

TRANSPORTATION AND THE ELDERLY: PROBLEMS AND PROGRESS

HEARING
BEFORE THE
SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE
NINETY-FOURTH CONGRESS
FIRST SESSION

PART 5—WASHINGTON, D.C.

JULY 29, 1975



Printed for the use of the Special Committee on Aging

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1976

60-949

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402 - Price 75 cents

There is a minimum charge of \$1.00 for each mail order

SPECIAL COMMITTEE ON AGING

FRANK CHURCH, Idaho, *Chairman*

HARRISON A. WILLIAMS, JR., New Jersey	HIRAM L. FONG, Hawaii
JENNINGS RANDOLPH, West Virginia	CLIFFORD P. HANSEN, Wyoming
EDMUND S. MUSKIE, Maine	EDWARD W. BROOKE, Massachusetts
FRANK E. MOSS, Utah	CHARLES H. PERCY, Illinois
EDWARD M. KENNEDY, Massachusetts	ROBERT T. STAFFORD, Vermont
WALTER F. MONDALE, Minnesota	J. GLENN BEALL, JR., Maryland
VANCE HARTKE, Indiana	PETE V. DOMENICI, New Mexico
CLAIBORNE PELL, Rhode Island	BILL BROCK, Tennessee
THOMAS F. EAGLETON, Missouri	DEWEY F. BARTLETT, Oklahoma
JOHN V. TUNNEY, California	
LAWTON CHILES, Florida	
DICK CLARK, Iowa	

WILLIAM E. ORIOL, *Staff Director*

DAVID A. AFFELDT, *Chief Counsel*

VAL J. HALAMANDARIS, *Associate Counsel*

JOHN GUY MILLER, *Minority Staff Director*

PATRICIA G. ORIOL, *Chief Clerk*

Transportation and the Elderly: Problems and Progress

- Part 1. Washington, D.C., February 25, 1974.
- Part 2. Washington, D.C., February 27, 1974.
- Part 3. Washington, D.C., February 28, 1974.
- Part 4. Washington, D.C., April 9, 1974.
- Part 5. Washington, D.C., July 29, 1975.

CONTENTS

	Page
Opening statement by Senator Lawton Chiles, presiding-----	351

CHRONOLOGICAL LIST OF WITNESSES

MacAdam, Margaret, program director, Cape Island Home Care, Inc., Hyannis, Mass-----	353
Miklojcik, Jacob L., supervisor, Policy and Program Analysis, Office of Services to the Aging, Lansing, Mich-----	357
Duncan, Fred M., community development specialist, Intergovernmental Program Office, City of Pensacola and County of Escambia, Pensacola, Fla-----	365
Dickey, Dr. John W., Center for Urban and Regional Studies, Virginia Polytechnic Institute and State University, Blacksburg, Va-----	369
Davis, Gen. Benjamin O., Jr., Assistant Secretary for Environment, Safety, and Consumer Affairs, DOT; accompanied by Jerome C. Premo, Associate Administrator, Office of Capital Assistance, UMTA; Robert H. McManus, Associate Administrator, Office of Transit Planning, UMTA; and William L. Mertz, Associate Administrator for Planning, Federal Highway Administration-----	375
Reilly, Donald F., Deputy Commissioner, Administration on Aging, Department of Health, Education, and Welfare-----	384

APPENDIXES

Appendix 1. Material submitted by Fred M. Duncan:	
Item 1. Memorandum from chief, Bureau of Surface Transit, Florida Department of Transportation-----	391
Item 2. Criteria for evaluation and selection of projects proposed by private nonprofit organizations within Florida-----	392
Appendix 2. Working agreement between AoA and DOT-----	394

TRANSPORTATION AND THE ELDERLY: PROBLEMS AND PROGRESS

TUESDAY, JULY 29, 1975

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Washington, D.C.

The committee met, pursuant to notice, at 10 a.m., in room 6226, Dirksen Senate Office Building, Senator Lawton Chiles presiding.

Present: Senators Chiles, Clark, and Stafford.

Also present: William E. Oriol, staff director; George Cronin, professional staff member; John Guy Miller, minority staff director; Margaret Fayé and Gerald Yee, minority professional staff members; Patricia G. Oriol, chief clerk; Eugene Cummings, printing assistant; Donna Gluck, resource assistant; and Trina Hopper, assistant clerk.

OPENING STATEMENT BY SENATOR LAWTON CHILES, PRESIDING

Senator CHILES. The committee will come to order.

Today we continue the Senate Committee on Aging hearings on "Transportation and the Elderly: Problems and Progress."

There can be no doubt that adequate transportation is one of the major concerns of older Americans. As individuals grow older, their ability to drive often decreases, causing greater dependency on public transportation when available and accessible.

Since our first hearings early last year, some action has been taken to improve the mobility of the elderly. The Department of Transportation has proposed rules for elderly and handicapped transportation services that should go a long way in sensitizing the providers of transportation services to the special needs of our older citizens. DOT deserves commendation for holding public hearings to help them formulate those regulations.

In addition, a number of initiatives have been taken in the last 18 months by the Congress, the Department of Transportation, and the courts to assure the rights of the elderly to some degree of mobility. Moreover, I am particularly pleased that the Department of Transportation and the Administration on Aging have signed a working agreement* as part of an ongoing cooperative relationship.

However, we still face a number of important problems. Many elderly are still isolated, whether they live in rural areas without any kind of transportation, or whether they live in suburban or urban areas with transportation systems oriented to the commuter peak-hour traffic.

Our hearing today is centered on two programs administered within the Department of Transportation: the 16(b)(2) program under the

*See appendix 2, p. 394.

Urban Mass Transportation Administration and the section 147 program jointly administered by the Federal Highway Administration and the Urban Mass Transportation Administration. Both of these programs have a great deal of potential, but only if their mission is clearcut and sensitively met.

The 16(b)(2) program dates back to its enactment in 1973. It has only been within the last 2 weeks, however, that the Secretary of Transportation announced that grants worth over \$20 million would be awarded to the States on behalf of 1,031 nonprofit organizations to assist for specialized transportation services for the elderly and handicapped individuals.

SECTION 16(b)(2) OFFERS HOPE

Although the 16(b)(2) program offers a great deal of hope, I am concerned about some aspects of the program. Happy as I am that grants have finally been made, I must ask whether awards to more than 1,000 organizations may further fragment our already fragmented transportation system.

In addition, I would also like to know where many of these nonprofit organizations are going to obtain operating funds to assure the continued operation of vehicles. Finally, I am concerned about the future of this program. The States have expended a great deal of time and money developing structures to evaluate and monitor these programs. Does the Department of Transportation intend to continue funding this program? If so, should not the Department attempt to tie these funds to other transportation and social service funds in order that the 16(b)(2) fund can complement other funding sources?

I will also have questions about DOT plans for meeting the objectives of 16(b)(2), which call for action that could well complement 16(b)(1) and reduce the fragmentation which concerns me so much.

Finally, we will look at section 147 of the Federal Aid Highway Act. There have been a number of delays in getting this rural demonstration program underway. I realize that some of these delays were caused by congressional amendments in late 1974, but some of the delays appear to have been caused by the Department itself. In addition, it appears that local areas will need to develop substantial amounts of revenue to participate in this program. I am interested in the suggestion of the Department as to changes in the law to help poor rural communities participate.

I would also like to thank DOT and the Administration on Aging for agreeing to a joint presentation later in the day, and I will now call the first witness.

Our first witnesses are a panel of State and community persons working on the 16(b)(2) program and we ask they come forward. Margaret MacAdam, program director, Cape Island Home Care, Inc., Hyannis, Mass., and Jacob L. Miklojcik, supervisor, Policy and Programs Office of Services to the Aging, Lansing, Mich.

Margaret, will you lead off for us?

STATEMENT OF MARGARET MacADAM, PROGRAM DIRECTOR, CAPE ISLAND HOME CARE, INC., HYANNIS, MASS.

Mrs. MACADAM. Mr. Chairman, honorable Members of the Senate, and distinguished counsel.

I am pleased to appear before you today as a representative of an agency approved for funding under the 16(b)(2) program. I believe that my testimony will have direct bearing on the impact of this program at the community level.

As you are all no doubt aware, in 1971 the White House Conference on Aging recommended that the Federal Government should immediately adopt a policy of increasing transportation services for the rural and urban elderly. It was further recommended that subsidies should be made available not only for existing services but also for the development of flexible and innovative systems especially where there are no existing facilities. It is this second recommendation which I believe to be of vital importance to the elderly and handicapped of our area. The popular impression of Cape Cod is that of an area having an ideal year-round climate with excellent recreational facilities. Indeed, it is this reputation that has attracted a large number of retired families as permanent Cape Cod residents.

Cape Cod consists of a single county, the county of Barnstable, encompassing 15 small towns distributed over an area of approximately 800 square miles. Within this area approximately 25 percent of the 108,000 permanent residents are retired senior citizens according to the 1970 census. More recent data reveals that the elderly population of Cape Cod has grown by 27 percent during the past 5 years. These figures are more than double the percentages for the Commonwealth of Massachusetts and for the Nation as a whole.

INCOME STATISTICS BELIE CAPE COD IMAGE

The image of Cape Cod as a wealthy summer resort area is belied by the income statistics for the elderly population. At the time of the 1970 census it was estimated that 12 percent of the elderly, or 2,644 families, were living below the national poverty level which, at that time, was \$1,749 yearly for a single person and \$2,194 yearly for a couple. In 1974, the staff of the Massachusetts Department of Elder Affairs calculated that there would be 5,559 families receiving SSI—old-age assistance—in the Cape and islands area by 1976. This figure represents a dramatic increase over last year and emphasizes the severe hardship imposed by the current inflationary economy on those living on fixed incomes.

Due to the heavy concentration of elders in Barnstable County and the lack of resources at the town and county level, the Cape-Islands home care program was one of the first to be established in Massachusetts. In general, home care programs were initiated to meet some of the severe problems which were overburdening the resources of the local councils on aging and social service agencies which had been established within the Commonwealth.

The objectives of the Cape-Island home care program are to assist elders capable of self-care to continue living in their own homes as long as possible with appropriate supportive services, and the elimination of barriers which prevent elders from living a complete and enriched life.

To achieve these goals the home care program offers a wide range of supportive services throughout our 15-town area. These currently include casework and counseling, information and referral, nutrition, homemaker and chore services, jobs development, and outreach. Currently our nutrition program is providing over 225 hot meals daily utilizing five sites throughout the area. The impact of the program has been that through assistance with personal care, nutrition, home maintenance, referrals and support in times of stress, home care preserves home life by maintaining the older American in familiar surroundings and among friends. In doing this, home care restores independence, dignity and identity, those precious qualities of life that often are lost when an elderly person is placed in an institution.

BASIC NECESSITIES REQUIRES ABILITY TO TRAVEL

The White House Conference on Aging made the point that the elderly like everyone in society depend on the ability to travel for acquiring the basic necessities of food, clothing, and shelter, as well as employment and medical care. Transportation for medical care is particularly important on Cape Cod as there are only two general hospitals within our 800 square mile area.

The ability to travel is also necessary for elderly participation in spiritual, cultural, recreational, and other social activities. To the extent to which the elderly are denied transportation services, they are denied full participation in meaningful community life. Additionally, we have found that transportation itself is an activity. In the operation of our title VII nutrition program, we found that many participants who had been homebound for several years were more stimulated by the ride itself than the activity and meal provided at the site. In a report entitled *Transportation for the Elderly: The State of the Art*, the author makes the point that "transportation for the elderly needs to be provided not purely for getting from 'here to here,' but also as an anecdote for the entire process of aging."

Therefore, in January of this year, when the requests for proposals were mailed out by the executive office of transportation and construction, our home care program saw an opportunity to expand the very limited service offered by our nutrition vans. Working with our regional planning agency and many other public and private service groups, we were to develop a plan for the acquisition of an additional six vehicles, five of which were to be equipped to serve the physically handicapped. This proposal, which clearly demonstrated the need and had the cooperation of local groups, was approved by the Commonwealth and recently Congressman Studts was verbally informed that it had been approved for funding as part of the Commonwealth's award.

We have spent the past several months finalizing our operating plan and raising funds for ongoing expenses. Therefore, in a very real sense, we are grateful for the 16(6)(2) program as it is giving our area, which has no public transit, an opportunity to provide a significant service to our elderly and handicapped population. Additionally, this is the first countywide transportation service to be attempted in our area and could provide the stimulus for a regional transit authority.

For these reasons the importance of this type of capital equipment acquisition to outlying communities and to those concerned with the special mobility problems of the elderly and handicapped cannot be underestimated. We do, however, have some recommendations about the implementation of the program which could alleviate some of the problems that we have faced.

OPPORTUNITY TO COMMENT

First and foremost, it would be helpful if the regulations regarding 16(b) could be published in the *Federal Register* with an opportunity for comment. This would be beneficial for two reasons: It would allow the appropriate groups at the State and local level to participate in policy decisions regarding implementation, and, second, the publication of the final regulations would give everyone a concrete set of guidelines to follow. It has been difficult for us to understand regulations which have been transmitted to the States and from them to us on a verbal basis and which did not seem to have any bearing on the 16(b)(2) legislation. One example was that private, nonprofit agencies could not subcontract for services with public or private operators. We have been told that private nonprofits must own and operate the vehicles.

Usually, nonprofit organizations are not in the transportation business and a lot of them are afraid to get involved.

It would be helpful if this regulation which substantially affects agency planning could be written and distributed for all to comment on. The *Federal Register* could be used to advantage in this regard.

A second recommendation has to do with the length of the funding process. One of the Administration on Aging objectives with regard to 16(b) was to utilize title III and title VII funds to support transportation services for the elderly as part of a coordinated, comprehensive service delivery system. However, the funding timetables of these programs have not been coordinated in a manner to facilitate the implementation of the stated objective. The title III year began on July 1, title VII begins on October 1, and the CETA program, which could provide drivers will be refunded in September. However, our vans are not expected until January due to the cumbersome nature of the proposed bidding process.

