



U.S. Department
of Transportation

Urban Mass
Transportation
Administration

CIRCULAR

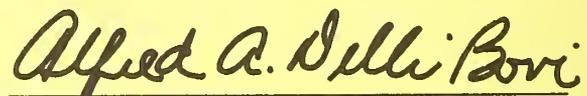
UMTA C 9030.1A

September 18, 1987

Subject: SECTION 9 FORMULA GRANT APPLICATION INSTRUCTIONS

1. PURPOSE. This circular provides guidelines for the preparation of grant applications under the Section 9 formula assistance program of the Urban Mass Transportation (UMT) Act Of 1964, as amended, and provides related program guidance.
2. CANCELLATION. This circular cancels UMTA Circular 9030.1, "Section 9 Formula Grant Application Instructions," dated 6-27-83.
3. REFERENCES.
 - a. Sections 3, 4, 8, 9, 9B, 15 and 18 of the Urban Mass Transportation Act of 1964, as amended. 49 U.S.C. Section 1601 et seq.
 - b. Surface Transportation and Uniform Relocation Assistance Act of 1987 (Pub. L. 100-17).
 - c. OMB Circular A-128, "Audits of State and Local Governments," dated
 - d. UMTA Circular 2710.1, "Sampling Procedures for Obtaining Fixed Route Bus Operating Data Required Under the Section 15 Reporting System," dated 2-22-78.
 - e. UMTA Circular 2710.2, "Sampling Procedures for Obtaining Demand Responsive Bus System Operating Data Required Under the Section 15 Reporting System," dated 2-22-78.
 - f. UMTA Circular 2710.4, "Revenue Based Procedures for Obtaining Fixed Route Bus Operating Data Required Under the Section 15 Reporting System," dated 5-10-85.
 - g. UMTA Circular 2710.5, "Section 15 Accounting and Reporting Release Number 1," dated 2-11-80.
 - h. UMTA Circular 2710.5A, "Section 15 Accounting and Reporting Release Number 2," dated 10-1-81.

- i. UMTA Circular 5010.1, "UMTA Project Management Guidelines for Grantees," dated 3-17-83.
 - j. UMTA Circular 7005.1, "Documentation of Private Enterprise Participation Required for Sections 3 and 9 Programs," dated 12-5-86.
 - k. UMTA Circular 7008.1, "Urban Mass Transportation Financial Capacity Policy," dated 3-30-87.
 - l. UMTA Circular 8100.1A, "Program Guidance and Application Instructions for Planning and Technical Studies Grants," dated 8-30-85.
 - m. UMTA Circular 9100.1A, "One-Time Submission of Standard Assurances for UMTA Applications," dated 2-9-85.
 - n. UMTA Circular 9500.1, "Intergovernmental Review of UMTA Planning, Capital and Operating Programs and Activities," dated 3-30-84.
4. EFFECTIVE DATE. This circular becomes effective October 1, 1987.
 5. DELEGATION OF AUTHORITY. This circular has no impact on the Urban Mass Transportation Administration's (UMTA) delegation of authorities.
 6. DEFINITIONS. Terminology appropriate to this circular is defined in Appendix A.



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CHAPTER I

GENERAL OVERVIEW

I-1 THE SECTION 9 FORMULA ASSISTANCE PROGRAM. The Surface Transportation Assistance Act of 1982, through the Federal Public Transportation Act of 1982, amended the Urban Mass Transportation Act of 1964, by adding a new formula assistance program under Section 9. The Section 9 Formula Program makes Federal resources available to urbanized areas for planning, capital and operating assistance purposes.

This program offers the opportunity to substantially reduce the Federal Government's role in the grant development and approval processes, while enhancing the responsibilities of state and local governmental entities. State and local agencies will be able:

- a. to allocate and suballocate program resources among recipients in an urbanized area without Federal involvement;
- b. to identify and select the projects (planning, capital and/or operating) to be included in the program of projects and budget;
- c. to self-certify that various statutory requirements have or will be met;
- d. to eliminate the need to submit individual project justifications;
- e. to submit a single grant application for a program of projects and budget in lieu of many individual project applications; and
- f. to submit program expenditure detail in lieu of project budgets, thus obviating the need for Federal approval of most routine budget revisions and most technical amendments.

The overriding intent of the Urban Mass Transportation Act of 1964, as amended (the UMT Act), with respect to Section 9, is to simplify the grant application and review process. However, the UMT Act requires a recipient to have independent audits conducted on an annual basis and requires the U.S. Secretary of Transportation to conduct triennial post-grant reviews and evaluations of compliance with certifications and other requirements. The Federal role in these program management activities will, to the maximum extent feasible, be limited and non-intrusive.

I-2 FUND AVAILABILITY. Section 9 Formula Program funds remain available to the Urban Mass Transportation Administration (UMTA) until expended. They remain available to the recipient for four fiscal years--the year apportioned plus three additional years. Any funds remaining unobligated by UMTA after four years will be added to the amount available for apportionment nationally in the succeeding fiscal year.

I-3 FEDERAL MATCHING REQUIREMENTS. The Federal match for planning and/or capital assistance under Section 9 is 80 percent of the net project cost but a recipient is permitted to provide additional local match at its option. The Federal match for operating assistance will not exceed 50 percent of the net project cost. There are two exceptions to 80% Federal match for capital projects:

a. Bicycle Facilities. The Federal match is 90 percent for those projects or portions of projects designed to:

- (1) provide access for bicycles to mass transportation facilities;
- (2) provide shelters and parking facilities for bicycles in or around mass transportation facilities; or
- (3) install racks or other equipment for transporting bicycles on mass transportation vehicles.

b. Elderly and Handicapped Projects. The Federal match is 95 percent for any element of a capital project intended exclusively to enhance the accessibility and mobility of elderly and handicapped persons and that is in excess of Federal requirements. All UMTA-funded projects must be designed and implemented to meet the basic accessibility or mobility needs of elderly and handicapped persons. The primary sources of these requirements are Section 16(a) of the UMT Act, the Department of Transportation (DOT) regulations implementing Section 504 of the Rehabilitation Act of 1973, as amended, section 317(c) of the Surface Transportation Assistance Act of 1982, and the Architectural and Transportation Barriers Act of 1968. The Federal match for projects meeting these requirements is 80 percent.

It is important to note that the remaining portion of the net project cost (20, 50, 10, and 5 percents, respectively) must be provided in cash from non-Federal funds or from non-farebox revenues from the operation of public mass transportation systems, such as advertising and concession revenues and most contract fares. Any public or private transit system funds so provided must be solely from undistributed cash surpluses, replacement or depreciation funds or reserves available in cash, or new capital.

The unique treatment of certain advertising and concession revenues only (as these revenue sources are defined for Section 15 reporting purposes) should be carefully noted. While all revenue from these sources are eligible as local share, the revenues a grantee earns from these sources in excess of the amounts earned from the same sources in (the grantee's) Fiscal Year 1985 may be used as local share or, after April 2, 1987, for any other purpose the grantee elects, including non-mass transportation activities. Information on all revenues earned from these sources will be collected from the Section 15 reports.

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- I-4 RELATIONSHIP TO SECTION 9B. Section 9B permits some of the proceeds from the Mass Transit Account of the Highway Trust Fund (the gas tax) to be apportioned by the Section 9 formula, to be used only for capital projects. Provisions of the Section 9 program pertaining to capital grants apply to Section 9B grants. Funds may be available beginning October 1, 1987, and will range from a maximum of \$100,000,000 to \$200,000,000 annually, depending on appropriation levels. Requests for funding from both programs may be included on the same application.
- I-5 RELATIONSHIP TO SECTION 3. The Section 3 discretionary grant program funds will be used to supplement Section 9 formula grant funds. As previously stated, Section 9 formula grant funds will be the primary Federal resource for routine capital assistance needs. The Section 3 resource will be directed primarily to those rail modernization and major bus projects that require Federal funding beyond that available under Section 9; to deal with continuing deterioration of existing transit facilities; and to help bring those facilities to a level of acceptable safety, reliability and efficiency. It also will be directed to cost-effective new system projects.

Total funds available under Section 9 should provide the major rail cities significant program resources to continue and to some degree, accelerate on-going system modernization, rehabilitation, or development.

Critical bus capital projects (e.g., major maintenance facilities and bus system expansion) that cannot be accommodated under Section 9 will also be considered for funding under Section 3. However, the Section 3 resource will not be used for such items as routine bus replacements, rehabilitation of buses, or associated capital maintenance items.

With respect to new start projects, UMTA policies and procedures are spelled out in the Major Capital Investment Policy published in the Federal Register. Grantees may use available Section 9 funds for any phase of new start planning and project development. However, approval of the UMTA Administrator must be obtained before initiating alternatives analysis, preliminary engineering, final design, or construction. In addition, before commencing construction, certain conditions outlined in Chapter IV, paragraph IV-3b(3), of this circular must be met. These conditions are intended to avoid situations in which a recipient commences a new start project with Section 9 formula funds and then looks to Section 3 funding to complete the project or to fund routine capital needs which were superseded by the new start funding decision.

Grantees who are able to satisfy UMTA's requirements for new start construction under the Section 3 program and have received a commitment for such funds may use available formula resources or Interstate Transfer funds to supplement the Section 3 funds, provided routine capital needs are met within the available Section 9 program resources and provided such use is not inconsistent with the specific Section 3 agreement between UMTA and the grantee for the project.

CHAPTER II

ELIGIBILITY

II-1 DESIGNATED RECIPIENTS. A primary eligibility requirement for funding under the Section 9 program is the designation of a grant recipient. The recipient (or recipients) so designated in each urbanized area must be a public body and have the legal authority to receive and dispense Federal funds. Designations submitted to UMTA under the Section 5 or 9A programs, or prior to the issuance of this circular, which remain valid, need not be resubmitted. It is important to note that the concurrence of the Secretary of Transportation in the designation is no longer required. More specific information regarding designated recipients follows:

- a. The Governor, responsible local officials and publicly owned operators of mass transportation services will jointly designate a recipient or recipients to apply for, receive, and dispense funds for urbanized areas of 200,000 or more population, pursuant to Section 9(m)(1) of the UMT Act as follows:
 - (1) To the extent possible, a single recipient should be designated for each urbanized area or for contiguous urbanized areas; and
 - (2) Any statewide or regional agency or instrumentality responsible under state laws for financing, construction, or operation directly, by lease, contract or otherwise of public transportation services will be named a designated recipient by the Governor, responsible local officials and publicly owned operators of mass transportation services.
- b. The Governor or the Governor's designee(s) is (are) the designated recipient(s) for urbanized areas under 200,000 in population.
- c. Designations remain in effect until amended or rescinded.
- d. In those cases in which designated recipient documentation has not been submitted previously or in which an amendment or rescission requires that new documents be submitted, this new documentation must include the following:
 - (1) For areas over 200,000 population, a letter expressing the concurrence of the Governor or other state agency to which the Governor's authority to concur in designations of recipients has been delegated;

- (2) For areas under 200,000 population, if the Governor chooses to retain designated recipient status, no documentation need be submitted to support this action. Alternatively, the Governor may choose to designate one or more local recipients for each of these areas or may designate authority to act for the Governor to another state agency, and that agency may, in turn, either retain designated recipient status or redesignate individual local recipients for each area. In each instance, such designations must be documented by letter from the Governor to UMTA;
 - (3) For each designated recipient, an Opinion of Counsel certifying to the entity's legal capacity to perform the functions of a designated recipient; and
 - (4) For areas over 200,000 population, concurrence in the designated recipient(s) by the publicly owned operators of mass transportation servicing the urbanized area, and an appropriately certified resolution of the policy making body of the Metropolitan Planning Organization (MPO) concurring in the designated recipients.
- e. Designations of recipients for all urbanized areas are effective upon acknowledgment by UMTA.

II-2 OTHER RECIPIENTS/GRANTEES. A designated recipient may designate another public agency as a recipient of Section 9 funds. It may also apply on behalf of or pass funds through to another public agency.

Private providers of mass transportation services may also receive Federal funds through any designated public agency which applies on their behalf. When redesignation or pass-through agreements are reached, the designated recipient should notify UMTA Regional Offices of the other recipients/grantees. More specific information follows:

- a. Public agencies may receive and dispense funds with the concurrence of the designated recipient. In such cases, the designated recipient applies for funds on behalf of the public agency, and the public agency receives and dispenses the UMTA funds pursuant to a supplemental agreement executed by the designated recipient and the public agency.
- b. When the designated recipient will not also act as applicant/grantee, the applicant/grantee must execute and submit the applicant eligibility documentation and assurances.
- c. The supplemental agreement should:
 - (1) confer on the public agency the right to receive and dispense grant funds;
 - (2) transfer to the public agency all rights, obligations and responsibilities under the grant agreement; and

- (3) release the designated recipient from any liability under the grant agreement.

II-3 ELIGIBLE GRANT ACTIVITIES. Grants under the Section 9 program are available to finance planning, acquisition, construction, improvement, and operating costs of facilities, equipment and associated capital maintenance items used in mass transportation service, including crime prevention and security of and for such equipment and facilities. Mass transportation equipment and facilities funded under the Section 9 program may be acquired through either lease or purchase.

II-4 PROJECT ACTIVITIES IN ADVANCE OF APPORTIONMENT. Projects may be initiated and project costs incurred prior to grant approval may be eligible for funding from future years' apportionments under one of the following two instruments:

- a. Letters of No Prejudice. Applicants that currently have no UMTA funds, or insufficient UMTA funds available to pursue a particular capital project, may request a "Letter of No Prejudice" (LONP) from UMTA for that project. When (additional) funds become available at a future date, an applicant may request UMTA funding for a project that is executed in accordance with all applicable requirements and that was performed under LONP authority. LONPs have an expiration date, that is, a date beyond which funding cannot be requested retroactively for the project. The period covered by a LONP generally does not extend beyond two years. An LONP is not, however, a commitment of funding.
- b. Advance Construction Authority. Applicants that have obligated all available formula funds and wish to proceed with a capital project, may request "advance construction authority" (ACA) for both project costs and interest paid to secure advance funding locally, not to exceed the amount available by formula from authorized levels. In order to receive ACA for a project, the project plans and specifications must be approved. This requirement for prior approval is an important difference from the LONP procedure and should be carefully noted.

Applicants should contact their UMTA Regional Office for further guidance on requirements and restrictions applicable to either of these instruments.

II-5 SECTION 15 REQUIREMENT. Section 15(b) of the UMT Act prohibits the Secretary of Transportation from making any grants under Section 9 unless the applicant for such grant and any person or organization to receive benefits directly from that grant are each subject to the Section 15 Reporting System and Uniform System of Accounts and Records. Applicants and beneficiaries under Section 9 must adhere to these systems as prescribed in UMTA regulations (49 CFR Part 630). Failure to do so will result in loss of eligibility for assistance under Section 9. However, this restriction does not apply in the case of any recipient that does not have transit operating data to report.



CHAPTER III

APPORTIONMENTS

- III-1 GENERAL. The Section 9 program apportionments will be published in the Federal Register, on an annual basis, following the enactment of the annual DOT Appropriation Act or a continuing resolution.
- III-2 FORMULA. Apportionment of funds to urbanized areas under the Section 9 program are made on the basis of a statutory formula, which is summarized in Appendix B. In general, the formula funds are apportioned on the basis of population and population density for urbanized areas under 200,000 population; and population, population density, fixed guideway route miles, bus and fixed guideway vehicle revenue miles, and bus and fixed guideway vehicle passenger miles travelled for urbanized areas over 200,000 population. Ferryboat services operated either by a recipient or under contract to a recipient, and electric trolley buses using overhead catenary for power distribution, are included, by statute, as fixed guideway system for purposes of calculation.
- Although the formula distinguishes between fixed guideway systems and bus transit systems, the amounts apportioned to an urbanized area on the basis of each type of service may be used for any eligible purpose at local discretion. An urbanized area with both bus and rail service, for instance, may elect to spend all its Section 9 funds on rail.
- III-3 DATA. Population and population density data are taken from the most recent decennial Census. All other data used for formula apportionment are taken from the latest published edition of National Urban Mass Transportation Statistics: Section 15 Report. Agencies making submissions are referred to UMTA's Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System (Volumes I and II and Reporting Manuals) and Section 15 Circulars (2710.1, 2710.2, 2710.4, 2710.5 and 2710.5A). Copies of these publications and general guidance on Section 15 requirements can be obtained from UMTA Headquarters. Appendix C updates the definitions of the particular data items used in the formula for allocating Section 9 funds and supersedes that information in the referenced circulars.
- III-4 TRANSFER OF APPORTIONMENTS BETWEEN AND AMONG URBANIZED AREAS. The Governor may transfer any amount of the state's apportionment for urbanized areas under 200,000 population to supplement funds apportioned to the state under the Section 18 Small Urban and Rural program, or to supplement funds apportioned to larger urbanized areas. The Governor may make such transfers only after consultation with responsible local officials and operators of publicly owned mass transportation services in each area to which the funding was originally apportioned, except that, funds remaining available for obligation 90 days prior to the expiration of their period of availability (year for which apportioned plus three) may be used by the Governor in any area within the state without prior consultation. In effect, the Governor may now transfer funds anywhere in the state following consultation, and the Governor may do so without consultation within the last 90 days the funds are available for obligation.

