers tickets or scrip and the passenger then decides which service to use - such as a local taxi company - that cab company's employees are not subject to the drug control regulations. Also, the regulation will not apply if you have a particular service that is contracted out and no UMTA dollars are used for that service. But be very careful in determining that there are no UMTA funds involved, i.e. verify that you are not using UMTA money to buy the vehicles, to pay operating costs, that there is no UMTA investment in maintenance garages or storage facilities, the dispatchers are not working in an UMTA-funded building, etc. Contact your UMTA Regional Counsel if you have any doubts about whether a contract service is exempt.

What about conflicts betwen the drug control regulations and state law? What happens when you have a state law which expressly prohibits the kinds of drug testing that are required by the regulation? There is no provision for any type of waiver for small systems or those operating in nonurbanized areas. The only kind of waiver available is for areas of greater than 200,000 population and those waivers are for only one year. Our regulations do not preempt state or local law. If there is a conflict, you simply lose your UMTA funding.

That also applies to another issue: the requirement in some states to report knowledge of a felony and that possession of drugs, in even small amounts, is defined as a felony. The question arises as to whether positive test results constitute possession? And if so, does anyone with knowledge of that have a responsibility to report it? The UMTA regulations say this information is confidential and should not be reported. You would have to look at the state law to find out if possession includes having a substance in your bloodstream. If it does and you are required to report it under state law, that would conflict with the UMTA regulations and you would lose your UMTA money by following state law.

What about legal challenges to the regulations? Some people say they are not going to institute drug testing immediately (particularly random testing) because they are worried about the constitutionality or legality of those tests. Instead, they will wait until the deadline date. Let me give you a status report on the legal challenges to these regulations. UMTA's statutory authority to enforce the program was recently upheld by the Federal District Court. There will probably be an appeal of that verdict and we cannot predict the results of any such appeal.

There will also be challenges regarding the constitutionality of the program, primarily relating to the "search and seizure" issue. UMTA is optimistic that the regulations will be found constitutional. What the courts do when they are faced with these questions is apply a balancing test, weighing the interest of the individual in having his/her privacy preserved versus the interest of the public in safety or public welfare. In this case, we are talking about the public's right to a safe transportation system. Cases on this point have gone both ways but we believe the safety issue is significant.

For those of you who are waiting to initiate your testing programs until the legal challenges are resolved, I would caution you to not wait too long. You have a year before your implementation deadline and although that may seem like a lot of time, it really isn't. Congress is reviewing other initiatives to test for alcohol and to institute drug rehabilitation programs. This indicates that you may see even more exhaustive requirements in the future so I would encourage you to get started now.

Bonnie Elder, Assistant Staff Attorney, VIA Metropolitan Transit, San Antonio, Texas.

With respect to the drug control regulations, we are in the final stages of implementation with our program at VIA here in San Antonio. With an effective date of December 21 of this year, we have been planning our program for a long time. Our planning effort included dissecting the regulation to determine who is affected and how and when it must be implemented. That was a very long and tedious process and we used committees to focus on specific parts of the regulation.

The second stage of our planning was to collect information from drug testing facilities and labs within the area that are certified as well as from cities who are instituting similar programs due to the regulations and those who established programs voluntarily. Other activities have included developing our internal procedures: what specific department within the agency would handle the drug testing program; who would be involved in that; who would receive the information; who would collect, organize, and disseminate the material to give to our employees?

An issue which has generated a lot of discussion among VIA employees is who exactly will be tested? Some transit properties in Texas have gone beyond the requirements and instituted random testing for their entire workforce but we did not. All VIA employees will be included in the anti-drug program and subject to post-accident, reasonable cause, and return-to-duty testing. However, only safety sensitive employees as defined in the regulation will be subject to random testing.

It is not always easy to determine who is a safety sensitive employee as some positions are in a gray area. Those positions should be closely analyzed to determine the proper classification. At VIA, this task was the responsibility of our risk management department and the classification was also reviewed by our legal staff to ensure equitable treatment throughout our agency.

The decision to do random testing on only those employees specified in the regulation may cause some division in your workforce, becoming an "us-them" or "we-they" issue. We have received a lot of questions on that point and are researching our answers carefully to be sure our responses are consistent with the regulation.

Another issue of great interest to VIA employees was who will find out the results of the drug test? Although the regulation is very specific on this point, you must recognize that your employees are not going to read all that material. Instead, you will have to simplify it and put it in a form that is easy for them to understand.

In the spring of 1989, VIA released the required statement under the Drug-Free Workplace Act, informing employees of the dangers of drug use and abuse and VIA's policy regarding drug use. This was a brief but comprehensive explanation of our policy regarding possession or use of drugs and/or alcohol and the penalty for violation of that policy. We recently provided our employees a memo stating the effective date and information about the testing program and encouraged them to ask their managers and department heads questions. You need to inform your employees yet you do not want to confuse or panic them with extremely technical information. Drug testing raises hundreds of questions and your management and staff need to be prepared to answer those questions when you release the first information to the employees.

Our employees had many legitimate concerns. Some related to the testing facility: Where are you going to take me and how will I get there? Our risk management department developed an operational guide that described that process telling where the tests would take place, how long the tests take, etc. There were also many questions regarding the confidentiality of the test results. We referred back to the regulations and assured them the information would not be released without their written authorization. We received numerous questions about how the tests would be conducted: Will I be viewed? Will there be a secret window and someone watching me provide the sample? We again had to inform the employees about the regulation.

Another issue was whether they would be paid for the time spent during the testing procedure, whether it was 30 minutes or two hours. Our decision was to do so in every case except return-to-duty (where they are already being compensated under sick leave or another pay provision). Management and employee representatives continue to meet to get employee input, let them voice their concerns, and perhaps allay some of their fears. We know that other issues will arise as we implement the drug testing program but we plan to forge ahead.

Environmental regulations are the second issue I wanted to discuss with you as that is an area that has commanded much of our attention recently. The first thing we had to do was to learn the language, words like "LUST" which is a leaking underground storage tank, "PRP" which refers to potentially responsible party, "UST" an underground storage tank, and "CERCLA" which is the acronym for the Comprehensive Environmental Response, Compensation, and Liability Act. Federal and state environmental agencies have been vigorously going after landowners (current and former) to clean up contaminated property. The present owners, who are obviously the most available and convenient targets for regulatory agencies, are increasingly taking action against previous owners to share in all or part of the clean up costs.

The statutory defense to CERCLA liability, often referred to as the "innocent landowner defense", may be available to those who purchase contaminated property without knowledge of the contamination. However, this defense is available only if you can establish the following: (1) At the time the property was acquired, you did not know and did not have any reason to know that any hazardous substance was disposed of on, in, or at the facility; and/or (2) as a governmental entity, you acquired the property through reversion (there was no individual qualified to inherit it), or any other involuntary transfer or acquisition; through eminent domain authority by purchaser condemnation; or through inheritance.

The first provision requires at least a visual inspection of the site and some research into the history of the property's use before acquisition. A more detailed investigation may then be required, which could include a check of the accident and emergency history; search and inventory of any past and present underground storage tanks; and a physical inspection of the site to locate possible problems such as surface dumping of waste and oils, landfills, etc. VIA recently spent over $60,000 for the environmental analysis of property we're considering purchasing in the future and over $100,000 studying another site. Although this may appear to be very expensive, the costs of an environmental clean up are enormous in comparison and may exceed the fair market value of the property.

There is always some risk inherent in buying property because it is difficult to get information on subsurface hazards. In Texas, however, there appears to be some relief on the horizon, at least with respect to the high cost of environmental clean up for petroleum storage tanks. House Bill 1588 authorizes the Texas Water Commission to establish a remediation fund. The owner/operator would be required to pay only the first $2,000 for corrective action on each occurrence and the Water Commission would pay the balance (up to $1.0 million for each occurrence). If you are a Texas operator, watch for the Water Commission regulations to see who will be eligible for compensation. If you are from another state, check to see if you have similar legislation.

I also wanted to mention VIA's services for the handicapped. We have a very large system of 539 buses, none of which are currently lift-equipped, but our extensive paratransit system provides demand-responsive service throughout our service area. The paratransit system provides shared ride, curb-to-curb, demand-responsive service and we currently have 8,820 passengers registered. Taxicabs are used for 33% of these trips for persons who do not require a lift-equipped vehicle. In August 1989, the VIA board authorized the purchase of 30 lift-equipped buses and our next grant application will include another 24. In addition, we also operate the "VIA Limited" demand-response service, which is not specifically for the handicapped but is available to anyone within a designated area at a greatly reduced rate.

Don Tudor: Helen mentioned the potential loss of UMTA funding on the felony issue but there are other ways of handling this. One possibility is joining a consortium that keeps your records by employee number rather than by name (which only the employer would have). The consortium would use the employee numbers as the basis for the reports to be filed with UMTA. The only time the employer knows of an action to be taken against an employee is when the Medical Review Officer (MRO) contacts him with a positive test result. Then the employer must take some action. The consortium would shield you from knowing information relative to each employee.

Another issue discussed this morning involved the liability of transit systems in complying with the substance abuse regulations. If you do a good job in setting up your program, make sure the policies and procedures are done well and that you have hired a good MRO, you will eliminate most of your potential problems. The key to all this is the MRO because they are the ones who make the final decision on an employee. The MRO counts on the collection process being done correctly and I recommend that you have your MRO certify that collection site. The MRO is responsible for certifying the site, the laboratory does the test, the MRO takes the test results and interprets them and provides you information on positive tests. Your liability is limited if you are confident that the other participants in the process are doing their job.

Helen Knoll: The regulations are extremely detailed about the procedures to be followed at the collection site, describing what the collection site must look like, when and what garments to remove, etc. I would suggest you require your collection site to complete a checklist on each test, noting that they've done all the required things (wash hands first, blue water, turn off water in sink, etc.). Then have them sign and date the form so you will have this information available in case an employee challenges the test results. The chain of custody once the sample leaves the collection site is fairly well established. This will protect you against challenges relating to the collection process.

Comment: In addition to a checklist, we gave every testing facility we were considering a copy of the regulation and required that they read it. We then talked with them to make sure they understood what was required.

Comment: The testing lab will also be very interested in this process and will help you train the collection site personnel. However, the lab will not accept liability on certification of that site.

Question: We are concerned as to whether our dispatcher is considered a safety sensitive position?

Response: If you have a person who is not a full-time dispatcher, but rather spends a few minutes of each day doing that in addition to other responsibilities, that person would still be covered because the regulation clearly covers part-time employees.

Question: Our Attorney General has defined a dispatcher as a person who is responsible for the control of the vehicle. My question relates to situations where a person calls and says, "Mrs. Jones is now at the doctor and can be picked up and taken home". Control of that vehicle is not in the hands of the person on the radio, but rather in the hands of the driver.

Response: In your example, the only person ever in control of the vehicle is the driver and the dispatcher has no say in where vehicles go and what they do. Dispatchers do control where vehicles go and for what purpose.

Comment: Anyone that controls passenger scheduling in a vehicle, even if for only one minute a month, would also have to be tested. A number of rural systems have already started the program and the area that is probably the easiest to begin with is pre-employment testing. If they want to work for you they are going to take the test because it's a condition of employment. Another area you should consider is in contracting. If you have annual contracts and you start signing them in January or February, they will include a period of time during which the contractor must start drug testing so remember to include these provisions in your contracts.

Comment: Between drug regulations and underground storage tanks and other such things, the administrative burden on small operators is incredible. Our state people are going to help as much as they can but it's almost overwhelming. I think UMTA needs to assign some specialists, maybe on a state-by-state basis, that could help rural operators deal with these things.

Helen Knoll: We have sponsored some initiatives to get states together to work on common problems and devise flexible solutions. Montana did extensive work under a grant from our office and we have a similar project underway for North and South Dakota. Approach your UMTA Regional Office and see what's available through regional programs. Also contact the larger transit systems in your state as well as other rural operators and use each other as resources.

Don Tudor: Another advantage to consortiums is that they share the legal costs and ensure that the policies and procedures are set up correctly. An experienced MRO can also provide training to local MRO's through a consortium.

Question: In relation to ADA, most rural systems operate something that is more properly called subscription service

rather than demand-response. How would subscription service be defined under ADA?

Answer: Prior to ADA, they would have been classified as paratransit. I don't think the Act anticipated systems that were entirely paratransit but rather anticipated systems being either demand-responsive or fixed-route. Currently, paratransit systems must be designed to be accessible and the ADA does not change that.

Comment: That would have a big impact on rural systems. Even though a van travels the same general route every day, if a regular rider dies or moves the route would change.

Response: If you have a vehicle that goes from point A to point B at certain times with some predictability, you are operating fixed-route service for the purposes of the Act.

Comment: But often what is called fixed-route in rural areas deviates from that route. You may have a vehicle serving a portion of the county three days a week, passing particular stops within a certain time frame. But the vehicle may deviate to pick up a demand-response passenger at their home.

Response: With that clarification, it is clear that this would be viewed as fixed-route service under the ADA and that your new vehicles would have to be lift-equipped.

Question: Is there an economic level or an economic hardship which you do not have to exceed to comply with the intent of the Act?

Answer: Yes, but it is not defined. The Act does say that you will have to demonstrate a truly undue hardship will occur. The argument that your expenses for elderly and handicapped service would exceed 2% will not be accepted by the Department of Transportation as evidence of hardship.

Question: If we assume that the ADA bill is signed early next year and that it may take 6-12 months for UMTA to issue regulations, what will be the effective date?

Answer: The effective date for general transportation changes is 18 months after enactment so if you have to institute a new paratransit system you will have 18 months to do so. However, the new vehicle purchase sections will apply immediately which means that within 30 days of the ADA's signing all procurement solicitations must be for lift-equipped vehicles even in the absence of UMTA regulations. If you have questions as to whether your system is fixed-route or not, call your UMTA Regional Office.

Question: I understand that Congress is considering or has already passed a drug testing bill that includes alcohol?

Answer: The Senate passed something but there was nothing comparable in the House appropriations bill. The Senate version addressed alcohol testing as well as the opportunity for rehabilitation.

Comment: If you add alcohol or any other substance to your testing program, you must have two separate samples which means you will incur another testing fee. I talked with Baltimore last week and they pay $40 per test (which covers the MRO function) and include alcohol, which means every employee test costs $80.

Question: Many rural systems use volunteers. Are they subject to drug testing?

Answer: No.

Bonnie Elder: Another thing I've learned in the last few days is that many rural systems have decided to include everyone in their drug testing program due to liability concerns and for the employees' peace of mind. How many of you have someone who will never drive a vehicle or do minor repairs? There may be a few people that do accounting and you have to certify them under the Drug-Free Workplace regulations. However, there are other ways to test those employees that cost you 30% less despite going through the same channels and many transit systems are choosing this alternate route. They identify those people who are in safety sensitive positions and subject to the full regulations. All the other employees are tested too, in a separate random sample, but their tests go through a blind sample process with a lot less expense involved.

Comment: Safety sensitive employees are subject to random testing under the regulation. The first year, 25% of the sample population must be tested; the percentage then increases to 50% in following years.

Comment: Other employees cannot be counted in that 25% although they can be in your random pool. You must verify that 25% of your safety sensitive employees are tested. Another point mentioned in an earlier session was that fueling a vehicle is a safety sensitive function.

Helen Knoll: I haven't seen a formal definition of maintenance and what functions are included, but the regulation appears to focus on maintenance and repair. Fueling seems to be something different and is not included in my common sense definition of maintenance.

Comment: Each state can identify and encourage the properties as to how to classify these functions but you may find inconsistencies in how the states view this issue.

Question: My question relates to random testing for non-safety sensitive employees. That's not covered by a federal law requiring you do to it?

Answer: That's exactly right. Someone said they were doing that but that was part of their own policy. They cannot say that UMTA law or the regulation told them to do that.

Question: How do the drug testing regulations affect employees of organizations that are not providers of public transportation services but are simply planning organizations?

Answer: It doesn't affect you although your organization may decide to have all the employees tested as a general rule.

Question: Is blindness considered a disability under the ADA? And if so, what do you have to do differently?

Answer: What the Act requires is equal enjoyment and reasonable accommodation. If one of your passengers is visually impaired, they have to be able to get on and off your vehicles which may mean that the driver has to tell them when their stop is reached.

Question: Would you have to change a fixed route to go by their house? We currently provide door-to-door service, but the person wanted us to change our fixed route to go by their house so they would have a greater opportunity to ride the bus.

Answer: The question is one of reasonable accommodation. Obviously you could not change your routes for everyone who asked as you would no longer have a fixed-route service. If your paratransit service meets the needs of this person, the Act does not require you to alter your fixed routes to accommodate him further.

Comment: When you do your next system evaluation, you might include that request to see if it could be served and whether it would damage the route structure.

Question: I understood earlier that you cannot use trip purpose as a means of determining service levels. What if you have reached some threshold of expenditure and you want to then use trip purpose to control expenditures?

Answer: You can never use trip purpose as a criteria. This is a civil rights act and it stipulates that persons with disabilities should enjoy the same public services and accommodations that every other American has. Because you cannot limit your other riders based on trip purpose, you cannot use that to limit your disabled riders.