It is extremely difficult for private nonprofit agencies to hold together funding packages over this length of time. Therefore, we would recommend simplified procedures for getting the vans on the road.

NO DEFINITION FOR TERM "HANDICAPPED"

This requirement, coupled with the lack of definition of terms, could and did affect the potential recipients of the program. There was no Federal definition of the term "handicapped."

In our area there were several mental health and alcoholism groups which claimed that their clients fell into the category of handicapped. These groups receive funding from the State Department of Mental Health which enabled them to meet the match requirements. However, few of the physically handicapped groups had similar resources. Therefore, the intent of the program may have been skewed by this lack of definition which enabled well organized agencies to benefit to

the detriment of the physically handicapped groups. For example, in our application we found that the alcoholism group was able to carry all their own expenses while home care had to raise the funds to cover the services to the physically handicapped. Yet we felt that those with physical mobility problems, which prevent them from using standard vehicles, should be the first to benefit from this program. In Massachusetts, as a whole, relatively few awards went to physically handicapped groups.

Clarification of definitions and simplification of match requirements might enable some of these smaller groups to participate.

We feel that the bidding procedures have been very late in coming—fully 1 year after we submitted our proposal—and we have no idea what the reporting requirements will be. Private, nonprofit agencies tend to receive funds from a variety of sources, each with their own reporting requirements. It would be quite burdensome if another set of documentation is imposed on the agencies for the equipment.

Additionally, we have been told the State must retain title to the vehicles, yet it is our corporation putting up the match money and it is our corporation that has to worry about the headaches of the operating expenses.

If it is the intent of the program the vehicles be publicly owned, why was 16(b)(2) funded? This requirement will also make it extremely difficult to register and insure the vehicles which we, the nonprofits, have to do, yet we won't have title. From the point of view of the recipient agencies forced to raise the money and deal with the headaches of operating the system, it makes no sense at all for the State to retain title.

Ideally, we would hope that in any year both sections of the acts could be funded. This would enable public authorities to supplement their service to meet special needs while areas such as ours which have no public service could also benefit from the program under section 2. This will enable the full intent of this special program for the elderly and handicapped to be met.

LACK OF CLARIFICATION AND DEFINITION

I would like to reiterate again that the lack of clarification and definition has seriously affected the implementation of the program. Rules and regulations are now being developed which should have been published last year.

I have mentioned that important regulations have been transmitted verbally, that the bidding procedures are unclear, that the reporting requirements have not yet been transmitted, physically handicapped groups have not been able to meet the requirements while larger agencies such as ours have not been able to coordinate possible operating funding sources because of delays and uncertainties. Criteria for selection of proposals have varied widely from State to State presenting further complications. Some States required 5-year operating plans while others required none.

Many of these problems could have been dealt with long ago if the regulations had been developed and publicized in the *Federal Register* with an opportunity for comment.

I am grateful to have had this opportunity to express both our gratitude and concerns for this program. It will only be by working at

gaps such as a lack of accessible transportation for segments of our society that we can honestly feel that everyone in our society has equal opportunity to participate in it.

Thank you very much.

Senator CHILES. Thank you, Margaret.

Senatory Kennedy has expressed his regrets at being unable to be here. He has sent staff representatives, though, to hear you.

Mr. Miklojckik?

STATEMENT OF JACOB L. MIKLOJCIK, SUPERVISOR, POLICY AND PROGRAM ANALYSIS, OFFICE OF SERVICES TO THE AGING, LANSING, MICH.

Mr. MIKLOJCIK. Good morning. My name is Jacob L. Miklojckik. I am acting supervisor of the Policy and Program Analysis Division of the Michigan State Office of Services to the Aging—OSA. The office is a specially created agency reporting to the Governor and the legislature on all issues and programs which affect elders in Michigan, and also is the State agency which administrates the Older Americans Act.

The guiding philosphy of our agency is that in the long run it is best for seniors if units such as ours minimize operating its own programs, the belief being that a categorical approach to most issues by definition will be limited and inefficient in nature. In this regard, OSA works in unison with the Division of Urban and Public Transportation—UPTRAN—of the Michigan Department of State Highways and Transportation. Together we work toward the common goal of assuring Michigan's transportation programs meet the special needs of the senior population.

My testimony today focuses on the 16(b)(2) program, its problems and potential, but also includes, for perspective, some broader statements and findings on the mobility needs of seniors and the efforts addressing those needs by the Urban Mass Transportation Administration.

MOBILITY OVERVIEW

During the past 18 months, OSA has conducted major research and development efforts in almost all program areas which affect seniors. We have probably placed a greater emphasis on mobility than any other subject area. Our research efforts include: A survey of 3,000 Michigan individuals aged 60 and above; a survey of public transit operators; a survey of 125 nonprofit agencies who provide transportation; and a special advisory task force of consumers and professionals.

We have reached certain basic conclusions, they include:

- (1) Door-to-door transportation is of dominant importance.
- (2) The financial key to all transportation programs rests with operating assistance.
- (3) Funds spent on reducing fares to seniors to less than 25 cents very possibly could be better spent by addressing other components of the senior mobility problem.
- (4) Specialized transportation programs should be operated by transportation experts; in most cases, human service programs should

not attempt to operate their own transportation efforts serving only their own clients.

(5) A mobility "double jeopardy" exists in this country; when health problems of an individual make use of the private automobile impossible, the problem will often mean that public transit vehicles are inaccessible also.

I would be happy to discuss the justification for these conclusions if the committee wishes. We have written an extensive analysis of the mobility issue in our recently published "Comprehensive Plan on Aging," which documents all our statements and conclusions.

Essentially, we believe that the transportation needs of seniors can be identified and met—and in an affordable manner. Public transit, through public transit funding resources, is the most efficient mechanism for providing this essential public service. It is only basic fairness—and sound marketing—which dictates that "public" transit address the needs of all segments comprising the general public, particularly those who often have no other mobility option, for example, seniors and the handicapped.

At the outset, it is crucial to understand and appreciate that there exists very positive incentive for transit authorities to assure that their efforts serve the needs of seniors. Seniors as a group are a respected and permanent segment of the community, comprising a large portion of the electorate; transit authorities, only in a minority of cases, are viewed as a respected and permanent component of the community, and in all cases need strong political support for essential local financial subsidization. The increased costs brought to an authority's operating budget by adding, for example, a door-to-door service for seniors, will be quickly recouped in increased political support. In short, the expansion of services to serve population groups now unable to use line haul buses should be seen as a great opportunity for transit authorities rather than as an intolerable burden.

THE MICHIGAN EXPERIENCE

To demonstrate that my statements are far from theoretical in nature, allow me to briefly outline some of the program experience Michigan has had during the past 2 years.

Through funds provided by the legislature through UPTRAN, there are now over 20 intermediate and small size cities and counties operating small vehicle door-to-door public transit programs—usually dial-a-ride. Roughly 12 more will start this year. The State picks up the entire first year funding for most of these programs. In all but a few cases, the program serves all citizens. Interestingly, we find that roughly 50 percent of the passengers are over the age of 60. By the way, after the first year the State aid is limited to a maximum of one-third of operating costs and local subsidy is necessary. Thus far, every city which has completed its model year has voted to provide the necessary local subsidization for future efforts.

In the large metropolitan areas, such as Detroit and Grand Rapids, with large line-haul oriented transit authorities, door-to-door services for seniors and handicappers, administered by or subcontracted by the area transit authority, have begun or are about to begin. These programs have an excellent opportunity for success.

Lastly, for areas with limited local resources and/or a major reluctance to begin a full size effort, the State has funded 12 "minigrants," one or two vans plus \$4,000 operating aid per vehicle. Their service is aimed at, but not necessarily limited to, seniors. The initial funding of this effort by the way was completed at about the same time 16(b)(2) was announced. Thus, Michigan was ahead of most States in understanding what a small level program meant.

RESERVATIONS ABOUT 16(b)(2)

When the 16(b)(2) program was announced, I immediately had severe reservations which I conveyed to those in the transportation field in Michigan and around the country. Stemming from our research and experience, the following problems with 16(b)(2) were noted:

(1) Further fragmentation of services—which you previously noted today: In many areas, private nonprofit transit units were criss-crossing each other's routes inefficiently, each serving only one segment of the mobility dependent population 16(b)(2) threatened to increase this problem.

(2) Absence of operating funds: We already knew of efforts which owned vehicles which stood idle much of the day because the agency could not afford to keep the vehicle on the road. Operating funds had been identified as the major financial issue concerning transportation, yet there was a Federal program that was capital only.

(3) Transit authorities could be let off the hook: OSA had been working to encourage and insist that transit authorities expand their services. By providing a few vehicles—essentially a few crumbs—to go nonprofits, 16(b)(2) could provide transit authorities with the incorrect argument that the needs of elderly and handicapped were fully addressed by this program, and thus defer expanding their own services.

(4) A distraction to local senior groups: Related to the above, the fear was held that senior groups, rather than continuing to pressure, and support, transit authorities toward program expansion, would divert their attention to the possibilities of receiving one or two vans; nice, but extremely limited in nature. This is very important.

(5) Create confusion with other State programs: As stated, we already had transit authority, dial-a-ride, and minigrant programs—not to mention transportation funds available through human service funding sources. It was feared that consumers, groups, and local officials would become totally confused as to what funds were and were not available.

(6) Segregated services limited to certain types of destinations: Although segregated services may sometimes be necessary on the short run, seniors definitely want to be using general purpose systems available to all. Universal eligibility makes sense when the economies of scale are considered anyway. The 16(b)(2) program held the potential to further the incorrect concept that the only way to serve seniors, or the only way to economically have a door-to-door program, is to strictly segregate eligibility and to limit service only to essential destinations.

FEDERAL FUNDING

I, and others, held these fears and in many ways still do. However, we concluded that the transportation needs were so great, and funds so scarce, that Michigan certainly could not turn its back on any Federal funding source. Additionally, if properly administered, 16(b)(2) definitely could be a positive addition to our total transportation efforts. It does provide a mechanism to provide vehicles to areas who would not have been served within the next year or two by the then-current funding. It also provided a tool to push toward greater coordination of paratransit services if the application and a proper review and evaluation system was correctly designed.

Furthermore, it meant that there would be firmly established an elderly and handicapped interest in our State highway department. Although previously our working relationship was highly successful and the leadership of the UPTRAN division was unquestionably dedicated toward meeting the needs of seniors, the relationship was based on personalities and individuals rather than on a permanent structural commitment. While this was important in Michigan, I am sure it was of even far greater importance in States where no previous working relationship had been established whatsoever between the aging agency and the transportation agency.

OPERATIONAL PROBLEMS

From the State perspective, it appears that UMTA really has no idea what it is trying to accomplish with the 16(b)(2) program, or it is deliberately intending to undermine its chances of success. The best evidence for this contention is the timespan the program has covered. It is somewhat unbelievable. Stemming from the Federal Aid Highway Act of 1973, in June of 1974 Administrator Herring informed each Governor of the 16(b)(2) set aside for their State, citing the funds were "available for commitment beginning July 1, 1974." It is now more than a year since the announcement, yet funds have only been released in the past 2 weeks. I predict that only a minority of States will have 16(b)(2) vehicles on the road before January 1, 1976. A lot of States are still a year to a year and a half away. A thoroughly detailed chronology of memos and phone calls between UMTA and the Michigan UPTRAN office would be tedious and unnecessary. Allow me, though to list some of the most significant dates:

August 1973—Amendments made to the Federal Aid Highway Act enabling DOT to make grants and loans directly to private nonprofit agencies.

June 1974—Herring letter to Governor Milliken announcing 16(b)(2).

July 1974—UMTA announcement of procedures.

July 1974—Administration on Aging memorandum to each State aging office concerning 16(b)(2).

September 1974—Initial submission by Michigan of criteria for project selection.

September 1974—Initial Michigan application to UMTA for funds.

October 1974—UMTA holds training session on 16(b)(2).

December 1974—Announcement by UMTA that only one State, New York, had had its criteria for selection list approved.

September 1974 to June 1975—Continual application revision and discussion between UMTA and Michigan.

June 1975—Informal approval of Michigan application by UMTA.

July 1975—Funds officially released by UMTA.

January 1976—Likely date when a majority of Michigan 16(b)(2) vehicles have begun service.

MAJOR BLAME LAID AT FEDERAL LEVEL

Why the long delays have occurred is not easy to clearly ascertain. Certainly for any single State the problem could be at the State level. Very possibly the first application which Michigan submitted did not merit acceptance. Yet, how could it be possible that of the 50 States, all with critical transportation problems but with different levels of public transit expertise and varying interest in the program, it took over a year before any single State had funds released to it—and on that date 47 States had at least part of their proposal approved? It does not make sense to me. Major blame must be laid at the Federal level. Certainly with regular capital grants, UMTA does not announce all its individual program funding on the same day for the entire preceding year.

Let me stress that many hurdles must still be passed before desirable vehicles begin service. Vehicle specifications must be agreed to, and most States have rather lengthy bidding procedures. Operating funds previously identified, hopefully, must not have vanished during the prolonged waiting period which included a change in fiscal years. Then, even if these hurdles are passed, most small vehicle manufacturers are citing 6 months or longer delivery schedules for new orders. I might also add that the inflationary increases in the small transit vehicle industry have been quite significant during the preceding 12 months, so the long delays likely have caused a significant reduction in the number of vehicles which can be purchased from the original allotment. Prices for many vehicles have increased about 33 percent in the past year, which will result in about a 25-percent reduction in the number of vehicles that could be purchased for the same amount of money.

What is particularly upsetting about the delays is that what UMTA was requesting of project proposals was lacking in substance anyway. In other words, the long period did not clearly result in a better, more thoroughly coordinated program. I will now attempt to explain this remark, and at the same time demonstrate how Michigan administered 16(b)(2) in order to alleviate the conceptual problems I previously named. It is important for me to point out also that UPTRAN was the administrator in Michigan, with my office's close involvement, so if we did do anything of merit, there are people other than myself who also deserve credit.