The Governor may transfer money from the state's apportionment under the Section 18 program to supplement funds apportioned to the state under Section 9 (for urbanized areas under 200,000 population). Amounts so transferred are subject to the program category limitations applicable to the original apportionment of such amounts. Prior UMTA approval is not required, but notification of the transfer should be provided by the Governor for each transaction. Further, all transfers must be shown in the Program of Projects and Budget form (Exhibit B).

A designated recipient in an urbanized area of 200,000 or more population may transfer its Section 9 apportionment, or a portion thereof, to the Governor, who must in turn distribute such apportionment to urbanized areas in the state pursuant to the requirements of Section 9. In such cases, the following process is applicable:

- a. The designated recipient (or recipients), after consultation with all potential grantees in the urbanized area, writes to the UMTA Regional Office indicating its intent to transfer its apportionment or a part thereof to the Governor or his designee. This letter should identify the amount of the apportionment to be transferred and the fiscal year for which appropriated, and indicate that all potential grantees have been consulted. All of the designated recipients in an urbanized area must concur in this letter;
- b. The Governor (or an authorized representative), either together with the designated recipient or separately, advises the UMTA Regional Office in writing of its willingness to accept the apportionment; states that the apportionment will be used only in accordance with Section 9 requirements; and recognizes that amounts transferred will be subject to the capital and operating assistance limitations applicable to the original apportionment of such amounts; and
- c. After receipt of these letters and verification that the apportionment is in fact available for transfer (i.e., the funds have been apportioned, have not been otherwise committed, etc.), UMTA, in writing, notifies both the designated recipient(s) and the Governor that the apportionment is available to the Governor for distribution in accordance with Section 9 upon receipt by UMTA of an appropriate grant application.

III-5 SUBAREA APPORTIONMENTS (ALLOCATIONS). In those urbanized areas with more than one grantee or designated recipient, UMTA expects local officials, operating through the Metropolitan Planning Organization (MPO), and designated recipients to determine the allocations. The subarea apportionment should be determined fairly and rationally through any process agreeable to the designated recipients.

To assist in making such subarea apportionments, any urbanized area may request from UMTA's Regional Offices the disaggregate data used in apportioning the total urbanized area's share of the entire Section 9 resource.

CHAPTER IV

PROGRAM OF PROJECTS AND BUDGET

IV-1 GENERAL REQUIREMENTS. To be considered for funding under Section 9, each designated recipient is required to develop, publish, afford an opportunity for a public hearing on, and submit for approval a program of projects. More specifically, a designated recipient is required to:

- a. Make available to the public information concerning the amount of funds available under Section 9 and the program of projects that the recipient proposes to undertake with such funds;
- b. Develop a proposed program of projects concerning activities to be funded in consultation with interested parties, including private transportation providers;
- c. Publish the proposed program of projects in sufficient detail and in such a manner as to afford affected citizens, private transportation providers, and, as appropriate, local elected officials, an opportunity to examine its content and to submit comments on the proposed program of projects and budget and on the performance of the recipient; and
- d. Afford an opportunity for a public hearing to obtain the views of citizens on the proposed program of projects.

In preparing the final program of projects to be submitted to the appropriate UMTA Regional Office, the recipient must consider any such comments and views, particularly those of private transportation providers, and if deemed appropriate by the recipient, must modify the proposed program of projects and budget. The final program of projects and budget is to be made available to the public.

The final program of projects and budget should not exceed the amount apportioned to the urbanized areas or, in the case of subarea apportionments, the amount apportioned to each designated recipient, plus Section 9 carryover funds for previous years, if appropriate, and funds transferred from other urbanized areas or from the Section 18 program. Apportioned funds transferred to another urbanized area or to the Section 18 program should be deducted from those available to an area. However, it is appropriate to submit a contingency portion of the program of project which lists a reasonable number of projects for funds exceeding the amount available. Projects may be advanced from this contingency portion in the event that projects on the final program of projects and budget must be dropped. Only those projects listed in the contingency can be advanced to the final program of projects without prior UMTA approval. However, UMTA must be notified in writing of each such transaction.

It is UMTA's intent to fully obligate on an annual basis all appropriated funds to the maximum extent feasible. In that regard, designated recipients are strongly encouraged to submit programs of projects (as described in this Chapter) early in the fiscal year. Urbanized areas containing multiple designated recipients are strongly encouraged to cooperatively develop individual programs of projects that in combination would fully obligate apportioned funds to the urbanized area. In the event that a designated recipient is unable to obligate its allocation of Section 9 funds, it may be appropriate to temporarily transfer such unobligated amounts to another designated recipient within the urbanized area for replacement in subsequent fiscal years. Through this process, each designated recipient within the urbanized area may receive its full share of Section 9 funds, if it so chooses.

In this regard it should be noted that UMTA may not allocate discretionary bus and bus related funds under Section 3 until each designated recipient in the urbanized area has programmed all of its available formula funds including those available under Section 9.

IV-2 PLANNING PROJECTS.

- a. Scope. Section 9 funds are available for all planning purposes currently funded under Section 8 of the UMT Act. That is, Section 9 funds are available for contracts and grants for the planning, engineering design and evaluation of public transportation projects and for other technical studies. Eligible activities include, but are not limited to, studies relating to management, operations, capital requirements and economic feasibility; preparation of engineering and architectural surveys, plans and specifications; evaluation of previously funded projects; and other similar or related activities preliminary to and in preparation for the construction, acquisition or improved operation of public transportation systems, facilities and equipment.
- b. Procedure. Planning projects should be listed in the Section 9 program of projects and budget. However, the detailed spending plan for these projects must be included in a Unified Planning Work Program (UPWP) endorsed by the Metropolitan Planning Organization (MPO) and approved by UMTA. Grant recipients, if not the MPO, may pass Section 9 program resources to the MPOs and other local planning agencies. In that event, the recipient is responsible for grant administration, unless the planning agency becomes a recipient or a supplemental agreement is executed as described in the previous chapter on eligibility under "Other Recipients/Grantees." Planning projects for Section 9 funding do not have to be included in the Transportation Improvement Program/Annual or Biennial Elements, but must continue to be included in the UPWP. It is also important to note that although Section 9(e)(1) calls for all grants made under Section 9 to be subject to the provisions of Section 13(c), UMTA, in collaboration with the Department of Labor, has determined that it is inappropriate to apply Section 13(c) requirements to planning projects.

- c. Use of Section 9 to Supplement Section 8 Funding. The basic comprehensive transportation planning program should continue to be funded through the basic Section 8 resource including pass through to the transit operator for work activities best done by the operators. Use of Section 9 funds is encouraged for technical studies of special interest to the operator, such as maintenance plan development or operational planning, when the basic Section 8 resource is insufficient to meet such needs. Similarly, where a high cost study is proposed, such as one for alternatives analysis, the use of Section 9 funds for at least a portion of the study to supplement available Section 8 funds may be permitted.

IV-3 CAPITAL PROJECTS. All capital projects listed in the program of projects should be drawn from the area's Transportation Improvement Program/Annual or Biennial Element. The requirements for programming projects in the Annual or Biennial Element are provided in 49.C.F.R. Part 613, Subpart B (1984), "Transportation Improvement Program."

- a. Rolling Stock Requirements. The paragraph that follows on Scope (paragraph IV-3b) identifies legally eligible capital assistance activities for the Section 9 program. With reference to programming projects for the acquisition or rehabilitation of transit rolling stock, applicants need to be aware of the following specific policies which, absent extenuating circumstances, guide UMTA's review of proposed programs of projects, and should guide the planning leading to project proposals. They are meant to ensure that vehicles are maintained and remain in mass transit use for their normal service lives and to ensure that the vehicles are necessary for regularly scheduled mass transit revenue service (i.e., to meet peak service requirements with a reasonable allowance for spares). Service life of rolling stock begins on the date the vehicle is placed in revenue service and continues until it is removed from service.

Assurance of compliance with these policies is provided by a self-certification made by the applicant (see Exhibit I, page V-22). Applicants who propose projects which are not consistent with these policies must attach to the application a description justifying extenuating circumstances. This justification may reference material provided at the planning stage.

(1) Bus Requirements.

- (a) Minimum Normal Service Life. Minimum normal service lives for buses are stated below.

- 1 Standard size heavy duty (approximately 35'-40') transit buses: at least twelve years service or an accumulation of at least 500,000 miles.
- 2 Medium size heavy duty (approximately 30') transit buses: at least ten years service or an accumulation of at least 350,000 miles.

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- 3 Small medium duty (under 30') transit buses: at least seven years service or an accumulation of at least 200,000 miles.
- 4 Other vehicles such as regular and specialized vans: at least four years service or an accumulation of at least 100,000 miles.

It should be noted that, for purposes of program administration, UMTA considers the value of vehicles prior to the end of a normal service life to be based on straight-line depreciation and that removal of an UMTA funded vehicle from revenue service before the end of its normal service life, for any reason, requires a reimbursement to UMTA of the Federal share of its remaining value. Consistent with this policy, the suggested vehicle service life standards stated above in years refer to time in normal service, not time spent stockpiled or otherwise unavailable for regular transit duty. Applicants who regularly measure bus life span by hours of operation, or any other yardstick, may develop an appropriate methodology for converting their own system to either miles operated or years of service. The reasonableness of such methodologies will be subject to examination at the time of the TIP/AE and triennial reviews, particularly where early retirement of buses is proposed. The eligibility of three of the bus project categories (page IV-7, paragraph IV-3b(1)) is directly related to these useful life standards. The requirements of the three bus categories, including useful life criteria, are discussed below.

- (b) Replacement. Buses proposed to be replaced should be at the end of a minimum normal service life. For purposes of routine Section 9 bus replacement grant applications, the age of the bus to be replaced is its years of service at the time the proposed new bus is introduced into service.
- (c) Rebuilding. Rebuilding of buses may be defined either as rehabilitation or remanufacture.
 - 1 Rehabilitation. Rebuilding of bus systems to original specifications of the manufacturer. This may include some new components but has less emphasis on structural restoration than would be the case in a remanufacturing operation as described below, focusing instead on mechanical systems and vehicle interiors. Rehabilitation should provide additional service life of at least five years.
 - 2 Remanufacture. Structural restoration of a standard, heavy-duty bus in addition to installation of new or rebuilt major components to extend its service life at least eight years.

Buses to be rebuilt should be at the end of a minimum normal service life (e.g. 12 years of service or 500,000 miles for standard size buses) and in need of major structural and/or mechanical rebuild, in accordance with the guidelines in subparagraphs IV-3a(1)(c)1 and 2 above. For purposes of Section 9 bus rebuilding grant applications, the age of the bus at the time the rebuilding work is to start will be used. Bus rebuilding must be more cost effective than the purchase of a new equivalent sized transit coach. Thus, the total cost of rebuilding a bus should normally not exceed the yearly amortized value (straight line method) of a new bus multiplied by the number of years of useful life to be added to the bus through rebuilding. The service life of the total bus (not just some component) must be extended for the period indicated in subparagraph IV-3a(1)(c)1 and 2 above, or, in the case of smaller buses, at least 40% of its normal service life. Bus rebuilding work should normally be procured competitively from private sector sources unless there are mitigating circumstances that preclude this action. However, if done in-house, there should be no interference with normal bus maintenance activities. Further, such in-house rebuilding should not be construed as an existing condition or right to be included in a future 13(c) agreement.

- (d) Spare Ratio. Spare ratios will be taken into account in the review of projects proposed to replace, rebuild or add vehicles. The basis for determining a reasonable spare bus ratio should take into consideration specific local service factors. The number of spare buses in the active fleet for grantees owning fifty or more revenue vehicles should normally not exceed 20 percent of the vehicles operated in maximum service. For purposes of the spare ratio calculation, "vehicles operated in maximum service" should be in accordance with the definition of this term under the Section 15 reporting requirements (49 C.F.R. Part 630).

For purposes of Section 9 bus grants, applicants must certify that both their current spare ratio and the spare ratio anticipated at the time the new buses are introduced into service, are in conformance with these guidelines. While these spare ratio guidelines are specifically addressed to applicants owning fifty or more revenue vehicles, applicants owning fewer vehicles are encouraged to conform to them. In addition, it is UMTA's intention to review this spare ratio guideline periodically to determine if a reduction is warranted. All grantees will have their spare ratio history examined during triennial reviews.

(e) Contingency Fleet. Buses may be placed in an active contingency fleet for energy or other local emergencies. No bus is to be stockpiled before that vehicle has reached the end of its normal minimum useful life. Buses held in a contingency fleet must be properly stored and maintained, and grantees must be prepared to furnish a contingency plan, updated as necessary, at the time of the TIP/AE and triennial reviews, to support the continuation of such a contingency fleet. Any rolling stock not supported by a contingency plan will be considered as part of the active fleet.

(2) Rail Requirements.

- (a) Replacement. Any rail vehicle proposed for replacement must be at least 25 years old. While 25 years is the minimum replacement life for Federal capital funding purposes, grantees may continue to specify longer service life requirements in their procurement documents. For purposes of Section 9 rail vehicle replacement projects, the age of the vehicle to be replaced is its age at the time the proposed new vehicles are introduced into service.
- (b) Rebuilding. Rebuilding must be more cost effective than the purchase of equivalent new rolling stock. Thus, the cost of rebuilding should normally not exceed the yearly amortized value (straight line method) of a new vehicle multiplied by the number of years of useful life to be added to the vehicle through rebuilding. The service life of the vehicle must be extended by at least 40 percent of the original service life. Rolling stock to be rebuilt must have reached the end of its minimum normal service life. Routine maintenance and repair costs are not eligible capital expenses.
- (c) Spare Ratio. Because rail transit operations tend to be highly individualized, no specific guideline is being suggested for a spare ratio for rail transit operations. Nevertheless, rail transit operators should be aware that their spare ratios will be examined during the TIP/AE and triennial review.
- (d) Rail Rolling Stock Overhaul. Overhaul of rail rolling stock is considered to be the one-time rebuild or replacement of major subsystems on revenue producing rail cars and locomotives commonly referred to as midlife overhaul. To be eligible for UMTA assistance, the rolling stock to be overhauled must have an accumulated service life of at least 12 years.

- b. Scope. Section 9 funds are available for a wide range of capital assistance activities, examples of which are indicated below in paragraphs (1) and (2). In addition, funds may be used to acquire associated capital maintenance items, as outlined in Appendix D. All such capital funding will be at an 80 percent Federal matching ratio. Additionally, capital funding at matching ratios of 90 and 95 percent are available as outlined in Chapter I.

When proposed projects are known by UMTA to be at variance with the legal requirements or established program policies, UMTA will approve the program of projects and budget, but exclude such projects. Section 9(g) of the Act further requires UMTA to undertake reviews, audits, and evaluations in order to monitor compliance with program submittals and all applicable legal requirements. Section 9(g) also authorizes UMTA to take any action deemed appropriate, including an adjustment in the amount of annual assistance, based on the findings of such reviews or audits. Eligible capital assistance activities include the following categories under the bus and fixed guideway project headings:

(1) Bus and Bus Related Facilities Projects.

- (a) Public buy out of private operator(s);
- (b) Replacement of buses;
- (c) Rehabilitation of buses;
- (d) Remanufacture of buses;
- (e) Expansion of bus fleets;
- (f) Crime prevention and security equipment;
- (g) Purchase/installation of service/support equipment;
- (h) Construction of maintenance facility (including design and engineering, demolition, etc.);
- (i) Rehabilitation of maintenance facility (including design and engineering, land acquisition, relocation, etc.);
- (j) Construction of other facilities (transit malls, transfer facilities, intermodal terminals, bus shelters, etc., including design and engineering, land acquisition); and
- (k) Operational support (computer hardware/software, bus diagnostic equipment, and other activities that enhance system operations and efficiency while reducing operating costs).

(2) Fixed Guideway Systems Projects.

- (a) Rolling stock (railcars, locomotives, work trains, ferryboats);
- (b) Track;
- (c) Line equipment;
- (d) Line structures;
- (e) Passenger stations, depots and terminals;
- (f) Signals and communications;
- (g) Power equipment/substations;
- (h) Security systems;
- (i) Operational support (computer hardware/software); and
- (j) System extensions or new system construction engineering, demolition, etc.).

(3) Other Projects

- (a) Technology introductions; and
- (b) Innovative techniques and methods

It should be noted that each program category may represent an individual project and should include all associated costs including land acquisition, relocation, demolition, engineering, force account, administration, and contingency.