Comment: A lot of disabled people can access public transportation and prefer it because there is no 24-hour waiting

period on fixed-route services (and the ADA addresses this point). It may also be cheaper to ride fixed-route service than paratransit.

Response: There cannot be a substantial difference in the waiting period although fixed-route and paratransit costs may continue to differ.

Response: Congress has essentially said: "We know at some point this will cost too much, but we're not going to tell you what that point is or provide an across-the-board estimate." You have to be able to demonstrate to the Secretary of Transportation or the Attorney General, depending on which part of the regulation is at issue, that you cannot afford to expend more than X amount of money. However, the Act requires you to spend money up to the point it becomes a hardship. You cannot say, "I'm not going to have a paratransit system because that would require a budget increase of another 20%". Instead, you would have to increase your budget by 15% and provide paratransit service, saying, "We cannot make that 5% incremental increase at this time".

Question: I'm still concerned about the blind person. We have the demand-response route pick him up in the morning and return him home in the afternoon on the regular route. Are you saying that under the ADA we would have to provide him service any time he wanted in addition to those we are already providing?

Answer: Not exactly. You have to provide service along the same lines as your regular fixed-route service.

Question: We have one bus and the driver started with us in 1974. Our relief driver is a retired person who's been with us for 6-7 years. Do I have to drug test those two people? They're not volunteers.

Answer: They have to go into a random sample which means that one of those two employees is going to be tested during the year. They cannot go into a larger pool of other employees but must have their own. From this example you can see that these regulations were not drafted with smaller transit systems in mind.

SOFTWARE SOLUTIONS TO RURAL TRANSIT PROBLEMS

Moderator:
Pat Weaver
University of Kansas
Lawrence, Kansas

Pat Weaver, Assistant Research Scientist, University of Kansas, Lawrence, Kansas.

The KU Transportation Center provides research and technical assistance services, managing both the Federal Highway Administration's T^2 program as well as the UMTA RTAP program. Another service of the center is the PC-TRANS microcomputer resource center; I will give you more information on that later in the program.

Doing microcomputer workshops is difficult because everyone has such a wide range of expertise and experience. When we started the PC-TRANS program three years ago, not many rural systems had computers but that is definitely changing. There is also more software available although some packages can be expensive.

My remarks will focus on what the typical hardware and software needs are. You may have word processing applications for correspondence, newsletters, brochures, schedules, etc., although more agencies are now getting into desktop publishing as well. You also need software for budget development and financial analysis, to help with cost allocation and cash flow analysis, and to provide other financial and decision-making support. Spreadsheet applications are used primarily to address those needs.

Client information management is generally done using a database manager or a database program that is part of an integrated package. Maintenance management may stand alone or be incorporated in an integrated package which includes vehicles, facilities, and inventory management (although all of these are not necessarily included in each package).

Accounting is probably one of the first areas where microcomputer are used by many agencies, particularly those who were affiliated with city or county governments. They may have started using the city's computer system and then purchased their own. Or they may still be linked to the public agency. Personnel management may also be a piece of the database management package. There are other commercial packages for driver scheduling and those kinds of functions as well.

Finally, there is the reporting function which is often the key element in many integrated database management packages. One of the items on the agenda, the public domain SST-3 software, was

originally developed as a demonstration of reporting capabilities. It has been upgraded somewhat but is still not terribly sophisticated. Because SST-3 is written in dBASE III, some systems have upgraded that package to meet their own particular needs.

I will now discuss the types of software applications that are available. I mentioned SST-3 as an example of public domain packages that are available either free of charge or for a nominal cost which covers distribution and printing expenses. Shareware is similar to public domain software. It may have been developed by an individual as a public domain package but then moved into the shareware realm by asking if you use it and find it helpful that you send a $25-$50 fee to the developer. Shareware is generally a step above public domain packages in terms of the available documentation and the absence of bugs. However, one of the problems with shareware is that most agencies have difficulty paying anyone without an invoice, which you lack if you simply copy the package.

Proprietary, off-the-shelf applications fall into categories such as word processing, database managers, or electronic spreadsheets. They have fairly universal applications or have programming capabilities built in. The prices compared to proprietary transit software are much lower because general packages have a much larger market. Proprietary, transit-specific software has been developed specifically for transit operations, generally as an integrated package or a maintenance-only application. The costs are typically much higher because the transit market is smaller.

There is also software developed in-house which was probably the most common application rural agencies used before that market began growing. A staff member who was familiar with either a programming language or who knew how to program a database manager would develop an application specifically for their agency. The trend now is moving away from in-house development towards transit-specific software as it becomes more available and less expensive.

The computerization process requires that you go through certain steps on an ongoing basis. What happens many times is that you get the machine and set it up without having thought about the planning aspect. The needs assessment process, procurement, and staff training should be continuing activities. There are always software upgrades to consider, hardware maintenance to be done, and staff turnover that requires ongoing training.

How many of you who already have computer systems went through a fairly structured needs assessment process? Because there was not a lot of information available or experience to draw on, you were pioneers who had to work your way through the process. A lot of times we approach procurement backwards by

purchasing the hardware first and then looking for software we can run on that machine. However, that is less of a problem now because of standardization in the computer industry.

In the needs assessment process, you first look at what things you want the computer to do and specify agency tasks in some type of priority ranking. Establishing priorities is important because there is a frustrating learning curve associated with computers, particularly if your staff has had no previous experience. Also, if your staff is not involved in the planning, they may sabotage the process by dragging their feet.

Once you have identified specific tasks for the computer, you should identify potential software programs that will meet those needs. That is difficult given the range of software that is available. Once you have identified potential programs and determined which one comes closest to meeting your particular task needs, your agency procurement procedures will dictate how you actually acquire the software and who you acquire it from.

There are resources available to help you identify software programs. I mentioned the software information service PC-TRANS at the Transportation Center at Kansas University. Another program is operated by the University of Florida although they focus more on software distribution. There are also bulletin boards and general computer magazines that include informational overviews on software packages.

Cconsider hiring a computer consultant to serve as an educator and facilitator and provide information for your specific agency. The consultant would not make the final purchasing decision, as that is something you need to do, but there are many consultants who are familiar with transit-specific packages as well as the more generic applications. Be careful in choosing a consultant. Look for credentials and check their references to find out what experience they have. Computer dealers can be a good source of information too although you have to be careful to avoid those who are ex-used car salesmen. Many dealers are familiar with their own product only and are not aware of the wide range of products available. They may try to pressure you into buying their equipment and software, whether or not it meets your precise needs.

Jim Skahan, Executive Director, OATS, Inc., Columbia, Missouri.

OATS was founded in 1971 after someone from the area attended the 1971 White House Conference on Aging and came back enthused about programs for the elderly and handicapped. That person got together with a few influential people and applied for a $38,000 grant from the Missouri Division on Aging. They purchased three vehicles and started service in three counties in central Missouri. From those humble beginnings, OATS now operates in 88 counties in Missouri with a fleet of 250 vehicles.

Last year we transported 1.2+ million people in excess of 4.0 million miles.

We are funded in the same way many of you are. We receive federal funds from the Department of Health and Human Services and the Department of Transportation. That money goes to the Missouri Legislature which doles it out to the Department of Social Services, the Department of Mental Health, the Missouri Highway and Transportation Department, and the Division of Aging. We contract with all of these agencies to provide needed services in our area.

When I came to OATS, the company had a computer system that was dependent on the database at the University of Missouri. We were limited by what the University was doing, the space available on their system, and the time they allotted us to use the system. So we began looking for ways to upgrade our capabilities and were fortunate to hire a fellow who had been the director of budgeting for the entire University system. We also hired a consultant to study our company. They were already familiar with our organization but went out and talked to each area manager to see what kind of system they needed, what kind of information they wished to have generated, etc.

After 6-8 months of study, we agreed on our system needs. Our original chart of accounts had 12,000 line items which was far too detailed. (We are now deleting line items and have the system down to 2,800 which is more manageable.) All the area managers felt they had to have every piece of information, not only statewide but by county and by vehicle. When you have 250 vehicles and multiply that by X line items, you have a bulky management system.

Our consultant wrote the specifications for our hardware and software and handled the bidding process. When we received the equipment, we thought we would first set up the home office system and transfer our data from the University computer. We would then move slowly and surely, running parallel systems for about six months, gradually eliminating the old system. The transition was further complicated by the fact that our fiscal year was ending and it was time for our annual audit. One night one of the clerks came in and did what she normally did, thinking she was sending data to the computer bank at the University. She formatted the system which wiped out all the information. We had to make a decision as to whether we should spend the time and money to reconstruct the old system or go with the new one. We decided to stick with the new computer and necessity resulted in a more workable system as no one could rely on what had happened in the past or information that was previously available.

We purchased Wang hardware and have a 360 megabyte system at the home office with a 386 processor. The area offices have 286 CPU's and are connected to the home office by modem. We could transfer all information by modem but have chosen not to do so

because that would be very expensive. Instead, the area offices send us their backup tapes once a week. Our comptroller can access any part of the computer system and correct any information directly. We also have the capability in-house of communicating with one another via electronic mail.

In terms of software, we use "SMART" for our word processing and "PARIS" for spreadsheets and trip information. This also generates reports in whatever format you need: by zipcode, age, sex, etc. "MUNIS" is our accounting package and allows us to handle four segregated accounts at all times. It gives you multiple as well as flexible reporting systems so if you need information on a weekly or bi-weekly basis, you can pull it up that way. This is an important feature for us to have when we are preparing a bid for one of the eight area agencies on aging. We actually lowered our unit rates this year because we had the data available and did not have to rely on guesswork.

In January we received a $100,000 grant from the Missouri Department of Natural Resources to develop a computerized routing system for the metropolitan areas of St. Louis, St. Joseph, and Joplin. The goal is to help the public become aware of the energy saving aspects of public transportation. We also selected one county in each of our areas to do advertising through radios and newspapers and this has proven to be a great project. However, in some of the areas in which we installed the system we underestimated how much information was going to be generated. For example, in Joplin we put in a one-user system with 16 megabytes of memory. We now know we need a 360 system to do the routing in Joplin.

The major benefit from computerization for our company is that we have information readily available. At a moment's notice, we can pull up anything we need to make a decision on levels of service in any part of the state. Another offshoot occurred in terms of cost savings as we have reduced our home office staff by 15 people through attrition. For more information on our system, contact the OATS Comptroller Randy Welch at 100 East Texas, Columbia, Missouri 65202, telephone (314)443-4516.

Pat Weaver: I wanted to follow up on my earlier comments with a discussion of procurement procedures. This is a sample request for proposals for procurement of routing and scheduling software. There are packages available that do computer-assisted scheduling in which you input the client data information and the system lists the vehicle manifests. The scheduler must then do the actual schedule-building. Fully-automated systems will assign trips to particular vehicles or routes.

The sample illustrates some basic principles that apply to the procurement of software. The first question is whether to use functional or technical specifications. A lot of you may be overwhelmed by the prospect of specifying technical requirements

for hardware or software. However, another option is to develop your request for proposals around functional aspects by describing your transportation system and what you want the computer or software to do. You must also include some technical specifications in your proposal but focusing on the functional aspects makes this process more manageable.

Your first step is to describe your agency plans, the number of trips provided in a month, passenger miles, and your expectations for the future. This will help the vendor determine if his package will meet your needs. You must then relate these technical specifications to the functions of hardware. Remember to include support equipment and supplies because they are very important as well.

[Due to technical problems, the latter portions of Ms. Weaver's remarks are unavailable.]

VEHICLE SPECIFICATIONS

Moderator:
Donald G. Meacham
Ohio Department of Transportation
Columbus, Ohio

Tara Bartee, Federal Grants Program Coordinator, Florida Department of Transportation, Tallahassee, Florida.

My boss Harry Reed started this project several years ago when the lack of standardized equipment was discussed by members of the American Association of State Highway and Transportation Officals (AASHTO). Each state's vehicle specifications were different and, as a result, vendors were not providing quality equipment. It was felt that AASHTO could compile standard specifications that could be used by everyone. A first draft of the working group's report was presented and discussed at the Community Transportation EXPO in St. Louis this past summer. The second draft should be available shortly and will be distributed to the members of the AASHTO vehicle specifications committee. One of the things we found was that many of the differences in the specs were questions of semantics or form. Therefore, we may not be dealing with as much substantive variety as was initially thought.

Don Meacham: I am a member of the AASHTO spec committee and the idea of developing standard guidelines has led to some confusion. When you see the specifications you may think, "Why aren't they more precise in this area?" Our emphasis is on minimum guidelines which you can use in developing what is needed for your own particular case.

Some of the comments we have received so far include one from Chevrolet asking that we include their van. They just began producing their big van this past summer so it will be included. Another commenter noted that the guidelines do not allow for laminated fiberglass vehicles. Would the majority of you like to see those included in your guideline specifications?

Comment: They are allowed under the Texas specifications and have been very successful.

Don Meacham: We allow them in Ohio too. Can anyone cite bad experiences with the fiberglass construction? Obviously the conventional body-on-chassis vehicles will continue to be available.

Comment: We felt that when the issue was first raised, the fiberglass unit was portrayed as an inferior product. There are advantages and disadvantages for both types of construction, but those advantages are not always heard by all parties.

Don Meacham: I agree. One of our largest Section 18 operators was allowed to purchase a fiberglass vehicle several years ago as a demonstration. The vehicle was hit broadside by a loaded concrete truck going 35 miles an hour. The damage was substantial but was less, in our opinion, than would have been suffered by a conventionally constructed vehicle. He had the vehicle back in service faster and there was no penetration of the passenger compartment in the accident.

Question: Is there anything in the specs that would require crash tests to be done similar to those UMTA requires on large vehicles?

Don Meacham: We haven't addressed crash tests yet but we have included loading tests.

Comment: The fiberglass vehicles have been tested and certified, crash tested and load tested. In many cases, they withstood the joint strength tests, the pillar post tests, and the roof test even better than some of the conventional construction vehicles.

Don Meacham: Another concern is whether tag axles should be permitted on the cutaway van chassis-type vehicles. Your standard chassis will allow you a vehicle body size to accommodate 25 passengers. If you go beyond that, because of the gross vehicle weight limitations you have to cut the axle, extend it, and put a tag axle on the back to bring the total weight allowance up properly.

There are mixed opinions on whether that should be permitted. We allow it although we recognize the drawbacks, one of which is tire wear on the tag axle because it has a tendency to drag as it goes around corners. Some people feel you are extending the weight of the vehicle without doing anything to make it stronger. If you don't allow tag axles, you have to move up from the body-on-cutaway chassis vehicles to more expensive vehicles on a heavy truck chassis.

Comment: One problem I've observed with tag axles in rural areas is the added weight creates braking problems. If you are going to allow the tag axle, your specifications should also make brake retarders mandatory.

Don Meacham: That's a good comment. Have you tried drive line retarders?

Comment: The maintenance records of one of the systems we work with show that they are getting 80,000-90,000 miles out of a set of front brakes which is much better than the 10,000 mile average. The only difference in the vehicles is that some have retarders and some don't.

Don Meacham: We have been successful with drive line retarders and are offering that as an option to our Section 18 and Section 9 operators. We ran two demonstration projects and found they worked well for body-on-chassis vehicles but were not economically feasible for vans. We did realize quite a bit of savings on brakes, however, and are offering this as an option.

Question: How long did it take you to recover that investment?

Don Meacham: The early indications are that we will do it in 2-3 years.

Tara Bartee: In Colorado we never required retarders but didn't object if they wanted to spend extra money in mountain operations. We looked at it from the safety angle.

Comment: Retarders are mandatory in California. If you operate cutaway chassis vehicles in the mountains you must have brake retarders.

Don Meacham: The consensus on tag axles appears to be that there are no objections as long as safety precautions are taken with adequate braking. Another comment on the draft specs was that we were trying to tell you how to cook pears and apples and slice bananas at the same time as they addressed standard vans, converted vans, body-on-cutaway chassis, and body-on-truck chassis. I'm recommending that we separate them and issue guidelines for each type of vehicle.

Comment: California just issued some preliminary specs that establish three categories of vehicles. That clarifies things a bit from the manufacturers' standpoint, so you can at least bid apples against apples.

Question: Was any thought given to addressing situations where the low bid is not necessarily the best bid? Federal guidelines now allow that.

Don Meacham: We would not be addressing that in the specifications because that is a question of procurement policy. But some of us may want to consider that option. We recently issued a proposal for the design of prototype compressed natural gas facilities and price will not be taken into consideration until after we have first determined whether the people are qualified to do the job.

Bob Grabarek, Jr., Project Manager, Public Transportation Division, North Carolina Department of Transportation, Raleigh, North Carolina.

Answer in your own mind whether it is more cost effective to rehabilitate an old van or buy a new one. To help you do that, I

will describe one of the avenues we are exploring in North Carolina to get more life out of the equipment we are purchasing.