FRAGMENTATION OF SERVICES

Concerning the problem of fragmentation of services. The UMTA procedures ask only that the individual applicant pass the A-95 clearinghouse review and, if wanting to serve an area within the boundaries of a transit authority, receive the endorsement of the authority. Neither of these bodies generally have a sound working

knowledge of local human service agencies, particularly what the agencies have in the way of transportation. To improve on this procedure, and limit fragmentation, we asked that each applicant also receive the endorsement of its area agency on aging, and also the endorsement of the local unit of government. The unit of government endorsement, in order to also combat the fear that adequate operating funds would not be present, had to certify that a minimum of 2 years of operating funds were available for each unit applied for. Applicants also had to document what transportation resources they were now operating, and how the 16(b)(2) vehicles would mesh into their total transportation efforts. Additionally, though not mandated by UMTA, we demanded that each applicant agree to address the needs of all elderly and handicapped in their area, not limiting their services to those who used their other service programs. In other words, a nutrition program could not receive a vehicle if they wanted to dedicate it solely for the use of nutrition program participants. "Civil wars" between elderly and handicapped agencies were not tolerated.

Just before I left work on Friday, I received a call from the Administration on Aging regional offices asking how many of Michigan's 16(b)(2) vehicles were going to aging and how many were going to handicapped. Incredible. All vehicles should serve all members of both groups, and that is the way it should be in every State.

By far the most significant policy decision the State made was to strictly prohibit any 16(b)(2) vehicle from serving mass transit authority areas. We simply had no use for further duplication of services, or for having human services agencies shouldering the budget burden for operating funds which were the legally mandated responsibility of the transit authority. The office of services to the aging does not ask authorities to serve franks and beans to their elderly riders; they should not ask us to pay for transportation to nutrition sites. Substantial pressure was placed on UPTRAN and OSA by urban groups to change this policy, but the policy has remained. We were able to successfully explain to the urban private nonprofit associations that transit authorities could fund them through third-party contracts from Federal, State, and local transportation funds if the transportation authority itself was not providing a suitable service. Through the provisions of 16(b)(1), and as written in the UMTA *External Operating Manual* on page IIB-1, transit authorities can provide specialized services with regular appropriations and can subcontract with local nonprofits if that is the most effective and efficient method for providing these services. We also explained that such a funding methodology was far superior to the limited 16(b)(2). Thus, when the groups went to discuss their viewpoints and needs with their local authority, they could not be summarily turned down unless the transit authority was providing or was planning to provide a suitable service.

RURAL AREAS HARDEST HIT

There are many other problems which I could discuss but which I will refrain from doing so due to time considerations. One, for example, is the guideline that each applicant must be serving an urbanized area of 5,000 individuals or more. This is most unfortunate. The more rural areas are precisely the type which probably can best utilize a 16(b)(2) vehicle. They have serious needs, yet often are unable or unwilling to

apply for large State or Federal assistance—usually with subsequent large local match requirements. However, with their generally low wage structure and high amounts of volunteerism and donated materials, they can employ one or two 16(b)(2) vehicles with great productivity and human benefits. The guideline does not make sense to me.

The things we did in Michigan may not be applicable nationwide, but steps such as certification by the local unit of government just seems to make sense regardless of area or even type of program. The irony of the whole thing from our perspective is that—and this is just an opinion—the act of approval of 47 States all at once suggests an internal panic on UMTA's part anyway. After all the time and red-tape, it appears now that anyone who had a form in for each UMTA procedure received funds, even if there was no long-term planning or certification of available operating funds.

Section 147 also appears to be a mess. The original regulations were revoked, long delays continue to occur, and the relationship between UMTA and the Federal Highway Administration lacks clarity. The program in Michigan certainly is confused, even though we have been working with transit grants to rural areas for over 2 years, something only a few States have experience in. Stemming from the continual changes in Federal direction, we have been confused on whether the program should be administrated by the planning bureau of the highway department or the grants people in UPTRAN. Hopefully, we have solved the problem, but it certainly was an unnecessary difficulty.

PROBLEMS TOO NUMEROUS FOR AVAILABLE FUNDING

Although the program has many specific problems, let me note two. The first is that even though total national funding is far too low, if only a small number of projects are funded per region—Washington originally said that less than 10 would be accepted from our 6-State region—the individual project grants may turn out to be too large. For example, if two projects are funded in Michigan, based on moneys available, each could receive above \$150,000. This may be nice for the projects selected, given they can come up locally with the very substantial outlays necessary to continue such enthusiastic programs in the future. Rural areas need public transit and will support public transit, but the section 147 price tags may be too high. Most importantly, within the State we will have great disparity between programs. We will have some counties operating 16(b)(2) programs without operating aid, with neighboring counties operating 147 programs with substantial operating aid. We hope to alleviate this problem by recommending that the 147 applications be multi-county in nature, thus spreading the aid. Unfortunately, the State has little control over which projects will be funded.

The second problem is that the regulations apparently specify that grants can go only to counties where no programs now exist. This may be unwise. An area which has gone out on a limb and started a program, possibly with State aid, is unfairly penalized. They should be rewarded by being given the opportunity to apply for funds to solidify and expand their efforts. They deserve the chance.

Finally, on section 147, I dislike the term "model." We have passed the "model" stage for rural public transportation. The efforts of publicly supported efforts in Michigan and the efforts of private nonprofit agencies in almost every State demonstrate that public transit in rural areas can work. It is not necessarily cheap, each program may need to experiment a bit to see what best fits their needs, and not all areas will support it—but it does work if the financial resources and commitment is there. What is needed from the Federal and State levels is permanent commitment with permanent programs, not more models.

The serious problems with 16(b)(2) and section 147 represents only further evidence that the Department of Transportation holds the same disinterest in the needs of the handicapped and elderly that it has held for at least the past 5 years. On this point, I feel that the draft regulations which they published on "Elderly and Handicapped Transportation Services" in the February 26, 1975, *Federal Register* were essentially repugnant. I do not commend them, I condemn them; they are a ripoff.

I gave testimony on this viewpoint at a hearing held in Chicago on these draft regulations, copies of which I can make available.

MESSAGE ON NEEDS IGNORED

Even though section 16 has been with us since 1970, and congressional interest and intent in expanded transportation services accessible for seniors and handicappers has been shown again and again, UMTA still does not heed the message. Not only do they do very little, I find their continual misrepresentation and misdirection given by their representatives at conferences and public hearings to be truly upsetting. Never in my work in government have I become so personally bitter toward fellow public employees.

I have found that almost all transit authority managers are interested in providing or subcontracting for accessible door-to-door services for seniors and handicappers, yet many are hesitant. Any push at all by UMTA encouraging or mandating such services would result that, within a short-time period, programs would be operating in every urban area in this country. Rural areas would not be far behind.

I firmly believe that if UMTA was to turn itself around, truly attempt to address and meet the needs of seniors, they could bring more positive improvement to the lives of older people in this country than any other Federal agency. I also firmly believe that they would be more than repaid in terms of improved public relations and political support for future appropriations.

I recommend the following:

The 16(b)(2) program should be expanded to include operating assistance; possibly by providing a fixed amount per vehicle, not necessarily a large amount to foster big local bureaucracies, but rather an amount to partially cover basic maintenance and driver wages.

The section 147 and 16(b)(2) programs should be brought into concert with one another. The same State agency should administer both programs. The size of the individual grants should be brought closer together. Section 147 should be put on a formula basis per State, with DOT given discretionary moneys to provide additional allotments to areas with exceptionally good applications.

ENDORSEMENT "SHOULD BE MANDATORY"

In future 16(b)(2) and 147 applications, the endorsement by local units of government and area agencies on aging should be mandatory.

In order to receive Federal financial assistance through UMTA, a transit authority must certify that:

(1) It is operating or will operate before July 1, 1976—or will subcontract for—a door-to-door accessible service at a reasonable fare for seniors and handicappers in a substantial portion of their line haul service area.

(2) A substantial number of all vehicles purchased hereafter will be equipped with level changing devices—elevators.

(3) A training program has been established for all employees on how to communicate with and best serve the needs of senior and handicapped riders.

UMTA should immediately establish a door-to-door service division, available to provide free technical assistance to any program establishing door-to-door service.

Thank you for your time and attention.

Senator CHILES. Thank you, sir.

Our next witness is Mr. Fred Duncan, community development specialist, intergovernmental program office, city of Pensacola and County of Escambia, Pensacola, Fla.

STATEMENT OF FRED M. DUNCAN, COMMUNITY DEVELOPMENT SPECIALIST, INTERGOVERNMENTAL PROGRAM OFFICE, CITY OF PENSACOLA AND COUNTY OF ESCAMBIA, PENSACOLA, FLA.

Mr. DUNCAN. Thank you, Mr. Chairman.

Good morning. I am Fred M. Duncan, representing the Pensacola-Escambia County, Fla., Intergovernmental Program Office.

The Pensacola-Escambia County, Fla., Intergovernmental Program Office was created by interlocal agreement, as authorized by Florida statutes 163.01, et seq., to enter into interlocal agreements to cooperatively utilize the most efficient use of their powers and resources on a basis of mutual advantage and to provide services and facilities in accordance with the needs and developments of the local community.

The intergovernmental program office is primarily responsible for an examination of programs authorized and being funded by Federal and State sources that are available to the city or county and to make program applications to Federal and State governments for financial and technical assistance in the planning, development, and in the construction of projects beneficial, needed, and required jointly or individually by each government unit.

August 13, 1974, Mr. Greenup, chief, Bureau of Surface Transit, State of Florida Department of Transportation, issued a memorandum regarding the section 16(b)(2) program.* The memorandum indicated that \$728,000 had been set aside for 16(b)(2) projects in Florida. Mr. Greenup's memorandum also stated: "The recommended projects should be forwarded by no later than September 15, 1974." As a result of the memorandum, we made the premature assumption that the 16(b)(2) program would be a viable, quickly implemented program. As time passed, it became all too apparent that the assumption was truly premature.

*See appendix 1, item 1, p. 391.

The intergovernmental program office, on behalf of Escambia County Council on Aging, Inc., submitted a 16(b)(2) application to the Florida Department of Transportation's District Mass Transit Operations Engineer on April 2, 1975.

APPLICATION SURPASSES OUTLINED CRITERIA

Our application met, and surpassed, all of the criteria outlined by the Florida Department of Transportation.* The goals of our 16(b)(2) application for the elderly and handicapped in Escambia County, are to: Restore a maximum amount of mobility to our elderly and handicapped; reduce, to the greatest degree possible, our elderly and handicapped reliance upon other people for physical assistance; and provide the impetus whereby our elderly and handicapped will reenter the community and community activities as active participants and consumers.

Our application was developed on the basis of these goals.

Prior to May 12, 1975, I received a call from the Florida Department of Transportation representative administering the 16(b)(2) selection process. He indicated the price of the vehicles identified in our application—\$62,750 each—was of such a magnitude that he could not conscientiously recommend our application be sent to UMTA for final determination.

This dollar criteria was not in the copy they sent out to us; therefore, we felt the application was not judged on the State criteria alone. But he indicated if our application were revised in such a manner that the vehicles to be purchased were in the \$5,000 to \$10,000 range, he could recommend that the application be sent to UMTA for final determination.

Therefore, instead of revising our application and providing token vehicles in the \$5,000 to \$10,000 range, we did not compromise, but resubmitted our applications for funding in the next cycle if one were to occur.

The application was not approved by UMTA either, because the actual operation of the elderly and the handicapped vehicles was to have by contract with the Escambia Transit System, a county department. But they indicated that if the application were to be rewritten to reflect that the Escambia Transit System would provide essentially "grease monkey" activities—greasing, maintenance, and so on—our application would be approved.

The Escambia County Board of Commissioners decided this was not the way we wanted to go, and refused to revise the application.

A few comments on the 16(b)(2) program. Our applications surpassed the criteria set out by the State. We surpassed it, and we had built into it provisions for service organizations of the elderly handicapped client, as opposed to having a single agency clientele. Therefore, the elderly handicapped transportation for vehicles purchased under 16(b)(2) could serve areawide.

The program was coordinated and integrated with the majority of the social service organizations in Escambia County and the existing mass transit operation, which UMTA has supported by funding 80 percent of the purchase price; therefore, UMTA was funding two different transportation systems.

*See appendix 1, item 2, p. 392.

PROGRAM HAS SHORTCOMINGS

The program also has a maximum degree of operation potential, beyond the initial years, built into it.

Based upon my experience with the 16(b)(2) program, I feel there are numerous shortcomings inherent in the program. Namely, 16(b)(2) provides vehicles, but due to Florida's constitutional statutes, the program mandate takes 20 percent match from the applicant. Other programs administered by UMTA, for capital equipment, requires an applicant to provide only 10 percent of the match money. This places an additional financial burden on the citizens of the county with the financial funding of the 20 percent match from the applicant.

I personally feel that private nonprofit organizations cannot operate effectively. In Escambia County, they are experiencing cutbacks—they are funded by a joint amount by the city or county. The first program to go in the nonprofit is the transportation system.

Another thing, they have to pay the market price, as you and I would, for their petroleum products. Therefore, they do not receive the benefit the county or local government receive in the bidding process for their gas, oil, and so forth. They do not have the facilities or the manpower to effectively service the vehicles.

The 16(b)(2) program is a great benefit to private nonprofit organizations in providing the funds to purchase the equipment. But, though it is a benefit to private nonprofit organizations, it is a greater detriment to the efforts of a consolidated integrating mass transit system in Escambia County. Under current management, fragmentation of transportation services is the long suit of the 16(b)(2) program.

The criteria for evaluation and selection provided by the Florida Department of Transportation which reads as though 16(b)(2) is a planning exercise stated as its ninth goal for the 16(b)(2) program: "To foster the development of stable transit systems based upon identified needs, sound planning, established goals and objectives, and based upon a sound financial base."