For project activities limited to preliminary engineering and land acquisition, prior UMTA approval is needed before funds can be programmed for construction.

c. Procedures. The following procedures will apply for capital programming in each of the noted categories:

- (1) Routine Bus and Fixed Guideway Projects. All routine bus and fixed guideway projects should be described in sufficient detail to permit general understanding of the purpose of the planned activity by the public.
- (2) Associated Capital Maintenance Item Projects. Associated capital maintenance items that are eligible under the provisions of Appendix D need only be listed as a single line item.
- (3) New System Construction. Grantees may use Section 9 funds for locally determined transit purposes, including alternatives analysis, land acquisition, preliminary engineering, final design and engineering, and new fixed guideway construction. Alternatives analysis and preliminary engineering activities may be initiated within available funding levels. UMTA will participate in the initiation and conduct of these activities in accordance with established procedures.

Consultation is advisable to ensure the analyses are complete and regeneration of studies will not be necessary should there be a subsequent decision to seek Section 3 funds. Before commencing right-of-way acquisition or new start construction. Pre-clearance from the UMTA Administrator or his designee is necessary. Right-of-way acquisition decisions will be made pursuant to Departmental regulations issued to implement the National Environmental Policy Act of 1969. Approval for construction will be granted only if certain conditions are met. Specifically, the recipient would have to certify to UMTA:

- (a) that no future Section 3 discretionary assistance will be needed either for that new start project or for other routine capital needs. In essence, the recipient must be able to commence and complete the new start project entirely with Section 9 formula funds, private resources, State and local resources, and other Federal non-discretionary resources.

This is similar to the existing UMTA policy regarding use of Interstate Transfer funds for new starts. If the recipient cannot make this certification, Section 9 funds may not be used unless and until a commitment is received for Section 3 financing;

- (b) that sufficient funds are available to operate and maintain that system;
- (c) that the project is cost-effective based on the results of an alternatives analysis. (Note: If grantees go ahead with Section 9 and do not use any Section 3, the cost-effectiveness representation can be on their terms, that is, land use impacts, comfort, amenity, etc.-- their objectives. However, the recipient must also show that there is a minimum transit benefit associated with the project as demonstrated by an increase in ridership when compared with a transportation system management alternative. If they use Section 3, the tests are on UMTA's terms. More narrowly defined transportation benefits are the objective, that is, added passengers, travel timesaving, etc.); and
- (d) that the system will meet minimum design criteria to ensure safe system construction and operation.

The project would also have to satisfy all other applicable laws and regulations, including the National Environmental Policy Act.

Applicants who are able to satisfy UMTA's requirements for new start construction under the Section 3 program, and have received a commitment for such funds, may use available formula (or Interstate Transfer) resources to supplement the Section 3 funds, provided routine capital needs are met within the Section 9 funds available.

- (4) Technology Introduction and Innovative Techniques and Methods. Section 9 funds are available for projects which involve the introduction of new technology and the adoption of innovative techniques and methods. Specific program objectives and requirements are outlined in Appendix E.

IV-4 OPERATING ASSISTANCE PROJECTS.

- a. Transportation Improvement Program. All operating assistance projects listed in the program of projects and budget should be drawn from the area's Transportation Improvement Program/Annual or Biennial Element (TIP/AE or BE). The requirements for programming projects in the Annual or Biennial Element are provided in 49 CFR 613, Subpart B, "Transportation Improvement Program."

UMTA encourages the programming of more than one year of operating projects in the Biennial Element. In the event that the total Federal share for Section 9 projects listed in the Biennial Element for any one program year exceeds the apportioned amounts, plus carryover amounts, the applicant should adjust the estimated amounts, when the program of projects and budget is developed, to reflect actual amounts available for the year.

- b. Scope. The Section 9 program provides operating assistance funds for urbanized areas. Funds available for such programming are limited, by a statutory funding "cap", to: a portion of an urbanized area's annual apportionment; any Section 9 carryover balance from previous years that was eligible for operating assistance in its original apportionment; and funds transferred from another urbanized area provided those funds also were eligible for operating assistance in their original apportionment.
- c. Procedure. The level of Section 9 funding that is available and can be drawn down for operating assistance purposes can be determined as follows:

- (1) Limitations on Operating Assistance Grants. An urbanized area's FY 1982 apportionment for Sections 5(a)(1)(A)--Tier I, 5(a)(2)(A)--Tier II, and 5(a)(3)(A)--Tier III, excluding any available carryover balances from previous years, is the basis for determining the amount of money that may be used for operating purposes under Section 9. For urbanized areas of 1,000,000 or more in population, up to 80 percent of the FY 1982 Section 5, Tiers I, II and III apportionment may be used for operating expenses. For urbanized areas of 200,000 or more, but less than 1,000,000 the percentage is 90 percent, and for urbanized areas of less than 200,000 the percentage is 95 percent. An urbanized area that became an urbanized area for the first time under the 1980 census or after may use an amount equal to up to 2/3 of its apportionment received during the first full year it received Section 9 funds for operating assistance.

On October 1, 1987, the amount of Section 9 funds available for use as operating assistance by urbanized areas of less than 200,000 population will be increased by 32.2 percent and beginning October 1, 1988, will be increased each year to reflect increases in the Consumer Price Index.

The appropriate percentage of the FY 1982 Section 5, Tiers I, II and III apportionment (or the first full post-1980 Section 9 apportionment for new urbanized areas) is called the "cap," and it represents a restriction on the use of Section 9 funds for operating purposes. This restriction applies on an urbanized area basis and does not have to be applied equally to individual grantees within an urbanized area. Funds apportioned under Section 9 which exceed the applicable cap may only be used for planning and capital assistance purposes.

It should be noted that the portion of the Governor's apportionment that is available for operating assistance (cap) may be allocated by the Governor to urbanized areas within the state in any amount. There is no requirement that a specific percentage of an area's total Section 9 allotment from the Governor's apportionment be available for operating assistance so long as the cap is observed at the state level.

- (3) Operating Assistance Requested. An operating assistance project budget worksheet is provided in Appendix F, to help recipients/grantees determine the amounts of available Section 9 funds that can actually be requested. The use of this worksheet will ensure consistency in the manner operating expenses are calculated as well as provide an audit trail, which may have long-term benefits to the recipients.
- (4) Display in Program of Projects. To show operating assistance projects in the program of projects and budget, the following information is requested:
 - (a) project year (period);
 - (b) annual apportionment;
 - (c) available carryover balances;
 - (d) amount of funds transferred to or received from another urbanized area or the Section 18 program;
 - (e) total funds available; and
 - (f) total funds requested.



CHAPTER V

APPLICATION INSTRUCTIONS

V-1 GENERAL. The overriding intent of the law is to provide a simple grant application and review process for this formula grant program, and to give grantees maximum flexibility in the use of funds for eligible purposes. The program of projects and budget, for example, is meant to encourage a single grant application for a group of projects, rather than a series of applications for individual projects. Though the program of projects and budget is not an entirely new concept in the Act, in conjunction with self certifications by applicants that various requirements in the law will be met, it offers an unusual opportunity to simplify and speed up the grant delivery system.

Presented in this chapter are the five parts that must be included in an application to UMTA for Section 9 funding.

V-2 PART I - OFFICE OF MANAGEMENT AND BUDGET (OMB) BUDGET INFORMATION FORMS AND INSTRUCTIONS. The OMB Standard Form 424 is multi-purpose and must be used by applicants as a required factsheet for grant applications submitted pursuant to OMB Circular A-102. It also must be used by Federal agencies to report grant award or intent to award information. A copy of the standard form is provided in Exhibit A. It must be completed in its entirety. (A supply of these forms is available in the UMTA Regional Offices.)

V-3 PART II - PROGRAM OF PROJECTS AND BUDGET. Consistent with the program of projects and budget procedure provided in Chapter IV of this circular, each designated recipient(s), in consultation with officials of State and/or local governments concerned, interested parties and private transportation providers should essentially carry out the following activities.

- a. Subarea apportionment of the Section 9 program resource. The Section 9 program apportionment, which will be published in the Federal Register following an Appropriations Act or a Continuing Resolution, is the basis for developing a program of projects and budget. However, UMTA recognizes that in urbanized areas with multiple recipients, a subarea apportionment has to be completed by the local governmental entities concerned prior to the development of the program of projects and budget. To the extent that such information would be useful in making the subarea apportionments and that it is not available in the Section 15 report, UMTA regional staff will provide, on request, the base (raw) data used for making the urbanized area apportionment.

Recipients are encouraged to expedite the subarea apportionment process so as to facilitate the programming and grant development processes. UMTA will not intervene in this process which is clearly within the purview of the state and/or local governmental entities.

EXHIBIT A

OMB Approval No. 0348-0043

**APPLICATION FOR
FEDERAL ASSISTANCE**

1. TYPE OF SUBMISSION <i>Application</i> <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		<i>Preapplication</i> <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		2. DATE SUBMITTED	Applicant Identifier
3. DATE RECEIVED BY STATE				State Application Identifier	
4. DATE RECEIVED BY FEDERAL AGENCY				Federal Identifier	
5. APPLICANT INFORMATION					
Legal Name			Organizational Unit		
Address (give city, county, state, and zip code)			Name and telephone number of the person to be contacted on matters involving this application (give area code)		
6. EMPLOYER IDENTIFICATION NUMBER (EIN): [] [] [] - [] [] [] [] [] [] [] []			7. TYPE OF APPLICANT: (enter appropriate letter in box) <input type="checkbox"/>		
8. TYPE OF APPLICATION <input type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) <input type="checkbox"/> <input type="checkbox"/> A Increase Award B Decrease Award C Increase Duration D Decrease Duration Other (specify) _____			A State B County C Municipal D Township E Interstate F Intermunicipal G Special District H Independent School Dist. I State Controlled Institution of Higher Learning J Private University K Indian Tribe L Individual M Profit Organization N Other (Specify) _____		
9. NAME OF FEDERAL AGENCY: _____					
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER [] [] [] - [] [] [] [] [] [] [] [] TITLE		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT			
12. AREAS AFFECTED BY PROJECT (cities, counties, states, etc.)					
13. PROPOSED PROJECT Start Date Ending Date		14. CONGRESSIONAL DISTRICTS OF a Applicant b Project			
15. ESTIMATED FUNDING		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?			
a Federal	\$	.00		a YES THIS PREAPPLICATION APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE _____	
b Applicant	\$	.00		b NO <input type="checkbox"/> PROGRAM IS NOT COVERED BY E.O. 12372 <input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
c State	\$	.00			
d Local	\$	.00			
e Other	\$	.00			
f Program Income	\$	.00		17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT? <input type="checkbox"/> Yes If "Yes," attach an explanation <input type="checkbox"/> No	
g TOTAL	\$	.00			
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF ALL DATA IN THIS APPLICATION PREAPPLICATION ARE TRUE AND CORRECT, THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED					
a Typed Name of Authorized Representative			b Title		c Telephone number
d Signature of Authorized Representative					e Date Signed

INSTRUCTIONS FOR THE SF 424

This is a standard form used by applicants as a required facesheet for preapplications and applications submitted for Federal assistance. It will be used by Federal agencies to obtain applicant certification that States which have established a review and comment procedure in response to Executive Order 12372 and have selected the program to be included in their process, have been given an opportunity to review the applicant's submission.

- | Item: | Entry: | Item: | Entry: |
|-------|--|-------|--|
| 1. | Self-explanatory. | 12. | List only the largest political entities affected (e.g., State, counties, cities). |
| 2. | Date application submitted to Federal agency (or State if applicable) & applicant's control number (if applicable). | 13. | Self-explanatory. |
| 3. | State use only (if applicable). | 14. | List the applicant's Congressional District and any District(s) affected by the program or project. |
| 4. | If this application is to continue or revise an existing award, enter present Federal identifier number. If for a new project, leave blank. | 15. | Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions should be included on appropriate lines as applicable. If the action will result in a dollar change to an existing award, indicate <i>only</i> the amount of the change. For decreases, enclose the amounts in parentheses. If both basic and supplemental amounts are included, show breakdown on an attached sheet. For multiple program funding, use totals and show breakdown using same categories as item 15. |
| 5. | Legal name of applicant, name of primary organizational unit which will undertake the assistance activity, complete address of the applicant, and name and telephone number of the person to contact on matters related to this application. | 16. | Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the State intergovernmental review process. |
| 6. | Enter Employer Identification Number (EIN) as assigned by the Internal Revenue Service. | 17. | This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of debt include delinquent audit disallowances, loans and taxes. |
| 7. | Enter the appropriate letter in the space provided. | 18. | To be signed by the authorized representative of the applicant. A copy of the governing body's authorization for you to sign this application as official representative must be on file in the applicant's office. (Certain Federal agencies may require that this authorization be submitted as part of the application.) |
| 8. | Check appropriate box and enter appropriate letter(s) in the space(s) provided:
— "New" means a new assistance award.
— "Continuation" means an extension for an additional funding/budget period for a project with a projected completion date.
— "Revision" means any change in the Federal Government's financial obligation or contingent liability from an existing obligation. | | |
| 9. | Name of Federal agency from which assistance is being requested with this application. | | |
| 10. | Use the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested. | | |
| 11. | Enter a brief descriptive title of the project. If more than one program is involved, you should append an explanation on a separate sheet. If appropriate (e.g., construction or real property projects), attach a map showing project location. For preapplications, use a separate sheet to provide a summary description of this project. | | |

- b. Develop and publish a program of projects and budget. The recipient should develop a program of projects and budget consistent with the format provided in Exhibit B and the example provided in Exhibit C. The program should reference the apportionment to the urbanized area; carryover funds from previous years and funds transferred to or from another urbanized area or the state; the subarea apportionments by recipient; and a list of prioritized projects for the designated recipient, the recipient and the amounts allocated. Each capital and operating project programmed has to be included in an approved TIP/AE (BE). Interested parties, including private transportation providers, should be identified and consulted throughout the development process.

When the program of projects and budget is completed, with the required consultation, the document has to be published and made available in such a manner as to afford affected citizens, private transportation providers and, as appropriate, local elected officials an opportunity to examine its content and to submit comments on the document and on the performance of the recipient(s). UMTA will not prescribe the manner by which the program of projects and budget is made available. UMTA will assume that the document has been made available upon receipt from the recipient. The proposed program of projects and budget, submitted to the UMTA Regional Office with the other application requirements discussed herein, will constitute an application and will be forwarded to the Department of Labor for Section 13(c) labor certifications, as well as be reviewed in light of other prevailing statutory requirements (environmental, relocation, etc.).

- c. Afford an opportunity for public hearing. The recipient should afford an opportunity for a public hearing on the program of projects and budget, if one has not been held during development, to provide citizens a forum to present their views on the projects proposed. The decision to hold a public hearing will be left to the recipient within the public hearing guidelines previously provided.
- d. Submit a final program of projects and budget to UMTA. The recipient should submit a final program of projects and budget only if changes were made as a result of the consultative or public review processes. Any changes should be highlighted. UMTA should be notified by letter that the program of projects and budget process is complete, and that the proposed program is not the final program.

EXHIBIT B
SECTION 9
PROGRAM OF PROJECTS AND BUDGET

Urbanized Area: _____
Designated Recipient: _____
Grantee: _____
Program Number: _____

Apportionment for 19__ : _____
Carryover Funds: _____
Transfer Funds (+ or -): _____
Total Funds Available: _____

<u>Project Description</u>	<u>local</u>	<u>federal</u>	<u>total</u>
I. CAPITAL PROJECTS:			
a. 80/20 funding.			
(1) _____	\$ _____	\$ _____	\$ _____
(2) _____	_____	_____	_____
_____	_____	_____	_____
(10) _____	_____	_____	_____
b. 90/10 funding.			
(1) _____	_____	_____	_____
(2) _____	_____	_____	_____
c. 95/05 funding.			
(1) _____	_____	_____	_____
(2) _____	_____	_____	_____
subtotal capital	_____	_____	_____
II. OPERATING ASSISTANCE (up to 50% funding) for period from _____ to _____			
III. PLANNING (80/20 funding):			
(1) _____	_____	_____	_____
(2) _____	_____	_____	_____
_____	_____	_____	_____
(10) _____	_____	_____	_____
subtotal planning	_____	_____	_____
TOTALS:			
IV. CONTINGENCY PROJECTS:*			
(11) _____	_____	_____	_____
(12) _____	_____	_____	_____
_____	_____	_____	_____
(15) _____	_____	_____	_____

*NOTE: Projects may be advanced from this contingency portion in the event that projects on the final program of projects and budget must be dropped. Only the projects in the contingency can be advanced without prior UMTA approval.