We were encouraged that some of our operators were routinely running their vans 150,000 or 200,000 miles, wanted to find out why they were able to do that, and determine if there was some advantage to vehicle rehabilitation. Using the same funding percentages for rehabilitation and replacement, this chart shows that rehabilitating four vehicles equates to purchasing three new ones as both options produce 480,000 vehicle miles. If you rehab a vehicle at 100,000 miles and then operate it for another 60,000 miles, you end up with a 160,000 mile vehicle life. In a 480,000 mile cycle, you will have either bought four new vans at 120,000 miles each or bought three new vehicles and done three rehabs. So we started from the assumption that one rehab should equal about one-third the cost of a new van.

Step two was obtaining estimates. These forms break the van down into systems: exterior, interior, seat work, engine work, transmission, brakes. Our projects were required to get two estimates on each of those systems but did not have to go to one vendor for the entire rehabilitation. The forms were then submitted to us along with the vehicle maintenance records so that we wouldn't be doing brake jobs on vans that had just had a brake job. We also wanted to be sure that we were not funding a rehab of something that should have been paid under the project's operating budget.

Once approval was granted, the projects were expected to complete the rehab as quickly as possible and submit one invoice to us. We then reimbursed 90% of the rehabilitation costs. What did we learn? First, that the program was workable as we ended up with vans that were safe and attractive. Although we have not completed our study of the maintenance costs, they seem to be no greater than you would expect for a 2-3 year old van (which is about $0.05 a mile for most of our properties).

We did not have the parts availability problem that some projects have run into when rehabilitating buses. You usually don't rehab a bus until it's 10 or 12 years old. If you add another 5 years to its life, you may reach the point where you cannot get parts for that vehicle. We did not have that problem with vans. Some of our properties had a tendency to let minor problems slide until rehabilitation time but that was not serious enough to warrant action by our office.

Problems did surface in three areas: procedures, workmanship, and costs. Our projects found the estimate procedure burdensome in certain cases. Sometimes the vendor didn't want to fill out the form. Or a vendor who had been the high bidder on the first three rehab projects got tired of bidding because he knew he would not get the business. Some of our projects had to pay for estimates - which we allowed - and some were just not conscientious in obtaining a second bid. If

they got one that looked good, they gave the second one short shrift. With respect to workmanship, most of you know that some shops put out a better piece of work than others and we have had some problems with those rehab vans. This emphasizes the importance of going to good vendors at the start.

The major problem has been in the cost area. Over the four year period we have been involved with this program, the cost of new vehicles has increased only 13% while rehab costs have risen 49%. Some of that was due to labor or parts costs increasing. And some of it was due to our allowing more work to be done. Although we feel we did the right thing in those cases, it has put our cost relationship out of kilter. If you remember, our goal was to rehab vehicles for one-third the cost of a new one but that price has increased from our 33% target to about 43% now.

An answer to our procedural problem surfaced when a vendor in one part of the state said he was willing to rehabilitate vans anywhere in the state. He agreed to go get them and do one of the estimates. His workmanship is good and we hope he will be competitive in price. We discussed having rehabs done by an out-of-state contractor but bogged down in defining the scope of work. They would much rather work on a per vehicle basis rather than give us a quote on the total price. Another state tried a similar process and did not receive any bids. We also considered using our own state DOT equipment depot to do the work but that failed because North Carolina law prohibits us from doing work in competition with the private sector.

You may be wondering why we don't adjust our numbers to conform to our cost experience. Instead of rehabbing at 100,000 miles and adding another 60,000, we could rehab at 120,000 and boost the total mileage to 180,000. That would also raise the rehab ratio to 50% and is another avenue to explore. We also asked our panel of operators for their suggestions and they recommended a "gradual rehabilitation" approach. Instead of rehabbing all the vehicle systems at one time, we should wait until components fail or nearly fail and allow that as rehabilitation. Although this is very similar to maintenance, our position is to allow it as a rehab. The idea is that a van may be able to operate 160,000 miles with the original engine, saving us $1,500 on the cost of an engine rehab. Rather than adjusting the mileage, we are taking the approach of trying to get by with doing less work on a vehicle.

We certainly don't have all the answers yet and feel we need to take more of a life-cycle cost approach to this problem. Nor are we certain that we have all the answers on the maintenance problem. These are decisions that each of you will have to make and we would appreciate your suggestions or comments.

Question: What has been your experience with rehabilitating vehicles with a small bus body on a van chassis?

Bob Grabarek: Unfortunately we have none. We have rehabbed some body-on-truck chassis vehicles but they have not run through the whole rehabilitation life cycle. We did find that we can rehab those vehicles for $8,000-10,000 vs. an original cost of $30,000-35,000 so the price is right.

Question: Is there any type of warranty on this rehab work?

Bob Grabarek: We have been able to get six months or 6,000 miles on rebuilt engines. We asked the projects to push for as much of a warranty as they could get but that is the only minimum we have seen.

Question: Have you considered purchasing an extended warranty on this type of vehicle when you make the original purchase? This may extend its life and prove to be beneficial. We are considering something similar in Texas, not so much for this type of vehicle as for other heavy equipment we purchase. We want the option after 50,000 miles to extend the warranty.

Bob Grabarek: Good comment. We do allow that as an option.

Question: At the end of their useful life, do these vehicles have any resale value?

Bob Grabarek: We sell them at auction or through state surplus and usually get between $1,000-2,000 for them.

Question: Again, what size vehicle were you testing in this program?

Bob Grabarek: The numbers I quoted are based on standard vans and raised-roof vans with wheelchair lifts. Those are the only ones with which we have had enough experience to evaluate.

Question: In contracting for this work, did you find that most vendors want to work on a "cost plus" basis? How did you get them tied down to a set price if you weren't sure what needed to be done before they began work?

Bob Grabarek: We never did go with "cost plus" contracts because we did not have the time to oversee each vehicle. We had hoped for a better price due to the volume of work but were not successful.

Don Meacham: What is your gut feeling, should other states get into this?

Bob Grabarek: With us it's a funding question, i.e. we cannot afford to buy new vans. We have to make it more cost effective but we are still committed to rehabilitation.

Question: Does the rehabilitation program return the same van to the same property and encourage better maintenance practices?

Bob Grabarek: By all means. Since the properties know that the vehicle is going to be with them for 160,000 miles, we find they take a lot of care with it. We've seen social service agency vans that are dead at 80,000 miles. Next door our transit authority will get 160,000 miles out of a similar vehicle because they must. They are very conscientious about taking care of the body and the engine and doing other things they need to do.

Don Meacham, Chief, Bureau of Transit Technology, Division of Public Transportation, Ohio Department of Transportation, Columbus, Ohio.

Among my responsibilities as a bureau chief is vehicle specifications and Ohio has an extensive technical assistance program. We establish guidelines concerning the types of vehicles and equipment available for purchase by Section 16(b)(2), Section 18 and Section 9 recipients. Ohio is currently the only state that has administrative responsibilities for the small Section 9's. There are ten systems in that category and we are responsible for all their capital procurements. We expect to take on three more this year and, as it is purely voluntary on the part of the transit systems, we must be doing something right.

We provide technical assistance in selecting the right vehicle through various items that I will discuss later. We prepare and issue standard specifications, we assist in the procurement of the vehicles and ancillary equipment, and we do vehicle inspections. We are also trying to develop a maintenance program to realize better value on our dollars and have hired ATE, a consultant firm, to survey all of our Section 9 and Section 18 systems on their maintenance practices and procedures.

We have published a maintenance manager's manual for small transit agencies and are currently working on a series of training courses for mechanics. The most recent one was a course in air conditioning and wheelchair lift repair that was very well received. A half-day was devoted to each topic and the only criticism was that each should have been scheduled for a full day. We are also working with the California Department of Transportation on workshops for maintenance managers in which they learn how to set up a program, how to budget, etc. Those will be day long workshops using the program developed by CalTrans. We will hire a consultant to put the program on in a series of 3-8 workshops around the state for all Section 9 and Section 18 systems.

Our primary focus today, however, is on vehicle specifications and what we do to assist in buying vehicles and writing specifications. We establish criteria and tell people

what they should be concerned about. One objective is to be sure the vehicle has the desired passenger capacity. Another important factor is the weight capacity because if you overload a vehicle you may wind up with safety and maintenance problems. You must also consider your operating environment as vehicles that operate on flat land have different needs than those operated in hilly terrain.

You must also consider your vehicle maintenance needs, the type of service you offer, passenger comfort and special equipment needs, fuel type, etc. Don't buy a diesel engine if you don't have diesel fuel available or if you don't have a diesel mechanic. You also have to consider your budget limitations - you may want a Cadillac but can only afford a Chevrolet. You want to get the best value for your money.

We are the only state that publishes an annual vehicle catalog. One part shows vehicles that are available for a Section 16(b)(2) operator. With slight modifications, these vehicles (which range from standard vans through modified school buses) can also be used for Section 18 and small Section 9 properties. We are now working on a supplemental catalog that will include passenger sedans, sedans with taxicab packages on them, station wagons, service trucks (light, medium, and heavyweight), and some special design vehicles like the Dutcher taxi. The supplement is being done by Comsis in Silver Spring, Maryland and we hope to have the final product before the end of the year. It should be available through Norm Paulhus at DOT's Technology Sharing Office. The catalogs include cost estimates too but you must remember that they are developed for Ohio.

We also list various types of ancillary equipment with pictures and descriptions of items that can be added such as running boards, steps, passenger-assist stanchions, custom seats for passengers and drivers, fareboxes, passenger signals, etc. The catalog describes the item and gives you some idea of what is available on the market.

Every two years we hold a vehicle fair and exposition. There were 33-35 vehicles at the last one as well as 15 displays of ancillary equipment. This provides another source of information to transit properties in our state to learn what is available on the market and what to expect. In the old days, someone would order a modified school bus but for some reason pictured a converted van in their mind. When the vehicle was delivered, they would say, "We don't want that monster, take it back." We hope we have narrowed that information gap.

We don't find vendors to be unpleasant people. Instead we talk to them and learn from them. We are also willing to make arrangements with a vendor to show their vehicle to an agency that is interested. Most vendors and manufacturers prefer to show us their vehicles rather than make visits all over the state.

We also prepare the standard specifications. I have been in this business for 13 years and have learned some things during that time. In the early days, you didn't have many choices. You had your standard van and some school buses you could modify but there wasn't much else available. If you wanted to make the standard van a little bigger, you started looking for converters and the only ones available made recreational vehicles. Recreational vehicles may look safe but they are not: they usually have wooden sides with no metal in them. Some improvements have been made since the middle 1970's, however, when they used to put a "bathtub" on top with no bars or inner linings.

Those early experiences caused us to consider the idea of standard specifications which we have now been using for several years. We have them for standard vans and have dabbled with ramps on standard vans (which I don't like). We have converted vans with raised tops as well as two body-on-chassis vehicles. We also have light transit vehicles which are the conventional construction school-bus types with either metal sides or fiberglass.

We also have a school bus series because, although those vehicles are ugly and ride hard, you get your best value buying a school bus. We started out with modifications to add stanchions and 72-inch headroom and sold a few. Our next "light bus" version included a 12-inch maximum first step, which is lower than the normal school bus. We also put in sliding side windows and eliminated the emergency rear exit, putting a nice window across the back. We sold quite a few of those. We next introduced a 17-passenger small school bus on a cutaway van chassis. We have sold a number of those units to 16(b)(2) operators, permitting options for air conditioning, radial tires, etc.

Operators can go through our catalog and specifications and select what they want. We try to keep track of what is available on the market and what the agencies really need in terms of equipment. We do get some complaints from the 16(b)(2) operators but the majority of them like the process very well - as do the Section 18's and Section 9's.

We handle all of the procurement for the 16(b)(2) program. We write the specs, prepare the bid packages, advertise for bids and analyze the ones received, make the purchase recommendation, and award the contract. We also inspect the equipment either at the factory or at the delivery point (we have the choice of inspection site). When we know in advance that we want to inspect at the factory, we include that cost in the bidding.

The Section 18 and Section 9 procurement process is handled differently. We help in developing the specs but the systems are allowed more variations. They can add a heavier duty or diesel engine, they can have heavy duty air conditioning, fareboxes,

hand controls to allow a handicapped person to operate the vehicle, etc. Even on these options, however, they are choosing from standardized specifications.

We anticipate some changes in the future. Have you all heard of the ADA, the Act that will require accessibility on transit vehicles? We recently decided to purchase only accessible vehicles under the Section 16(b)(2) program from here on and to eliminate standard vans. Some of you may be opposed to using minivans but we are proposing to offer, as an alternative to the large converted vans, a low floor minivan with a ramp. We will allow Section 18 systems to apply for vehicles without lifts if they can demonstrate that their fleet is at least 50% accessible. However, lift-equipped vehicles are a higher priority for us so a Section 18 operator may not receive any vehicles without lifts.

Question: Minivans are frameless vehicles and are still considered light trucks so they don't have to meet passenger protection standards. Do you have any solutions to that problem?

Don Meacham: We have had two demonstration projects using low-floor vehicles during the last year that were not overly successful. We were lucky to keep the Dutcher vehicle on the road for two days in a row. We had problems with the electrical system and worked with Care Concepts in Phoenix, Arizona to resolve them. On the other project, we started having problems with the Dodge vehicle itself. We next want to try a low-floor vehicle with a ramp that will swivel out of the way to allow ambulatory passengers to board through that door. We really haven't had time to address the safety questions related to minivans.

Question: Is it true that if you modify the floor in those vehicles, the manufacturer will cancel the warranty?

Don Meacham: I have been told that is not true. Care Concepts obtained documents indicating that Chrysler will honor the warranty for the "non-disturbed" parts, i.e. the engine, etc. Michigan's experience with converted minivans was not particularly successful either. The minivan may be something to offer agencies that need smaller capacity vehicles or lack the funding to buy something larger. However, we will probably encourage them to go to the full-sized converted van.

Question: Are you looking at the Fair Access vehicle?

Don Meacham: We're trying to get one now and test it at a Section 18 property starting in January to gain some operating experience before we try to buy those vehicles. If any of you have had experiences (bad or good) with minivans, we would like to hear about it. Or are you all at the same stage, trying to figure out what to do? Some people object to the small vehicles because of their limited passenger capacity. But we have had

some success using standard minivans in some of our rural areas and the operators are satisfied with them. It is more economical to use a minivan on some trips.

Question: With respect to the ADA, you mentioned earlier that you wouldn't be buying standard vans anymore. Was that your state's decision or is that an UMTA requirement?

Don Meacham: That was our state's decision. Tara is more familiar with the ADA requirements.

Tara Bartee: How many of you are familiar with the Americans with Disabilities Act (ADA)? The basic provision of the Act that affects vehicle procurement is that 30 days after it is enacted, all vehicles purchased must be accessible to the handicapped unless you are operating a purely demand-responsive system and the system in its entirety can provide equal access to the disabled in terms of response times, etc. If your fixed-route system has one-hour headways, your paratransit system must also be able to pick up a disabled passenger within an hour.

Question: I didn't understand your point about standard vans vs. minivans. Couldn't you equip a standard van with a wheelchair lift to comply with the ADA?

Don Meacham: You can. The ADA mentions only wheelchair lifts as accessibility features but we believe ramps are also an option. We purchased standard vans with ramps for several years but the ramps were very steep, making it difficult to load a wheelchair on the vehicle. Even trained PAT instructors had problems doing that and required an assistant to get the person aboard safely.

Ramps at the rear of the vehicle present a potential safety hazard. If they are mounted on the side, you can reduce the slope of a ramp somewhat. But do you always load and unload from the curb? Most of the safety experts, including Dr. David Thomas who helped develop the PAT course, advise that ramps are extremely dangerous. We offered side-mounted ramps last year but have decided to eliminate them because of the safety factors and the loading problems.

Comment: We had much the same experience in Louisiana with a minivan with a ramp. The angle is so steep you cannot walk up it, much less push a wheelchair.

Don Meacham: My comments about minivans referred to those with the lowered floor (which is even lower than a standard van). Do you disagree about the convenience of using ramps on standard vans?

Comment: No. If you put a wheelchair lift on a standard van, you have greater passenger capacity than on a minivan and have the convenience of a lift rather than a ramp.

Don Meacham: There is probably nothing wrong with putting a lift on a standard van. But I believe that once you've gone to the expense of purchasing the lift and changing the seats inside, you might as well spend a little more money and raise the roof as well. We encountered problems trying to load wheelchair passengers who lacked upper body control through a conventional doorway. You can't bend their head and you can't tilt the wheelchair back far enough to load the chair. Looking at this problem from an engineer's perspective, I decided if we are going to spend the money on the lift we should also increase the headroom.

Before we close I wanted to mention several other things we are trying in Ohio. We will be doing some joint purchases in which we allow Section 18 and Section 9 agencies to buy vehicles through the same process used for the Section 16(b)(2) program. Over the last two years, we have purchased seven standard vans, two converted vans, and six light transit vehicles for Section 18 agencies and currently have another nine vehicles on order. This allows the agencies to take advantage of the price savings we realize from our consolidated purchasing and the process is working well so far.