This program goal, which in my opinion is fairly representative of the 16(b)(2) program today, is mostly rhetoric designed to appease UMTA, not effectively serve our elderly and handicapped.

In conclusion, it is my belief that the unadulterated intent of the 16(b)(2) program is admirable, even though such a program is long overdue.

Regrettably, the journey to actual implementation has reduced the 16(b)(2) program to a program to foster the development of costly, unstable jitney transit systems based upon the identified needs of single nonprofit organizations, inadequate planning, hastily admonished goals and objectives unlikely to be achieved, and based upon a nearly nonexistent, at the best financial base.

COORDINATION THE MAGIC WORD?

Senator CHILES. Thank you, Mr. Duncan.

It seems from your testimony that you think coordination is the magic word between the local authorities in coordinating the transportation system, both for the aged and the handicapped.

Where do you think this coordination should start—how should it work? Should it start at the State and the local level, or the Federal Government?

Mr. DUNCAN. I think the Urban Area Transportation body is the place the coordination should start. They are required to coordinate, and make a comprehensive plan.

Senator CHILES. Mr. Miklojcik, as you are aware, the contract was sent out last week requiring a comprehensive development plan. I understand this requirement is not in the original procedures set out by the DOT.

If the Department intends this planning provision as more than just a boiler plate project, what impact will this have on State and nonprofit organizations?

Mr. MIKLOJCIK. It could have an extremely harmful impact, seriously straining the credibility of the State level program managers. It must be remembered that we asked local people for original applications, with identification of operating funds, over 9 months ago. This was not an easy task for them to accomplish. If now, after the application process supposedly is over and grants officially announced, Washington tacks on a lengthy planning process, the local managers likely will be enraged. They certainly would be upset with us, and who could blame them? I believe our application process asked for sufficient planning detail. If it did not, why did UMTA not inform us 9 months ago? What is to be gained now? How much can we ask of smaller areas from a program that provides capital only? The possibility of new planning requirements 1 year after program inception offers further evidence that UMTA has no idea what it is doing with 16(b)(2).

DELIVERY SCHEDULE NOT MET

Senator CHILES. Margaret, in your conversation with DOT on 16(b)(2), have you been given any date when you could expect the vehicles authorized under the program?

Mrs. MACADAM. We have really been given three dates, one of them June, one of them September, and now we are working on January, and the latest I have heard is that with these new developments, it may very well be even later than January.

One point with regard to the new requirement that we have comprehensive transit development plans is that most nonprofit corporations receiving the vehicles are in no position to develop this kind of planning procedure.

This would be most legitimately a function of the regional planning agency in the area. It would be extremely difficult for a private nonprofit agency such as ours, which primarily supplies supportive services to the elderly to fulfill this requirement, especially at this late date.

Senator CHILES. Do you think the program would have greater potential for servicing the elderly and the handicapped if you could have had public hearings and public comments? Do you think it would have been better?

Mrs. MACADAM. Yes; I would say one of our major problems has been that we really did not know what we were getting into.

NO PUBLIC TRANSPORTATION AVAILABLE

In our area, we do not have any public transit. There is a great deal of concern, because our resources are located unevenly throughout our region, and many of our elders are 30 miles away from doctors. If no one else will do something about this problem, and we could meet the guidelines, we should do something about it. But transportation is a very complicated business for us to be getting into.

Senator CHILES. Mr. Duncan, what needs are not being served in Escambia County, in terms of the elderly and handicapped, because of your application being turned down?

Mr. DUNCAN. The Escambia County Council on Aging does serve 400 persons per month, and they are turning down about that number or more.

They do not advertise their transportation program because they only have three vans, and they cannot accommodate any more. It was estimated by the transportation director that the elderly and the handicapped transportation would be about 10,000 riders a month.

Senator CHILES. Senator Stafford?

Senator STAFFORD. I have no questions, Mr. Chairman. I am sorry that I was not here earlier, but I am the ranking member on another committee this morning, so there is great competition.

Senator CHILES. Thank you very much for your appearance and your testimony. I appreciate it very much.

We will now have comments on the rural highway public transportation demonstration program under section 147 of the Federal Aid Highway Act.

The next witness is Mr. John Dickey, Ph. D., Center for Urban and Regional Studies, Virginia Polytechnic Institute and State University, Blacksburg, Va.

STATEMENT OF DR. JOHN W. DICKEY, CENTER FOR URBAN AND REGIONAL STUDIES, VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY, BLACKSBURG, VA.

Dr. DICKEY. Gentlemen, thank you for the opportunity to speak specifically on the section 147 program and more generally on rural transportation for the elderly and other groups.

I and others at Virginia Tech have been studying various aspects of rural public transportation for the last 4 years under the sponsorship of the Virginia Metropolitan Areas Transportation Study Commission, the DOT university research program, and most recently the Administration on Aging.

In addition, I am chairman of the Transportation Research Board's Subcommittee on Rural Public Transportation and a member of the Virginia Secretary of Transportation's Task Force on Rural Transportation.

I thus welcome the opportunity to share some of our experiences and findings with you in hopes that a more effective rural public transportation system will result.

In reviewing the section 147 program, I can anticipate major questions concerning the need for a demonstration program, adequacy of the funds provided, and time required to get the program in operation.

RECOMMENDATIONS FOR FUTURE ACTIONS

I will attempt to relate to each of these questions and then give some recommendations for future actions.

Let me give an example to start. We have a county about 100 miles from here which is rural in nature. Four years ago, various people in the county—from the welfare department, health department, and so on—got together and decided they needed rural transportation for their clients and for the population at large. They started contacting State agencies to see what could be done. As of this point in time nothing has happened.

I think it is very discouraging to a group like this, which comes at the forefront and tries to do some things, works fairly hard at it, and still does not achieve much success.

Let me start by reviewing the section 147 program quickly.

The Federal Highway Act of 1973 has as its goal to encourage the development and use of mass transportation systems in rural areas. It says that such systems are supposed to provide access to employment, health care, retail centers, public services, and the like. Originally it was intended there be \$30 million in the program, and then that it be used to carry out demonstration projects. The money was supposed to go for capital projects, so there was a problem at the beginning because it was not known whether a demonstration project was just limited to capital expenditures.

A year or so later, this section was changed by Congress. Some of the wording changes were most important, I think. First, the program was changed to include small urban, as well as rural, areas, and the connections between the two. So the definition was expanded in terms of population; a town or city of up to 50,000 population could be accommodated under this program.

The money authorized was \$15 million for the first fiscal year, and then \$60 million the next year.

Operating expenses could be included out of the general fund part of those sums, which is roughly 30 percent, and there is the requirement for a public hearing.

That essentially is the section 147 program, and \$9.6 million has been appropriated at this point in time. Proposals have just gone in about a month and a half ago to the Federal Highway Administration and UMTA, and hopefully we should hear some results fairly soon.

In reviewing this program, I can think of three kinds of major questions that may come up. First, is there really a need for a demonstration program? Second, how adequate are the funds that have been provided? And, third, why has it taken over 2 years to get the program in operation? It is still coming, as I mentioned.

NEED FOR DEMONSTRATION PROGRAM

Let me address the need for a demonstration program. In the late 1960's, the Office of Economic Opportunity provided financial support for the establishment of a number of rural public transportation systems across the country.

Much could have been learned from these efforts, but unfortunately few of the organizations kept useful, consistent records on ridership patterns and expenditures.

From that standpoint, I think there is a need. This result perhaps could be expected since most of these operations were run on a shoestring and were not intended as demonstration projects. On the other hand, there is no reason why information more valuable to future endeavors could not have been obtained.

Two results did come out of that program, as I see it. One, many of the systems set up by OEO failed to continue after direct Federal funding was withdrawn, and two, those that did survive seemed to be able to do so because they could draw from other kinds of programs: WIN programs, Medicare, Aging, what and have you.

Another aspect of any demonstration is that of obtaining information, and I should point out that generally information is scarce or analyses for the rural programs. The Highway Act of 1962 required comprehensive, continuing, and coordinated transportation plans for metropolitan areas, and many large scale data collection efforts were mounted in these areas as a result. No similar efforts for rural areas have ever been undertaken.

Moreover, the census is somewhat biased against rural areas, inasmuch as the data are not properly scaled for adequate geographical analysis. So I see several things that could come out of the section 147 demonstration, and I would say that we should go ahead and continue with it.

VITAL ROLE OF FEDERAL FUNDS

Second, I see a real danger under this program that if Federal funds cease, these efforts may fold just like the OEO-sponsored programs did.

Of course, in the guidelines it was mentioned that these programs should have other funding to continue, and hopefully this will be true.

Perhaps the best way the programs can be continued is through integration with other, ongoing governmental programs for transportation.

Now, on the question of the adequacy of funds provided, I would say that, on the surface, the \$9.6 million so far appropriated appears to be a small amount. I assume 300-odd applications have been received and about 20 or 30 will be funded. So it looks like there will be a "demand" there, with only 10 or less percent funded.

From another viewpoint, though, I see a large amount of funds and moneys available from a whole variety of sources. These could be used, I think, in a coordinated and well-thought-out fashion.

For example, as has been mentioned, titles III and VII of the Older Americans Act has funds, section 16(b)(2), which we have been discussing, has funds, and the National Mass Transportation Assistance Act provides up to \$500 million for capital assistance in non-urbanized areas. We found in one of our surveys in Virginia that, of the State expenditures, somewhere in the neighborhood of \$7 to \$10 million is being spent annually for rural public transportation for various service agencies and also for schools. So my conclusion is that what is lacking is coordination between agencies. I think we are just overregulated from a variety of standpoints.

By way of illustration, only 30 percent of the section 147 funds can be used for operating expenses, and only for transportation systems that use highways. Medicaid funds can be used only to reimburse travel on existing systems.

One study has indicated that there are over 70 potential Federal funding sources for rural public transportation, and probably about an equal number for various segments of the elderly population.

But, in addition to the expenditure limitations indicated above, some legislation requires that funds must be channeled through private companies, some through private nonprofit groups, and still others through the public purse.

It gets kind of confusing. What I conclude from this part is that DOT should take a forceful, commanding lead in unraveling some of the complexities of various transportation programs, particularly, as they relate to selective groups such as the elderly, rural residents, and the handicapped.

I think DOT should be responsible for suggesting legislation to help coordinate and deregulate various transportation services.

LEGISLATION FROM TOO MANY SOURCES

Congress should be wary of proposed legislation which creates new and limiting regulations on transportation services for particular groups. These may just add to the problem.

New legislation comes up from a variety of different channels, and I think it behooves Congress to look at these different regulations to see if they are consistent with one another.

The third question is: "Why has it taken so much time for the section 147 program to get into operation?"

I think several things have happened, and there are some problems. First, the guidelines were revised several times, and in each case they had very short response times.

In one case, the revision notice was delayed until after some of the proposals had to be in. Another problem which came up in the most recent guidelines was that if capital equipment were to be purchased, then there was a mandatory requirement that at least one vehicle be available for the handicapped.

I think it is nice to have equipment for the handicapped, and certainly worthwhile, but I can imagine some areas where it just would not be needed.

Another kind of problem is that of achieving a balance between operating and capital costs. This has been discussed several times by people who have spoken previously.

The altered definition of rural areas I mentioned before—legislation changed this definition from "rural areas" to "within small towns, cities, and also between these cities and rural areas to large urbanized areas"—caused some problems. In the case of the town where I live, we were slighted, in that we did not get a proposal in, not knowing this definition had changed, yet we would have been eligible.

While no matching funds are required, I think that to be competitive the proposal had to show significant funding from other sources. This took a lot of effort, and sometimes the other funds were not available.

Because of the competitive nature of the section 147 grants, it was difficult, and sometimes not possible, to coordinate the proposal with section 16(b)(2) projects.

Supposedly there will be two rounds for proposal funding; yet it is unsure at this time that the second round will occur. I should

point out that sometimes some agencies waited to develop stronger proposals for the second round.

Sometimes the agencies received a mixed variety of signals, and found it difficult to respond in a coordinated fashion. The blame for some of this confusion can be spread around.

TIME LAGS BETWEEN LEGISLATION AND APPROPRIATION

The original section 147 legislation was unclear in that it supposedly was for demonstrations but mentioned only capital expenditures, and this was changed the following year. Then almost 12 months passed until appropriations were made.

On the executive branch side, it took a long time for FHWA and UMTA to work out jurisdictional agreements; for DOT counsel to settle the demonstration versus capital expenditures question; and then for FHWA to figure out how to handle a grants program. Previously they had dealt almost entirely with formula money.

Based on these problems, I would conclude that more care needs to be taken in drafting legislation to insure that obvious inconsistencies are removed, and more coordination and consistency within DOT and between DOT and other agencies is needed.

To summarize my recommendations, I think the section 147 program definitely should be supported for several years to insure that sufficient time is allowed for implementation, planning, and evaluation of the different projects.

I think, second, that DOT should provide assurances that a set of consistent, uniform statistics on travel and transportation costs result from the demonstration projects.

DOT should propose means by which the worthwhile demonstration projects can be continued beyond the end of the demonstration period without section 147 or equivalent subsidies.

More generally, DOT needs to make an aggressive effort to centralize and give priority to cross administration programs for transportation for selective groups such as the elderly, rural residents, and the like.

DOT needs to take an aggressive role in analyzing, coordinating, and deregulating transportation programs, particularly those traditionally handled by various social services agencies.

One possible mechanism for fulfilling this recommendation would be through a Federal interagency counsel similar to that which has operated successfully on a regional level in Atlanta. Both Congress and DOT should give more attention to sorting out conflicts in legislation having transportation components.

An exploration should be made of subsidies for people—such as transportation stamps—rather than transit systems themselves. In this way private enterprise could respond to demands by those given funds to pay for services.

Let me add that in my own opinion, the definition of rural areas should be changed back to what it had been previously. I do not think a town or a city of, say 49,000, ought to be supported under this program.