EXHIBIT C
SECTION 9
SAMPLE PROGRAM OF PROJECTS AND BUDGET

Urbanized Area: <u>Vineyard City</u>	Apportionment for 1987: <u>6,000,000</u>
Designated Recipient: <u>Vineyard Area Transit</u>	Carryover Funds: <u>2,100,000</u>
Grantee: <u>Vineyard Interneighborhood Operations</u>	Transfer Funds (+ or -): <u>-600,000</u>
Program Number: _____	Total Funds Available: <u>7,500,000</u>

<u>Project Description</u>	<u>local</u>	<u>federal</u>	<u>total</u>
I. CAPITAL PROJECTS:			
a. 80/20 funding.			
(1) <u>replacement buses</u>	\$ <u>700,000</u>	\$ <u>2,800,000</u>	\$ <u>3,500,000</u>
(2) <u>V.A.T. terminal improvements</u>	<u>500,000</u>	<u>2,000,000</u>	<u>2,500,000</u>
(10) <u>bus stop signs</u>	<u>200,000</u>	<u>800,000</u>	<u>1,000,000</u>
b. 90/10 funding.			
(1) <u>bike racks</u>	<u>50</u>	<u>450</u>	<u>500</u>
(2) <u>bike accessibility at Grapetown U terminal</u>	<u>350</u>	<u>3,150</u>	<u>3,500</u>
c. 95/05 funding.			
(1) <u>E&H only buses</u>	<u>10,000</u>	<u>190,000</u>	<u>200,000</u>
(2) <u>accessibility at Senior City Transit Facility</u>	<u>75</u>	<u>1,425</u>	<u>1,500</u>
<u>subtotal capital</u>	<u>1,410,175</u>	<u>5,795,025</u>	<u>7,205,500</u>
II. OPERATING ASSISTANCE (up to 50% funding) for period from <u>July 1</u> to <u>June 30</u>			
	<u>140,000</u>	<u>60,000</u>	<u>200,000</u>
III. PLANNING (80/20 funding):			
(1) <u>route study</u>	<u>6,000</u>	<u>24,000</u>	<u>30,000</u>
(2) <u>special demand projection study</u>	<u>20,000</u>	<u>80,000</u>	<u>100,000</u>
(10) <u>E&H study</u>	<u>40,000</u>	<u>160,000</u>	<u>200,000</u>
<u>subtotal planning</u>	<u>66,000</u>	<u>264,000</u>	<u>330,000</u>
TOTALS:	<u>1,616,475</u>	<u>6,119,025</u>	<u>7,735,500</u>
IV. CONTINGENCY PROJECTS:*			
(11) <u>station signs</u>	<u>40,000</u>	<u>160,000</u>	<u>200,000</u>
(12) <u>rehab buses</u>	<u>48,000</u>	<u>192,000</u>	<u>240,000</u>
(15) <u>assoc. capt. maintenance items</u>	<u>8,000</u>	<u>32,000</u>	<u>40,000</u>

*NOTE: Projects may be advanced from this contingency portion in the event that projects on the final program of projects and budget must be dropped. Only the projects in the contingency can be advanced without prior UMTA approval.

V-4 PART III - EXPENDITURE DETAIL. Under Section 9, a program of projects and budget (POP) (Exhibit B) should be developed as the basis for grant approval. Along with this applicants should list the separate activity elements associated with each individual project and the Federal share attributable to each activity, in the Expenditure Detail (Exhibit D). While the POP describes the general purpose of proposed projects and aggregate expenditures (such as "Purchase replacement buses"), the Expenditure Detail provides the specifics of how the general purpose is to be achieved. For example, a project on the POP might be listed as "Purchase of replacement buses" whereas the specifics of achieving that project purpose could be described as "8 standard size, 53 passenger transit coaches". Amendments and budget revisions are based on the budget information contained in the Program of Projects and Budget.

EXHIBIT E
SECTION 9
SAMPLE EXPENDITURE DETAIL

Urbanized Area: Vineyard City
Designated Recipient: Vineyard Area Transit
Grantee: Vineyard Interneighborhood Operations
Program Number: _____

<u>Project Activities</u>	<u>Budget Codes</u>	<u>Federal Share</u>
I. CAPITAL		
A. 80/20 funding:		
(1)a.25 35' 53 passenger diesel buses	11.12.02	\$ 2,800,000
b. _____	_____	_____
c. _____	_____	_____
(2)a.replace roof at VAT terminal	11.34.01	2,000,000
b. _____	_____	_____
_____	_____	_____
(10)a.50 bus stop signs	11.32.09	800,000
b. _____	_____	_____
B. 90/10 funding:		
(1)a.2 10-bike racks--Vineyard Loop	11.42.41	450
(2)a.ramp to boarding platform	11.42.42	2,000
b. 7 10-bike racks	11.42.41	1,500
C. 95/05 funding:		
(1)a.2 35-foot buses	11.42.30	190,000
(2)a.installation of boarding ramp	11.42.32	1,425
		subtotal capital \$ 5,795,025
II. OPERATING ASSISTANCE (up to 50% funding):		
for period from <u>July 1</u> to <u>June 30</u>	30.09.00	\$ 60,000
III. PLANNING (80/20 funding):		
(1)a.route study	42.12.02	\$ 24,000
b. _____	_____	_____
(2)a.demand projection study	42.13.01	80,000
_____	_____	_____
(10)a.E&H study	42.16.01	160,000
		subtotal planning \$ 264,000
TOTAL FEDERAL FUNDING (I, II, and III): \$ 6,119,025		
IV. CONTINGENCY PROJECTS:		
(11)a. _____	_____	\$ _____
b. _____	_____	_____
(12)a. _____	_____	_____
_____	_____	_____
(15)a. _____	_____	_____
b. _____	_____	_____

EXHIBIT F

SECTION 9

SAMPLE APPLICATION TABLE OF CONTENTS

I. SUBMISSIONS WITH EACH APPLICATION:

- A. Transmittal Letter incorporating the commitment of local share
- B. SF 424 including State Intergovernmental Review Certification (UMTA C 9500.1)
- C. Program of Projects and Budget
- D. Expenditure Detail
- E. Protection of the Environment (if required) (UMTA C 5620.1)
- F. Statement of Continued Validity of One-Time Submissions (UMTA C 9100.1A)

II. ANNUAL SUBMISSIONS (status only)

- A. Section 15 Reports
- B. Governor's Report (required only for urbanized areas under 200,000 and those areas with fund transfers)
- C. TIP/AE or BE with Private Sector Participation (UMTA C 7005.1)
- D. Title VI Plans and Updates (UMTA C 1160.1), EEO Plan (UMTA C 1155.1), DBE Plan and Annual Goals (UMTA C 4716.1), 504 Plan
- E. Supplemental Agreements (if necessary)

III. ONE-TIME SUBMISSIONS (status only)

- A. Opinion of Counsel
- B. Certified Authorizing Resolution
- C. Standard Assurances (UMTA C 9100.1A)
- D. List of Labor Unions
- E. Section 9 Certification
- F. Designation of Recipient(s)
- G. Charter Bus Agreement

This listing of documents required for grant approval or to establish basic applicant eligibility, or both, is divided into three groups based on the frequency of submission.

Section I includes documents that must be submitted with each application for funds. Documents listed in Section II are submitted on an annual basis and need not accompany an application for funding. However, there must be a current document meeting each applicable requirement on file with UMTA before funds can be granted.

The final grouping, Section III, lists required documents that, once submitted, remain on file with UMTA and need only to be updated, as necessary.

This table is provided as an aid to applicants to assist them in reviewing the completeness of a proposed funding request before formal application is made to

V-5 PART IV - SUPPLEMENTAL EXHIBITS. The following exhibits are often necessary to facilitate the grant development process. Applicants are advised to submit them as required. (The need for them can be determined on a case-by-case basis in consultation with the UMTA Regional Office.)

- a. Labor. For those programs requiring a Section 13(c) certification by the Department of Labor, each designated recipient/grantee should identify labor unions (names and addresses) that represent employees of the transit system(s) and indicate how implementation of the program will affect these employees. This information is not required for those projects in the program that are under current Section (13(c) certification.
- b. Private Enterprise Description. For UMTA to make the finding required by Section 3(e) of the UMT Act, a description is needed of existing private mass transportation companies in the service area to be covered by the program of projects and budget. If the program to be funded by UMTA provides service in competition with, or supplementary to, service provided by an existing mass transportation company, a separate description must be submitted outlining how financially assisted service is essential to the program of projects and budget and how the program, to the maximum extent feasible, provides for the participation of the private mass transportation companies. In this submission, the applicant should also describe efforts made to include private transportation providers and other forms of private enterprise in its mass transit program.
- c. Protection of the Environment. The National Environmental Policy Act of 1969 and Section 4(f) of the Department of Transportation Act require UMTA review of every proposed project to determine if it might have a "significant" or "substantial" impact on the environment. This submission should highlight those projects which do not qualify as categorical exclusions (see UMTA Regulation 23 CFR Part 771). UMTA may require additional project information based on its review of this submission. Applicants are strongly encouraged to submit environmental data as early as possible, and particularly where adverse environmental impacts or public controversy are anticipated.
- d. Civil Rights. For UMTA to make the findings by Section 9 of the UMT Act and Title 49 CFR Parts 21, 23, 25, and 27, applicants will be required to submit civil rights program information along with the Section 9 program of projects and budget. Those applicants that believe that they have previously complied with those requirements need only submit documentation of the fact, e.g., reference to an UMTA letter approving the applicable programs(s).

V-6 PART V - AUTHORIZING RESOLUTION, OPINION OF COUNSEL, CERTIFICATIONS,
STANDARD ASSURANCES.

- a. Authorizing Resolution. This is a resolution of the governing body of the applicant authorizing the filing of the application. A format for this resolution is given in Exhibit G.
- b. Opinion of Counsel. An Opinion of Counsel establishes the legal eligibility of the applicant to apply for and receive a Federal grant to execute the project(s) and contains a certification by the attorney of the applicant that there is no pending or threatened litigation or other action which might adversely affect the execution of the proposed project(s) and that there is no legal impediment to the responsible official(s) making application for capital assistance

Since most Section 9 grant applications will probably have received either Section 3 or 5 grants previously, they have already established with UMTA their eligibility to receive and carry out mass transportation grants. For this reason, an Opinion of Counsel similar to the form provided in Exhibit H is only required of new designated recipients who have never received a UMTA Section 3 or 5 grant.

Though threatened litigation is dealt with in the suggested format for the Opinion of Counsel, the attorney's countersignature on both the Section 9 certification and the grant agreement will provide UMTA assurances that there is no threatened litigation or other action that might adversely affect the grantee's ability to carry out the project.

Since the Section 9 grant is for a "Program of Projects and Budget," litigation might arise covering one of the projects on the list either before or after grant approval. If litigation does arise, the recipient is expected to notify UMTA in writing that the recipient's attorney has determined that the litigation will have no effect on the project or that the litigation could have an effect and that the recipient has (temporarily) removed the project from the list of projects until the effect/outcome of the litigation has been determined.

- c. Self-Certifications. Applicants must submit a certification on:
 - (1) Legal, financial and technical capacity
 - (2) Satisfactory continuing control and maintenance
 - (3) Half-fare policy for elderly and handicapped
 - (4) Half-fare for persons with Medicare cards
 - (5) Competitive procurement
 - (6) Program of projects
 - (7) Local share; planning process; special efforts for elderly and handicapped persons
 - (8) Public comment process on fare and service changes
 - (9) Uniform system of accounts and records and reporting system (Section 15 report)
 - (10) UMTA spare ratio policy
 - (11) Project activities eligible for special funding.
 - (12) Sole source procurements of associated capital maintenance items.

A format for making the required certification is provided in Exhibit I. The performance of the grantee with reference to the matters certified, however, is ultimately subject to independent audit and review. Since most of these self-certifications concern subjects which have been addressed in UMTA programs for several years, most grantees will be familiar with the requirement, and Regional Offices may be consulted for guidance prior to availability of the Circular. Two are new, however; the eligibility of projects for which funding (90% or 95% Federal share) is requested and the continued dedication of assets so acquired to the original special use categories, and the adherence to procedures outlined in Appendix D for the sole source procurement of associated capital maintenance items.

NOTE: With respect to maintenance, UMTA will not prescribe standards or requirements; however, UMTA will expect applicants either to have in preparation a maintenance plan and commensurate facilities, financing, qualified personnel and equipment to implement such a plan. Such a plan would, as a minimum, specify the goals and objectives of the maintenance program in terms of an acceptable level of vehicle life, frequency or road service, failure rate, ratio of maintenance labor to other labor, and other pertinent factors. Grantees should also be advised that the overall matter of maintenance will be a topic of specific concern during triennial compliance reviews that will be undertaken under the provisions of the Section 9 program.

- d. Standard Assurances. Several laws and administrative requirements apply in common to all Federal grant-in-aid programs, and they apply to the Section 9 program. Some of the more important, for example, are:
- (1) The National Environmental Policy Act (NEPA);
 - (2) The Uniform Relocation Assistance and Real Property;
 - (3) The Flood Disaster Protection Act of 1973, as amended;
 - (4) Title VI of the Civil Rights Act of 1964; and
 - (5) OMB Circular A-102.

To cover these requirements in making grants, UMTA has employed a "One Time Submission of Standard Assurances" (UMTA C 9100.1A) which applicants place on file with the agency. This is a statement that the applicant will comply with the laws and regulations cited therein to the extent they may apply to the grant project. This submission will also be used for Section 9 grants.

Once a standard assurance has been submitted to UMTA, it does not have to be re-submitted with each new application. The assurance on file can be referenced, together with any required updating or amending by submitting a "Statement of Continued Validity" which is contained in the same "Standard Assurances" circular.

EXHIBIT G

(SAMPLE) AUTHORIZING RESOLUTION

Resolution No. _____

Resolution authorizing the filing of (an) application(s) with the Department of Transportation, United States of America, for (a) grant(s) under the Urban Mass Transportation Act of 1964, as amended.

WHEREAS, the Secretary of Transportation is authorized to make grants for a mass transportation program of projects and budget;

WHEREAS, the contract for financial assistance will impose certain obligations upon the applicant, including the provision by it of the local share of the project costs in the program;

WHEREAS, it is required by the U.S. Department of Transportation in accord with the provisions of Title VI of the Civil Rights Act of 1964, as amended, the applicant give an assurance that it will comply with Title VI of the Civil Rights Act of 1964 and the U.S. Department of Transportation requirements thereunder; and

WHEREAS, it is the goal of the applicant that minority business enterprise be utilized to the fullest extent possible in connection with this/these project(s), and that definite procedures shall be established and administered to ensure that minority business shall have the maximum construction contracts, supplies, equipment contracts, or consultant and other services.

NOW, THEREFORE, BE IT RESOLVED BY _____
(Governing Body of Applicant)

1. That (Title of Designated Officials) is authorized to execute and file (an) application(s) on behalf of (Legal Name of Applicant) with the U.S. Department of Transportation to aid in the financing of planning, capital and/or operating assistance projects pursuant to Section 9 of the Urban Mass Transportation Act of 1964, as amended.
2. That (Title of Designated Official) is authorized to execute and file with such applications an assurance or any other document required by the U.S. Department of Transportation effectuating the purpose of Title VI of the Civil Rights Act of 1964.
3. That (Title of Authorized Representative) is authorized to furnish such additional information as the U.S. Department of Transportation may require in connection with the application for the program of projects and budget.
4. That (Title of Designated Official) is authorized to set forth and execute affirmative minority business policies in connection with the program of projects and budgets procurement needs.
5. That (Title of Designated Official) is authorized to execute grant agreements on behalf of (Legal Name of Applicant) with the U.S. Department of Transportation for aid in the financing of the planning, capital and/or operating assistance program of projects and budget.

CERTIFICATION

The undersigned duly qualified and acting (Title of Designated Official) of the (Legal Name of Applicant) certifies that the foregoing is a true and correct copy of a resolution, adopted at a legally convened meeting of the (Governing Body of Applicant) held on _____, 19__.

If applicant has an official seal, impress here.

Signature of Recording Officer

(Title of Recording Officer)

Date

EXHIBIT H

(SAMPLE) OPINION OF COUNSEL

Name of Recipient
Address of Recipient

Dear (Responsible Official for Recipient):

This communication will serve as the requisite opinion of counsel to be filed with the Urban Mass Transportation Administration, United States Department of Transportation, in connection with applications of (Recipient) for financial assistance pursuant to the provisions of Section 9 of the Urban Mass Transportation Act of 1964, as amended (the "Act"), for planning, capital and operating assistance project(s). I understand that (Recipient) has been duly designated as a recipient in accordance with the provisions of Section 9 of the Act, and that the Urban Mass Transportation Administration has concurred in/acknowledge that designation. The legal authority for (Designated Recipient's) ability to carry out planning, capital and/or operating assistance projects directly, by lease, contract, or otherwise is set forth below:

1. (Recipient) is authorized under (cite and quote from legal authority) to provide and assist public transportation by acquisition, construction and operation of existing or additional transit facilities. This assistance may be provided directly by (Designated Recipient) or by lease arrangements with other parties.
2. The authority of (Recipient) to provide for its share of project funds for the program of projects and budget is set forth in (cite source and provide a copy of, for example, local ordinance passed by City Council making local funds available.
3. I have reviewed the pertinent Federal, State and local laws, and I am of the opinion that there is no legal impediment to your making applications for Section 9 assistance. Furthermore, as a result of my examination, I find that there is no pending or threatened litigation or other action which might in any way adversely affect the proposed project in the program, or the ability of (Recipient) to carry out such projects in the program.