The second thing we are attempting - and this appears to be a first for any state - is to allow one Section 9 agency to purchase vehicles for three others through a consortium. We will be purchasing 20 thirty-foot, heavy-duty transit buses and have developed standard specifications. It is our understanding that you begin to realize a price break on those units if you buy fifteen or more. Some other states are managing consortium purchases but in our case we are having one of our local operators act as a purchasing agent for the others. We expect to have bids out in the next two months and, if it proves successful, will advertise two or three times a year with one of our Section 18 or 9 agencies acting as the consortium leader.

The last thing I need to mention is that we also buy radios for all the agencies. That sometimes mean we develop an entire communications system, including sending stations, and offer that expertise to our agencies as well.

VEHICLE MAINTENANCE

Moderator:
Tom Maze
Iowa State University
Ames, Iowa

Steve Stark, Program Director, Institute for Urban Transportation, Indiana University, Bloomington, Indiana.

Tom Maze mentioned our RTAP project to institute management and maintenance information systems on a voluntary basis in transit properties throughout Indiana. An information system is a pretty boring subject in and of itself. The exciting parts are the facts that led to its implementation and what we are starting to do with the information.

I am with the Institute for Urban Transportation at Indiana University. Some of you may have heard of George Smerk who, almost 20 years ago, developed a handbook for small cities called "Mass Transit Management". About 10 years ago, he revised it into a four-volume set that has become very popular. He revised it again last year to bring the subject matter up to date. The handbook addresses subjects such as maintenance, operations, procurement, etc.

To develop the maintenance chapter, George had originally contacted operators throughout the country and asked them to send in their preventive maintenance forms for inclusion in the handbook. Some of you may be using similar forms now because you come to meetings like this, talk to one another and find out who solved what problem, and you swap forms. Rather than printing all the forms we received, we went through and reduced their content to the least common denominators. We eliminated entries that were collected for no apparent reason. We then published the 20+ forms in the handbook knowing that no agency would use all of them as they are intended for a variety of purposes.

[Due to technical difficulties, the latter portion of Mr. Stark's remarks are unavailable.]

Rick Paffrath, Vice President of Maintenance Consulting, ATE Management and Services Company, A Division of Ryder, Cincinnati, Ohio.

[Due to technical difficulties, Mr. Paffrath's remarks are unavailable.]

Comment: Another thing I find when people ask if they should have their own maintenance shop is that they cannot afford all of the necessary equipment. A shop equipped with the basic items will cost $25,000-$30,000. When you start adding other things such as an air compressor, ventilation, etc., you are

talking about a lot of money. If you go with a stripped down shop, you are defeating your purpose because the mechanics really need those ancillary devices to be productive and cost-effective.

Tom Maze, Program Manager, Local Transportation Information Center, Iowa State University, Ames, Iowa.

Today I want to talk about equipment management planning but first let's cover some basics. Section 9 refers to the UMTA funds received by urbanized systems in areas over 50,000 population. Those systems undergo what is called a "triennial review" in which someone from UMTA checks if, among other things, they have a maintenance plan and are following it.

When I first got into this field, I asked systems for those maintenance plans and they were very interesting. A maintenance plan should be part of your risk management function. Remember what Steve Stark said earlier about the system that reduced their insurance premium because they had a maintenance management system in place? It's a very important element and a good reward for doing the right things.

Often when I talk to people about maintenance management, particularly people in a human service agency, they say that transportation is just an adjunct to everything else they do and maintenance is a lot of nuts and bolts. They hire "Goober" to maintain the vehicles and take care of problems. However, if you operate a vehicle you are involved in maintenance and need to understand what it is all about. As a manager, you don't have to know what the torque should be on every nut and bolt but you have to understand enough to be able to respond to your staff and make good decisions.

The fellow in this slide didn't have much management experience but he did have a lot of good common sense. He attended several of our seminars a couple of years ago and we ran into him again recently at a maintenance management program in Iowa. He brought a notebook that described various proven maintenance practices. The important thing was that he had cut his system's maintenance expenses by 50%.

There must be somebody in your agency or system that takes the ball and runs with it. It takes a special kind of person because we encounter a lot of maintenance problems that don't happen every day but you have to be able to deal with them when they do occur. The same is true for accidents: They don't happen often but are devastating when they do. The fellow I was describing took the bull by the horns and made a significant difference in his system because he developed a maintenance plan.

When I'm driving from one place to another I like to listen to managerial tapes. One recently made the point that I have to know how good I'm doing now to be able to evaluate whether I am improving over time. If you want to manage you must have a plan

and know your priorities. You must have information or data and the best type of data is quantified, exact, and accurate. That in turn implies that you must have an information system. I will not suggest that everyone should buy a PC and develop a computerized information system. Paper worksheets are just as good, particularly for small agencies and if you are able to conceptualize visually what is going on.

Back in the early 1900's a fellow named Fayol described the key elements of management. Those include "planning", which we will spend the balance of our time discussing. In "organizing", managers decide how the agency should be structured and on the relationships between individuals. Rick Paffrath talked about "staffing", how to hire and keep employees and caring for your staff. "Directing" almost requires an innate ability to motivate people. "Controlling", which goes along with planning, is the collection of information so you can develop according to your plan.

Talking about planning, remember when I told you about those maintenance management plans we collected from the big city properties? They were full of procedures. I received books this thick from Cleveland or Cincinnati that included how to take off a generator or alternator, and preventive maintenance (PM) inspection sheets, etc. Nobody is going to read something like that.

Part of my job involves speaking to city councils and it is very hard to persuade them that they will save money by spending. But I am convinced that by investing in a rigorous PM program, you will save money in the long run. A generic objective for management is choosing a series of actions which will achieve the organization's objectives. That implies that you must first know what your objectives are. From the maintenance plans I received, I wrote down some of their objectives. The first one is "to provide consistently good service". What does that mean? It might mean "be on time" but it doesn't tell me anything. Other objectives included "to provide safe, reliable, comfortable, clean vehicles" and "to provide maximum reliability and to minimize road costs".

The problem with these objectives is they are unmeasurable and unquantified and there is no time limit on attaining the objective. Some were quantified: maintenance costs should be below $0.08 per mile; no more than one road call per month; unscheduled maintenance costs shall be 20% of the annual maintenance budget. They may have to define "unscheduled" for me but this at least shows that someone has looked at past history and done some calculations. An objective must have a time limit on it.

There are six fundamental areas in any maintenance program: (1) Equipment reliability, which we all should understand; (2) Equipment availability - Is it available when I need it? (3)

Equipment maintainability - How much does it cost to maintain equipment? (4) Labor productivity if I have my own in-house workforce (if I'm using a contractor I would look at the costs); (5) Quality - Am I getting a lot of "come backs"? When I do a PM, are defects actually detected so I don't have a bus come back for maintenance 100 miles later? and (6) Management control - Are my vehicles going in for PM when I said they would be?

One of the other things I do occasionally is act as an expert witness in accident cases. If there is anything that is related to system maintenance that caused the accident, I will go back to their information system and dig through it. If I'm working for the plaintiff and find that your maintenance policy is to do a PM once every 3,000 miles and you haven't done that, what does that show? Negligence on your part. And if you don't have any records at all, what does that show?

What should you include in your maintenance plan? PM inspection sheets are an obvious item. A quality assurance program ensures that you are actually doing what is needed. One of the things that disturbs me in talking to some audiences is that they don't do any fleet planning. They instead say, "Our plan is to get rid of our vehicles if we have money when the UMTA guidelines say we can get rid of them." You must understand how to manage your fleet and recognize that not all vehicles are equal. They have different operating exposures and some are more mechanically reliable than others.

This example is from a construction equipment manual and talks about how to make a decision every year on whether or not to get rid of a particular vehicle. The mechanic goes through and makes an evaluation. If it will cost more to maintain the vehicle than it is worth, it's time to get rid of it and start programming for replacement.

A recent UMTA study looked at various large transit systems to determine what made some of them good and others not so good. One of the most common findings was whether or not the driver had an active role in the maintenance program. The simple checks the driver performs are where maintenance should start.

To determine how big your garage should be or how many mechanics you should have, you must start out with a preventive maintenance schedule. If you are doing a PM on every vehicle every two months and each takes four hours, I can quickly calculate the total hours and labor resources needed to perform those PM functions. By researching your past history and then adding your preventive maintenance to your corrective maintenance, I can calculate the total number of mechanics you will need. Maintenance resources and PM record administration are two other key items to consider.

In talking about the fundamentals of planning, I mentioned earlier that rules are the first thing. A rule is something that

is required, that you must do. An example is, "All drivers must pass rudimentary maintenance training." Again, drivers must be the first line of maintenance because the vehicle is their office. This person needs procedures which emphasize that maintenance is part of their job. A pre-trip inspection sheet requires them to check every item before taking the vehicle out on the road, noting if it's OK or if it needs service. They also have certain items that can only be checked after the vehicle has been in service (post-trip) such as power steering, lighting, etc. Having the driver sign the form is not legally significant but it does hold them morally responsible to perform those checks.

Tort law is the area of law you fall under when you have an accident and it puts your drivers in a different position. With my car, I can observe "ordinary" care. However, when I take the responsibility for driving someone else, I am required to observe the highest degree of care. What do you do with a driver who complains about everything? Don't say "shut up" because they are doing what they should be doing. And when they report a problem, don't say, "Thanks, we'll get around to it" and then not fix the problem. They may retaliate by not reporting something really bad in the future.

This system has different color-coded check sheets. They use pink ones at 3,000 miles, green ones at 6,000, blue ones at 9,000, etc. They also mount them on a thick piece of cardboard so the mechanic can carry it around with him and check off items. This example from an UMTA manual includes the right information but is organized improperly. Why? In the English language, we start reading in the upper lefthand corner. The first item is to check the undercarriage, which means you have to hoist the vehicle up or get under it. The second item is to look under the hood, which means you must lower the vehicle back down. That is not a logical sequence you would follow and the mechanic will say it doesn't make sense.

Policies are intended to direct decision-making and to maintain consistency from one decision to the next. One example is component maintenance policies. Which things do you address through PM and which things do you let fail and then address? You must make a conscious decision about that. In your type of organization, you probably maintain upon failure except for simple things like filters and oil. But as you become more sophisticated and collect more data, you may decide to start changing generators or alternators at x-number of miles.

Here is another policy: PM inspections are intended to find defective parts, fatigued or worn units, and to replenish fluids and filters. This is a fairly common policy and does not say anything about replacing. It does not say, "I'm going to stop in the middle of my PM and do a head job" because that is not what a PM is about. Instead, a PM goes through and does a series of routine functions similar to a contractor work order. Once that

work order is complete, you can then do the head job. If the mechanic fixes things as he finds them during the PM he probably will not complete the PM.

I suggest you use this definition in developing a budget and determining your labor requirements. PM's are only inspection, adjusting, changing fluids, and things of that type. No matter how much PM work you are doing, if you use that definition you can then calculate other things such as how much corrective repair you are doing.

Budgets are difficult but are the locomotive that drive the maintenance process. I tell people, "If you invest $1.00 in a good PM program, you will probably save yourself $5.00 in the long run." That ratio may vary depending on your particular circumstances. But if you consider the consequences of poor preventive maintenance - vehicle down time, angry passengers, etc. - and quantify those costs, you will quickly see the savings associated with proper PM.

There are a number of good sources of information to help you develop a preventive maintenance program. This manual was originally developed for the State of Maine but has been expanded. How many of you have an "ABC" PM program? That is where your most frequent PM is an "A" done at 3,000 miles, a "B" is something you do every 6,000 miles, and a "C" is where you flush the radiator once a year. This manual tells you how to develop an ABC program. Several manuals such as this are available from Norm Paulhus at the Office of Technology Sharing at the U.S. Department of Transportation.

This manual from the American Public Works Association costs $60 for non-members and is a good source of information on how to develop a preventive maintenance program and what equipment should go into a maintenance facility. The Federal Highway Administration has a great manual too, although it talks more about motor graders and front end loaders. I got this manual from the Ready Mix Concrete Association and it includes all kinds of checksheets.

Comment: We are working with the California Department of Transportation to develop preventive maintenance training and this may be of interest to other states.

INSURANCE

Moderator:
Ron Morse
Wisconsin Department of Transportation
Madison, Wisconsin

Ed Moses, District Representative, Iowa Department of Transportation, Des Moines, Iowa.

I work with six transit systems in the western part of Iowa and they were having problems with insurance premium cost increases. One system had to take assigned risk insurance for their transit program and asked if we would share the cost for a study on insurance.

At our first meeting, an agent told us that the cost of transit coverage seemed outlandish and that he thought he could get us a premium reduction. That was Jim Copeland from Jefferson, Iowa who attended our meetings and gave us advice. We determined what kind of insurance levels we would have and he then did a lot of research. He reviewed all the motor vehicle reports on the drivers and found that 90% of them had one incident or less. (An incident could either be a speeding ticket or an accident and an accident did not necessarily have to be the driver's fault.) He also found that the transit systems had very low losses over the past five years.

Jim Copeland took that information to four or five insurance companies and received bids from two. St. Paul Fire and Marine was the first to submit a bid and it looked good. Then New Hampshire Insurance came in with a much lower bid and was awarded the contract. One of our requirements was that five of the eight transit systems in the study would have to purchase insurance from New Hampshire and, with the low premiums quoted, it was not difficult to get five volunteers over a six-month period.

Some of the systems purchased $1.0 million liability, uninsured motorist, medical and collision. We actually sold eight policies in all, expanding the program to other regions of the state. One system didn't join right away and gave their local agent an opportunity to bid. The local agent wanted $30,300 for the same coverage they bought from us for $16,500. Another system increased their coverage limits, expanded their fleet and still saved over $8,000.

In the second year we saw a 5% reduction in the overall cost in addition to the first year savings. Mr. Copeland told me at the start of the project that we were paying about 25% above manual rates. He says now we are getting coverage at 20-25% below manual rates and we feel fortunate to have those reductions.

Another region went out for bids this year and St. Paul Fire and Marine was the low bidder on that contract. In another region, they gave their local agent the opportunity to bid and he was $9,000 above New Hampshire's quote. They went back to their local agent, he agreed to drop his price by $4,000, and they awarded him the contract despite the fact that New Hampshire was still $5,000 lower.

This may be good news for those of you from the Midwest: New Hampshire is willing to let Mr. Copeland offer the program to 5-8 other Midwest states. Our experience was that we saved approximately $125,000 on insurance premiums, money that can be used in operations. As a state technical advisor, I think the systems did a good job and I am proud of them for leading the way in western Iowa.

Question: Why did the systems increase their insurance coverage levels?

Ed Moses: As I said, one of the systems had to go to the assigned risk pool for very limited coverage. That system is now buying $1.0 million worth of liability coverage, $1.0 million worth of uninsured motorist, medical and collision coverage for less than $1,000 per vehicle. They operate around Sioux City so it is not as if they are out in the rural area where you don't have anybody to worry about.

Question: Could we in Texas link up with your consortium?

Ed Moses: I don't know. Jim Copeland, who is handling this consortium, has been talking to New Hampshire Insurance about the 5-8 states around Iowa. Another state organization might approach them to see what can be done in Texas because they have had a very good experience with our consortium.

Question: Any insights as to why the consortium was able to realize such savings? Is it hustle on Mr. Copeland's part or what?

Ed Moses: I won't take anything away from Mr. Copeland because he worked a lot of times for no guarantee. He did all the research on drivers, he compiled and consolidated the systems' loss records, and took that information to a number of companies. It may be we have more control of the vehicles, due to the make-up of Iowa and our approach to transit. That may account for about 50% of the savings with the other 50% due to hustle on Mr. Copeland's part.

Peter Schauer, Principal, Peter Schauer Associates, Boonville, Missouri.

I was asked to edit and ensure that the UMTA risk management manual was geared for and written in such a way that it would be valuable to rural and small urban systems. I was also asked to

write a chapter on crisis management from the victim's point of view. (For those of you who may not know, I was a victim in an airplane crash near Durango, Colorado and was able to walk out.) So this highly qualified group - McDorman Associates, Advanced Risk Management (ARM Tech), Cambridge Systematics, and the Public Risk Management Association - asked me to write a chapter and edit the manual.

The manual is a three-part document designed to be a correspondence course for rural and small urban managers to understand what risk management is all about and how they might take better control of their risk management activities. The text covers insurance buying methods, loss prevention, claims control information, and a host of other topics. The introduction states:

> The goal of the manual is to acquaint transit system managers with risk management, to explain how to develop, implement, and administer risk management programs. Commercial insurance, as a viable way of protecting an organization against loss and a traditional approach for public agencies to handle risk, should be considered only as one option or element in the risk management process. It can be the most expensive option for protecting against loss in direct monetary costs and in secondary costs such as reduced managerial control. While commercial insurance is used generally to finance catastrophic losses, reliance on commercial insurance has become outdated. Organizations now take on broader responsibilities to control, manage, and finance their risks through pro-active and dynamic initiatives.

This manual is a practical guide to implementing risk management programs. Explanations of the different elements of the risk management process are illustrated by applications to hazardous situations particular to the transit industry. The neat thing about this manual is that it includes sample, ready-to-use forms, checklists, worksheets, and questionnaires.

