This paper deals with the Urban Mass Transportation Administration's policy toward the development of paratransit services, its view of the relationship between paratransit and traditional public transit, and its current grant and planning policies and explores some problems to be faced in the future.

This was the sixth conference on demand-responsive transportation systems and other paratransit services, which demonstrates that the concepts of demand-responsive and paratransit service are here to stay. The fact that so many came to this conference is an indication of the increasing popularity of the set of concepts associated with paratransit. This popularity means that the Urban Mass Transportation Administration (UMTA), for its part, needs to be as clear as possible with regard to its formal policies on paratransit.

I have organized my remarks under four headings: first, the policy context within which UMTA sees its posture toward paratransit developing; second, our view of the relationship between paratransit service and more traditional patterns of public transportation; third, an enumeration of our current grant and planning policies that bear on paratransit; and last, an enumeration of some areas of both difficulty and promise for the future.

POLICY CONTEXT

The mass manufacture and proliferation of the automobile have provoked enormous policy issues for American society, not the least of which confronts those of us concerned with mass transit. The burgeoning use of the automobile, supported by a huge highway-building program, set the pattern for metropolitan development in the middle third of the twentieth century. Low-density land use patterns have challenged the ability of public transportation to cope with current trip demands. We in UMTA feel that demand-responsive and paratransit services may permit mass transit to adapt to these changed land use patterns to challenge the automobile for ridership in low-density areas.

Further, our special concern for providing transportation service to the elderly and handicapped—a concern written directly into our authorizing legislation—has also directed attention to demand-responsive and paratransit service. For those whose access to the normal transit fleet is limited, special services must be devised.

I would note here, parenthetically, that I do not agree with those who believe that the major remaining justification for public transportation is to provide service to those who are transit dependent. That in itself is a commentary on the lowering of our expectations about mass transportation that has occurred as a result of living in the era of the automobile. (In fact, transit dependency seems to refer to the state of being unable to use the private automobile.) While I support the need for a special emphasis on service to the transit dependent, the policy of UMTA will be to challenge the use of the private automobile wherever and for whomever public transit can provide a more efficient, environmentally sensitive, and energy-conserving transportation solution.

Our formal attitude toward demand-responsive and paratransit systems is that they are worth exploring as part of our pursuit of balanced urban and rural transportation systems. As stated most explicitly in our policy statement on major mass transportation investments—the so-called alternatives-analysis policy—UMTA favors an integration of modes across the urban landscape, with patterns and modes of service tailored to the particular travel demands of each portion of the urban geography. Within that rubric of trying to encourage the service that makes the most sense in each particular area, paratransit has its role to play.

We mean it when we say that UMTA plays no modal favorites. Our expectations with regard to the evolving paratransit service pattern have to be realistic. I do not believe that we can count on any significant near-term impact by paratransit in the central cities. There are major institutional and organizational barriers that will first have to be overcome, and even then it is hard to predict the impact of paratransit on traditional peak-hour-oriented public transportation service. In rural and small urban areas, in suburban communities, and in terms of service to the elderly and handicapped, we do hope for quicker immediate impacts from paratransit, and we have already seen a great many. The point I wish to make here is that our rhetoric and expectations...
should not outrun the realistic prospects of near-term impact. There are problems enough in government without adding to them by creating unrealistic expectations.

RELATIONSHIPS TO TRADITIONAL FORMS OF PUBLIC TRANSPORTATION

This brings me to my second point, which is the need to build a constructive relationship between those interested in demand-responsive and paratransit services and the providers of traditional public transportation services. And the obligation runs both ways—there is need for better bridge building from the direction of the transit industry as well.

I see encouraging signs that some of the initial hostility toward paratransit expressed by transit authorities is diminishing as understanding of the concept improves. For example, the American Public Transit Association (APTA) was an active participant in the 1975 TRB Conference on Paratransit, and I thought the address at that conference by Stokes (1) was very pertinent. Moreover, under Stokes' leadership, APTA has set up its first committee on paratransit to provide an institutional mechanism by which the transit industry can influence and profit by paratransit developments.