Sincerely,

Legal Counsel

EXHIBIT I
SECTION 9 CERTIFICATION

Certification is given by the recipient named herein _____ with the respect to its application for assistance pursuant to Section 9 of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. S1601, et seq.) ("the UMT Act"), filed with the Urban Mass Transportation Administration (UMTA), as to the following:

- A. That it has or will have the legal, financial and technical capacity to carry out the proposed program of projects and budget;
- B. That it has or will have satisfactory continuing control, through operation or lease otherwise, over the use of the facilities and equipment, and will maintain such facilities and equipment;
- C. That it will comply with the provision for elderly and handicapped half-fare as prescribed by Section 5(m) of the UMT Act;
- D. That it will give the rate required by Section 5(m) of this Act to any person presenting a Medicare card duly issued to that person pursuant to Title II or Title XVIII of the Social Security Act;
- E. In carrying out any procurement under Section 9, that it will use competitive procurement processes as defined by UMTA or, for procurement of associated capital maintenance only, the sole source provisions detailed in Appendix D; will not utilize exclusionary or discriminatory specifications in the procurement; and will carry out the procurement in compliance with applicable Buy America provisions;
- F. That it has complied with the following requirements of Section 9(f) in that it has:
 - a. Made available, to the public, information concerning the amount of funds available under Section 9 and the program of projects and budget that the recipient proposes to undertake with such funds;
 - b. Developed a proposed program of projects and budget concerning activities to be funded in consultation with interested parties, including private transportation providers;
 - c. Published a proposed program of projects and budget in such a manner to afford affected citizens, private transportation providers and, as appropriate, local elected officials an opportunity to examine its content and to submit comments on the proposed program of projects and budget and on the performance of the recipient;
 - d. Afforded an opportunity for a public hearing to obtain the views of citizens on the proposed program of projects and budget;

- e. Considered comments and views, particularly those of private transportation providers, and, if deemed appropriate, modified the proposed program of projects and budget; and
- f. Made the final program of projects and budget available to the public.
- G. That it has available and will provide the required amount of funds in accordance with Section 9(k)(1) of the UMT Act, and will comply with the requirements of Sections 8 and 16 of the UMT Act.
- H. That it has locally developed process to solicit and consider public comment prior to raising fares or implementing a major reduction of transit service.
- I. That the organization(s) to receive benefits directly from the Section 9 grant is subject to the uniform system of accounts and records and has submitted the latest required Section 15 report of financial and operating data as prescribed in Section 15 of the UMT Act and further defined in UMTA regulations (49 C.F.R. Part 630).
- J. That any proposed project for the acquisition of or investment in rolling stock is in conformance with UMTA rolling stock guidelines.
- K. That any capital expenditure proposed for funding under the 90% or 95% Federal match provisions of Section 16(e) will be in conformance with the requirements of these provisions; and that any asset acquired or improved under such provisions will remain in the specialized service to which it was originally dedicated for its useful life.

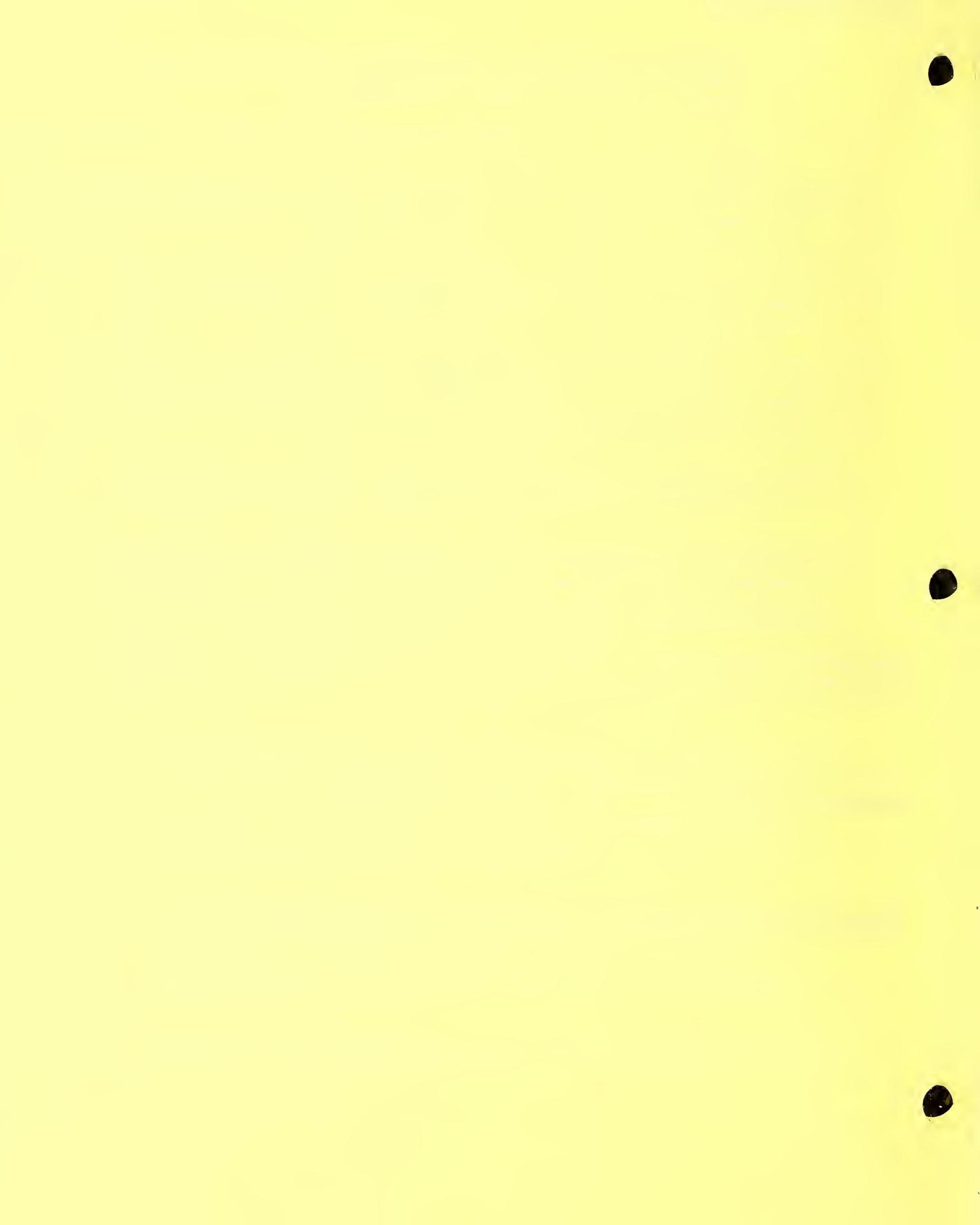
The provisions of 18 U.S.C. S10001, apply to any certifications or submissions under this section.

Authorized Official

Attorney's Signature

Title of Authorized Official

Date



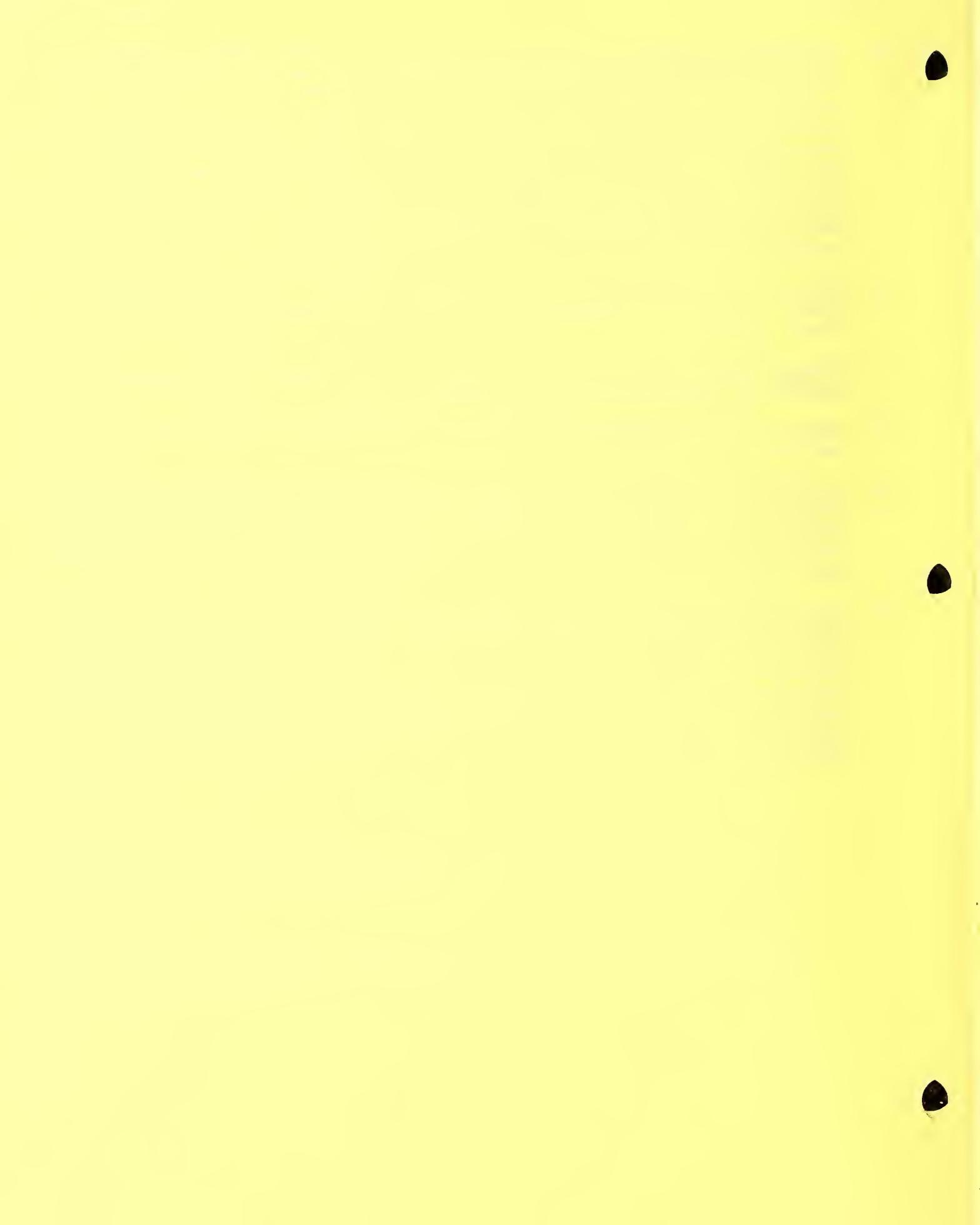
APPENDIX A

DEFINITIONS

1. Administrator: The Administrator of the Urban Mass Transportation Administration of the U.S. Department of Transportation.
2. Annual Element (AE): A list of transportation improvement projects proposed for implementation during a period of up to two years (Biennial Element).
3. Associated Capital Maintenance Items: Any equipment and materials, each of which costs no less than one-half of 1 percent of the current fair market value of revenue rolling stock comparable to the revenue rolling stock for which the equipment, tires, tubes, and materials are to be used.
4. Commuter Rail: That portion of main-line railroad transportation operations which encompasses passenger train service for local short distance travel between a central city and adjacent suburbs.
5. Construction: The supervising, inspecting, actual building or reconstruction of facilities and equipment for use in public transportation includes designing, engineering, location surveying, mapping, acquisition of property, relocation assistance, acquisition of replacement housing sites, acquisition and rehabilitation, relocation, and construction of replacement housing; a rail rolling stock rebuilding project that extends original vehicle life by at least 40 percent; overhaul of revenue producing rail cars or locomotives associated with these cars; any bus rehabilitation project which extends the economic life of a bus five years or more; and bus remanufacture that extends the service life at least eight years.
6. Contract Authority: A form of budget authority under which contracts or other obligations may be entered into prior to an appropriation. Contract authority does not provide funds to pay the obligations and, thus, requires a subsequent appropriation for the realization of revenues to liquidate the obligations.
7. Department: The U.S. Department of Transportation
8. Designated Recipient: An agency selected to receive Federal funds under Section 5 or Section 9A or Section 9 or Section 9B.
9. Ferryboat: A vessel for carrying passengers and/or vehicles over a body of water. (Ferryboat route miles are the round trip directional miles between terminals in statute miles.)

10. Fixed Guideway Modes: Any public mass transportation service which utilizes a separate right-of-way or rails for the exclusive use of public transportation service. These modes include but are not limited to fixed rail, automated guideway transit, and exclusive facilities for buses and other high occupancy vehicles. By statute, the fixed mode category for Section 9 purposes also includes ferryboat operations and fixed category systems (e.g., trolley bus) which utilize a right-of-way usable by other forms of transportation. The following have been defined as fixed guideway modes: motor bus in "exclusive" right-of-way, motor bus in "controlled access" rights-of-way, and non-fixed route services operating in part on exclusive and/or controlled rights-of-way (e.g., demand response services). See Appendix C for additional details.
11. Governor: The ranking executive officer or his designate for the jurisdictions included in the definition of "State."
12. Handicapped Person: Any individual who, by reason of illness, injury, age, congenital malfunction, or other permanent or temporary incapacity or disability, is unable to utilize public transportation facilities and services effectively without special facilities or equipment.
13. Local Public Bodies: Municipalities and other political subdivisions of states; public agencies and instrumentalities of one or more states, municipalities and political subdivisions of states and Indian tribes; and public corporations, boards and commissions established under the law of any state.
14. Mass Transportation: The provision of general or special transportation service, either publicly or privately, to the public on a regular and continuing basis in an urban area. Does not include school bus, charter or sightseeing service.
15. Motor Bus: Rubber-tired passenger vehicle operating singly on city streets normally powered by internal combustion engines.
16. Net Project Cost: that portion of the cost of a project to be assisted under Sections 3, 5, 9, 16(b)(2) and 18 which cannot be reasonably financed from revenues.
17. Program of Projects And Budget: A prioritized listing of planning, capital and operating assistance projects taken from an approved Unified Planning Work Program, for planning projects only, or the annual or biennial element of a transportation improvement program.
18. Public Agency: States, municipalities and other political subdivisions of states; public agencies and instrumentalities of one or more municipalities or other political subdivisions of states; and public corporations, boards, and commissions established under state law.

19. Route Miles or Miles of Directional Roadway: The total miles over which public transportation vehicles travel while in revenue service. It is computed with regard to direction, but without regard to the number of traffic lanes or rail tracks existing in the right-of-way. If vehicles travel in only one direction within the right-of-way, each mile is counted once. If vehicles travel in both directions, each mile is counted twice. For example, a mile of single track over which streetcars operate in both directions represents two directional route miles. A mile of exclusive busway on which a transit agency operates six different routes in only a single direction represents one directional route mile, regardless of the number of lanes. See Appendix C for additional details.
20. States: The several states, the District of Columbia, and Commonwealth of Puerto Rico and the Northern Mariana Islands, Guam, American Samoa, the Virgin Islands.
21. Transportation Improvement Program (TIP): A staged multi-year program of capital and operating assistance projects.
22. UMT Act: The Urban Mass Transportation Act of 1964, as amended (49 U.S.C. Section 1601, et seq.).
23. Urbanized Area: An area (50,000 or more population) so designated by the Bureau of the Census, the boundaries of which shall be fixed by responsible state and local officials in cooperation with each other, subject to approval by the Secretary, and which shall at minimum encompass the entire urbanized area within a state as designated by the Bureau of Census.
24. Vehicle Revenue Miles: Total vehicle miles include all mileage accumulated by transit vehicles, and can be obtained by reading these vehicles' odometers. However, the legislation identifies vehicle revenue miles as one parameter to be used in apportioning Section 9 funds. Total vehicle revenue miles includes only those miles traveled by revenue vehicles while in revenue service. Excluded are vehicle miles traveled to and from storage and maintenance facilities, and other dead head travel. See Appendix C for additional details.