That was one of my tasks, to make sure the document is usable. And it is. Volume One introduces the concept and explains the steps in risk management. Chapter Two presents risk identification and evaluation, describing risk areas, methods for identifying risks, and a framework for evaluating loss potential. Chapter Three on loss control methods discusses how a transit system can set up and administer an organization-wide loss control program.

In Volume Two, we have Chapter Four on risk financing, which presents methods for assuming the financial responsibility for all or part of your potential losses. The chapter describes self-insurance, risk retention groups, pooling, and captive insurers. When the insurance market was very tight, I was

operating an insurance help-line and found that many of the managers calling in did not have a good grasp of the basic terminology of insurance and risk management. This chapter addresses some of those questions.

Volume Three covers risk transfer which includes commercial insurance purchasing and non-insurance transfer of risk (such as having your passengers sign a release). It includes definitions of insurance concepts and terminology for methods of obtaining coverage. The chapter also provides some "do's and don't's" in negotiating an insurance policy.

Chapter Six on claims and crisis management describes the requirements for maintaining information to support risk management, including processing, adjusting, and investigating when necessary; litigating claims; and preparing for responding to a crisis. It discusses information systems and their contributions to risk identification and loss control. Chapter Seven covers the use of outside assistance; offers suggestions for selecting and working with consultants, brokers, and agents; and discusses the types of outside services available. It also provides assistance in writing bid specifications and requests for proposals. Chapter Eight, the risk managment resource list, covers periodicals and books on risk management and identifies organizations involved in risk management.

Ray Merz, C.P.C.U., Vice President - Risk Management, Insurance Management Associates, Wichita, Kansas.

The Kansas insurance group was initiated in 1987 to find an answer to the insurance problems of rural and elderly and handicapped transit providers in Kansas. We became involved more than a year ago when Insurance Management Associates (IMA) was selected to put together a purchasing group or pooling effort for those transit systems. Insurance was difficult for some of them to obtain, particularly those operating a few vehicles in western Kansas or where there was a limited insurance market. They were spending a great deal of money to obtain basic automobile coverage.

An unusual group came together on this project. The Kansas Public Transit Association (KPTA) spearheaded the effort. We also had the participation of the Kansas Department of Transportation (KDOT). The Transportation Center at the University of Kansas supported this program as well. The Insurance Department was a key player in bringing this group together, providing a great deal of assistance throughout. Individual members of the KPTA offered their ideas and our agency supplied the insurance expertise to the group. The final player was the Aetna Insurance Company.

The goal of the project was to provide a competitive and stable insurance market in Kansas and an alternative to the assigned risk plan. Our initial survey found that the same

insurance company popped up quite a bit. However, it turned out that they were one of the providers for the assigned risk plan and were not writing the account themselves. A lot of the social service agencies were forced to obtain their coverage at manual or surcharged rates, not because of any problems in their agency but because the market was not competitive for them.

The approach we settled on very early was to form a risk purchasing group in Kansas. Risk purchasing groups are a formal and written filing made with the state Insurance Department. It is not a loosely knit association plan but instead puts everyone on record by saying, "We are combining together to provide insurance for this group of people." This method was made possible under the Risk Retention Act of 1986 and allows agencies such as yours to purchase insurance on a group basis. You have the opportunity to negotiate rates and coverages that may be slightly or substantially different from what you could normally obtain in the commercial insurance market. Although state law may prevent this type of group purchasing, the federal law allows you to get around that problem.

One of the advantages of a risk purchasing group is that no capital is involved. Obviously, our agencies did not have a large pool of money to contribute so this was an important feature. One of the other good things about the program was that no one in the group was looking out for themselves only. The members participated on a voluntary basis and their motivation and public spirit were excellent.

As I mentioned earlier, one of the first tasks was to obtain as much information as possible from the member agencies. The KU Transportation Center conducted a survey that asked about drivers, vehicles, methods, etc. We then compiled those statistics, including copies of policies, loss information, and premium information and took that material to insurance companies all over the country. Several responded and the one that was chosen was the Aetna Insurance Company. A key requirement of the Kansas Insurance Department is to have an admitted market to meet the financial responsibility laws in Kansas. That meant we had to select a top-flight company.

One of the goals of the group was to use their combined purchasing power as leverage in negotiating premiums with the insurance companies to provide a stable market. A larger premium volume is much more meaningful to an insurance company. We also wanted to use a quality carrier that could provide a full line of coverages although the original concern had just been automobile insurance. With the company chosen and the services they offer, individual agencies in the group can purchase other coverage such as workers compensation, property, and umbrella coverages. Policy information is provided through direct visits to the transit agencies rather than relying on the mail.

Advantageous rates and premiums were our primary goal and we have achieved that with Aetna. Special filings are currently being made with the Kansas Insurance Department to give deviated rates, to provide special experience credits, etc. Those are only possible because we came together as a group. An individual agency operating three or four vehicles and using a local insurance agent cannot realize that kind of negotiating power. By bringing agencies together and collecting statistics on their experiences on a longer-term basis, we hope to see a much higher correlation with the premium rates.

Quality claims service was also important. One of our agency's most attractive features was that we have our own independent computerized claims systems that not only generates the claims reports, but can also augment what is done with the insurance carriers and allow us the opportunity to follow up with them.

Finally, it is very important for us that we keep the losses down and provide a safe environment for the transit systems. KDOT, KU's Transportation Center, the KTPA, and our firm are already providing a number of seminars. We hope to add other resources to bring loss control and risk management programs directly to the agencies.

As I mentioned, the coverages that we have negotiated are primarily automobile. The survey found that quite a few systems had limits as low as $100,000/$300,000, while others were at the $500,000/$1.0 million level. The options we negotiated with Aetna allow us to provide either $300,000, $500,000 or $1.0 million. We do not feel comfortable with the $300,000 level and write that only if the insured insists. We prefer to see them at the higher levels to be able to handle losses that may occur and to reimburse persons that are hurt. The other coverages such as workers compensation are optional.

The Kansas Public Transit Association also benefits from the group as it is a requirement that each participant be a member of the KPTA. That is not terribly expensive and anyone can join. Individual underwriting is applied in both the pricing and in the selection of the client. Another advantage to the group is that we are able to have a great deal of input with the insurance company about the underwriting statements rather than relying on their limited knowledge of the rural and elderly and handicapped transit providers. The group can meet with the insurance company and say: "This makes sense. This does not make sense. We can do this type of thing. Can we try this as an alternative?"

The Aetna Insurance Company was very important in this equation, being an A+ rated company that could support and back the group. In our role as the agenct, IMA administers and markets the program. We also coordinate the safety and loss control programs as well as claims activities. We don't want to make it too difficult for the client to get insurance and have

designed special applications for the risk purchasing group. We fill out those applications which ask for 3-5 years of loss information and a copy of the current policies. That allows us to develop a professionally written quotation which shows some comparisons between what they have now and what we are providing.

We are now ready to launch this program. The final tasks we are working on are filing the rate deviations with the state and preparing the program brochures. We want to initiate policies for January 1 renewals. This has been an interesting approach to the insurance problem, bringing agencies together to take advantage of their group purchasing power in negotiations on rates and coverages with insurance companies.

Question: In your search for insurance companies, did you find anything unusual as far as transit properties are concerned?

Ray Merz: With only a few exceptions, it was difficult even in a relatively soft market to find insurance companies willing to respond to rural and elderly and handicapped providers. We did wind up with three options to choose from and selected Aetna. But there is still a great deal of hesitancy, particularly to cover an agency that is providing transportation to the public with a fleet of less than ten vehicles. We write a lot of larger accounts for 100-vehicle fleets because there are more premium dollars involved. The size of risk and the leverage has a great deal to do with that.

Question: Is that hesitancy due to lack of a good database on accident and loss experience?

Ray Merz: Actually the database was there. Our Kansas research as well as nationwide statistics showed that the group was very profitable and attractive from an insurance standpoint. Once we were able to show that to a company that would consider the concept, it provided them an incentive to offer us coverage. The biggest problems were that original misconception and that people wouldn't even listen.

Question: Did you consider a self-insurance pool?

Ray Merz: Yes, we did consider a risk-retention group or self-insurance pool. One of the main drawbacks is the requirement for upfront capital which was not available in our case. (Several states, including Oklahoma and Arkansas, were pursuing that option at one time and it has proven to be very difficult.) That was one of the reasons we decided that our best approach was a risk purchasing group. You get the statistics and information together and, if conditions are right in the future, you have a natural starting point for the formation of a pool. If we can generate some profit through the years, it may be possible to do that type of thing.

Question: What is the commitment of the individual members of the group?

Ray Merz: You do not have strong leverage with individual members to maintain their involvement in group purchasing. They can each still get an individual quote and decide whether to stay in the pool. Pools like this generally work where the market is very limited which was our situation in Kansas.

Question: How about the "bad apple" with high losses?

Ray Merz: That will destroy a group quicker than anything, allowing an agency to join that is not doing a good job on risk management, not looking after the drivers and their vehicles. That one bad apple can bring up everybody's rates.

Question: How do you exclude them?

Ray Merz: One of our initial responsibilities in the group is to act as a front-line underwriter and identify those operators. The insurance company will have the final say. The group itself is also part of the negotiations with the insurance company and can determine what underwriting standards they want applied. Those standards have a lot to do with how we select drivers, how vehicles are maintained, risk management activities, etc. Everybody knows upfront what they will have to do to be insured although that doesn't mean that you will automatically qualify if you meet those guidelines. We want to upgrade those standards as we expand our risk management and control activities. Some of the proposed legislation in Kansas regarding improved driver selection will also help.

Ron Dupree, Regional Vice President, Gregg-Miller and Associates, San Antonio, Texas.

Our agency was established in the late 1940's and began to get involved with what we consider the association-related business in the late 1970's. In 1981, we were named the exclusive agent and insurance company for the American Ambulance Association. When the market was soft in the early 1980's, we were writing with the American International Group (AIG) of Insurance Companies on a plan similar to those described for Aetna and New Hampshire.

However, when things fell apart in the mid-1980's those major carriers decided that, when they had to stop writing certain lines of business, this would be one of the first to go. Although we did not agree with their decision, it was a fact we had to face. So in 1986, along with the membership of the American Ambulance Association, we formed our own insurance company - AMSTAR.

This company provides coverage from a stable standpoint which means we are going to be there. We do not write anything

other than policies for transportation-related industries. We added a limousine division in 1988 and now, with the advent of this program which we are currently introducing to the CTAA, we would like to get involved in the rural transportation industry.

Typically, we would approach that association and provide them with the kind of complete packages we have discussed today and possibly secure their endorsement to offer this to any of their members. We would still offer our program to others and, in fact, have already written some accounts in Texas. We offer limits up to $5.0 million although anything over $1.0 million must be submitted to our re-insurance coverer.

We start by looking at your niche. We created the handbook for the ambulance business by simply taking them out of the "police car" categories where they had been lumped in the past. Obviously there must be some changes for each particular transportation sector. We intend to be competitive but may not be the best choice in every part of the country. We believe our experience from the ambulance industry will catapult us into this particular division of rural transportation. AMSTAR Insurance is in its fourth year and will not, therefore, be eligible for a Best's rating until 1991. In the interim, our re-insurance is placed with Transamerica which is an A+15 carrier.

In summary, there are a number of insurance options for you to consider: standard markets, pools, etc. We feel that your industry has been picked on and our company intends to be there when the next tough market hits so you don't find yourself back in the assigned risk pool, scrambling for insurance.

Question: What made you decide that social service agencies were being picked on and that you should offer them insurance?

Ron Dupree: We found from a transportation perspective that this is another slice of the same pie. You are a specialized industry and use specialized vehicles. If your current insurer doesn't know your industry, they will either turn you down, raise the prices, or ask you to go into the assigned risk pool. Our research indicates that your premiums have been very high while your losses have been relatively low.

CONSUMER CHOICE: USER SUBSIDY FOR RURAL AND SPECIALIZED TRANSPORTATION

Moderator:
Betsy Kachmar
Indiana Department of Transportation
Indianapolis, Indiana

Eric Marx, Senior Associate, COMSIS, Silver Spring, Maryland.

The program I am representing today is the Public-Private Transportation Network (PPTN) which is a technical assistance resource sponsored by UMTA to provide free assistance to anyone interested in fostering public-private partnerships. We use materials developed in-house as well as those stocked through UMTA and also provide on-site help to people who need more specific, in-depth assistance. Other topics we address include rural/special services issues, suburban issues, finance, entrepreneurial services, etc.

It is difficult to define "user side subsidy" and "consumer choice" because there are not a lot of common features among these programs. Consumer choice means that you must have several operators in one area with the consumer choosing which will provide their trips. User side subsidy, on the other hand, may involve a single carrier using a mechanism that offers a subsidy for a specific user or target group.

Therefore, the first common feature of these programs is that they are applied to a targeted audience - generally the elderly, disabled, and low income persons - and are operated on a per trip payment. One of the things that UMTA wants to do is to include some of the nontraditional user groups to focus on the transportation dependent population as a whole.

The next major element, at least with consumer choice, is the use of multiple providers. When you have open competition you rely on market forces to keep the service quality high. That also allows the carrier to have more say in defining whatever market they wish to pursue. They create their own niches. Where there is a very laissez-faire arrangement, the carriers decide what fares they charge and can compete through fares as well as service quality issues. A lot of the programs tend to rely on existing providers for capital although total reliance is not always possible. Using existing services will obviously reduce the cost.

The first requirement for such a program is a commitment to provide an increased level of mobility to the specified target group. It is best to have as many existing operators as possible, both for-profit and not-for-profit, that can provide service in a competitive manner. It is also necessary to have a

funding base both for administration and to cover the trip subsidies.

You will need an administrative body to oversee the program although that role may range from minimal to significant. In the minimal scenario, the administering agency is responsible only for certification of users, establishment of eligibility criteria, distribution and collection of the subsidy, handling payments to the carriers, and monitoring the budget and the amount of services available for that price. One of the advantages to this low-level approach is it keeps costs down and limits government interference, allowing the carriers to approximate a free market service.

A moderate level of administration might include additional duties such as taking complaints, monitoring for fraud or program abuse, and establishing minimum reporting and insurance requirements for the carriers as well as qualifications for the carriers. This is still a relatively low level of administration. You increase the accountability of the program but are also increasing your costs and the carriers'.

A significant amount of administration may be warranted if you do not believe that market forces will keep the service quality at the level you desire. In this case, the administering agency gets involved in monitoring and establishing such service standards as on-time performance, missed trips, developing penalties and incentives, setting driver and vehicle standards, etc. You may audit trip tickets or telephone calls to ensure the program is not being abused. The service could be contracted through formal procurement methods. You would definitely control the service area and hours of service, unlike the other options where the carrier might make those decisions. You may also get into marketing the program, increasing reporting requirements, and limiting the number of providers rather than allowing unrestricted private sector participation.

It is often very difficult to determine the appropriate level of administration if you have not done this kind of program before. Without that experience, it is difficult to know where to draw the line between how much abuse you may catch or let slip by, and to calculate the specific trade-offs between costs and levels of service.

There are two basic types of subsidy mechanisms that you can use, although many subtypes and combinations are also possible. The first is to use a voucher system which does not require any type of distribution of scrip or coupons to the users themselves. Instead, the rider signs a ticket at the end of a trip and pays the driver a percentage of the total trip value. For example, if the trip cost $5 and the rider was required to pay 50%, the rider would pay $2.50 and the carrier would submit the voucher to the administering agency for the remaining part of the fare. Another possibility is that the rider would pay a flat fare and the

carrier would then turn in the voucher for a flat fee. For example, the rider would pay $1 and the carrier gets $6 per trip.

The second type of subsidy mechanism is coupons or scrip, where the administering agency distributes something of value to the target user group. The rider may purchase the scrip for 50% of the face value and turn in the ticket to the carrier who then redeems it for full price from the administering agency. The difficulty with the coupon or scrip system is that it is very labor-intensive. You can distribute coupons on a monthly basis but some people do not need that much service while others need more. Also, because the coupons have value there have been problems in the past with abuse.

Competition is a key element in a user side subsidy or consumer choice program. The ideal program is one where the competition is out there daily, competing for all types of riders with the same service hours and fares - or at least the same service hours and areas. The rider has the choice between the service quality of one carrier versus another and can "vote" for who they want in a free market system. This keeps the level of service quality high and the fares down because the carriers are competing for riders.

It is more difficult to administer this type of program in areas where little competition exists. Instead, an agency may have to consider ways to bring new carriers in to foster competition for contracting purposes. Stimulating competition in rural areas is particularly difficult but I have some suggestions as to how to make a system look more attractive for other providers. First, canvass the local area and inform everyone who might be interested - social service agencies, taxi companies, entrepreneurs. Your own agency could also serve as a competitor for the service contract.

Second, look at national service providers. Our experience is they are generally not interested in either a very small system or a system where they will have to compete head-to-head. You may have to consolidate area transportation services into a larger package to spark their interest.

Question: Would national companies be interested in providing taxi services?