Part of this improving atmosphere is related to a matter of definition. Some public transit operators have been encouraged to think of paratransit only as an effort to substitute mass jitney service for a part of the traditional transit operations, as in Manila, Istanbul, and other Asian cities—a prospect that is entirely out of the question in this country.

For my part, I would advise the transit industry to actively pursue and embrace those aspects of paratransit service that can support the efficient and effective provision of public transportation. One key area in this regard is the possibility of using demand–responsive forms of feeder service to commuter bus lines and line-haul rail transit. Use of the automobile as a feeder device to transit is not a satisfactory or complete solution in the long run. Only when transit service improves to the point at which a second car in the family is not necessary will some of the real dollar trade-offs and cost advantages of public transportation come to fruition.

Paratransit services can therefore be used to help build ridership on line-haul public transportation.

Second, I believe it to be in the self-interest of transit authorities to explore the use of paratransit services to provide special services that cannot be met in a cost-effective way by the traditional methods and vehicles of public transportation. This is not a matter of skimming off the profits; if anything, it is more a matter of skimming off the deficits. For example, there may be situations in which late-night owl or holiday service could be better met by shared-ride types of paratransit service than by the use of regular transit buses. Similarly, door-to-door service for the elderly and handicapped is not easily accommodated by normal transit buses. Some paratransit service that has the effect of reducing peak-hour loads might also be financially helpful to public transit authorities, since it is the heavy peak-hour capital and operating costs that upset the financial balance in most public systems.

If there is any direct conflict between transit authorities and paratransit, it should logically resolve not around the question of patterns of service but around who manages and controls paratransit operations. If a number of transit authorities are competing for overlapping markets, that could indeed be disruptive and counterproductive, but it need not happen. Public transit authorities can themselves manage and operate paratransit service on a purchase-of-service basis. For example, the transit authority could purchase shared-ride or taxi service to supplement its base fleet and act as a broker between the customer (the transit user) and a variety of service providers. This is the pattern that is currently being tested through an UMTA-funded demonstration in Knoxville, Tennessee. To me, it makes a lot of sense for transit authorities to move in the direction of becoming full-service institutions, by buying or directly operating a variety of services with a variety of vehicles. In this regard, a transit authority could serve as a systems manager as well as a direct provider of traditional bus and rail line-haul service.

In summary, I think paratransit offers more by way of opportunity that is in the financial self-interest of transit authorities than it does disruptive competition. UMTA will be seeking in the months ahead to help the transit industry exploit these opportunities.

UMTA GRANT AND CAPITAL SUPPORT

UMTA is backing its interest in paratransit by making available both capital and operating assistance and by establishing new planning requirements. Funds for capital and operating assistance are available to assist communities to acquire paratransit equipment and to pay operating expenses in urban areas with populations greater than 50,000. Under this authority, and under section 16b of the Urban Mass Transportation Act, UMTA can support a variety of publicly and privately owned and operated paratransit services, including dial-a-ride, jitney, shared-ride taxi, community minibus, and other flexible and personalized paratransit services. UMTA funds can also be used to assist cooperative ride-sharing projects such as commuter van pools, subscription buses, and other cooperative services for the transportation of small groups. We estimate that about $30 million in capital funds will be spent in support of paratransit in fiscal year 1977.

About two-thirds of this amount will be forthcoming under the section 16b2 program. This provision makes funds available to private nonprofit organizations to provide transit service specifically for elderly and handicapped persons. In fiscal year 1975, we awarded more than $20 million to more than 1000 nonprofit organizations to provide such transit services.