APPENDIX B
APPORTIONMENT FORMULA

Consistent with the provisions of the Surface Transportation Assistance Act of 1982, the funds available under the formula grant programs will be apportioned among three basis categories as follows:

- A. 88.43% to urbanized areas over 200,000 population
- B. 8.64% to urbanized areas less than 200,000 population
- C. $\frac{2.93\%}{100.00\%}$ to non-urbanized areas

A. The apportionment to urbanized areas over 200,000 population breakdown into a series of sub-apportionments as follows:

(1) 33.29% of the 88.43 is sub-apportioned as follows:

(a) 95.61% to basic fixed guideway systems on the basis of:

- (1) - 60% fixed guideway revenue vehicle miles
- (2) - 40% fixed guideway route miles

(b) $\frac{4.39\%}{100.00\%}$ of fixed guideway systems on the basis of vehicle passenger miles

(2) $\frac{66.71\%}{100.00\%}$ of the 88.43% is sub-apportioned as follows:

(a) 90.8% is sub-apportioned to all systems:

(1) 1,000,000 or more population (73.39 percent) on the basis of:

- (a) - 50% bus revenue vehicle miles
- (b) - 25% population
- (c) - 25% population/density

(2) Under 1,000,000 population (26.61 percent) on the basis of:

- (a) - 50% bus revenue vehicle miles
- (b) - 25% population
- (c) - 25% population/density

(b) $\frac{9.2\%}{100.00\%}$ is sub-apportioned to bus systems on the basis of passenger miles travelled.

B. The apportionment to urbanized areas of less than 200,000 population is made on the basis of 50 percent population and 50 percent population density.

C. The apportionment to non-urbanized areas (less than 50,000 population) is made on the basis of 100 percent population.

APPENDIX C

SECTION 15 REPORTING REQUIREMENTS

This Appendix summarizes the data definitions and responsibilities for data development and reporting required under the Section 9 grant program. This reporting will be accomplished within the broader context of the Uniform System of Accounts and Records required under Section 15 of the Urban Mass Transportation Act. As required by Section 15, all recipients and beneficiaries of Sections 5 and 9 funds must submit annual Section 15 reports 120 calendar days after the end of their fiscal year

GENERAL REQUIREMENTS

Apportionment of the Section 9 funds will be based on U.S. Census data, and for urbanized areas of 200,000 or more, data contained in the Section 15 National Urban Mass Transportation Statistics reports, published annually. The following are the Section 15 data elements used for Section 9 apportionments:

- . fixed guideway directional route miles;
- . fixed guideway vehicle revenue miles;
- . fixed guideway passenger miles;
- . fixed guideway operating cost;
- . bus vehicle revenue miles;
- . bus passenger miles;
- . bus operating cost.

Because of the time-lag in the data reporting process, the apportionment of Section 9 funds is based upon Section 15 data reported for the fiscal year two years prior to the apportionment year. Thus, the 1983 Section 15 data base which includes data for transit agency fiscal years ending on or between January 1, 1983, and December 31, 1983, was used to apportion FY 1985 Section 9 funds. Similarly, the 1984 Section 15 data base was used in the apportionment of FY 1986 Section 9 funds, and so on. Section 15 reports are required from all transit agencies desiring to have data included in the computation of the Section 9 apportionments and to receive any Section 9 funds.

BACKGROUND ON THE SECTION 15 REPORTING SYSTEM

Section 15(a) of the Urban Mass Transportation Act of 1964, as amended, reads, in part, as follows:

"Section 15. (a) the Secretary shall by January 10, 1977, develop, test, and prescribe a reporting system to accumulate public mass transportation financial and operating information by uniform

categories and a uniform system of accounts and records. Such systems shall be designed to assist in meeting the needs of individual public mass transportation systems, Federal, State, and local governments and the public for information on which to base planning for public transportation services, and shall contain information appropriate to assist in the making of public sector investment decisions at all levels of government...."

The above passage identifies the following requirements:

- (1) A reporting system which accumulates (and reports) public mass transportation financial and operating information by uniform categories; and
- (2) A uniform system of accounts and records.

Section 15(b) of the Urban Mass Transportation Act of 1964, as amended, states that:

"After July 1, 1978, the Secretary shall not make any grant under Section 5 or Section 9 unless the applicant for such grant and any person or organization to receive benefits directly from that grant are each subject to both the reporting system and the uniform system of accounts and records. . . ."

In January 1977, the Urban Mass Transportation Administration (UMTA) issued regulations implementing a reporting system to accumulate public mass transportation financial and operating information by uniform categories and a uniform system of accounts and records.

As seen in the above legislative references, the purpose of the reporting system is to assist in meeting the need for information on which to base planning for public transportation service, and to make public sector investment decisions at all levels of government. UMTA will not make any grant under Section 9 of the Urban Mass Transportation Act unless the applicant for such grant and any beneficiary are each subject to both the reporting system and the uniform system of accounts and records prescribed pursuant to Section 15.

The development of the uniform system of accounts and records took place over a period of several years in collaboration with representatives of the transit industry, metropolitan planning organizations, and state and local government. The system is an outgrowth of the "FARE" (Uniform Financial Accounting and Reporting Elements) system which received wide publicity within the transit industry during the early 70's. A great deal of effort has been made through hearings, meetings, and seminars over the last decade to integrate into the program the concepts proposed by the industry, state and local governments,

and the research community. A Section 15 Advisory Committee was convened from June 1983 to September 1986 to provide a formal mechanism to advise UMTA on Section 15 needs and uses. UMTA continues to work closely with individuals and organizations in the transit industry to improve the Section 15 reporting system and its annual report.

MANDATORY-VOLUNTARY LEVELS OF DETAIL

The charter for Section 15 called for the prescribed reporting system to assist in meeting the diverse information needs of individual public mass transportation systems, Federal, state and local governments, and the public. Transit operators require relatively detailed information, consistent with their size, for internal management purposes and for comparisons of their own operations over time and with similar transit systems. Local, state, and Federal governments, in that order, require less detail to accommodate their concerns. Federal agencies, furthermore, are constrained by the requirements of the Federal Reports Act of 1942 to minimize record keeping and reporting burdens placed upon the public and affected organizations.

The regulations make a distinction between required and voluntary (i.e., recommended) reporting systems. The uniform system of accounts and records and the reporting system include provisions for both mandatory and voluntary collection and reporting of data. Definitions for the required data are a reduced set of those for the more extensive voluntary data. A central processing system has been developed and is maintained by UMTA to support the assimilation and analysis of the more detailed expense and revenue data, as well as mandatory data. Thus, if state or local governments mandate the more detailed revenue and expense data, or if transit operators elect to provide this data to further expand the capability for comparative analysis, the central processing system will accommodate this added detail.

REFERENCE DOCUMENTS

The following documents provide an exhaustive description of the Section 15 Reporting System and Uniform System of Accounts and Records. These documents can be obtained by calling or writing UMTA headquarters.

- o Urban Mass Transportation Industry Uniform System of Accounts and Records and Reporting System, January 10, 1977.
 - . Volume I -- General Description
 - . Volume II -- Uniform System of Accounts and Records

These volumes provide an overview of the Section 15 system, discussions of potential applications of Section 15 data, and the definitions used for the Uniform System of Accounts and Records.

Volume II is essential to the understanding of the forms and instructions presented in the reporting manual and should be in the possession of the person responsible for developing and reporting the data on the forms.

- o Reporting Manual and Sample Forms (All Reporting Levels). This manual is updated annually.

The manual provides all of the reporting instructions and sample forms used by Section 15 reporters filing reports at all reporting levels - R (Required) or A, B, or C (Voluntary).

- o UMTA Circular 2710.5 - Section 15 Accounting and Reporting Release No. 1, February 11, 1980.
- o UMTA Circular 2710.5A - Section 15 Accounting and Reporting Release No. 2, October 1, 1981.

These two circulars address questions raised by transit agencies about the Uniform System of Accounts and Records and Reporting System that are not specifically addressed in the prescribed regulations or other authoritative documentation.

- o UMTA Circular 2710.1 - Sampling Procedures for Obtaining Fixed Route Bus Operating Data Required Under the Section 15 Reporting System, February 22, 1978.
- o UMTA Circular 2710.2 - Sampling Procedures for Obtaining Demand Responsive Bus System Operating Data Required Under the Section 15 Reporting System, February 22, 1978.
- o UMTA Circular 2710.4 - Revenue Based Sampling Procedures for Obtaining Fixed Route Bus Operating Data Required Under the Section 15 Reporting System, May 10, 1985.

These three circulars describe suggested sampling procedures for collecting bus operating data (service consumed data) which meet Section 15 precision and confidence level requirements.

- o May 15, 1985, Letter to Section 15 Reporters

This letter provides additional guidance on the independent auditor's certification required for Section 15 data items used in the Section 9 formula apportionment.

RELATIONSHIP TO SECTION 9 REQUIREMENTS

The operating statistics needed in the legislative formula to apportion Section 9 funds are being collected in the normal course of carrying out the Section 15 reporting system. The data reported must be submitted on the appropriate Section 15 forms. Form 006 of the Section 15 Report is used to summarize the data used in computing Section 9 apportionments. It accomplishes this in four ways:

1. Allocating data when reporters serve more than one urbanized area;
2. Reporting data separately for each mode that is directly operated or purchased;
3. Allocating motorbus statistics when reporters have both "fixed guideway" and "non-fixed guideway" operations (as defined in the Section 9 formula); and
4. Reporting purchased transportation expenses that can be used in the incentive tier of Section 9.

Reporters should ensure that all allocations of the data by urbanized areas (UZA) are approved by the designated recipient (e.g., metropolitan planning organization, State transportation department) of UMTA funds in each UZA involved.

Certain operating statistics are used for apportioning Section 9 funds only to urbanized areas with populations over 200,000 (large UZAs). For apportionment purposes, a transit agency can be considered to "serve" large UZAs if either: (1) transportation services are located entirely within a large UZA; or (2) transportation services are provided between a large UZA and either a small UZA or a non-urbanized area. Local transportation services within an adjacent small UZA or non-UZA are not viewed as serving a large UZA.

Section 15 reports are submitted by transit systems, without specific regard to the geographic areas served. These reports, therefore, may include transportation services within one or more large UZAs within one or more small UZAs, and/or within non-urbanized areas.

In order to reduce errors, possible fraud and abuse problems, a certification of the data used to apportion Section 9 funds is required for all Section 15 reports covering 50 or more vehicles operated in maximum service by all modes that are in or serve urbanized areas with populations of 200,000 or more. All Section 9 data (directly operated as well as purchased service) in the report must be certified. The Section 9 certification must be signed by an independent auditor and discuss the following for each item to be used in the Section 9 formula allocation:

- Verification that there is a system in place and maintained for recording data in accordance with Section 15 definitions. Verify that the correct data are being measured and that there are no systematic errors.
- Verification that there is a system in place to record data on a continuing basis and that the data gathering is an ongoing effort.
- Verification that source documents are available to support the reported data and are maintained for UMTA review and audit for a minimum of 3 years following UMTA's receipt of the Section 15 Report. The data must be fully documented and securely stored.
- Verification that there is a system of internal controls to assure the accuracy of the data collection process and recording system and that reported documents are not altered. Verify that documents are reviewed and signed by a supervisor as required.
- Verification that the data collection methods are those suggested by UMTA, or have been approved by UMTA and/or a statistical expert as being equivalent in assuring quality and precision. Confirm the collection methods documented are being followed.
- Verification that the deadhead miles, computed by taking the difference between the reported "total actual vehicle miles" data and the reported "total actual vehicle revenue miles" data, appear to be accurate.
- Documentation of an analytic review of the reported data to confirm that data are consistent with prior reporting periods and other facts known about agency operations.
- Documentation of the list of specific documents examined and tests performed.

In addition, the Section 9 certification should describe (1) the procedures for determining the above attestations and (2) how revenues were handled for purchased transportation, i.e. no revenues were retained by the contractor or that all revenues retained by the contractor were reported on Form 006.

The Chief Executive Officer (CEO) of each reporting agency is required to submit a certification with each annual Section 15 Report attesting to the accuracy of all data contained in the report and that all data submitted in the report are in accord with Section 15 definitions. This certification includes a CEO verification pertaining to each data item to be used in the Section 9 formula allocation.

STRIKES AND EMERGENCY SHUTDOWNS

Reporters should note on Form 005 any cases of a shutdown because of a strike or an officially declared emergency in connection with a major disaster. The information on Form 005 must describe the incident, expand the data used in the Section 9 apportionment to reflect a full year of operation based on the latest operating statistics prior to the period of the shutdown, and detail the method used for expanding the data (i.e., calculating a new annual total). All other forms in the Section 15 Report, including annual totals on Forms 006, 406, and 407, should reflect actual, not expanded, data. UMTA will determine whether to use the expanded data in the calculation of the Section 9 apportionment.

REPORTING DATA FOR PRIVATE CONVENTIONAL AND SUBSCRIPTION BUS SERVICES NOT UNDER CONTRACT TO A PUBLIC AGENCY

To encourage the participation of private enterprise in transit, UMTA announced that beginning with FY 1984, data for private conventional and subscription bus services not under contract to a public agency can be included in the Section 9 formula for computation of the Section 9 apportionment. The mechanism UMTA is using to collect the data is to utilize staff assigned to manage the collection of Section 15 data, although these data will be maintained as a separate data base. Forms and definitions used for Section 15 reporting will be used in this effort.

The inclusion of certain of these FY 1984 and FY 1985 data in the Section 9 formula did not generate much response and UMTA wished to open the opportunity for more cooperation between these private providers and public transit agencies. It therefore announced that, beginning with 1986 Section 15 reporting (i.e., data for transit agencies' fiscal years ending on or between January 1, 1986 and December 31, 1986), private conventional and subscription bus services not under contract to a public agency may voluntarily submit reduced reports for purposes of providing data for use in the Section 9 apportionment. The reduced reporting submission consists of three reporting forms used in the Section 15 reporting system supplemented by a Chief Executive Officer's attestation and validation statement.

Data voluntarily reported by private conventional and subscription bus services not under contract to a public agency that meet the requirements will be eligible for use only in the Section 9 bus basic tier formula allocation. The limited nature of this data will result in the exclusion of these providers' data from the main body of the Section 15 Annual Report. However, the data will be published along with the other data used to apportion Section 9 funds for urbanized areas of 200,000 or more inhabitants.

The private providers that may submit the reduced report are those who operate:

- (1) private conventional bus services which are fixed-route, scheduled operations that provide conventional, publicly available services; and
- (2) private subscription bus services which are fixed-route, scheduled operations contracted for by employers, employees, or community groups that provide conventional services.

Data from the above services are eligible for inclusion in the Section 9 formula when the services operate totally within an urbanized area of 200,000 or more inhabitants (large UZA) or within two or more contiguous large UZAs. Commuter services coming from outside a large UZA may be counted also. Commuter services are public transportation operations which provide urban passenger service for local short-distance travel between a central city or major urban employment center and adjacent suburbs. (It should be noted that data from other private non-contract operators, e.g., jitneys, airport limousine services, carpools, vanpools, etc., are not eligible for inclusion in the Section 9 formula allocation.)

Interested parties may contact UMTA headquarters for further information and copies of "Instructions for Reporting Private Conventional and Subscription Bus Services Not Under Contract to a Public Agency Data for Use in the Section 9 Apportionment."

DETAILED SECTION 15 DEFINITIONS AND PROCEDURES RELEVANT TO SECTION 9 APPORTIONMENTS

UNDER CONTRACT (PURCHASED TRANSPORTATION)

Statistics for mass transportation services can be used for computing Section 9 apportionments, if they are operated either: (1) by a public body; or (2) by a private or public transportation provider under contract to a public body. A contractual relationship exists only if all the following criteria are met.

- o The private/public transportation provider is obligated in advance of the time the service is furnished to provide the operations for which the operating statistics are being reported, for a specific monetary consideration.

- o A written agreement exists which specifies the contractual relationship for the time period and the specific service generating the operating statistics included in the Section 15 Report.

The written agreement should be signed by authorized representatives of both the public body and the private/public transportation provider, and should detail: (1) the services which the private/public transportation provider must provide; and (2) the nature and amount of consideration to be provided by the public body.

Services provided by a private/public transportation provider can be reported for Section 9 apportionment purposes only for period and services covered by the written agreement. If the written agreement covers only a portion of the Section 15 reporting year or only a portion of the services provided by the private/public operator, reported statistics should reflect only that amount of service specified in the agreement.

Nature of the Monetary Consideration Paid

The consideration paid by the public body to the private/public transportation provider (private/public carrier) may include such things as:

- o cash reimbursement of a private/public carrier's operating deficits;
- o predetermined cash payments to the private/public carrier for specific mass transportation services provided;
- o cash reimbursement to the private/public carrier for reduced fare programs specified by the public body (e.g., for students and/or for elderly and handicapped citizens); and
- o vehicles given, sold, loaned, or leased by the public body to the private/public carrier.

The garaging or storing by a public body of vehicles operated by a private/public carrier shall not by itself constitute sufficient consideration to establish a contractual relationship for Section 9 apportionment purposes. Nor is the maintenance of these vehicles or advertising of the services being offered considered sufficient consideration for an agreement. Simply giving the private/public operator permission to operate certain services such as through a franchise or license does not represent purchased service for Section 9 apportionment purposes.