Eric Marx: Not taxi services per se but user side subsidy programs and paratransit for elderly and disabled persons. PPTN maintains a national bidders list and there are at least five companies that might be interested in offering those services. The administering agency has to make the service attractive to them and large enough. Many firms are receptive to telephone inquiries but will definitely ask if they will be the only game in town.

When you are trying to attract competition, be sure your contract terms are reasonable. A national provider, or anyone who doesn't already have the necessary equipment, will not be interested in a one-year contract. They cannot even lease vehicles for a year and will have the same problem with facilities. Also, be careful that your insurance requirements are not so high that they scare away potential bidders.

Question: Are you talking about government agencies promoting competition within communities? We can't afford that competition - we're too poor. I thought we were going to talk about the little old lady we transport and whether it would be legal for us to charge her $1.25 to help subsidize the ride because the council on aging doesn't have enough money to pay the full cost.

Betsy Kachmar: With the limited amount of money you have available, you have the choice of giving that money directly to the person who needs the service and letting them buy it (like food stamps) or you can subsidize the transit provider directly and perhaps charge the passenger a modest fee or no fee. These programs have more to do with the payment mechanism for money you currently have rather than finding new sources of funding.

Question: Our agency is small and contracts for services on an annual basis. There is one man who bids every year and, since he knows how much money we have to spend, that is the amount he bids. We would like to see someone else bid.

Eric Marx: Rather than negotiating a lump sum payment, maybe you should contract on a per trip basis or something similar. That is the user side subsidy concept where you subsidize the carrier a certain amount for every passenger. But it is still important to try to develop some competition for that service.

Question: Does population density have anything to do with the success or failure of a program like this? Our county has a population of 100,000 with 30,000 concentrated in a municipality where we provide fixed-route service. We offer demand-response services in the rest of the county. But there are other factors to consider such as what is the best use of our money. Is it more cost-effective to provide the kind of services we are currently offering or to contract on a per trip basis to make the dollars stretch further?

Eric Marx: When you are providing the service yourself, you are responsible for ensuring that the available dollars last through the year. If you are bidding, you have to establish a set amount that you will pay out to another party.

Betsy Kachmar: Let me give you a couple of examples from Indiana that show how user side subsidy programs can work for you. Elkhart is a very small town and, rather than set up a new transit system with Section 18 money, they decided to use a

voucher system. They have contracts with the rehabilitation center, the council on aging, and the local cab company to provide the service. They use state and federal grant monies to subsidize those trips and certify people based on age, disability, and financial capacity to pay. The City pays up to $3.00 for a trip - so if your trip costs $6.00, you pay $3.00 and the City pays $3.00. Service is provided by the three operators who have a total of six vehicles between them. That is a user side subsidy system.

Question: Can the passenger call any provider he chooses?

Betsy Kachmar: To a degree. One of the problems is that the rehab center is the only operator with a lift-equipped vehicle. The cab company operates 24 hours a day which is a big advantage in terms of flexibility.

Eric Marx: The basic element in the consumer choice concept is that you have competition for the rider by existing operators or those who see a need and want to start a new service. One of the problems with this topic is that it is so broad and varied. Consumer choice programs have a variety of users and a variety of providers. The user side subsidy program is a mechanism to directly target a user rather than subsidizing all passengers through a more traditional fixed-route service.

Question: Which agency administers the voucher program?

Betsy Kachmar: The agency that has the money. Sometimes that is Section 18 money but in Indiana we also have a program that is administered by a regional planning commission that uses Section 9 money. Another managed by a council on aging in an urbanized area uses aging money. Any agency that has the ability to choose how they want to purchase their transportation can administer a program of this type. For most operators, your funding sources may be making that decision.

Eric Marx: In Chicago, we had a very structured consumer choice program. The carriers did not compete on fares because there was a set payment per rider and service hours were also the same. Because the riders could select any of the four carriers for their trips, the competition was based on service quality.

There are many advantages to that type of system. You improve the mobility of a group of transportation dependent persons and the cost is often lower. Service quality is maintained. The carriers can compete through any number of parameters such as service quality, vehicles, drivers, on-time performance, cost, fares, etc. You are only subsidizing trips actually taken and you can also involve multiple funding sources in one program.

There are several disadvantages. Using vouchers, scrip, or coupons is not a perfect distribution mechanism because it is

labor-intensive. The riders often have to pay their share up front in a lump sum each month and the transit dependent population may not be able to afford that. There is also potential for program abuse if you have little administrative control.

Question: You mentioned pooling different agency resources but a number of human service agencies have specific prohibitions against using their funds in this way. Aging services often say you cannot charge the consumer and the same is true for Medicaid. Is there any kind of model that works through some of these issues of consolidating funding sources?

Eric Marx: The closest thing to a model is the planning handbook that UMTA issued several years ago. One program uses a different ticket for each type of client served and each agency that buys service is responsible for issuing those tickets to their clients. A blue ticket may mean that there is no fare charged and the carrier is reimbursed for the full price. A yellow ticket may mean that the rider pays a $0.50 fare and the purchasing agency pays an additional $1.50 to the carrier. There are different mechanisms to provide service to different funding agencies.

Question: But sometimes clients are sponsored by several different agencies and it may not be worth the effort to distribute those costs?

Eric Marx: It is difficult to work around that kind of cross-subsidization. However, with a consumer choice program you can still target a particular customer for a certain amount of subsidy. As the administering agency you would go back to the other agency and say, "Your clients took this number of rides and this is our agreement as to how much we will charge you." Because of the complexity of funding sources, most programs have to be established on a case-by-case basis. The UMTA planning handbook should answer a number of your questions.

Betsy Kachmar: We also have a reference list which may not be comprehensive but does provide examples of the things we have talked about. It includes UMTA's "Mobility of Transportation Disadvantaged Persons through Consumer Choice Programs: Developing a Demonstration Project" which provides a good overview.

In developing this session, we thought that many people in the rural transportation community might not fully understand the consumer choice and user side subsidy concepts. We want to give you an opportunity to think through the process, figure out why it may be a good idea (or why not), and talk about some of the concepts. We've developed a case study to facilitate that process.

You are now in Transitvania. Transitvania has a council on aging, a rehab service, and a cab company that operates two cars and two vans for Medicaid transportation. The local school systems have seven school buses, two vans, and a team bus. Transitvania has received word from the state that they are approved for a Section 18 grant that will provide half the funding for a new transportation system. They have a variety of needs that are pretty similar to the rest of the world, i.e. elderly persons cannot drive; groups homes are being established; rehab centers are finding it difficult to get their clients to their new jobs; and merchants are leaving the central business district.

The City hired a consultant to tell them what kind of system would work best in this town and the consulting firm has recommended a user side subsidy program. The plan is that the City will contract with multiple transportation providers, distributing a punch card for 40 trips at a 50% discount, limited to $3.00 per one way trip. If a trip costs $2.40, the rider pays the driver $1.20 and the operator bills the city for the remaining $1.20. Anyone who resides in Transitvania is eligible for 40 one-way trips per month and citizens can purchase the punch cards in person or by mail. Service will be provided anywhere within the City and will be curb-to-curb. Riders are required to share rides when possible and the transportation providers will try to group those rides.

Your mission is to think about several questions. Eric talked about accountability in the trade-offs between having enough control over your providers to insure that the service is good versus not having so much control that you scare potential providers away from the market. So one of the things you should think about is what kind of accountability you would require to ensure that there would be quality service available without a lot of administrative burden on you and the vendors.

Once you have discussed that question, we will have a public hearing on this proposal with each of you playing the part of a resident of Transitvania. The public hearing will now come to order. Please introduce yourself.

"Dick Tracy": I'm Dick Tracy, consultant.

"Utopia Green": I'm the City Planner. You should all be familiar with the proposal as reported in the newspaper by Clark Kent. We want to let you share your concerns with the consultant.

"Arlene Dogood": My senior citizens aren't going to like this because they need more than 40 trips. And what about weekends? You don't have any service on the weekends. This taxicab driver has been rude to our elderly and handicapped people. You've got to give us someone who will treat them nice.

"Utopia Green": As proposed, we are planning on having 24-hour service.

"Arlene Dogood": But there are only 40 rides on those tickets. Our senior citizens are very active. They go to dances and they go to the Transitvania Bar every weekend.

"Dick Tracy": They can use their tickets for whatever they want.

"Arlene Dogood": But 40 isn't enough. They go to the grocery store. They go to the doctor.

"Dick Tracy": It's got to be enough.

"Ima Peach": I'm concerned about accountability. How do we know we're getting our money's worth from these agencies and the taxi operator?

"Utopia Green": Well, I was going to ask the City Manager or the state - Frank, is there additional money to do more than 40 trips a month?

"Frank Stein": We'd like to think there was but, in all reality, the probability of utilizing more funds at a local level is seriously in question.

"Utopia Green": So we can start out with 40 a month and, if the need arises and funding becomes available, maybe we can do something about that.

"Ima Peach": These people are poor, they live on social security. They don't have the money to pay anything. Harry James is going to get married and they don't have the money to waste on this transportation.

"Al B. There": Wait a minute, we've got a more serious problem here than "40 trips". I run a professional cab company with professional drivers. I've got my dispatcher and can provide 24-hour service, seven days a week. The real problem you're going to have is all these other little agencies trying to use volunteer drivers. You're just going to have all kinds of problems.

"Dick Tracy": You're worried about the competition, aren't you?

"Al B. There": No, not at all. I just think if you want to provide quality service you'll contract with me and we'll handle the 40 trips. If you want to up that to 50, I can get some more drivers and vans - no problem.

"Utopia Green": What kind of things would you need to see to prove that he's telling the truth?

"Papa Wheelie": I want to know how you're going to take care of us disabled folks. I want to know about the training that you have. Do you have drivers that are trained to be sensitive to our needs?

"Al B. There": We've got trained drivers - no problem.

"Utopia Green": Is that something the town is going to require? Driver sensitivity training for all providers?

"Arlene Dogood": We can get free trips from the church with their bus. What about all those social activities for our seniors? Are you going to cut our free services on the church buses?

"Al B. There": All those church and volunteer drivers are not dependable.

"Seymour Black": No, but if the service isn't as good with volunteer drivers, people won't use it.

"Papa Wheelie": I have to agree that we need more than 40 trips. As you can see, I am disabled and must have some way to get from place to place. I realize that you have two modified vans and perhaps they are in good condition and perhaps you do have trained drivers. On the other hand, you may not. What bothers me is that our lift vehicles from the rehab center are probably not going to be providing the services that we currently have because our disabled people live all over the county. So I would have to agree that we need more than 40 trips.

"Al B. There": That's right. I agree. We'll provide 50 or 60, whatever you want.

"Utopia Green": Are you willing to support a property tax increase to raise that number of trips above 40? How are you going to pay for those extra trips?

"Councilman Whipple": I am in favor of transportation for our senior citizens but I want to ask a question to that state representative. Is this going to be another one of those programs where you get us started and we don't see you again? This is a very serious question. The City Manager, in his budget message last week, did not recommend any tax increase so I don't see where we have any money to match these state funds. $62,000 is a lot of money for a small town like us. We just lost two stores to that new mall.

"Arlene Dogood": But you can't provide all the services to my people without more money.

"Utopia Green": Would you be willing to support a tax increase?

"Councilman Whipple": Our downtown needs development but we don't want a tax increase.

"Arlene Dogood": Count, why don't you make a donation to this cause so we can get more trips for our senior citizens? Nobody else could use the service except the senior citizens.

"George Burns": I'm George Burns and me and Gracie want to give the town $7 or $8 million.

"Utopia Green": It appears we have solved our problem. Anybody have anything else they want to bring up?

GENERAL SESSION: WHERE DO WE GO FROM HERE?

Moderators:
David Cyra
University of Wisconsin
Milwaukee, Wisconsin

Lawrence Harman
E.G. & G. Dynatrend, Inc.
Woburn, Massachusetts

Larry Harman, Director of Transportation, E.G. & G. Dynatrend, Inc., Woburn, Massachusetts.

We have an opportunity to leave this conference with a direction for our future efforts. We are going to develop some "to do" lists through a group brainstorming exercise and determine where we think rural transit should be going. We will ask for ideas from each group and then ask you to prioritize your lists. We will wind up with each of you developing your personal "to do" list of activities to undertake when you get home.

Each group's recorder should organize your suggestions under the headings "national", "state", and "local". Spend three minutes on each of those categories, listing action items that must be accomplished at each level. You will have 10 minutes to compile those lists and we will then have volunteers report from each group.

Comment: Our first national priority was funding and training was second. We listed funding at the state and local levels as well. We also need training and technical assistance from the state, which go hand-in-hand with RTAP. On the local level, we need support from our counties and other local agencies to coordinate our efforts.

Comment: We listed funding at the national level but we also need federal regulations that are more practical at the local level. We want better coordination between the states and the operators. The RTAP hotline will probably need to be expanded to handle all the requests that will be generated. Another task for the state level is drug testing education. We must also educate our state legislators on the needs of rural transit. At the local level, we need to identify the role of our local officials. We must also focus the RTAP program at the local level and make sure people are aware of this resource. We must eliminate duplication of effort and consolidate operations, improve marketing activities, and monitor our performance.

Comment: The state level should develop a more efficient means of disbursing funds to operators. We also need a more active state association. On the local level, we should work to

change our image from social service agencies to professional transit systems.

Comment: With respect to national funding, we need a dedicated source rather than having to fight for money every year. At the state level, we can enlist our riders/customers to call legislators in support of more funding. We must also work to develop a stronger transit focus within the state DOT's and build alliances with social service agencies as well as the highway interests. Strong state transit associations are needed. At the local level, we must market our services to increase consumer awareness. There must be more networking between the local communities.

Comment: In addition to the points already mentioned, we want to develop a positive image for transit at all levels through increased lobbying efforts. We must also work to improve coordination at all levels.

Comment: At the national level, we would like to see a stronger national transportation policy that emphasizes a proportionate share of funding for rural transportation and better coordination among federal funding agencies. At the state level, there is a need for leadership in developing coordinated strategic plans for rural service that include health and human service programs. Operators will be responsible for maximizing local resources, both public and private, and for ensuring broader participation in the planning process to develop our programs and policies. Increased regulation from the federal level must be accompanied by increased funding. States need to play an active role in monitoring federal regulations. At all levels, we need to promote a better image of mass transit.

Larry Harman: The next part of the exercise is to prioritize your lists with "A's" or "1's" being the tasks you must undertake immediately, "B's" are the next most important tasks, and "C's" are things you hope to get around to someday. Often, "C's" never get done. Establish these priorities in the national, state, and local categories you used before and feel free to incorporate the ideas reported by other groups. You'll have three minutes for this activity.

Comment: Our priorities at the national and state level are the same, the first being to reduce paperwork by coordination of reporting requirements at both levels and between programs. The second is to examine restrictions on aging funding at the national and state levels. Our local priorities are to deliver excellent service and improve our accountability.

Comment: We believe our national level focus should be on strengthening the financial commitment to the Section 18 program. If we educate our state legislators, other needs at that level should fall into place. Locally, we need to create a more

professional image in our communities as to what our services are all about.

Comment: We are looking for funding equity and assistance with drug testing from the national level. We need state level help on workers comp and coordination with social service agencies, particularly on reporting requirements. Our local focus is on funding for drug testing and greater visibility through marketing.

Comment: On the national level, we need a long-range commitment to our sector and more regional flexibility in program administration. Our state list includes reasonable options for community drug laws and better coordination between state agencies. The local focus is on funding.

Comment: Reauthorization and a dedicated funding source are our national priorities and those who currently receive funding must become evangelists in actively involving other organizations. We also need a dedicated funding source at the state level along with increased training. Our local priorities are industry professionalism, improved public relations, and cooperation.

Comment: More funding, better budget planning, and dedicated funding are needed at the national level. Our top state priority is building alliances, with developing strong associations to help bring about increased funding as our second priority. Adopting a professional, businesslike approach is our top local activity along with building alliances and creating various services.

Larry Harman: The next part of the exercise is to develop your own personal "to do" list. The most important thing each of us will take from this conference is some sense of what we individually want to accomplish. Forget the national, state, and local levels for this section and concentrate on your own action items. You will have three minutes to do this and we will then ask for your top priorities.

Comment: I work for state government and better communication is my highest priority. Another important activity is training, including consumer education, marketing, etc.

Comment: My first step will be to recruit board members from our communities that will help us in decision-making and planning to improve our services for the entire area.

Comment: We are going forward on implementation of drug testing. One of our first steps will be to educate our state and national legislators on this issue.

Comment: I intend to lobby a little harder for reauthorization and also work on our training program.

Comment: I will ask my board of directors to get more involved with the social service people in our state association and initiate my legislative program through that process.

Comment: As a county agency, we are going to work at better communication and cooperation with local officials. We will develop a better marketing plan and hope to improve our communication with the state. Drug testing will also be a priority.

Larry Harman: Again, our hope is that we come away from this conference with a clear direction on how we want to improve our industry. We have been immensely successful in the past in banding together and communicating to our legislators that we provide a good service but need more help. In view of the overall turnout at the conference, the new people that have been involved, and the quality of individual effort you have exhibited, I believe we will be more successful than we have ever been in the past. Time management courses generally tell you to "plan your work and work your plan". You have your plans. Now you must go work those plans.