I just mentioned transportation stamps, and similar programs. As one example of this, we have a program right up the road from where

I live, in Roanoke, which is based on title XX of the Social Security Act. It involves a unified transportation system for social services, and even though it has not come into existence yet, it is planned that there be a combination of 25 agencies putting together their vehicles and personnel. One of the interesting sides of this is legislation passed in Virginia which allows the Governor, with other State agency personnel, to waive certain State rules if applied for by groups like this which are operating under these kinds of pilot studies.

It might be interesting to see how this works out.

Thank you very much.

Senator CHILES. Thank you, Mr. Dickey.

SPECIAL DIVISION TO DEAL WITH RURAL AREAS?

Would you support the establishment of a division within the Department of Transportation to deal exclusively with rural areas, as was suggested by the Rural Americans Conference that was held some 2 or 3 months ago?

Mr. DICKEY. Yes; I think there should be a division, possibly within the Office of the Secretary, and I also think that with this legislation, and with the National Mass Transportation Assistance Act, that perhaps there should be a change making UMTA just the mass transportation agency—irrespective of rural or urban.

Senator CHILES. Under the section 147 program, as amended in 1974, the local community had to develop funds for a portion of the operating costs. Do you think the local communities are going to be able to provide these new funds or their portion?

Mr. DICKEY. I think some could do it fairly readily, but one of the problems is in getting these funds. You have to be able to coordinate with other programs: Federal, regional, State, and local. Timing could mess that up, so that is the problem, the funds I believe are there, but it is a timing kind of question. Programs have to be coordinated to be sure they get carried out properly.

Senator CHILES. Thank you very much. We appreciate your appearance.

Mr. DICKEY. Thank you, Mr. Chairman.

Senator CHILES. The next panel will be from the administration headed by Gen. Benjamin O. Davis, Jr., Assistant Secretary for Environment, Safety, and Consumer Affairs, Department of Transportation, accompanied by Jerome C. Premo, Associate Administrator Office of Capital Assistance, Urban Mass Transportation Administration; Robert H. McManus, Associate Administrator, Office of Transit Planning, Urban Mass Transportation Administration; William L. Mertz, Associate Administrator for Planning Federal Highway Administration.

General, we want to thank you for appearing here and we want to thank all of you for listening to the other participants. I think you got an indication of some of the frustrations that they are experiencing at the local level with the regulations, or lack of regulations.

General, do you want to lead off?

STATEMENT OF GEN. BENJAMIN O. DAVIS, JR., ASSISTANT SECRETARY FOR ENVIRONMENT, SAFETY, AND CONSUMER AFFAIRS, DOT; ACCOMPANIED BY JEROME C. PREMO, ASSOCIATE ADMINISTRATOR, OFFICE OF CAPITAL ASSISTANCE, UMTA; ROBERT H. McMANUS, ASSOCIATE ADMINISTRATOR, OFFICE OF TRANSIT PLANNING, UMTA; AND WILLIAM L. MERTZ, ASSOCIATE ADMINISTRATOR FOR PLANNING, FEDERAL HIGHWAY ADMINISTRATION

General DAVIS. Thank you, Mr. Chairman.

It is a pleasure to be here and I agree with you, the concept under which this meeting is held, namely, to have us present to hear all of the testimony that has gone on ahead of time, is of very great value to us.

Mr. Premo, of UMTA, remarked to me, as a result of the first panel's presentation, that it would be a very, very good idea for us to bring together a group of people represented as this first panel was, in order to elicit from them direct information that we can coordinate and improve our programs.

Mr. Chairman and members of the committee, thank you for your invitation to present the views of the Department of Transportation on "Transportation and the Elderly: Problems and Progress," and particularly to report on the section 16(b)(2) program of the Urban Mass Transportation Administration (UMTA) and the section 147 rural demonstration program of the Federal Highway Administration (FHWA). With me today are Jerome C. Premo, Associate Administrator for Capital Assistance; Robert H. McManus, Associate Administrator for Transit Planning, both of the Urban Mass Transportation Administration; and William Mertz, Associate Administrator for Planning of the Federal Highway Administration. Their offices are directly involved in implementing the programs being examined today.

Because of impaired mobility or limited income, elderly individuals frequently have transportation problems, as we heard described this morning. Taxis are beyond the financial reach of many elderly Americans and buses or other public transportation facilities may be difficult to reach or board. As a result, many clients of senior citizen or nutrition centers, many elderly patients of doctors, and many patrons of recreation centers and stores have limited or no access to these facilities or services. Nonprofit organizations which specialize in care for such individuals provide valuable assistance to public agencies in insuring that lack of transportation does not prevent the elderly from meeting basic needs for food, clothing, and medicine and enjoying life. But the task is difficult and we know that many individuals who need such assistance are never reached.

ELDERLY AND HANDICAPPED HAVE SAME RIGHTS

Section 16(a) of the Urban Mass Transportation Act of 1964 establishes a national policy that elderly and handicapped persons have the same right as other persons to utilize mass transportation facilities and services. The policy requires that special efforts be made in planning and design of such facilities and services and that all Federal

mass transportation assistance programs contain provisions implementing the policy.

Section 16(b)(1) authorizes the Secretary to make grants and loans to States and local public agencies to assist them in meeting the special needs of elderly and handicapped persons. Section 16(b)(2) was added to the act by the Federal Aid Highway Act of 1973. It permits UMTA for the first time to make capital assistance grants to private nonprofit organizations to assist them in providing transportation services for elderly and handicapped persons where urban mass transportation services otherwise provided by States and local agencies are unavailable, insufficient, or inappropriate.

To meet these special needs, the Secretary is authorized to set aside 2 percent of the funds in the basic mass transportation capital grant and planning programs for use by public agencies and private nonprofit organizations. Fiscal year 1975 was the first year grants were awarded; \$20.8 million, nearly the full 2 percent, was set aside and distributed as grants to some 1,032 private nonprofit organizations located in 47 States, the District of Columbia and the Commonwealth of Puerto Rico. State agencies, including departments of transportation, evaluated and recommended applicants and are administering funded projects. A number of projects funded under other UMTA programs have elderly and handicapped components. When grants to public agencies for these projects are added, spending for use in programs to assist elderly and handicapped persons totals well over the 2 percent level authorized by section 16(b).

Three-fourths of the vehicles purchased under section 16(b)(2) are 10- to 16-passenger vehicles to be used by nonprofit groups to transport elderly persons to and from medical, shopping, recreational, and other facilities. Some of the 2,282 vehicles purchased from fiscal year 75 grants are equipped with special communications equipment and some have wheelchair lifts or ramps.

ON-DEMAND TRANSPORTATION

Let me give several examples of how these funds are used. In Idaho Falls, Idaho, the Eastern Idaho Special Services Agency presently provides a comprehensive program of health, housing, employment, and other services to 2,700 elderly persons, about a quarter of whose incomes are below the national poverty level. With its three new 15-passenger vehicles, the agency plans to offer—among other services—on-demand transportation to medical appointments, the senior citizen centers, developmental workshops, shopping and recreational areas, and other locations. The agency expects to provide approximately 1,000 rides per week during the first year of the project. The agency is seeking to serve all of the 11,000 elderly and physically handicapped persons in eastern Idaho, where transportation presently available to elderly persons is extremely limited.

I might comment, as an aside, Mr. Chairman, that Mr. Mertz, who is here with me this morning, commented that until a program similar to this was established, his mother had no opportunity for transportation to meet her essential needs.

Maui Economic Opportunity, Inc., is a community action agency in Maui County, Hawaii, a county without a public transportation system, where 28 percent of the elderly population have incomes

below the poverty level. The four 15-passenger buses and the 5-passenger van with a wheelchair lift which this agency will purchase with section 16(b)(2) funds will provide transportation to elderly and handicapped persons not now being served and increase their access to treatment, training, rehabilitation, and shopping centers.

And in East Orange, N.J., the Essex Chapter of the American National Red Cross will purchase two 9-passenger station wagons. Using volunteer drivers, the Essex chapter's present 20 station wagon fleet serves primarily elderly and handicapped persons who, because of low income and age or disability, cannot use public transportation. If their system were not in operation, many of those persons served would either need to be hospitalized on an in-patient basis or go without essential medical services. Section 16(b)(2) funds are needed to replace deteriorating vehicles.

Our requirements for funding capital assistance grants for private nonprofit organizations are similar to those for public agencies. The matching ratio of Federal to local funds of 80:20, which insures local commitment and enables us to support more projects, is identical.

EVALUATION NOT COMPLETED

Because the first year of the grant program to private organizations has just ended, an evaluation of the program has begun but is not yet completed. We have identified objectives and goals against which to measure our progress. We are pleased with the applications we have received in our first year. We expect to continue the program. We believe that it is helping thousands of elderly and handicapped persons to solve their major transportation problems.

At the same time, we are asking more from public agencies. Earlier this year we proposed regulations which would strengthen our requirements for transportation of elderly and handicapped persons. We are presently analyzing and evaluating the several thousand pages of public comments which we received prior to issuing final regulations. Despite increased attention to the needs of the elderly by public transportation agencies, we believe assistance to private groups continues to be desirable where no public transportation today exists.

A second Department program affecting transportation needs of the elderly is the rural highway public transportation demonstration program, established by section 147 of the Federal Aid Highway Act of 1973 and authorized to begin in fiscal year 1975. Congress established the program as a 2-year demonstration effort and appropriated \$9.65 million for the first fiscal year.

For fiscal year 1976, the Department has requested \$20.35 million. The demonstration program will encourage the development and improvement of public highway transportation systems to increase the mobility and access of those in rural areas to employment, health care, retail centers, education, and public services. It is jointly administered by FHWA and UMTA. Guidelines and application procedures were issued in 1974 and, following amendment of section 147, have recently been revised.

Section 147 project selection criteria are broadly defined to encourage a comprehensive program for all these who have inadequate transportation in the project area including the disproportionately high percentage of elderly people living in rural areas. Among the

selection criteria are "provisions for service to elderly and handicapped persons." These go beyond accessibility features—such as vehicle handgrips, low steps, handy fareboxes, and shelters—to include transportation services to shopping areas, medical, and other activity centers. Projects must be designed and operated to allow use by those elderly or handicapped and, except for compelling reasons, projects with rolling stock must include at least one vehicle which can accommodate wheelchair users.

IN OPERATION BY LATE FALL

Over 300 applications requesting over \$100 million in program funds have been received prior to the June 10, 1975, deadline. The proposals are currently undergoing regional review and will arrive in Washington by mid-August for final review and selection.

Briefly, proposals are expected to present a variety of service strategies, including demand responsive dial-a-ride systems; alternative vehicle types such as taxicabs, small buses, school buses, and automobiles; integrated use of vehicles for both passenger and goods delivery services; and various methods of fare payment, including transportation vouchers. Service areas will range from intracounty to regional to statewide programs and represent a variety of geographical locations. Most proposals will also pool existing funding sources from various levels of government. We expect that a number of projects will begin by late fall.

In developing these programs, the Department coordinates its efforts with the Administration on Aging in the Department of Health, Education, and Welfare. Both the section 16(b) and section 147 programs, together with other activities of the Department including research, demonstrations, capital assistance, technology sharing, and interagency cooperation, reflect our continuing commitment to make available improved transportation facilities and services to the elderly.

That concludes my prepared statement. I will be happy to answer any questions the committee may have.

Senator CHILES. Thank you, General. I always marvel at the way you give a statement. I wish I had your ability in that regard.

\$20.8 MILLION EARMARKED

Your statement describes that \$20.8 million was set aside and distributed to 1,032 private nonprofit organizations for fiscal year 1975, that three-quarters of the vehicles purchased are 10- to 16-passenger vehicles and 2,282 vehicles are equipped with special equipment, and that the evaluation of the program has begun.

Your statement seems to suggest that 16(b)(2) is already underway and in full swing. I was under the impression that the grants were just announced July 16 and the first contracts were only sent out a few days ago.

There are no buses running under 16(b)(2), are there?

General DAVIS. I think the testimony we had from the first panel was correct and the statements about January 1 are probably accurate. I think we knew exactly that you would not think that the buses are operating. We did not intend to give the impression that the program is moving.

Senator CHILES. We do not really have anything to evaluate, do we?

General DAVIS. We can evaluate some of the difficulties that Dr. Dickie and others mentioned this morning about, perhaps, the changes in procedures that are necessary. We have gone through a lot of this program already without having the vehicles on the road.

We know some of the mistakes that we have made—some of the changes in regulations that might be desirable. I think there is considerable—that we ought to be looking at. We ought to be getting together with people at the State level and finding out what changes we should make in our efforts to improve the program before we reach the good result, the final result of having the elderly and handicapped transported.

Senator CHILES. I think one of the concerns is that enactment occurred in 1973 and it was not until June 1974 that the DOT issued procedures to guide the States in developing a single comprehensive proposal for each State. That has taken 2 years from what the witnesses have said today, and I think the concern of the Congress really is whether DOT is serious in attempting to implement the program.

I am delighted to see that your statement says that DOT expects to continue it, but I want to underscore that is really the concern of this meeting today and certainly the concern I think that we in the Congress have.

General DAVIS. Mr. Chairman, I would like to make a comment on your statement and ask Mr. Premo to follow up, if it meets with your approval, sir.

First, I have an office in the Office of the Secretary. We have one person who devotes full time to all transportation programs for the elderly and handicapped.

Senator CHILES. Only one person?

DOT IS VITALLY CONCERNED

General DAVIS. I said "who devotes full time"—nothing else except these programs. We have an office of 30-odd people which devotes itself to the overall program. I have superimposed in that office another office which is concerned. We have the administration within the Department which is concerned. We maintain very close contact with Dr. Flemming and his people. We attend meetings regularly with Dr. Flemming and his people. We have been out in the field. I personally have been out in the field to hear the results of some of our work.