Meeting any one of these listed conditions will satisfy the "for consideration" portion of the criteria for being under contract. However, there also must exist the appropriate written agreement which: (1) specifies this consideration; (2) specifies the corresponding obligations of the private/public carrier for providing mass transportation services; and (3) covers the full Section 15 reporting year or portion thereof. A copy of this agreement must be available for UMTA review for three years following UMTA's receipt of the Section 15 Report.

For example, if a public body gives a vehicle to a private/public carrier, the eligible mass transportation services provided by this carrier can be reported for Section 9 apportionment purposes only if a written agreement specifies there is an obligation by the private/public carrier to operate the specific service generating the operating statistics being reported.

Transportation Services Covered by the Contractual Relationship

Except for the private conventional and subscription bus services described above, the Section 9 apportionment process can incorporate purchased transportation operating and financial statistics only for those mass transportation services for which a public body contracts; i.e., which are specified in the written agreement between the public body and the private/public transportation provider, and for which the public body provides consideration.

For example, if a public body contracts with a private bus company to operate specific fixed route services, the other (unsubsidized) routes and services operated by that company cannot be reported for Section 9 apportionment purposes. Similarly, if a public body contracts with a taxicab company to provide certain shared-taxi services for certain markets (e.g., elderly and handicapped persons) and/or during certain hours, mass transportation services provided during other hours or to other markets cannot be reported for Section 9 apportionment purposes.

In some of these situations, the separation of Section 9 eligible and non-eligible mass transportation services and corresponding operating statistics may be difficult. Procedures used to identify, segregate, and report the eligible services should reflect accuracy standards for enumerating Section 9 apportionment statistics. These procedures should be described briefly on Form 005 of the Section 15 Report, and the reporting agency should provide supporting information and data as may be requested by UMTA.

Public Bodies, Private/Public Carriers Under Contract (Contractors), and Corresponding Operating Statistics

Public bodies must identify on Form 002 of the Section 15 Report all contractual relationships for acquiring purchased transportation services. A separate Form 002 is used for each contractual relationship and includes data on: name, address, and phone number of the contractor; type of agency under contract; nature of contractual relationship; number of vehicles in maximum service used for the contracted service; contract amount; and amount of retained revenues, if any. The public body must retain a copy of the written agreement for each contractor for UMTA's review up to three years after UMTA receives the Section 15 Report.

A separate Section 15 Report must be submitted by or for each contractor using 50 or more vehicles to provide maximum purchased transportation service. These reports must identify each contractual relationship with a public body in a separate Form 002.

Except for those cases described below, data for contractors operating less than 50 vehicles in maximum purchased transportation service should be included in the public body's Section 15 Report. A subset of operating data forms are required for each mode of these purchased transportation services. Also, the statistics used in computing the Section 9 apportionments must be separately reported for these purchased transportation services on Form 006.

There are a few exceptions when a separate report may be submitted by or for a purchased transportation contractor operating less than 50 vehicles in maximum service. One such case occurs when the public body contracting for service does not directly operate any transit services. All exceptions where separate reporting are desired must be reviewed and approved by UMTA on a case-by-case basis prior to separate reporting.

FIXED GUIDEWAY MODES

The Section 9 apportionment formula contains separate tiers for fixed guideway modes and bus or non-fixed guideway modes. All Section 15 data and related Section 9 information must be reported separately by mode. The pertinent operating statistics used in the Section 9 apportionment formula must be reported on Form 006 of the Section 15 Report in the fixed guideway or non-fixed guideway categories.

Fixed guideway modes include any public transportation service which utilizes a separate right-of-way or rails for the exclusive use of public transportation service. These modes include but are not limited to fixed rail, automated guideway transit, and exclusive facilities for buses and other high occupancy vehicles. By statute, the fixed mode category for Section 9 purposes also includes ferryboat operations and fixed catenary systems (e.g., trolley bus) which utilize a right-of-way usable by other forms of transportation.

The following have been defined as fixed guideway modes.

- o Motor Bus in "Exclusive" Rights-of-Way -- Buses operating on roadway which is restricted at all times to use by buses and other high-occupancy vehicles (e.g., vanpools, carpools). The roadway may be grade separated or at grade with controlled access. The restrictions must be sufficiently enforced so that 95% of vehicles using the right-of-way are authorized to use it.
- o Motor Bus in "Controlled Access" Rights-of-Way -- Buses operating on roadway which is restricted for a portion of the day to use by buses and other high-occupancy vehicles. The restrictions must be sufficiently enforced so that 95% of vehicles using the lane during the restricted period are authorized to use it.

Access control can be accomplished either with permanent or temporary barriers (e.g., plastic cones). However, there must exist a legitimate need for the restricted access from a traffic viewpoint. This need can be demonstrated by the imposition of the restrictions during peak traffic periods, and by ambient levels of peak period traffic on the highway facility no better than Level D as defined in the Highway Capacity Manual. Legitimate need must be demonstrated for each part of the restricted lane. Hence, regardless of a lane's total length, only those portions for which a legitimate need is demonstrated should be considered controlled access lanes.

Conceivably, the vehicle revenue miles, passenger miles, and operating costs associated with these portions of non-fixed route services operating in part on exclusive and/or controlled rights-of-way (e.g., demand response services) could be categorized as fixed guideway. Since this categorization would have relatively minor impacts on the apportionments in most instances (it simply affects which tier funds are obtained from), and since prorated statistics for the fixed guideway and non-fixed guideway categories usually would be difficult to estimate and support, these statistics must be reported entirely within the non-fixed guideway category.

Transit systems serving urbanized areas of 200,000 or more inhabitants that report directional route miles for motor bus fixed guideway must describe all their motor bus fixed guideway segments on Form 005. The description of each segment must:

1. Indicate the length of the segment.
2. Indicate whether it is (a) a priority lane on a multi-lane roadway, (b) an exclusive lane parallel to a multi-lane roadway, but physically separated from general traffic lanes, (c) a stand-alone high-occupancy roadway of which no lane is open to general traffic, or (d) an exclusive access/egress lane to these lanes or terminal facilities.
3. Indicate the peak period traffic level (level of services) in the general traffic lanes for types (a) and (b) listed in item 2 and indicate the peak period traffic level (level of service) in the corridor served by roadway for type (c) listed in item 2.
4. Indicate the number of hours per week during which single-occupant private automobiles are legally prohibited from using any portion of the segment.
5. Indicate the number of hours per week during which that prohibition is enforced throughout the segment by officers of the law.

NON-FIXED GUIDEWAY MODES

Non-fixed guideway modes include motorbuses operating on fixed routes and schedules in mixed traffic, demand response services, and vanpools.

DIRECTIONAL ROUTE MILES

The term "directional route miles" is defined as the mileage service operates in each direction over routes which public transportation vehicles travel while in revenue service. The measurement should be taken at the end of the reporter's fiscal year. Directional route miles are a measure of the facility or roadway not the service carried on the facility, i.e. number of routes or vehicle revenue miles. It is computed with regard to direction but without regard to the number of traffic lanes or rail tracks existing in the right-of-way. Reporters should be sure to accurately report directional route miles on Form 403, not annual vehicle miles.

If vehicles travel in only one direction within the right-of-way, each mile is counted once. If vehicles travel in both directions, each mile is counted twice.

For example, a mile of single track over which streetcars operate in both directions represents two directional route miles. And a mile of exclusive busway on which a transit agency operates six different routes in only a single direction represents one directional route mile, regardless of the number of lanes or number of buses used.

Operators of Exclusive or Controlled Access Rights-of-Way

There are instances in which the agency which maintains and operates an exclusive or controlled access right-of-way does not also operate the transit vehicles used to provide the mass transportation services. A common situation is a busway or restricted roadway operated/maintained by a public works department, with the buses on this roadway operated by a separate transit agency.

Directional route miles are measures of transit service provided, and should be reported by the transit agency--i.e., by the operator of the transit vehicles providing the mass transportation services. It should not be reported by an agency whose responsibility is limited to operation or maintenance of the right-of-way. However, it should be reported only once by the transit agency determined locally to be the principal operator on the facility.

Multiple Modes Within an Exclusive or Controlled Access Right-of-Way

There are a few situations in which multiple modes operate on an exclusive or controlled access right-of-way. For example, a restricted roadway may be shared by motorbuses and trolley buses.

In these instances, both modes may report their appropriate directional route miles. In the example above, if both motor buses and trolley buses operate in both directions over a mile of exclusive or controlled access right-of-way, then each of the two modes can claim two directional route miles.

Multiple Agencies Operating a Common Mode on an Exclusive or Controlled Access Right-of-Way

Multiple agencies or companies providing the same mode of mass transportation service over an exclusive or controlled access right-of-way cannot each report directional route miles for that right-of-way. The most common situation is a busway or restricted roadway over which several public and private transit systems operate buses. In these situations, the reporting systems should coordinate with each other to ensure that, for each mile of exclusive or controlled access right-of-way, they collectively report a total of only one or two directional route miles (for one or two directional operations). Since the Section 9 apportionments are UZA-based, these apportionments will not be affected by how the directional route miles are allocated among the various reporters.

Directional Route Miles in Operation for Only a Portion of the Year

If fixed guideway routes for a given mode were operated for only a portion of the year, directional route miles for that mode should be prorated.

For example, consider a rail rapid transit system which operated 40 directional route miles for the first four months of its fiscal year, and which then added a new branch of 20 directional route miles. The prorated directional route miles for this mode then would be computed as follows:

4 months at 40 miles =	160 month-miles
8 months at 60 miles =	480 month-miles
TOTAL	640 month-miles

divided by 12 months = 53.3 directional route miles

VEHICLE REVENUE MILES

Total vehicle miles include all mileage accumulated by transit vehicles, and can be obtained by reading these vehicles' odometers. However, the legislation identifies vehicle revenue miles as one parameter to be used in apportioning Section 9 funds. Total vehicle revenue miles includes only those miles traveled by revenue vehicles while in revenue service. Excluded are vehicle miles traveled to and from storage and maintenance facilities, changing routes, etc., and when there is no reasonable expectation of carrying revenue passengers. These miles are considered deadhead miles. The total miles traveled by revenue vehicles consist of miles traveled when in revenue service and these deadhead miles.

Vehicles in Revenue Service

"In revenue service" implies that a transit vehicle is available to the public and there is a reasonable expectation of carrying passengers that either (1) directly pay fares, (2) are subsidized by public policy such as Elderly and Handicapped (E&H) services, or (3) provide payment through some contract arrangement. In general, it is not necessary that passengers always be on board, but rather, that there exists a reasonable market for the service, and that potential passengers who desire to board and travel on the vehicle may do so. This does not imply that a cash fare must be paid, but that the system operating the service receives some payment for carrying these passengers. Besides cash fares, these payments can include tokens, transfers, pre-paid passes and governmental subsidies. Vehicles operated in "fare free" service such as in fare free zones in the downtown count as vehicles in revenue service. Special services for E&H persons either directly operated by the transit agency or under contract to the transit agency count as vehicles in revenue service.

However, under any of these situations, when over a certain distance transit vehicles are available only to emergency personnel (e.g., police and firemen), employees of the transit system, and other officials who may ride free as a courtesy, vehicle travel over this distance should not be reported as vehicle revenue miles. Generally, this will occur when the vehicle is deadheading.

In general, the location or frequency of stops on fixed route services does not affect the definition of "in revenue service." Express bus routes, for example, provide relatively few locations at which passengers can board and alight. Also, buses on some local routes run "closed door" along portions of these routes.

However, to categorize transit vehicle travel as revenue service, a viable market for this travel must be demonstrated. For example, vehicle travel between a bus garage and what previously was the beginning of a route should not be reported as vehicle revenue miles simply because the route was redefined as beginning at the garage. Other necessary criteria are: this increased route mileage, with added stops, must be incorporated formally into published schedules; and there must be more than incidental use of this additional service by revenue passengers.

Basic Estimation Procedures -- Scheduled Transit Services

Vehicle revenue miles are derived primarily from schedules. These estimates should not reflect missed runs or unusual interruptions of services. They should include service for abnormal days (e.g., special services or one day events).

Because the Section 9 apportionments depend in part on vehicle revenue miles, these measures must reflect the actual mass transportation services provided. Urbanized areas should not benefit, for example, from optimistic schedules which result in high proportions of missed runs.

Basic Estimation Procedures -- Non-Scheduled Services

Preferably, vehicle revenue miles for demand response and other non-scheduled transit services should be derived from vehicle logs. Alternatively, odometer readings may be used, so long as adequate allowances are made for deadheading, as discussed below.

Deadheading -- Scheduled Fixed Route Services

For scheduled fixed route transit services, vehicle travel between the garage and the beginning of the route where passengers may board is deadheading. Other deadheading includes vehicle travel from the end of one route to the beginning of another route, travel from the end of a route to a garage or other storage facility.

Deadheading is included in total vehicle miles, but not in total vehicle revenue miles. Thus, the latter figure for fixed route transit services must be smaller than the former figure.

Deadheading -- Non-Scheduled Fixed Route Services

Generally, similar criteria should be applied both to scheduled and non-scheduled fixed route services. The streets on which these vehicles are permitted to pick up and carry passengers can be considered their "route." Travel along these streets either carrying or seeking revenue passengers should be reported as vehicle revenue miles. Travel along these streets for other purposes (to a garage, returning home, etc.), plus travel to and from these streets, should be considered deadheading.

Deadheading -- Non-Scheduled, Non-Fixed Route Services

The concept of deadheading is not as well defined for non-scheduled, non-fixed route services. In general, in reporting total vehicle miles and total vehicle revenue miles for these modes, the following guidelines should be followed:

- o Vehicles traveling from a dispatching point to the point where the first passenger will be picked up are considered deadheading and are not in revenue service; i.e., these miles should not be reported as vehicle revenue miles.
- o Similarly, travel without passengers back to a dispatching location should not be reported as vehicle revenue miles.
- o All vehicle travel with or without passengers while available to carry passengers between these starting and ending places just described should be considered as revenue miles.
- o If vehicle storage/maintenance locations are different from the locations from which the vehicles are dispatched, travel between any of these locations should be considered deadheading.

Varying Service Levels During Different Portions of the Year

Reported vehicle revenue miles must reflect actual revenue miles operated during the year. If service levels varied significantly over the year, the reported figures should reflect the different schedules that were in effect during these periods and the duration of time that each of these schedules was operated.

Vehicle revenue miles are reported on Forms 406 and 407, which request data on an average weekday, average Saturday, average Sunday, and annual total basis. For example, consider a transit system in which Sunday schedules were operated during 60 days of the year, and where this schedule was changed significantly after the 15th Sunday: for the first 15 Sundays, an average of 2,000 vehicle revenue miles was operated; for the remaining 45 Sundays, this figure was increased to 3,000.

The average Sunday vehicle revenue miles for this service then would be computed as follows:

15 days at 2,000 miles = 30,000 day-miles
45 days at 3,000 miles = 135,000 day-miles
TOTAL = 165,000 day-miles

divided by 60 Sundays = 2,750 average Sunday revenue miles

Fixed Guideway and Non-Fixed Guideway Vehicle Revenue Miles

Vehicle revenue miles are reported by mode, and are subsequently categorized as fixed guideway or non-fixed guideway. Vehicle revenue miles are used for computing Section 9 apportionments in either event, but this categorization determines the tier from which funds are obtained.

Revenue mile data for motorbuses which operate primarily in mixed traffic, but also in part on exclusive or controlled access rights-of-way, can be considered either all non-fixed guideway or at the reporting system's discretion to be two separate modes: motor bus/fixed guideway; and motor bus/non-fixed guideway. In these situations, the total vehicle revenue miles should be split into fixed guideway and non-fixed guideway portions based on schedules and on distances of fixed guideway route segments. Vehicle revenue miles cannot be double-counted.

PASSENGER MILES

"Passenger miles" represent the sum of the distances ridden by each revenue passenger. For example, ten passenger riding in a transit vehicle for two miles represent 20 passenger miles. It should be noted that all passengers on board a vehicle that is in revenue service as defined in the previous section may be included regardless of whether they directly paid a fare. For example, passengers on downtown fare-free services should be counted.

Because passenger mile data are not usually collected by transit systems as part of routine transportation operations, these data probably are the most difficult to obtain of those data needed for computing the Section 9 apportionments. In most instances, passenger mile data are obtained by sampling.

Suggested sampling techniques have been described in UMTA Circulars 2710.1 and 2710.4 for fixed route services, and in Circular 2710.2 for demand response services.

A transit agency may use a technique other than the UMTA recommended techniques as long as it meets the prescribed 95% confidence and 10% precision levels. Implementation of a sampling procedure that has not been confirmed in writing by UMTA as meeting the prescribed statistical requirements may result in adjustments to future Section 9 formula apportionments if the data are found to be unreliable. A transit agency that wishes to modify UMTA-suggested sampling procedures or use alternative procedures is encouraged to (1) use the services of a reputable statistician to modify or design the sampling procedure and (2) have the statistician certify that the agency's sampling procedure meets UMTA's statistical standards of 95% confidence and 10% precision.