GENERAL SESSION: UMTA ADMINISTRATOR AWARDS

Moderators:
Rich Steinmann
Urban Mass Transportation Administration
Washington, D.C.

Betsy Kachmar
Indiana Department of Transportation
Indianapolis, Indiana

Pam Ward
Ottumwa Transit Authority
Ottumwa, Iowa

Rich Steinmann, Program Analyst, Office of Policy, Urban Mass Transportation Administration, Washington, D.C.

It is my pleasure to help present the UMTA Administrator Awards for excellence in rural public transportation. Let me introduce the people who will be helping me do that. Wilbur Hare, the UMTA Regional Manager, will be presenting the awards. The members of the awards committee are Betsy Kachmar from the Indiana DOT, Pam Ward from Ottumwa Transit Authority and Dave Clawson from AASHTO (who could not be here today). We would like to start by having Betsy give you a little bit of history regarding these awards, the selection process, and selection criteria.

Betsy Kachmar, Program Manager, Indiana Department of Transportation, Indianapolis, Indiana.

The UMTA Administrator Awards for outstanding rural public transportation programs were begun in 1985. Although "rural" is not in UMTA's name, they do recognize that there are many outstanding rural systems who perform vital services. The 1985 awards, which were presented in Lawrence, Kansas, went to: OATS, Inc. of Missouri; Arrowhead Transit of Virginia, Minnesota; Upper Cumberland Regional Transportation System in Tennessee; Valley Transit in Walla Walla, Washington; and Muskingum Public Transit Authority in Zanesville, Ohio.

The 1987 award winners, recognized in Ashland, Oregon, were: Capital Area Rural Transportation System (CARTS) of Austin, Texas; Bay Area Rural Transit (BART) of Ashland, Wisconsin; Northwest Alabama Council of Local Governments in Muscle Shoals, Alabama; and CARE-A-VAN of Fort Collins, Colorado.

It is exciting to know that many of the past award winners are at this conference, still very much involved in rural transportation. This year the winners were selected based on their innovative strategies in the areas of coordination and partnerships, private sector involvement, and efficient and

effective service delivery. We were pleased to receive 27 nominations for these awards.

Rich Steinmann: This was a very competitive process given the large number of nominees, all of whom deserve congratulations. It was difficult to choose among all the fine operators.

The first award goes to Caro Transit Authority, Thumbody Express of Caro, Michigan. Caro Thumbody Express, operated by the Human Development Commission and overseen by the Caro Transit Authority, serves an area of 72 square miles and a population of over 10,000. Created in 1984, the system has grown steadily because of the interest and cooperation of groups such as the Downtown Development Authority, Chamber of Commerce, and the Knights of Columbus. The system benefits seniors and the handicapped as well as school children. The Caro Thumbody Express is more than just transportation. It assists local police with the "Eyes and Ears Program", has benefitted the community by providing benches, and helps with local festivals by providing transportation.

Caro Thumbody Express is staffed by dedicated and hardworking employees. Marketing and promotional activities provide consistent reminders of the available services and include coloring books, canvas carryall bags, pocket folders, and calendars. The quarterly newsletter has been quite successful offering information on local events and tieing retailers, clubs, and citizens in with news about transportation - with Thumbody Express in the forefront. Accepting the award today is Gary Miller.

Betsy Kachmar: Our next winner is the Cy-Ride System of Ames, Iowa. In 1976, the dispatch office was located in the basement of the airport with two dispatchers on duty scheduling six dial-a-ride buses. Fares were calculated by counting knots on a string placed at origin and destination points on a map. The Iowa State/Cy-Ride logo colors of red, yellow, and white create a graphic image which appeals to all segments of the community.

Dial-a-Ride today is a small part of Cy-Ride but very popular with both the elderly and the handicapped. Wheelchair service is now provided seven days a week from 7:00 a.m. to 11:00 p.m. at a cost of only $1.50 per ride. Those buses provide over 200 rides between the hours of 10:30 p.m. and 2:00 a.m. on Friday and Saturday nights in the newest "Night Ride" service. That was developed as a cooperative effort among the Iowa State student body, law enforcement agencies, and local businesses as an alternative to drinking and driving. Funded by the Iowa State University student government, Cy-Ride provides free transportation to anyone in Ames using "Night Ride".

Campus bus service was begun in 1978 on a limited basis. In 1981 a partnership was formed among the city, Iowa State University students, and the University administration to fund

and operate the bus system jointly. The transit agency began marking bus stops with Cy-Ride signs and expanded services which led to increased ridership. With money from the students and the University, Cy-Ride was able to purchase larger buses and expand from three routes to five, seven days a week at 20 minute intervals. Part of Cy-Ride's success was due to the University's desire to restrict parking through the use of traffic gates to control automobile access to the campus. A typical "rush hour" on campus now lacks automobile congestion.

To support the system, in 1984 Cy-Ride built a maintenance garage which holds 25 buses. Expansion quickly became necessary as ridership increased from 331,000 in fiscal year 1981 to nearly 2.5 million in fiscal year 1989. The addition currently under construction will allow for maintenance of a 36-bus fleet.

This dramatic increase in ridership was due to a comprehensive marketing program in which all rider segments were targeted. To reduce the loss of the popular Cy-Ride bus stop signs, they were made available for sale along with Cy-Ride t-shirts. Informational tours for pre-schoolers with memento bags, stickers, and posters were also implemented. Part of Cy-Ride's overall image is reflected in the cleanliness of the transit shelters. Through the system's resourcefulness, this vehicle with over 200,000 odometer miles is no longer in passenger service but has been converted for use in cleaning transit shelters. This cleaning is a nightly routine on campus and is done weekly on all fixed-route shelters.

As a result of the comprehensive marketing strategies, many grade school children have ridden Cy-Ride since pre-school. The children of today are tomorrow's passengers. Cy-Ride is a positive attribute to central Iowa that has been integrated into the community, tightly woven with dedicated community support and spirit. Accepting the award is Bob Bourne.

Bob Bourne: I want to thank the awards committee and the Iowa DOT for nominating us and for the assistance they provided to get us started. We got a lot of help as well at the local level through negotiations with the city and the university students. I also want to thank UMTA as we would have had difficulty getting started without their Section 18 support. We used that money to convince people we could make the system work. We also received several Section 3 grants for buses and the garage construction which were of great benefit. We have improved our maintenance as a result of the new facility which helps us provide needed service.

Betsy Kachmar: Our third award goes to JAUNT of Charlottesville, Virginia. An early morning traveler on almost any rural road in central Virginia is sure to meet a JAUNT van bringing commuters to work and other passengers into town for the day. JAUNT, a regional public transportation system based in Charlottesville

with a fleet of 34 van-type vehicles, serves a population of 161,000 in a 2,000 square mile area with five rural counties.

JAUNT provides such needed services as a highly acclaimed joint project with the community action agency that makes it possible for many low-income persons to access jobs at remote, rural ski resorts. JAUNT provides a variety of services in the small urban community of Charlottesville, including coordinating the transportation services for 77 rural and urban human service agencies and providing specialized transportation for all disabled persons in the district. Half of JAUNT's 150,000 passenger trips last year were for persons with disabilities. In addition, JAUNT manages the region's ridesharing program which is an integral part of the service. Passengers are referred to both the transit and ridesharing services, giving them broad options for transportation.

An excellent staff has created a system that is safe and efficient. JAUNT's staff has won national awards and drivers earn ribbons and trophies for outstanding safety efforts. JAUNT was selected as a demonstration site for the UMTA STARTS program, which is "Special Transit and Rural Transit Safety" training. All JAUNT drivers are trained in staff-designed orientation and defensive driving, as well as passenger handling, passenger assistance, Red Cross CPR, and first aid.

Staff also designed safety straps and handrails for standard vans, serving as shade tree mechanics but proving in the process they are caring and compassionate professional drivers. They take pride in their services to the passengers and in their teamwork and care of the vehicles. Because of transportation systems like JAUNT, rural residents need not be isolated but can enjoy a high quality of life enhanced by mobility. Accepting the award is Linda Wilson.

Linda Wilson: This belongs to my staff. Rich Steinmann knows I'm long-winded but I do want to tell you that everyone in rural transit can do what we have done. It takes professionalism and caring and never taking "no" for an answer. I want to thank the Virginia DOT for their help. Without their money and support, we could never have accomplished these things.

Pam Ward, Transit Administrator, Ottumwa Transit Authority, Ottumwa, Iowa.

Our fourth winner is Jefferson Transit in Port Townsend, Washington, nominated by the Washington State Department of Transportation. Jefferson Transit is a rural public transportation system located on the Olympic Peninsula in the State of Washington. Jefferson County has one incorporated city, Port Townsend, and a population density of 10 people per square mile; 24% of the residents are 60 years of age or older.

Created by a vote of the county residents in 1980, Jefferson Transit provides fixed-route service throughout the county and within Port Townsend. From its inception, the governing board determined that providing a variety of transportation connections for local residents was a priority. While fixed-route buses operate along rural roadways and on city streets, citizens are also provided with dial-a-ride and paratransit service. Additionally, Jefferson Transit has begun a successful vanpool program and initiated local freight delivery, recognizing the limited resources that exist in rural America. Jefferson Transit has made a commitment to operating efficiency and to air quality by converting all gasoline buses and vans to propane fuel.

Interline service was also recognized as a significant need for local residents and connections were initiated with a system to the west. In 1982 Jefferson Transit became a Greyhound agent, interlining with all Greyhound buses operating on the peninsula, selling tickets, providing package express services, and transporting passengers 24 miles to and from Greyhound coaches six times daily. Since then, additional interline service has been initiated with a carrier to the east and with the Washington State ferry system service to Port Townsend.

Recognizing local needs and attempting to provide a mix of services to meet those needs has been a great opportunity. The governing board and staff at Jefferson Transit are committed to serving all residents whether they are senior citizens, commuters, the disabled, or youth. This commitment recognizes that rural transportation, moving people and freight locally and regionally, requires innovation. Accepting for Jefferson Transit are Vern Jones and Peter Badame.

Peter Badame: Thank you all very much. To follow through on what Linda Wilson said, I think that every rural operator in this room deserves an award of some type because we all know how difficult it is to get things done at times. I had the assistance of people like Vern Jones, who is currently our chairman. Vern was originally on our advisory board, was subsequently elected to public office, and is now the chairman of our transit authority. It has been very helpful to have such supportive people. I would also like to thank the Washington State DOT as they were extremely important in the initial organization of Jefferson Transit, working with our local officials and providing Section 18 funding. This is a great award.

Vern Jones: What is most important in our transit system is the unique cooperation throughout the company between the riders, our advisory board, our staff, and our manager. Thank you.

Pam Ward: Our fifth award goes to the People Mover Express operated by Grant County Senior Citizens of John Day, Oregon. Scenic rural Oregon is also characterized by miles of lonely roads to the nearest major medical and professional services.

Grant County and its People Mover service have gone a long way towards making travel in eastern Oregon easier for area residents.

The People Mover is based out of John Day in Grant County, population 8,500. Using two modified vans, the People Mover provides a dial-a-ride service to local communities, transportation to senior meal sites, and intercity bus service as part of Greyhound's Rural Connection Program.

Coordinated from the John Day Senior Center, the system is run by a small group of dedicated drivers. Planning and management are a community affair with participation by volunteers, the County Court, the Chamber of Commerce, and the Senior Center. Receiving only $17,500 in state and federal grants, the People Mover is supported by donations from cities, local businesses, and individuals.

The system now serves four counties, providing the only public transportation service for many small communities. The connection to Greyhound intercity routes runs three days a week, making a 350-mile round trip. The People Mover is a model of what coordinated efforts can do to restore transportation options in rural areas. Accepting for Grant County are Ken and Helen Bogart.

Ken Bogart: We would like to thank everyone who helped us accomplish this task. A special thanks should go to the Oregon DOT for providing us with invaluable information on various regulations.

Pam Ward: Those are the five awards for this year and all five winners deserve another round of applause. Judy Byman, the co-chair of the RTAP National Program Review Board, will now present another special award.

Judy Byman, General Manager, ATE Management Services, Lorton, Virginia.

With the inception of the RTAP program about two years ago, UMTA assembled 15 very vocal, strong-willed, independent people to serve as the program Review Board. As Bill Henderson said, "We might not have always been right, but we were never in doubt." One thing we did agree on was the need to select a leader with the wisdom of Solomon (and some characteristics of Attila the Hun) to focus the group to meet our goals. We made a wonderful, intelligent decision in choosing Larry Harman as our chairman. I am proud to represent the RTAP Board today in giving Larry a token of our appreciation for his hard work as chairman. The citation reads: To Larry Harman, in recognition and appreciation of your outstanding contributions and leadership in helping to establish the Urban Mass Transportation Administration Rural Transit Assistance Program, this certificate is presented to you, as the chairperson of the RTAP National Program Review

Board from 1987 to 1989, as a token of our deep affection and esteem from all the members of the Board.

Larry Harman: To set the record straight, I have never been more honored to work with a group of people as the RTAP Board over the past couple of years. They clearly are the best and brightest of our industry, taking on an awesome responsibility. We all have felt a sense of mission to serve this industry and that is what drove us forward. We each put aside some of our personal priorities to get the group moving and I have no doubt that, under the new leadership, that movement will continue. I intend to support those people in the same fashion that I was supported as a member of the Board. Thank you very much.

Richard Christie, Director, Public Transportation, State Department of Highways and Public Transportation, Austin, Texas.

During the last few days, we have heard about many subjects and you have had an opportunity to network with one another. Now it is up to us to take what we have learned at this conference back home to those who could not attend. Although I am very proud of the tremendous turnout (we set a new attendance record), we are just a fraction of all of those who are involved in public transportation. I urge each of you to spread the word regarding public transportation, particularly rural public transportation. We hope to see all of you again in Asheville, North Carolina in October 1991 for the 10th National Conference on Rural Public Transportation.

APPENDICES

CONFERENCE SPONSORS AND PROGRAM COMMITTEE

Sponsored by: Urban Mass Transportation Administration

In Cooperation with: Transportation Research Board

Hosted by: Texas State Department of Highways and Public Transportation

Acknowledgments: Community Transportation Association of America
Public-Private Transportation Network (PPTN), an UMTA Technical Assistance Program

Program Committee:

Co-Chairs

Jeffrey P. Nokes, Geauga County Transit
Suzanne R. Scanlon, Lee County Transit

Members

Jon Burkhardt, Ecosometrics, Inc.
Dave Clawson, American Association of State Highway and Transportation Officials
Victor Dodier, Oregon Department of Transportation
Roberta Donsbach, SPAN, Inc.
Carol Everett, American Public Works Association
Robert Goble, Carter Goble Associates, Inc.
W. Campbell Graeub, Transportation Research Board
Charles Graves, Linton Mields Reisler & Cottone
Lawrence Harman, Dynatrend, Inc.
Randy Isaacs, Greyhound Lines, Inc.
Betsy Kachmar, Indiana Department of Transportation
Alfred LaGasse, International Taxicab Association
Dave Marsh, Capital Area Rural Transportation System
Margot Massey, Texas State Department of Highways and Public Transportation
Dennis Moore, Oregon Department of Transportation
Harold Morgan, Public-Private Transportation Network
Margi Ness, Special Transit System
Norm Paulhus, United States Department of Transportation
David Raphael, Community Transportation Association of America
Lynn Sahaj, Urban Mass Transportation Administration
Loretta Sharpe, LRS & Associates
Richard Steinmann, Urban Mass Transportation Administration
Roger Tate, Urban Mass Transportation Administration
Tom Urban, American Public Transit Association
Erskine Walther, North Carolina A&T University
Pam Ward, Ottumwa Transit Authority
Linda Wilson, JAUNT, Inc.