For the second-year program under section 16b2, UMTA has set aside some $22 million for funding in fiscal year 1978. There are certain procedural changes in this year's program that should greatly strengthen its operation at the local level and enhance coordination with the existing service providers. On the one hand, we are requiring that public transit authorities have a full opportunity to participate in the planning and execution of the section 16b2 program and that they be given the chance to provide the service. Similarly, the new procedures require that private paratransit operators—taxi companies—be afforded a "fair and timely opportunity to participate to the maximum extent feasible in the... provision of the proposed special transportation services." In other words, we intend to give the local taxi operator a chance to bid for the services.

In both cases, our intention is to give existing public and private service providers the chance to meet the need and to use the public funds available before new special-purpose transit organizations are funded. If existing operators can do the job, they should have the first option to provide the service. It is in no one's best interest, certainly not that of the elderly and handicapped, to fragment services and undercut the responsibility of existing operators to meet special needs.
UMTA's planning requirements are also being strengthened in a way that encourages the appropriate deployment of paratransit services. Urbanized areas are now required to evaluate the potential for paratransit services in developing the transportation systems management element of the local plan. Our policy on major mass-transportation investments encourages metropolitan areas to plan for community-level transit services, which are a logical application for paratransit, as well as for line-haul commuter systems. Our final regulations on the provision of service to the elderly and handicapped, which will be published shortly, will include requirements with regard to the level of service that must be provided to meet the needs of these transit-dependent groups; these planning requirements will also stimulate local consideration of paratransit mechanisms.

Finally, UMTA intends to maintain an active program of research and development for paratransit to help make this type of service a more important option for urban and rural areas. On the one hand, the purposes of this program are to develop and test improved vehicles and technology. In this connection, we are supporting the development of two paratransit vehicles with low levels of pollution and are continuing the development of automatic vehicle-monitoring systems that can help to deploy vehicles operating in a demand-responsive mode. Further, the Service and Methods Demonstration Program is continuing to develop innovative and exemplary applications of paratransit and demand-responsive services, and funding for this program activity is scheduled for an almost three-fold increase in the budget for fiscal year 1977.

PROBLEMS AND OPPORTUNITIES

No review of the state of the art in paratransit service would be complete without some examination of the next steps. I am hopeful that in the coming months the UMTA program will pay special attention to three problems that complicate the proper evolution of paratransit service.

First, it is clear that federal support of paratransit raises complex labor-protection issues. Some applicants feel that the full application of section 13c to the paratransit industry would have a severe impact on the potential cost effectiveness of this form of service. We will be exploring this problem in the near future. At this point, I can only agree with Orski (2) as he said at the Williamsburg TRB conference in 1975 that a family of transit and paratransit services, well planned and coordinated, can benefit all sectors, including organized labor, transit operators, private entrepreneurs, and the riding public.

Second, we are going to have to sharpen our attention to the need for reform of institutional and regulatory barriers to paratransit service at the local level. We are now in the process of beginning a research study on those barriers.

Finally, I hope to improve the quality of our dialogue with the taxi industry to make sure that the interests of private operators are safeguarded. It is clearly against our policy to subsidize publicly owned companies or nonprofit organizations in wasteful competition with private operators. As I have already mentioned, the section 16b2 program has been adjusted so that private operators will have a full opportunity to offer their services in a competition for use of the federal funds available under that program. The same policy will apply to all other UMTA-funded paratransit services. The particular arrangements by which private operators might bid for the provision of local paratransit services would continue to be up to local leaders, but UMTA would review these processes as part of the annual certification and program approval, to ensure that private operators are given an opportunity to participate in the provision of such services "to the maximum extent feasible," as required by law.

The private taxi industry now serves more fare-paying passengers on an annual basis than all rapid transit systems. I can imagine no worse eventuality for transit authorities than the disappearance of private taxi companies and a resulting pressure on public authorities to provide similar kinds of service with public subsidies. There is simply not enough public financing capacity to support public transit if the authorities must also serve the population and trip purposes that are now served by the taxi industry.