Beginning with 1987 Section 15 data, the requirement that passenger mile data be collected using statistically valid sampling procedures meeting prescribed precision and confidence levels is mandatory only every third year for:

- o reporting agencies that serve urbanized areas of less than 500,000 population; or
- o reporting agencies in any size urbanized area that directly operate 50 or fewer revenue vehicles for all modes in maximum service; or
- o purchased transportation services except those purchased transportation services submitting separate Section 15 Reports.

The mandatory years for the affected agencies are the 1987 reporting year, 1990 reporting year, 1993 reporting year, etc.

Passenger Miles on Purchased Transportation Services

A transit system reporting the expenses for purchased transportation services must include the corresponding passenger miles for those services. These data are included in the Section 9 incentive tier.

The same requirements for collecting passenger mile data pertain in these instances. Passenger mile data, regardless of whether collected by the public body or by the private/public transportation provider under contract, must satisfy the prescribed precision and confidence requirements. Also, if a technique was used other than one of those described in the UMTA Circulars, adequate supporting documentation must be provided.

TOTAL OPERATING EXPENSES

"Total operating expenses," like all other data needed for computing Section 9 apportionments, must be reported by mode. For each mode, it represents the summation of all expenses associated with operation of that mode.

For a single mode system reporting at the required level, the total operating expense figure is that which is reported on line 14 of Section 15 Reporting Form 301, "Expenses Classified by Function." This figure excludes "reconciling items" such as interest expenses and depreciation.

For a multi-mode system reporting at the required level, the total operating expense figure for each mode is derived from Form 310. This form includes distributions of "joint expenses" to individual modes.

Compatibility of Operating Expenses and Passenger Miles

The incentive tier of the Section 9 formula uses the ratio of passenger miles to total operating expenses. Therefore, to obtain funds from this tier, Section 15 reports must include both data items, and the two items must be compatible.

APPENDIX D

ACQUISITION OF ASSOCIATED CAPITAL MAINTENANCE ITEMS

The Urban Mass Transportation Act of 1964, as amended, defines associated capital maintenance items as "...any equipment, tires, tubes and materials, each of which costs no less than one-half of 1 percentum of the current fair market value of rolling stock comparable to the rolling stock for which the equipment, tires, tubes, and materials are to be used." Under the Section 9 program, the acquisition of such items is a capital expense for which the Federal share is 80%, subject to the following provisions:

1. Associated capital maintenance items relate to items for revenue rolling stock only and do not include facilities, facility equipment or non-revenue producing vehicles.
2. This provision applies only to acquisition of items funded under Section 9. Items funded under the other capital assistance programs will continue to be acquired under procedures in use currently for acquisition of new rolling stock, although it is expected that most rolling stock will be purchased under Section 9 grants.
3. The word "item" used herein refers to a specific unit which is customarily offered by a supplier such as an engine, transmission, generator, axle assembly, or compressor. This definition also includes repair or rebuild kits, and sets of like items such as seats or windows.
4. In some instances, a grantee may have the personnel and facilities available to manufacture or reconstruct a replacement item in-house. Such activities are eligible for UMTA capital assistance under the associated capital maintenance provisions provided that: manufacturing the item in-house, including material, burden labor, and overhead, is more cost effective than purchasing the item from a commercial source; or the required part is unavailable commercially or it has an excessively long lead time that cannot be tolerated by the grantee. Otherwise the acquisition of such items should be by contact.
5. The cost of reconstructing or rebuilding of associated capital maintenance items is an eligible capital cost if the value of the item after reconstruction is at least 1/2% of the current value a comparable unit of rolling stock.

Under this provision, an eligible capital activity includes a grantee's rebuilding of any item of equipment, such as generators, starters, etc., for use on rolling stock provided that, after rebuild, the item meets the one-half of 1 percent threshold test.

6. The threshold minimum cost of each item eligible for acquisition is determined by the type of rolling stock for which the equipment and material is being procured. This definition is equally applicable to all rolling stock, either highway or rail operated.

For example, if a grantee desires to purchase associated capital maintenance items for 40-foot long, "new-look" buses in its fleet, the cost of each item requested can be no less than one half of one percent of the present total cost of a 40-foot long "new-look" bus.

Assuming that "new-look" buses of 40-foot length are now being offered by manufacturers at an average of \$140,000 (total cost) in competitive bidding, then the cost of each item included in the grant application must equal or exceed \$700.

7. In order to simplify administration of this provision, it is reasonable to establish a value for each specific type of rolling stock based on recent average bid prices in the marketplace. The following table is offered by UMTA as the baseline reference for this activity in 1987. These values may be revised in the future as prices change. Applicants should contact their UMTA Regional Office to verify current values.

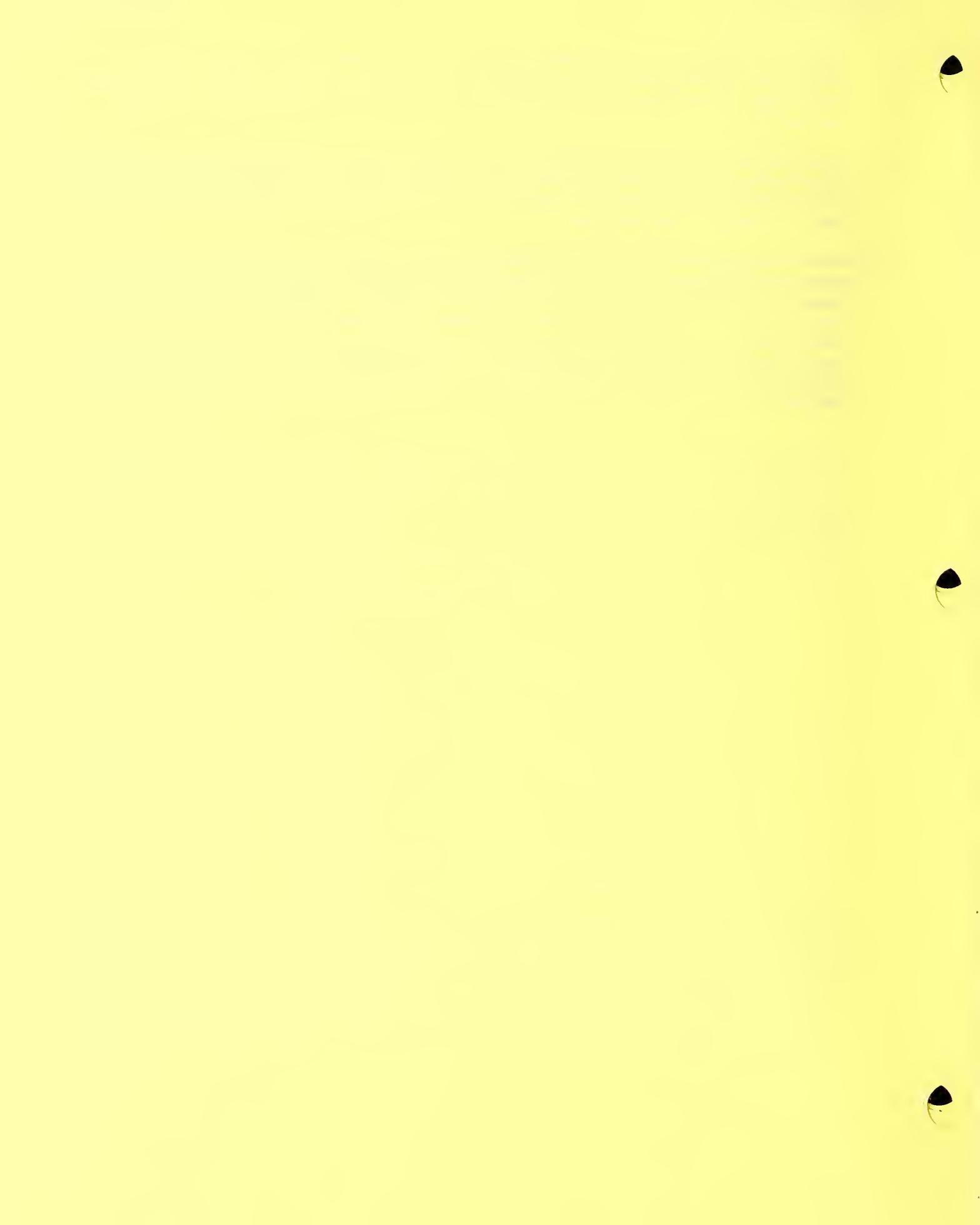
THRESHOLD VALUE TABLES

TRANSIT COACHES

<u>TYPE</u>	<u>APPROXIMATE RECENT BID AVERAGE</u>	<u>1/2 % THRESHOLD VALUE</u>
30-Ft. Length Nominal	\$110,000	\$ 550
"New Look"	\$140,000	\$ 700
"Advanced Design"	\$150,000	\$ 750
Articulated	\$250,000	\$1,250

The same minimum threshold item cost principles apply to rail cars, whether rapid rail, light rail, or commuter rail, including specific models such as articulated light rail vehicles and double-deck commuter cars. The threshold is based on one-half of one percent of the total cost of a new rail car of the same type as that for which the associated capital maintenance item is being purchased. For many types of rail transit cars which currently cost about one million dollars, the one-half percent minimum threshold would be \$5,000.

8. Repair, rebuild, or refurbishing kits that are readily available from suppliers are eligible for acquisition with UMTA funding support under this provision if the cost of the complete kit meets the one half of one per centum test.
9. Acquisition of sets or groups of like items will be included under guidelines similar to those stipulated above for kits. Sets of seats, windows or other like items may be procured providing the total cost of the set meets the one half of one per centum test.
10. Under the provisions of the STURAA, procurements of associated capital maintenance items may be initiated directly by a recipient of UMTA funds through a sole source contract with the original supplier or manufacturer for the item to be replaced if the recipient certifies to UMTA that: the manufacturer or supplier is the only source for the item; and the price of such item is no higher than the price of similar items. A certification of compliance with these provisions is contained in the Section 9 Certification, Exhibit I.



APPENDIX E

TECHNOLOGY INTRODUCTION AND INNOVATIVE TECHNIQUES AND METHODS

Section 9 funds are available for projects which involve the introduction of new technology and the adoption of innovative techniques and methods. UMTA encourages suppliers to produce and transit operators to introduce into public transportation service new technology in the form of innovative and improved products and encourages transit operators to use innovative techniques and methods that will:

- a) Lower equipment life cycle costs;
- b) Improve transit system productivity;
- c) Provide societal benefits or further national goals such as energy conservation and environmental protection;
- d) Provide consumer benefits that make mass transit more attractive to users and potential users;
- e) Reduce the cost of transportation and increase transit system revenues; and
- f) Increase opportunities for private sector involvement.

To meet this objective, UMTA will provide:

- a) Technical and financial assistance to bridge the gap between the end of the R&D process and transit industry application;
- b) Assistance for public agency purchase of limited pre-production quantities of new products for revenue service to increase confidence in operational performance and reliability, and to provide a sound and valid empirical basis for cost-effectiveness tradeoffs in transit equipment selection decisions; and
- c) Technical and financial assistance in the introduction of innovative techniques and methods.

Projects eligible for funding under these categories should meet the following minimum criteria:

- (1) Through testing under laboratory conditions or in the transit environment, the technology is shown to be suitable for introduction into normal transit operations or revenue service. Suitable in this context means a reasonable certainty that the technology will be safe, operable, feasible and will prove beneficial over a satisfactory useful life.

- (2) Use of the equipment is expected to result in material benefits in terms of time, cost and other equipment attributes and characteristics in the following areas:
 - a) Improved production and efficiency;
 - b) Better reliability and maintainability;
 - c) Lower initial capital cost; and
 - d) Enhanced use or passenger amenity and comfort and reduced environmental intrusion.
- (3) Analysis of the product demonstrates the need for special efforts to establish reliable information about the costs and benefits that use of the technology entails.
- (4) The operator/grantee is prepared to assume risks attendant to the introduction of the new technology, or store them with the supplier.
- (5) The operator/grantee is prepared to share the cost of the purchase and demonstration of the equipment with the Federal Government and if appropriate, the supplier.

APPENDIX F

OPERATING ASSISTANCE
PROJECT BUDGET WORKSHEET

The operating assistance project budget developed in support of the Section 9 funding request should contain several basic line items, as follows:

1. Eligible Operating Expenses

Eligible operating expenses are limited to direct labor, material and overhead expenses incurred on an accrual basis by an operator to provide mass transportation service in the urbanized area during one local fiscal year. Expenses for contractual services directly incident to the management and operation of transportation services, and which are not otherwise reimbursed, are also included.

In practice, eligible operating expenses are derived as the remainder when various categories of noneligible expenses are subtracted from total expenses.

2. Farebox Revenues and Revenues Applied to Eligible Expenses Not Includable as Local Share

As indicated above, all funds used to cover eligible operating expenses must be represented in the project budget. This line represents those revenues used to cover eligible expenses which cannot be included in "local share"--in other words, "non-matchable" revenue. This category includes transit farebox and farebox-related revenue.

3. Net Project Cost

This line represents the difference between lines (1) and (2), i.e., the amount of eligible expenses to be covered by the local and UMTA shares.

4. Local Share

Local share (i.e., non-Federal share) includes all local and State funds contributed to meeting net project cost. Only those funds actually applied to eligible operating expenses incurred on an accrual basis in providing mass transportation services during the project period may be considered local match.

5. Net Expenses Before Applying UMTA Funds

This amount represents the difference between "net project cost" and "local share," and it should represent the amount of eligible operating expenses not otherwise covered by transit revenues (No. 2 above) or local share funds (No. 4 above).

6. UMTA Funds

This is the amount determined to be the maximum UMTA share, based upon the project budget lines itemized on the preceding page. The UMTA share can be up to 50 percent of net project cost. If local share is less than or equal to 50 percent of net project, it can be matched dollar-to-dollar with UMTA operating assistance, subject to the availability of formula funds and the local programming of projects. If the local share is greater than 50 percent of net project cost, UMTA operating assistance can only cover the net expenses before applying UMTA funds.

The project budget format described in this attachment must describe as fully and as accurately as possible the actual or projected accrual of transit operating expenses, the identification of expenses eligible for UMTA assistance, the application of transit revenues to cover such expenses, the application of State and local Government funds and other sources of local share, and the resulting eligibility for UMTA operating assistance.

Where an applicant applies on behalf of two or more individual transit operators under one operating assistance project, the budget should represent aggregated statements of project year revenues and expenses.

Appropriate documentation in support of the project budget should be retained by the applicant to demonstrate the proper allocation of revenues to nonoperating expenses, the availability of local share funds, and such other reconciliations as may be necessary to clarify estimates or projections of financial conditions during the project year. Certifications of project budgets based on estimates or projections are not required.

In preparing Section 9 project budget worksheets, applicants should itemize entries under each revenue and expense category. The number of lines provided in the attached format should be expanded by applicants whenever necessary to accommodate additional entries. Some lines (e.g., "other exclusions") may not be needed by individual applicants. It is particularly important that the itemization of revenues and expenses be sufficient to permit verification of calculations of eligible operating expenses, net project cost, local share and eligible UMTA assistance during any subsequent audit pursuant to OMB Circular A-128, and Section 9 of the UMT Act.

UMTA will not usually require submission of any additional documentation or narrative material. Applicants whose project budget exhibit is based upon estimates, however, should take care to notify UMTA whenever significant deviations from such estimates are experienced--whether they occur before or after project approval. Deviations which affect the eligibility for operating assistance in the amount requested should be reported promptly to maintain the accuracy of data on file for each project.

PROJECT BUDGET WORKSHEET

For the Period: _____

Transit Operator(s): _____

Designated Recipient: _____
(Applicant)

(1) Total Operating Expenses (Itemize)

TOTAL OPERATING EXPENSES \$ _____ (1)

(2) Less Eliminations

(a) Less Ineligible Expenses (Itemize)

_____ \$

(b) Less Non-Mass Transportation Expenses (Itemize)

(c) Less Contra-Expenses (Itemize)

(d) Less Other Exclusions (Itemize)

TOTAL ELIMINATIONS \$ _____ (2)

(3) Eligible Operating Expenses (Line 1-Line 2)	\$ _____ (3)
(4) Less Farebox and Other Revenues Not Includable as Local Share (Itemize)	

TOTAL FAREBOX AND OTHER REVENUE APPLIED AGAINST ELIGIBLE EXPENSES NOT INCLUDABLE AS LOCAL SHARE:	\$ _____ (4)
(5) Net Project Cost (Line 3-Line 4)	\$ _____ (5)
(6) Local Share (Itemize)	

_____	\$ _____ (6)
(7) Net Expenses Before Applying UMTA Funds (Line 5-Line 6)	\$ _____ (7)
(8) UMTA Funds Available	\$ _____ (8)
(9) UMTA Funds Requested	\$ _____ (9)



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