

because data from the demand-responsive transit will reveal when and where people move. In large and dense areas, demand-responsive transit can help in determining where corridors should be for fixed-rail routes.

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I want to discuss how to obtain federal money for use in implementing a demand-responsive transportation system. The principal program is the Capital Grants Program of the Urban Mass Transportation Administration. Under that program eligible communities can obtain 80 percent of the funds for all capital equipment and facilities necessary for demand-responsive transit systems. That includes buses, maintenance facilities, the land for the maintenance facilities, control room equipment, radios, shelters, and signs. The other 20 percent must come from local sources.

Funds are also available from the Federal Highway Administration. The Federal-Aid Highway Act of 1970 made some changes with regard to the Highway Trust Fund. Money is set aside in that fund for the Interstate Highway System. If the community decides it no longer wants the Interstate Highway, it can seek to get those funds for transit use. The procedures for doing that are not yet clear, but the intent of the law is that the funds can be used to procure capital equipment.

The Mass Transit Assistance Act of 1974 sets aside approximately \$12 billion for public transit. Of that amount, some \$8 billion is for capital equipment and \$4 billion is for operating subsidies. Communities may borrow capital funds for use as operating funds if they choose.

The guidelines for applying to the Federal Highway Administration have not been promulgated as of this writing, but they will likely be similar to those of the Urban Mass Transportation Administration. In general they involve the submission of a preapplication that briefly describes the program and the amount of money needed. UMTA judges the preapplication and checks to see that the planning requirements have been met not only at the city level but also at the county or the regional level.

If the judgment is favorable, the application is submitted that describes in some detail the equipment and facilities, the expected cost, and the benefits to the community, the users, and the operators. In addition, the application must describe in some detail the system, the kind of operation, and its relation to other modes of transportation in the community.

UMTA must also be given a 5-year financial plan that includes a 5-year capital improvement program indicating how the system will be supported, how it will be expanded, and how equipment will be replaced.

An environmental impact statement must also accompany the grant application.

Before the application is submitted, a public hearing must be held, which requires that notice be posted 30 days before the hearing is held. The proceedings of the hearing and the notice of the hearing must be incorporated in the application.

Section 13-C of the Urban Mass Transportation Act provides that UMTA cannot grant money to any community in which those funds would adversely affect labor. A copy of the preapplication, therefore, goes to the U.S. Department of Labor, which makes an assessment of whether labor will be adversely affected. I suspect that what is most often done is that the local transit union is asked, "Do you think that this is going to adversely affect you?" If the answer is "yes," the application is likely to be in trouble. Communities would do well to clear their DRT plans with the local transit union and with the Department of Labor.

These requirements are all outlined in an UMTA manual, External Operating Manual, which is available from the Office of Public Affairs.