I assure you, Senator, that it is my personal estimate that the Department of Transportation is vitally concerned with this program and we fully intend to carry out the signed agreements that I, the Administrator of UMTA, and Governor Tiemann have signed with Dr. Flemming which I think indicates by their words our commitments to keep the program rolling and to improve it.

Mr. PREMÓ. I might mention the steps that have occurred since the publication of our guidelines in June 1974. In the months following mailing of those guidelines and information to the States, copies of the material were subsequently transmitted to several thousand non-profits around the country.

We spoke with representatives of national associations such as the Red Cross and others. We felt that certainly talking with people in Washington, though, was not going to get the message out, so my staff held regional conferences throughout the country with the involved States.

What was needed before we could meet with the States, though, was a definition by the 54 States and territories of lead agencies within those States to administer this program. That took some time and, in fact, in some States, we were quite discouraged by the slow response.

However, there was an educational response occurring during this period, some of the persons testifying before this committee earlier this morning indicated a necessity to inform State highway departments and State transportation departments on the 16(b)(2) program in order to achieve coordination between the Administration on Aging programs and transportation programs.

As this educational process was occurring, we were meeting with people in October and November throughout the country. We started receiving shortly thereafter a proposed means by which selections would be made State by State for applications and consideration of funding. We had an April 15, 1975, deadline for receipt of applications.

Certainly we would have been delighted to receive applications earlier than that date but, in fact, we extended the deadline beyond April 15 so we could receive the maximum number of projects for funding this year.

DEDICATION AND COMMITMENT BY STATES

I am frankly very impressed by the dedication and commitment States have made, and the enormous efforts local nonprofits have made, to make this program work. I am personally and professionally convinced the objective the Congress had when enacting the legislation—that is, providing better mobility to people—will, in fact, be achieved by the program.

The General mentioned, and you cited earlier, the evaluation we have underway, and we look forward to being able in concert with the States, and the ultimate nonprofit recipients, to evaluate the quality of the transportation service being provided. Unfortunately, it will be some time before that occurs, so we are in the process of evaluating our procedures at this point. I believe the comments of the first panel were useful and I hope we will shortly convene meetings around the country again of participants to help us to do a better job.

Senator CHILES. Mr. Premo, why did DOT issue procedures rather than regulations or formal guidelines? In commenting on that, if you can comment, too, on the criticism that no formal guidelines were published and all information that came to the Florida Division of Mass Transit Operations of Florida and all information received by the Florida Department of Transportation was obtained through a conversation with the appropriate administrator in a conference held in New Orleans on October 30, 1974. And another State told us they found the draft procedures lacking in direction and depth. This may stem from a legitimate urban mass transit administration effort to remain flexible to State desires or it may mean they have no idea of what they are trying to accomplish.

I wonder if you could comment on that and what we have heard on the panel today?

GENERAL GUIDELINES

Mr. PREMO. I certainly hope and do believe that it is the flexibility that we were seeking as opposed to wandering aimlessly. A program of this sort has never been administered, to my knowledge, in the government and we tried to put together guidelines that were sufficiently general to allow for the interplay in States of health and welfare and transportation agencies.

We felt that it could best occur at the State level. The prospect of us, in Washington, receiving applications from several thousand potential nonprofits was rather staggering.

We felt that by working through the States a sensitivity and a professional capability was there through our planning program administered by Mr. McManus that was already addressing, in many cases, the needs of the elderly and the handicapped.

The suggestion that we now print these procedures and translate them into material that could be included in the *Federal Register* is a good one. Following our discussions and review of the procedures, I think it is one we ought to examine.

Now, one of the reasons we felt it was important to have the States acquire the vehicles was to secure a reasonable unit price for the purchase; in the State of Florida there are some 24 grant recipients, purchasing approximately 120 vehicles.

We felt that if there could be a grouping, for example, in the 10- to 16-passenger size, we could get a far, far better unit price for the vehicles, thus resulting in more equipment for the combined Federal and non-Federal dollar. We sent with the letters to the States—

Senator CHILES. I do not see the difference between the State purchase and regional transportation authority purchasing.

If there is a county transportation authority, they will get a lower vehicle price and they will be able to operate. You have your insurance problems, and it seems that on the one hand you are saying they purchase it, but on the other hand, it seems you are not allowing a regional transportation authority or the nonprofit to contract with the regional transportation authority for the operation. You are making a big thing out of the purchase to get a reasonable price but you are not getting any price out of the POL, out of the bulk-buying the transit authority would have, and today we are seeing one of the major items is going to be petroleum products costs.

Mr. PREMO. There are several points, if I may comment. One of the concerns expressed earlier—and it is the reason we need to get around the country again—relates in whose name the vehicles can be owned and acquired. Our procedures say the State will purchase in its name, or in the name of the appropriate private nonprofit organizations, vehicles and other equipment; so it is possible for the nonprofits themselves to have title to the equipment.

Senator CHILES. How about the regional transit authority?

BEST POSSIBLE SERVICE

Mr. PREMO. The 16(b)(2) program is directed at private nonprofits. Section 16 (a) and (b)(1) of the Urban Mass Transportation Act establishes a congressional intent, one we share, that public transportation authorities should do all that is possible to provide the best possible service for the handicapped.

We provided under our program this year alone well over 100 vehicles specially equipped for use by the elderly and the handicapped which the public agencies themselves will own and operate.

If the public agencies are to operate vehicles for nonprofit organizations, we find ourselves in a very delicate and complex matter of section 13(c) of the UMT Act. The public agencies as operators, must enter into labor protective agreements consistent with the 13(c) provision.

The wage rates to be paid to public transportation operators are far in excess of the average wages that can be paid to operators in a nonprofit agency. It was cited in one of the examples in the general's testimony that volunteer drivers will operate the vehicles, so a key factor in the public-private issue is the 13(c) situation.

We communicated with the Labor Department to the effect we did not intend to require 13(c) agreements in order to move this program ahead; if we had required said agreements, I am not sure that we would be here reporting anything to you today. I do not think we would have a program.

Senator CHILES. General, in the working agreement* between DOT and the Administration on Aging, has that been distributed to the DOT regional offices and to the State transportation highway departments?

General DAVIS. It has, sir, and there has been considerable spadework done by both the Administration on Aging and the Department of Transportation to achieve understanding of what the agreement means.

Senator CHILES. The contracts sent to the States last week have a comprehensive planning requirement. Does this require entirely new planning before the 16(b)(2) money can be used to purchase equipment, or does the planning which has already taken place suffice?

Mr. PREMIO. We certainly are encouraging the best possible planning. We have a grant assistance program which Mr. McManus, our associate administrator, may wish to comment on.

We have been delivering funds to the States and to the local agencies all over the country. It is our intent, through the inclusion of that requirement, to get a return on our planning dollar.

INVOLVING PUBLIC AND PRIVATE AGENCIES

Obviously, that which has been done to date we hope to build upon and the objective is to involve public and private agencies, elected officials, local units of government, agencies on aging, so we can really get the coordination and avoid the duplication that has been cited as concern of the Administration's program. We think through the planning activity we are going to be able to avoid the duplication. If we cannot do it through the planning area, I cannot imagine how we will be able to do it.

Senator CHILES. I did not get a specific answer to my question.

Mr. PREMIO. Yes, sir. It is the same process and the information; it is not a separate planning process.

Senator CHILES. Will they have to go through a new plan now before they will be funded—will they have to submit a new plan?

Mr. McMANUS. Mr. Chairman, the answer is that it would depend on what the state of planning is in the community in which the

*See appendix 2, p. 394.

service is being provided. In most of the urbanized areas, there is already a planning process that is sufficient and, in fact, attention to this element of the plan has been emphasized in the past 2 years.

We also have made planning funds available to the States themselves during the past 2 years and asked them specifically to address this as one of the eligible items of expense and urged them to focus on it as a special point of emphasis. So we think that the provision you are referring to is just a reinforcement of the ongoing process.

There would be no additional work in places that had already been attending to the subject and places that they had not been; they would be starting on the process that we normally would require anyhow.

Senator CHILES. Again, my prime concern is whether this is going to further delay the program. All we have seen is a series of problems of why we never get the program going. If this is one more step that will further delay—

NO DELAY ANTICIPATED

Mr. McMANUS. No, it won't delay. The contracts are particularly drawn so that there will not be a delay. Where there is not an adequate plan, the money is still provided but the contract contains a provision that such a plan must then be developed, the money will be made available, and the plan has to be developed as a condition of the grant.

In other words, the grantee contracts were used to get the plan developed and it is a requirement that is laid on the State to enforce.

Senator CHILES. General, on page 6 you say that the Department of Transportation coordinates its efforts with the Administration on Aging. Can you tell me if the Administration on Aging will be represented in the review process of the section 147 proposal?

General DAVIS. I do not know the answer to that question, Mr. Chairman. Can you answer that, Mr. Mertz?

Mr. MERTZ. Yes. They will be represented on the selection panels that will select the projects to be funded.

Senator CHILES. Did they participate in the review of 16(b)(2)?

Mr. PREMO. They did not participate in the review at the Federal level. The primary review of the 16(b)(2) program occurred at the State level. Our review of the certifications at the State level is a relatively limited one.

I do think that some improvement in that area is a very useful matter that we ought to consider.

Senator CHILES. Did the State agencies on aging participate at the State level?

Mr. PREMO. Yes, sir.

Senator CHILES. In what way did they participate?

Mr. PREMO. In the guidelines which we sent out, we encouraged the Governor to designate an agent or a recipient who would be in a position to tie together the various programs available at the State level. In a number of cases, there was a joint review panel at the State level consisting of representatives of the transportation department, some cases the educational department, and the aging and welfare departments, to review and screen the projects.

Senator CHILES. Now, I would like to call on Mr. Donald F. Reilly, Deputy Commissioner, Administration on Aging, Department of Health, Education, and Welfare.

STATEMENT OF DONALD F. REILLY, DEPUTY COMMISSIONER, ADMINISTRATION ON AGING, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. REILLY. I appreciate the opportunity to appear before this committee today to discuss a matter of concern to the Administration on Aging—the provision of transportation services that meet the special needs of older persons.

During the past several years it has become evident that older people have not been well served by available transportation facilities because: The low, fixed incomes of many make it difficult for them to purchase adequate transportation; they frequently live in areas poorly served by public transit—and in rural areas they often are not served at all, since public transit is generally nonexistent in such areas; the physical design and service features of existing public transit systems discourage or prevent many older persons from making necessary trips; and because the existing transportation network in this country is largely oriented to the automobile, many older persons who do not drive are faced with the choice of becoming increasingly isolated or totally dependent upon others for their transportation needs.

Since section 16(b)(2) of the Urban Mass Transportation Act of 1964, as amended, is a major step toward addressing these problems, I am especially pleased that this hearing was called specifically to focus on the implementation of this important program.

JOINT WORKING AGREEMENT

As you know, the Administration on Aging has been involved in the program from the outset. When the Department of Transportation announced in July of 1974 that \$20 million of the Urban Mass Transportation Administration's fiscal year 1975 capital assistance funds would be set aside for grants to private nonprofit corporations and associations to assist them in providing transportation services to meet the special needs of elderly and handicapped persons, the Administration on Aging and the Department of Transportation had already effected a joint working agreement* which pledged to "increase the mobility of senior citizens by improving their access to public and specialized transportation systems in urban areas." The "urban" reference at that point was in terms of existing Department of Transportation legislation.

On June 21, 1974, the Administration on Aging transmitted information about the availability of the section 16(b)(2) funds to State and area agencies on aging along with a copy of the joint working agreement. As you may recall, the text of the joint agreement was also reprinted in the Senate Committee Report on the 1974 Amendments to the Older Americans Act.

Shortly thereafter, we transmitted a technical assistance document to State and area agencies on aging which detailed the section 16(b)(2) application process, and urged State agencies on aging to contact the

*See appendix 2, p. 394.

agency designated by the Governor to administer the section 16(b)(2) program in order to take the following steps:

(1) Launch a joint process of planning for the use of the funds allotted to each State;

(2) Effect a joint agreement with the designated State agency, where possible, related to the common concern for transportation services and the delineation of roles and expectations for each agency;

(3) Make available to the designated State agency the data on aging needs collected by the State and area agencies on aging through their planning processes under title III of the Older Americans Act;

(4) Provide the designated State agency recommended criteria for selection of projects to be included in the State's umbrella application to be submitted to UMTA for approval; and

(5) Work with area agencies on aging to insure that resources available under title III and title VII of the Older Americans Act, which area agencies had earmarked for transportation services in their area plans in aging, were coordinated with section 16(d)(2) funds to the end that title III and title VII funds would be utilized for costs and the section 16(b)(2) funds would be utilized for capital costs.

GOOD WORKING RELATIONSHIPS DEVELOPED

A regional survey conducted by the Administration on Aging in December 1974 to determine the status of section 16(b)(2) implementation and the extent of State agencies on aging involvement, indicated that, for the most part, State agencies on aging had developed good working relationships with the agencies designated to administer the section 16(b)(2) program, and that many had been involved in the development of criteria for project selection and in general planning activities.

In April 1975, Commissioner Flemming met with General Davis, Mr. Frank Herringer, then the Administrator of the Urban Mass Transportation Administration, and Mr. Norbert Tiemann, Administrator, Federal Highway Administration, to discuss the implementation of the section 16(b)(2) program and other legislative and administrative developments that had implications for the improved mobility of the elderly.

At that time we received a favorable report from Mr. Herringer and his staff about the quality of proposals that had been submitted to UMTA under the section 16(b)(2) program to date and an indication that more than the \$20 million that had originally been set aside for the program would be spent in fiscal year 1975.

We are pleased to note that the Secretary of Transportation has recently announced the award of \$20.8 million to States under this program. A regional survey recently conducted by the Administration on Aging to determine whether aging projects have received equitable treatment under the section 16(b)(2) program indicates that there is generally an equitable balance between aging and handicapped projects in most States, with a promising number of joint, or combined, aging/handicapped projects.

AWED BY WARRING COMMENTS

I was particularly struck by one of the comments of the witnesses that this warring between aging/handicapped factions must stop.