SPEAKERS AND PANELISTS

OPENING GENERAL SESSION

David Raphael
Executive Director
Community Transportation
Association of America
725 15th Street, N.W., Suite 900
Washington, D.C. 20005

Lawrence L. Schulman
Associate Administrator for
Technical Assistance and Safety
Urban Mass Transportation Administration
400 7th Street, S.W.
Washington, D.C. 20590

Richard Steinmann
Program Analyst
Office of Budget and Policy
Urban Mass Transportation Administration
400 7th Street, S.W.
Washington, D.C. 20590

Roland Mross
Deputy Administrator
Urban Mass Transportation Administration
400 7th Street, S.W.
Washington, D.C. 20590

WORKSHOP: MARKETING

Peter Schauer
Peter Schauer Associates
Route 2, Box 266
Booneville, Missouri 65233

Betty S. Green
Director
RIDES Transportation Project
P.O. Box 190
Rosiclare, Illinois 62982

Margi Ness
Executive Director
Special Transit System
4880 E. Pearl
Boulder, Colorado 80301

Larry B. Hall
Executive Director
KiBois Community Action Foundation, Inc.
310 E. Main
Stigler, Oklahoma 74462

Peter Canga
South Plains Area Rural Transportation
Assistance Network
410 Houston
Levelland, Texas 79336

WORKSHOP: COORDINATION

Lee Alexander
Executive Director
Alabama Transit Association
2101 Magnolia Ave., Suite 512
Birmingham, Alabama 35205

Rich Steinmann
Policy Analyst
Office of Budget and Policy
Urban Mass Transportation Administration
400 7th Street, S.W.
Washington, D.C. 20590

Marie Bishop
Grants Officer
Idaho Department of Transportation
P.O. Box 7129
Boise, Idaho 83707

Charles Glover
Planning Project Development Manager
North Carolina Department of Transportation
P.O. Box 25201
Raleigh, North Carolina 27611

WORKSHOP: PRIVATE SECTOR CONTRACTING AND ENTREPRENEURIAL DEVELOPMENT

Rich Garrity
Carter Goble Associates
P.O. Box 11287
Columbia, South Carolina 29211

Greg Davis
Director of Research
International Taxicab Association
3849 Farragut Avenue
Kensington, Maryland 22314

Steve Fittante
Director
Monmouth County Department of Transportation
P.O. Box 12555
Freehold, New Jersey 07728

Ken Bock
Administrator
Delaware Authority for Specialized Transportation
P.O. Box 1347
Dover, Delaware 19903

WORKSHOP: DRUGS

Cathy Silins
Local Assistance Coordinator
Washington State Department of Transportation
Transportation Building
Olympia, Washington 98504

Patricia Saindon
Administrator, Transportation Division
Montana Department of Commerce
1424 9th Avenue
Helena, Montana 59620

Randall Montalbo
Director of Program Development
Drug Intervention Services of America, Inc.
11200 Westheimer, Suite 630
Houston, Texas 77082

Jeff Webster
General Manager
Fresno County Rural Transit Agency
2100 Tulare Street, Suite 619
Fresno, California 93721

WORKSHOP: SAFETY/RISK MANAGEMENT

John Balog
Vice President
Ketron, Inc.
350 Technology Drive
Malvern, Pennsylvania 19460

William Hathaway
Transportation Systems Center
Kendall Square
Cambridge, Massachusetts 02142

Bill Henderson
Director, Senior Information Assistance Program
Senior Services of Snohomish County
3402 112th Street S.W.
Everett, Washington 98204

David Ellis
President
David L. Ellis Agency
100 Chestnut Street, Suite 207
Harrisburg, Pennsylvania 17101

WORKSHOP: ACCOUNTING AUTOMATION & MANAGEMENT INFORMATION

Tara Bartee
Federal Grants Program Coordinator
Florida Department of Transportation
605 Suwannee
Tallahassee, Florida 32308

Dorsey Darby
Operations Manager
Southeast Missouri Transportation Service, Inc.
P.O. Drawer 679
Fredericktown, Missouri 63645

Darrel Feasel
Associate Public Transportation Engineer
Virginia Department of Transportation
1401 E. Broad Street
Richmond, Virginia 23219

Roger Phillips
Supervisor, Field Operations Section
Michigan Department of Transportation
P.O. Box 30050
Lansing, Michigan 48909

Marj Walsh
Director, Care-A-Van, Inc.
6570 Portner Road
Fort Collins, Colorado 80525

WORKSHOP: TRAINING

Pam Ward
Transit Administrator
Ottumwa Transit Authority
105 E. Third Street
Ottumwa, Iowa 52501

Charlie Dickson
Director of Training and Technical Assistance
Community Transportation Association of America
725 15th Street, N.W., Suite 900
Washington, D.C. 20005

Dave Cyra
Director, Office of Statewide Transportation Programs
University of Wisconsin
P.O. Box 413
Milwaukee, Wisconsin 53201

WORKSHOP: REAUTHORIZATION ISSUES - FUTURE FUNDING FOR RURAL TRANSIT

Larry Harman
Director of Transportation
E.G. & G. Dynatrend, Inc.
21 Cabot Road
Woburn, Massachusetts 01801

Martha Bearer
Transportation Specialist
Office of Transportation
U.S. Department of Agriculture
P.O. Box 96575
Washington, D.C. 20090-6575

Lynn Sahaj
Sections 18 and 16(b)(2) Program Manager
Urban Mass Transportation Administration
400 7th Street, S.W.
Washington, D.C. 20590

Linda Wheeler
Director, Division of Public Transportation
Illinois Department of Transportation
310 S. Michigan Avenue, Room 1608
Chicago, Illinois 60604

WORKSHOP: THE UMTA RTAP NATIONAL PROGRAM - FROM THE OPERATOR PERSPECTIVE

Roger Tate
RTAP National Program Manager
Urban Mass Transportation Administration
400 7th Street, S.W.
Washington, D.C. 20590

Pam Ward
Transit Administrator
Ottumwa Transit Authority
105 E. Third Street
Ottumwa, Iowa 52501

Betty Green
Director
RIDES Transportation Project
P.O. Box 190
Rosiclare, Illinois 62982

Judith Byman
General Manager
ATE Management Services
7002-I Newington Road
Lorton, Virginia 22079

Connie Garber
Transportation Director
York County Community Action Corporation
P.O. Box 72
Sanford, Maine 04073

WORKSHOP: THE UMTA RTAP STATE PROGRAM - THREE MODELS FOR PROGRAM DELIVERY

Lynn Sahaj
RTAP State Program Manager
Urban Mass Transportation Administration
400 7th Street, S.W.
Washington, D.C. 20590

Karen Ross Grant
Planning Manager
South Carolina Department of Highways & Public Transportation
P.O. Box 191
Columbia, South Carolina 29202

Janice Hennings
Executive Assistant
Minnesota Public Transit Association
560 Sixth Avenue N.
Minneapolis, Minnesota 55401

Patricia Weaver
Assistant Research Scientist
University of Kansas Transportation Center
2011 Learned Hall
Lawrence, Kansas 66045

WORKSHOP: RTAP STATE COORDINATORS ROUNDTABLE

Lynn Sahaj
RTAP State Program Manager
Urban Mass Transportation Administration
400 7th Street, S.W.
Washington, D.C. 20590

Joseph Daversa
Chief, Rural and Intercity Division
Pennsylvania Department of Transportation
Room 1214, Transportation & Safety Bldg.
Harrisburg, Pennsylvania 17120

Patricia Saindon
Administrator, Transportation Division
Montana Department of Commerce
1424 9th Avenue
Helena, Montana 59620

David King
Director, Public Transportation Division
North Carolina Department of Transportation
P.O. Box 25201
Raleigh, North Carolina 27611

WORKSHOP: INCREASING FARES

Dave Marsh
Director, Capital Area Rural Transportation System
5111 E. 1st Street
Austin, Texas 78702

Kenneth Hosen
Senior Associate
Ecosometrics, Inc.
4715 Cordell Avenue
Bethesda, Maryland 20814

Sandy Broder
President
Denver Mobility, Inc.
3650 Chestnut Pl.
Denver, Colorado 80216

Otis Livingston
Executive Director
Pee Dee Regional Transportation Authority
P.O. Box 2071
Florence, South Carolina 29503

John McBeth
Transit Administrator
Brazos Transit System
504 E. 27th Street
Bryan, Texas 77803

WORKSHOP: PERFORMANCE MEASURES

Jon Burkhardt
Vice President
Ecosometrics, Inc.
4715 Cordell Avenue
Bethesda, Maryland 20814

Betsy Kachmar
Program Manager
Indiana Department of Transportation
143 W. Market Street, Suite 300
Indianapolis, Indiana 45204

Linda Wilson
Executive Director
JAUNT, Inc.
1138 East High Street
Charlottesville, Virginia 22901

Roger Phillips
Supervisor, Field Operations Section
Michigan Department of Transportation
P.O. Box 30050
Lansing, Michigan 48909

Jack Apostolides
Associate Public Transportation Engineer
Virginia Department of Transportation
1401 E. Broad Street
Richmond, Virginia 23219

Patricia Saindon
Administrator, Transportation Division
Montana Department of Commerce
1424 9th Avenue
Helena, Montana 59620

WORKSHOP: LEGAL ISSUES

Don Tudor
Senior Associate
Carter Goble Associates, Inc.
P.O. Box 11287
Columbia, South Carolina 29211

Tony Anderson
Attorney and Partner
Eckert Seamans Cherin & Mellott
1818 N Street, N.W.
Washington, D.C. 20036

Helen Knoll
Regional Counsel
Urban Mass Transportation Administration
1050 17th Street, Suite 1822
Denver, Colorado 80265

Bonnie Elder
Assistant Staff Attorney
VIA Metropolitan Transit
P.O. Box 12489
San Antonio, Texas 78212

WORKSHOP: SOFTWARE SOLUTIONS TO RURAL TRANSIT PROBLEMS

Patricia Weaver
Assistant Research Scientist
University of Kansas Transportation Center
2011 Learned Hall
Lawrence, Kansas 66045

Jim Skahan
Executive Director
OATS, Inc.
100 E. Texas
Columbia, Missouri 65202

WORKSHOP: VEHICLE SPECIFICATIONS

Donald G. Meacham
Chief, Bureau of Transit Technology
Division of Public Transit
Ohio Department of Transportation
25 S. Front Street
Columbus, Ohio 43215

Tara Bartee
Federal Grants Program Coordinator
Florida Department of Transportation
605 Suwannee
Tallahassee, Florida 32308

Bob Grabarek, Jr.
Project Manager, Public Transportation Division
North Carolina Department of Transportation
P.O. Box 25201
Raleigh, North Carolina 27611

WORKSHOP: VEHICLE MAINTENANCE

Tom Maze
Program Manager
Local Transportation Information Center
Iowa State University
Ames, Iowa 50010

Stephen Stark
Program Director
Institute for Urban Transportation
Indiana University
825 E. 8th Street
Bloomington, Indiana 47405

Rick Paffrath
Vice President of Maintenance Consulting
ATE Management and Services Company
617 Vine Street
Cincinnati, Ohio 45202

WORKSHOP: INSURANCE

Ron Morse
Section 18 Program Manager
Wisconsin Department of Transportation
P.O. Box 7914
Madison, Wisconsin 53707

Ed Moses
District Representative
Iowa Department of Transportation
700 Timberlane
Huxley, Iowa 50124

Peter Schauer
Peter Schauer Associates
Route 2, Box 266
Booneville, Missouri 65233

Ray Merz, C.P.C.U.
Vice President - Risk Management
Insurance Management Associates
Wichita, Kansas

Ron Dupree
Regional Vice President
Gregg-Miller and Associates
San Antonio, Texas

WORKSHOP: CONSUMER CHOICE - USER SUBSIDY FOR RURAL AND SPECIALIZED TRANSPORTATION

Betsy Kachmar
Program Manager
Indiana Department of Transportation
143 W. Market Street, Suite 300
Indianapolis, Indiana 45204

Eric Marx
Senior Associate
COMSIS
8737 Colesville Road, Suite 1100
Silver Spring, Maryland 20910

GENERAL SESSION: WHERE DO WE GO FROM HERE?

Dave Cyra
Director, Office of Statewide Transportation Programs
University of Wisconsin
P.O. Box 413
Milwaukee, Wisconsin 53201

Lawrence Harman
Director of Transportation
E.G. & G. Dynatrend
21 Cabot Road
Woburn, Massachusetts 01801

GENERAL SESSION: UMTA ADMINISTRATOR AWARDS

Rich Steinmann
Policy Analyst
Office of Budget and Policy
Urban Mass Transportation Administration
400 7th Street, S.W.
Washington, D.C. 20590

Betsy Kachmar
Program Manager
Indiana Department of Transportation
143 W. Market Street, Suite 300
Indianapolis, Indiana 45204

Pam Ward
Transit Administrator
Ottumwa Transit Authority
105 E. Third Street
Ottumwa, Iowa 52501

CONFERENCE EVALUATION

RESPONDENT BACKGROUND - Number of Responses (Percentage)

Have you attended previous National Rural Conferences in this series, i.e. Ashland, Oregon (1987); Lawrence, Kansas (1985); Gorham, Maine (1983); etc.?

Yes 16 (23%) No 53 (77%)

If "Yes", how many of these previous conferences have you attended?

One Conference	9
Two Conferences	3
Three Conferences	1
Four Conferences	2
Five Conferences	0
Six Conferences	1
Seven Conferences	0
Eight Conferences	0

Are you on the program at this conference?

Yes 9 (13%) No 60 (87%)

Who do you work for?

Rural transportation system	11	(16%)
Federal government	0	(0%)
State government	35	(51%)
Private-for-profit operator	0	(0%)
Private non-profit operator	12	(17%)
Consultant	4	(6%)
Industry association	0	(0%)
Other	7	(10%)

Others included: city government (2); council of governments (3); urban transit (1); and vendor (1).

Who paid for your attendance at the conference, in part or in whole?

Employer	51	(74%)
Other	18	(26%)

Others included: RTAP (10); self (2); and various state/local resources (6).

What percentage of your costs were covered by your employer?

100% =	42	40% =	0
90% =	7	30% =	0
80% =	4	20% =	5
70% =	0	10% =	0
60% =	0	< 10% =	2
50% =	1	0% =	8

PROGRAM CONTENT

Please put a "check mark" by the sessions you attended. Then, looking at all of those sessions, indicate the three you found most useful as follows: 1 = Most useful (best); 2 = Second most useful; 3 = Third most useful. [A weighted score is used: 3 points for 1st place mention, 2 points for 2nd place mention, and 1 point for 3rd place mention.]

	No. of Mentions	Weight. Score	Avg. Score
Opening General Session	9	17	1.89
Closing General Session	5	11	2.20
Marketing	14	33	2.36
Coordination	11	23	2.09
Private Sector Contracting & Entrepreneurial Development	8	17	2.13
Drugs	22	42	1.91
Safety/Risk Management	9	20	2.22
Accounting Automation & Management Information	6	11	1.83
Training	11	19	1.73
Reauthorization Issues	3	6	2.00
RTAP: From the Operator Perspective	8	17	2.13
Personnel	8	16	2.00
Vehicle Maintenance	6	13	2.17
RTAP: Three Models for Program Delivery	6	13	2.17
Increasing Fares	3	7	2.33
Performance Measures	4	10	2.50
Legal	8	19	2.38
Intercity/Rural	2	6	3.00
RTAP: State Coordinators Roundtable	10	23	2.30
Software Solutions to Rural Transit Problems	4	7	1.75
Vehicle Specifications	5	7	1.40
Operators Roundtable	2	5	2.50
State Associations Roundtable	0	0	0.00
Insurance	8	20	2.50
Consumer Choice	1	2	2.00
None Listed	4		

Please put a "check mark" by the sessions you attended. Then, looking at all of those sessions, indicate the three you found least useful as follows: A = Least useful (worst); B = Second least useful; C = Third least useful. [A weighted score is used: 3 points for 1st place mention, 2 points for 2nd place mention, and 1 point for 3rd place mention.]

	No. of Mentions	Weight. Score	Avg. Score
Opening General Session	10	24	2.40
Closing General Session	2	3	1.50
Marketing	1	3	3.00
Coordination	7	11	1.57
Private Sector Contracting & Entrepreneurial Development	0	0	0.00
Drugs	6	15	2.50
Safety/Risk Management	1	3	3.00
Accounting Automation & Management Information	5	12	2.40
Training	5	10	2.00
Reauthorization Issues	8	15	1.88
RTAP: From the Operator Perspective	2	4	2.00
Personnel	3	9	3.00
Vehicle Maintenance	1	1	1.00
RTAP: Three Models for Program Delivery	1	1	1.00
Increasing Fares	2	5	2.50
Performance Measures	1	2	2.00
Legal	0	0	0.00
Intercity/Rural	3	4	1.33
RTAP: State Coordinators Roundtable	4	8	2.00
Software Solutions to Rural Transit Problems	2	4	2.00
Vehicle Specifications	1	2	2.00
Operators Roundtable	2	4	2.00
State Associations Roundtable	3	8	2.67
Insurance	2	4	2.00
Consumer Choice	1	2	2.00
None Listed	40		

What made the "best" sessions most useful, i.e. content, presentation style, speakers, relevant to problems at home, etc.?

_____

_____

_____

What made the "worst" sessions least useful, i.e. content, speakers, format, not relevant to your needs, etc.?

_____
_____
_____

What subjects would you have liked to see on the program which were not covered?

_____
_____
_____

In your judgment, what makes this kind of conference most useful to you?

_____
_____
_____

CONFERENCE LOGISTICS

How did you find out about the conference?

Received brochure addressed to you	34	(51%)
Received brochure from someone else	20	(30%)
Other	13	(19%)

Someone else/other included: state department of transportation (6); supervisor (4); RTAP (3); and various sources (20).

Were the total costs of attending:

Too high	6	(9%)
OK	49	(73%)
A bargain	12	(18%)

Was the registration fee:

Too high	1	(2%)
OK	41	(61%)
A bargain	25	(37%)

Accommodations were:

Not good	1	(2%)
OK	23	(33%)
Great	45	(65%)

Did you stay at the Hyatt Regency?

Yes 57 (83%) No 12 (17%)

Conference meals/evening entertainment were:

Not good	5	(7%)
OK	24	(36%)
Great	38	(57%)

What suggestions would you make concerning the conference logistics?

_____

_____

_____

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