It is the position of the Administration on Aging that coordination and pooling of funds is one of the absolutely necessary things to make special transportation work, and I want to make it clear that we have no conscious role in promoting a war in this area.

As you know, Mr. Chairman, the findings from AoA's "Transportation State of the Art" report and the subsequent field hearings conducted by the Commissioner indicate a crucial need for greater coordination of program resources for transportation purposes in order to make more efficient use of available funds. Therefore, we are especially encouraged by the development of combined aging/handicapped transportation projects through the section 16(b)(2) mechanism, and that has fueled our attitude in terms of not trying to compete, but trying to coordinate.

The opportunity for involvement in the initial planning activities for the section 16(b)(2) program at the State and local levels has opened the door to continued aging participation in this program. Now that the fiscal year 1975 funds have been released to the States and applications have been approved, many State and area agencies on aging will undoubtedly be involved in technical assistance and monitoring of the various projects in their respective jurisdictions.

Although the AoA/DOT working agreement focused primarily on the section 16(b)(2) program, we have worked closely with the various units within the Department of Transportation in a number of other areas.

Implementation of the Rural Highway Public Transportation Demonstration Program—AoA has transmitted copies of the Federal regulations for this program to our State and area agencies. The Urban Mass Transportation and Federal Highway Administration field offices have been instructed by the Administrators of the two agencies to obtain the advice and comment of the Administration on Aging regional offices on all proposals before making recommendations for funding specific projects. A number of AoA regional staff sit on regional interdepartmental task forces convened for the purpose of reviewing these rural demonstration projects.

The Administration on Aging has commented on the proposed rules for elderly and handicapped under section 16 of the Urban Mass Transportation Act of 1964, as amended, and section 165 of the Federal Aid Highway Act of 1973. Copies of the proposed rules were also transmitted to State and area agencies on aging, who were strongly encouraged in our communications to them to comment, either in writing or at the regional hearings conducted by the Urban Mass Transportation Administration.

AoA/DOT WORKING AGREEMENT

As my remarks illustrate, since the signing of the June 1974 AoA/DOT working agreement, there have been a number of legislative and administrative actions which necessitated an updating of the agreement to encourage continuation and growth of coordinated transportation activities at the State and local levels. Therefore, the Administration on Aging and the Department of Transportation will shortly sign a revised working agreement which pledges that we will continue to work in concert to promote the following three goals:

First, to increase the mobility of older Americans by improving their access to public and specialized transportation systems in rural and urban areas.

Second, to work toward the coordination of mass transportation services and facilities with special transportation services for the elderly and handicapped.

And third, to work toward the pooling of health and social service program resources that are available in States and communities for transportation, including the resources available under titles III and VII of the Older Americans Act, titles XIX and XX of the Social Security Act, and under the Vocational Rehabilitation Act, among others, to pay the operating costs associated with special transportation for the elderly and handicapped.

The objectives of the agreement will deal with specific program areas in which we can work to effect improved and increased transportation for older Americans, with specific attention to the continued implementation of section 16(b)(2).

I will be happy to answer any questions you might have at this time.

Senator CHILES. Has a summary been made of the field hearings conducted by Dr. Flemming, that you mentioned in your statement, and were recommendations on those field hearings made?

Mr. REILLY. Yes; a summary has been made and the recommendations have been shaped up and are currently in the process of review.

We received a great deal of testimony at those hearings and that, together with other activities, such as the legislation for extension of programs under the Older Americans Act, has caused us to take longer than we had anticipated to produce them, but we expect to produce them shortly.

Senator CHILES. Section 16(b)(2), of course, provides grants or loans for capital investment purposes, but not for operating expenses. I mean, in the testimony before this committee on April 9, 1974, Dr. Flemming explained that funds for title III or title VII of the Older Americans Act were being used to purchase minibuses or other capital pieces.

He said they have funds for capital investment, whereas in all probability, a capital investment of this kind could be handled through one of the Department of Transportation's programs and then title III or title VII funds could be made available for operating a transportation system or for providing other services.

Are there any examples of such multiagency funding in the more than 1,000 grants made by DOT for the subsection (b)(2) funds?

Mr. REILLY. We do not have detailed information on that at this point. Our program reports won't be coming in until mid-August, but there are at least a couple of States in which area agencies have had, through informal contact, generated what amounts to funding consortia, to pay operating costs of 16(b)(2), transportation equipment. At a later date we will have more information on that point.

Mr. PREMO. Senator, as an example in Florida, the areawide Council on Aging of Broward County is a recipient of capital equipment under 16(b)(2) and will be using some of the title VII money under the Older Americans Act for operating expenses.

Senator CHILES. Do you know of any other examples?

Mr. PREMO. We could develop information for the record.

Senator CHILES. I think that would be helpful for the committee to know for the record.

MEMORANDUM OUTLINES AGREEMENT

In its information memorandum, AoA describes its working agreement with the Department of Transportation made specific mention of section 16 of the Urban Mass Transportation Act and another memorandum issued on July 21, only 16(b)(2) is mentioned. There was no reference at all to 16(b)(1). Do you know whether that change was made?

Mr. REILLY. No, I do not.

Senator CHILES. I just wondered whether that was inadvertently made.

Mr. REILLY. There was certainly no deep policy decision behind it. Section 16(b)(2) has been where the money has been flowing and where we have been pushing the State and area agencies to get involved and to get into joint working relationships. So until recently, 16(b)(2) has been sort of our shorthand for talking transportation language at the Administration on Aging.

I think the other factor probably is that our attention has been exclusively directed at 16(b)(2), until funds for the rural highway demonstrations were appropriated.

Senator CHILES. In your opinion, Mr. Reilly, what would be the role—what should be the role of the area agency on aging established under the Older Americans Act Amendments of 1972, which to you is section 16(b)(2) of the Urban Mass Transit Act?

Mr. REILLY. Well, I think that there are several ways in which the area agencies on aging can interact in this process.

One is by providing data on the needs of the elderly and resources to meet those needs which the area agency on aging gathers as part of its ongoing activity.

Second, the area agency, in its role as a local focal point on aging, is attempting to look over the whole spectrum of service needs for the elderly in trying to bring about coordination between the various agencies. If there was anything this morning, there has certainly been testimony from the local level, and State level, too, about the need for additional bringing together of agencies that are pursuing their separate ways.

The area agency on aging is specifically chartered to attempt to fill that role. It can do it in a number of ways, as a neutral party, bringing together possible funding sources; for example, the title XX social services agency which, in many States, has funds available which are not being used. As we see area agencies, they fill sort of a trio role of planner, advocate, coordinator, and catalyst for starting new action, and we think all of those roles can be brought to bear in this particular process.

Senator CHILES. What about the State agencies? What is the role of the State agencies?

Mr. REILLY. The State agency we see as the focal point on aging at the State level, with very similar kinds of roles. That is why our memorandums to the State agencies on aging urge them in the strongest possible terms to take the initiative in contacting the State transportation departments; not to wait for an invitation, but to make this

knowledge available and to make clear the fact that, as advocates for the elderly, they wanted to participate in this process.

TAPPING OTHER PROGRAMS

Similarly, as I have said to what could take place at the area level, the State agency on aging can serve as an advocate at the State level in terms of trying to tap other programs into helping fund the operational side of 16(b)(2) projects.

Just one further comment on that—that is really the context in which we see the Administration on Aging itself in its relationship with the Department of Transportation and with the Social Rehabilitation Service and other possible funding sources. What we are trying to do is get ourselves at the Federal, State, and local level into a position where when an opportunity like this comes up, to serve all of the people better; to look over the board, so to speak, and find out where we can intervene in a helpful kind of way to bring the pieces together.

Senator CHILES. Well, I think it is clear from what we have heard today that there are major questions about 16(b)(2) and section 147.

There may well be a need that Congress has put in overlapping programs and we need to find out if we have. It is also very clear, I think, from listening to our earlier panelists today, that coordination is the essential word. Much is needed in that direction and I am delighted to hear that DOT intends to be responsive and to meet with the local areas—the local people—in the near future. I think that is essential.

OVERLAPPING MUST BE ELIMINATED

I think I might well propose that DOT and AoA have a joint national meeting for the purpose of getting together, not only the area, but also the State agencies, on the full exploration of issues and how to take care of this overlapping in the program.

It looks like we put layer and layer on and now we need to try to determine some better way of coordinating. I think the Senate Committee on Aging should make its own summing up of the transportation issues affecting older Americans, and also in how they would coordinate with the handicapped and with others. We might well want to be a part of that national meeting too, but certainly we should be making recommendations on that. I thank you all for your attendance.

Mr. REILLY. I think that is a splendid suggestion, Senator. I would say for the Administration on Aging we would certainly be pleased to participate in putting on that kind of a workshop—to get, actually, beyond the rhetoric, hopefully to the nuts and bolts of how you make these projects work.

Senator CHILES. Well, we will adjourn our hearings then. We may have a few written questions that we will want to submit.

Thank you.

[Whereupon, the hearing was adjourned at 12:15 p.m.]

APPENDIXES

Appendix 1

MATERIAL SUBMITTED BY FRED M. DUNCAN

ITEM 1. MEMORANDUM FROM CHIEF, BUREAU OF SURFACE TRANSIT, FLORIDA DEPARTMENT OF TRANSPORTATION

SUBJECT: CAPITAL ASSISTANCE PROGRAM UNDER SECTION 16(b)
OF THE URBAN MASS TRANSPORTATION ACT OF 1964, AS
AMENDED

The U.S. Department of Transportation's Urban Mass Transportation Administration (UMTA) has released procedures through which private, nonprofit corporations and associations may receive Federal funds for providing transportation services to the elderly and handicapped.

The procedures issued provide a significant role for the State in the development and review of projects submitted by private nonprofit organizations within its jurisdiction. The State, under the program, assumes both coordination and sponsorship functions and will be required to manage the program from a State perspective.

A copy of the letter to Governor Askew, signed by Frank C. Herringer, Administrator of the Urban Mass Transportation Administration, is enclosed for your information. As indicated, the \$728,000 set aside for Florida is for projects involving private nonprofit corporations on a matching ratio of 80 percent Federal to 20 percent non-Federal funds. Also enclosed is Governor Askew's August 1, 1974, letter designating the Florida Department of Transportation to manage the program for Florida.

Your attention is invited to the discussion of the program included in the attached procedures. The Florida DOT will be responsible for selecting among projects and submitting the selected projects to UMTA for review and approval. The DOT must also develop and submit to UMTA for approval, criteria for the evaluation, and selection of the projects proposed by private nonprofit organizations within the State. The criteria will be developed in coordination with the Florida Department of Health and Rehabilitative Services and will be provided at the earliest possible date.

Pending the development of the criteria for selection, it is necessary that each district inventory the private nonprofit organizations providing transportation services for the elderly and handicapped and recommended projects be submitted. Information required for each recommended project should be, insofar as possible, that included in exhibits D, E, and F of the enclosed procedures. Your transit strategy teams should be of great assistance to you in this effort. The recommended projects should be forwarded by no later than September 15, 1974.

In the selection of possible projects, it is important that you realize that the Florida DOT is precluded, by constitutional statute, from making grants to private nonprofit organizations. We hope that HRS will be able to utilize funding available to them to assist in covering the non-Federal share and to provide operating cost assistance. We are now working with HRS and we will provide information on the HRS funding program as soon as possible.

If you have specific questions, please contact Mr. Dave Duffy, 488-7390.

ITEM 2. CRITERIA FOR EVALUATION AND SELECTION OF PROJECTS PROPOSED BY PRIVATE NONPROFIT ORGANIZATIONS WITHIN FLORIDA

CRITERIA FOR SELECTION OF PROJECTS UNDER SECTION 16(b)(2) OF THE URBAN MASS TRANSPORTATION ACT OF 1964, AS AMENDED

A. GENERAL

The Urban Mass Transportation Administration (UMTA) has modified its procedures in order to make capital assistance available to private nonprofit corporations and associations to provide transportation for the elderly and handicapped. Funds out of the regular capital grant activity have been set aside for this purpose. Applications for capital grants can be submitted under section 16(b)(2) of the Urban Mass Transportation Act of 1964 as amended.

It is the responsibility of the State to select among, and, in turn, submit these projects to UMTA for review and approval by the Office of Capital Assistance. Considering the limited resources, it is important that the program be supplemented by administrative guidelines and criteria to provide for a rational process of project review and selection, in order that the underlying purpose of the program may be effectuated. The criteria will be utilized for the State review of the projects submitted under the provisions of section 16(b)(2) of the Urban Mass Transportation Act of 1964 as amended. The Florida Department of Transportation will work with applicant agencies to insure that the data required to support the review process is generated. Local, county, and regional planning agencies will be called upon for the generation of the needed data base and analysis.

B. PROGRAM GOALS

The system for project selection will be based upon the following program goals:

1. To support the independence of the elderly and handicapped, a sector of Florida's population who often find it difficult to obtain regular and dependable transportation.
2. To demonstrate the function of transportation as a social service.
3. To strengthen the data base, develop analysis capability at the local level, and establish procedures for the evaluation of transportation systems in support of social service programs.
4. To encourage the allocation of an equitable portion of public funds to community-based transit service for the transportation disadvantaged.
5. To assure the local and regional planning agencies, as part of the continuing transportation planning process, identify the transit needs of the elderly and handicapped and maintain a continuing data base with which to evaluate needs and service designed to solve those needs.
6. To encourage the dissemination of information about transit services, review the transit service provided by public, private, and private nonprofit corporations for the elderly and handicapped and evaluate the quality of service provided.
7. To stimulate the programing of citizen participation in the evaluation of the transportation problems and needs of the elderly and handicapped and in the design of responsive transit service to meet identified needs.
8. To assure representation of the transportation dependent, as consumers, in the planning, policymaking, and functional operations of local transit systems.
9. To foster the development of stable transit systems based upon identified needs, sound planning, established goals and objectives, and based upon a sound financial base.

C. CRITERIA

Outlined below is a list of criteria developed for this program. It is important that the criteria and procedural requirements be reviewed carefully since failure to comply with them could disqualify an organization's proposal under section 16(b)(2).

1. Only private nonprofit organizations incorporated within Florida are eligible for financial assistance under this program.
2. Certification of incorporation from the Department of State must accompany each application.

3. Applicant organization must provide 20 percent of the total project cost. UMTA finances 80 percent approved projects.

4. Nonprofit organizations applying for capital assistance must provide service within a recognized "urban area." The term "urban area" means a municipality having a population of not less than 5,000 persons.

5. Applicants must comply with A-95 review procedures. These procedures relate to clearances obtained from local and State agencies involved in monitoring the disbursement of Federal funds for capital development purposes.

6. Applicant organizations must obtain a letter of approval from any public or private transportation agency that operates a public transportation system within that geographic area.

7. Applicant organization must prepare and submit the preliminary application. Required format is attached.

8. Organizations whose applications have been approved for financial assistance must enter an agreement with the State of Florida. The provisions of this agreement will be developed in light of Federal guidelines that require the State to monitor the use of vehicles and/or equipment purchased with Federal funds.

Appendix 2

WORKING AGREEMENT BETWEEN AoA AND DOT

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
OFFICE OF HUMAN DEVELOPMENT,
ADMINISTRATION ON AGING.

TECHNICAL ASSISTANCE MEMORANDUM

TA-AoA-76-15

October 20, 1975.

To: State agencies administering plans under titles III and VII of the Older Americans Act of 1965, as amended.

Subject: Revised working agreement between the Administration on Aging and the Department of Transportation.

Content: Attached is a revised working agreement between the Administration on Aging and the Department of Transportation. The original agreement which was signed last June has been updated and broadened to accommodate the following developments which have implications for improvement and change in the provision of public and special transportation services for older persons:

- Implementation of the Rural Highway Public Transportation Demonstration program authorized by section 147 of the Federal-Aid Highway Act of 1973, as amended;
- Authorization under the National Mass Transportation Act of 1947 for States and urbanized areas to use section 5 formula apportionment funds for operating and capital assistance for public, private, and private non-profit transportation operators;
- Mandated reduced fares for elderly and handicapped persons on transit services receiving section 5 funds authorized by the National Mass Transportation Act of 1974;
- Authorization of \$500 million under the above-cited act for capital assistance to nonurbanized areas; and
- Publication in the *Federal Register* of UMTA's proposed rules governing public transportation for the elderly and handicapped.

To assure that older people benefit from these developments, the working agreement states that Administration on Aging and the Department of Transportation will work together to promote the following goals:

1. To increase the mobility of older Americans by improving their access to public and specialized transportation systems in urban and rural areas.
2. To work toward the coordination of public mass transportation services and facilities with special transportation services for the elderly and handicapped.
3. To work toward the pooling of health and social service program resources available to States and communities for transportation—including the resources available under titles III and VII of the Older Americans Act, titles XIX and XX of the Social Security Act, and the Vocational Rehabilitation Act—to pay the operating costs associated with special transportation for the elderly and handicapped.

The agreement sets forth objectives that have been designed to aid in the achievement of these goals. Each objective will involve the development and dissemination of specific technical assistance materials, which documents will be transmitted to you separately over the next several months. For example:

Objective No. 1: Continued implementation of grant programs under the Urban Mass Transportation Administration which could improve older person's access to public and specialized transportation systems, will involve, among other tasks, cooperative DOT/AoA development of procedures relating to aging

program participation in section 3, section 5, section 16(b)(2) and the non-urbanized programs of the Urban Mass Transportation Act of 1964, as amended.

Objective No. 2: Continued implementation of the Rural Highway Public Transportation Demonstration program in a manner that could contribute to the improvement of the mobility of rural elderly persons, will involve the preparation and dissemination of a range of materials, including a listing of the projects approved from fiscal year 1975 funding for this demonstration program (which information should be available shortly) and findings from the 1975 projects as they relate to transportation for the rural elderly.

Objective No. 3: Joint research, demonstration, and technical assistance activities to promote efficient and effective provision of transportation services to older persons, will involve the joint AoA/DOT planning, development, and conduct of three or more biregional conferences on transportation for the elderly and handicapped, during the spring of fiscal year 1976. An AoA/DOT work group is currently planning the conferences. Regional offices and the aging network at the State and local level will be notified as plans for these conferences are finalized.

State and area agencies on aging should not wait for these materials to be transmitted, but should begin now to develop agreements at the State and local level, with State departments of transportation or highways, local transit authorities, and other State or local service agencies concerned with meeting the transportation needs of older persons. All or part of this joint working agreement can serve as a model for the kind of agreement that best suits individual State or local needs.

Inquiries: State Agencies should direct inquiries to directors, Office of Aging, HEW regional office.

FYI copy: Area agencies on aging should direct inquiries to State agencies on aging.

Title VII nutrition projects should direct inquiries to their grantor (State or area agencies on aging).

ARTHUR S. FLEMMING,
Commissioner on Aging.

[Attachment.]

WORKING AGREEMENT BETWEEN THE ADMINISTRATION ON AGING AND THE DEPARTMENT OF TRANSPORTATION

INTRODUCTION

During the past several years, it has become evident that older people have not been well served by available transportation facilities, because: (1) the low, fixed incomes of many older persons make it difficult for them to purchase adequate transportation; (2) they frequently live in areas poorly served by public transit—and in rural areas they often are not served at all, since public transit is generally nonexistent in such areas; (3) the physical design and service features of existing public transit systems discourage or prevent many older persons from making necessary trips; and (4) the existing transportation network in this country is largely oriented to the automobile and, consequently, many older persons who do not drive are faced with the choice of becoming increasingly isolated or totally dependent upon others for their transportation needs.

In an attempt to overcome these problems, special transportation services to the elderly have been developed in many communities throughout the country. A recent study of transportation for older Americans (funded under a grant from the Administration on Aging) identified over 1,000 special transportation projects in the United States serving the needs of older persons. However, these projects are generally poorly planned, inadequately funded, fragmented, and often duplicative.

As made clear in the Administration on Aging report "Transportation for the Elderly: The State of the Art," and subsequent public hearings on the major issues raised in the report, the lack of coordination among Federal, State, and local agencies and public transit operators contributes to the fragmented nature of transportation services for older people.

In addition, many of the operators of special transportation services—usually social service agencies—lack the transit planning and management expertise found in public transit operations. Public transportation agencies at all jurisdic-

dictional levels are required to coordinate with one another, and most social service programs are also required (statutorily or administratively) to coordinate with each other to avoid duplication and conserve resources. However, public transportation agencies and social service agencies are not required to coordinate or cooperate with each other. As a consequence, transportation projects operated by or under the authority of social service programs have rarely had the benefit of the transit planning, management, operational expertise, or capital assistance that is available through public transportation programs.

The working agreement effected between the Administration on Aging and the Department of Transportation in June 1974, represented a first step in coordinating Federal-level activities to improve the mobility of older persons, which could be used as a tool for coordination at the State and local levels. The agreement focused primarily on the discretionary capital assistance program for transportation projects specifically serving the elderly and handicapped. Funds for this program, authorized under section 16(b)(2) of the Urban Mass Transportation Act of 1964, as amended, became available for the first time in fiscal year 1975. The joint working agreement encouraged the establishment of close working relationships between the State and area agencies on aging and the State agencies designated to administer the section 16(b)(2) program (generally State Departments of Transportation or State Highway Commissions), and the local service providers.

Since the signing of the 1974 working agreement, a number of legislative and administrative actions necessitate an updating of the agreement to encourage continued growth of coordinated transportation activities at the State and local levels. These recent developments include:

- Implementation of the Rural Highway Public Transportation Demonstration program authorized by section 147 of the Federal-Aid Highway Act of 1973, as amended;
- Authorization under the National Mass Transportation Act of 1974 for States and urbanized areas to use section 5 formula apportionment funds for operating and capital assistance for public, and private nonprofit transportation operators;
- Mandated reduced fares for elderly and handicapped persons on transit services receiving section 5 funds authorized by the National Mass Transportation Act of 1974;
- Authorization of \$500 million under the above-cited act for capital assistance to nonurbanized areas; and
- Publication in the *Federal Register* of UMTA's proposed rules governing public transportation for the elderly and handicapped.

WORKING AGREEMENT

Therefore, the Administration on Aging and the Department of Transportation agree to work in concert to promote the following goals:

1. To increase the mobility of older Americans by improving their access to public and specialized transportation systems in urban and rural areas.
2. To work toward the coordination of public mass transportation services and facilities with special transportation services for the elderly and handicapped.
3. To work toward the pooling of health and social service program resources available to States and communities for transportation—including the resources available under titles III and VII of the Older Americans Act, titles XIX and XX of the Social Security Act, and the Vocational Rehabilitation Act—to pay the operating costs associated with special transportation for the elderly and handicapped.

In order to facilitate achievement of these goals, the Administration on Aging and the Department of Transportation agree to make every effort during Fiscal Year 1976 to meet the following objectives:

Objective 1: Continued implementation of grant programs under the Urban Mass Transportation Administration which could improve older person's access to public and specialized transportation systems.

To promote this objective, the *Administration on Aging* will reiterate its earlier instruction to State and area agencies on aging that they use title III and title VII funds to support operating costs of transportation projects for the elderly

which receive capital assistance under section 3, section 5, section 16(b)(2), and the nonurbanized programs of the Urban Mass Transportation Act of 1964, as amended.

In addition, the *Administration on Aging* will encourage State and area agencies of aging to actively seek the financial support and coordination of other health and social service agencies that serve elderly and handicapped clients in their jurisdictions to assure continuation of the projects after capital costs have been met.

The *Urban Mass Transportation Administration* will inform the *Administration on Aging* of the funds available under the section 16(b)(2) and nonurbanized area programs for fiscal year 1976. The *Administration on Aging and the Urban Mass Transportation Administration* will jointly issue technical assistance memoranda to their regional offices, State and area agencies on aging, and State departments of transportation or highways, explaining the guidelines and procedures to be followed for effective implementation of transportation projects supported under the section 16(b)(2), section 5, and nonurbanized area programs.

The *Administration on Aging* and the *Urban Mass Transportation Administration* will encourage and work with the State Agencies that have responsibility for their respective programs to provide opportunities for minority contractors and grantees to participate in the delivery of transportation services to older persons funded through both AoA and UMTA resources.

Objective 2: Continued implementation of the Rural Highway Public Transportation Demonstration program in a manner that could contribute to the improvement of the mobility of rural elderly persons.

To promote this objective, the *Administration on Aging, the Federal Highway Administration, and the Urban Mass Transportation Administration* will direct their respective regional offices to continue to work together on the implementation of the Rural Highway Public Transportation Demonstrations funded under section 147 of the Federal-Aid Highway Act of 1973, as amended.

Upon approval of all projects funded for fiscal year 1975, the *Federal Highway Administration and the Urban Mass Transportation Administration* will provide the *Administration on Aging* with a list of all such projects for the purpose of informing regional, State, and area agencies on aging.

In the event that funds are allocated for the section 147 program in fiscal year 1976, the *Federal Highway Administration and the Urban Mass Transportation Administration* again will work with the *Administration on Aging* in notifying appropriate parties at the regional, State, and local levels of the availability of such funds, and explaining the guidelines and procedures to be followed in the *Rural Highway Public Transportation Demonstration program*.

In addition, the *Federal Highway Administration* and the *Urban Mass Transportation Administration* will share with the *Administration on Aging* experiences and findings from the fiscal year 1975 projects as they relate to the elderly, in order that such findings may be transmitted to State and area agencies on aging as technical assistance in the provision of transportation for the elderly in rural areas.

Objective 3: Joint research, demonstration, and technical assistance activities to promote efficient and effective provision of transportation services to older persons.

To promote this objective, the *Administration on Aging* and the *Department of Transportation* will jointly conduct at least one conference on transportation for the elderly during fiscal year 1976, which will have as its primary focus methods to improve the coordination between special transportation projects for older persons supported by social services agencies, and local public transportation operators. The conference will invite the participation of public transportation operators, State and area agencies on aging, and other social service agencies concerned with special transportation programs for the elderly. Actively participating in the planning and implementation of this workshop will be staff of the *Administration on Aging, the Office of the Secretary of Transportation, the Urban Mass Transportation Administration, the Federal Highway Administration, and the National Highway Traffic Safety Administration.*

To promote more efficient and effective operation of existing and future special transportation programs for the elderly, the *Administration on Aging* will publish a "how-to-do-it handbook" on special transportation for older persons in October 1975. The handbook will be made available to the *Department of Transportation* for review and possible dissemination to State and local transportation agencies.

The *Department of Transportation* will cooperate with the *Administration on Aging* in research and demonstration efforts to test innovative methods and techniques for the effective coordination of health and social service program resources with special transportation projects. In order to assure maximum utilization of such research and demonstration findings, the *Department of Transportation* will make available to the *Administration on Aging*, reports from all research and demonstration activities which relate to aging, specifically those which demonstrate the need for, or illustrate successful, coordination efforts. The *Administration on Aging* will make such reports and findings available to State and area agencies on aging, and will additionally make available to the *Department of Transportation* all findings from research and demonstrations supported under the Older Americans Act which relate to the provision of transportation (including studies of coordination methods, pooling of resources, etc.).

The *Administration on Aging* and the various participating units of the *Department of Transportation* will share at regular intervals information on progress in implementing these activities.

Signed in Washington, D.C., the 16th day of September 1975.

BENJAMIN O. DAVIS, Jr.,
*Assistant Secretary for
 Environment, Safety, and
 Consumer Affairs.*

ROBERT E. PATRICELLI,
*Administrator, Urban Mass
 Transportation Administration.*

ARTHUR S. FLEMMING,
Commissioner on Aging.
 NORBERT T. TIEMANN,
*Administrator,
 Federal Highway Administration.*

