

Minnesota Attorney General: Administrative Rules Proceedings

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ADMIN 1000 (Rev. 1-78)
SF-00000-01

STATE OF MINNESOTA

DEPARTMENT: ATTORNEY GENERAL

Office Memorandum

RICHARD P. BRAUN
Commissioner

TO : Department of Transportation

DATE: 9/8/80

Attn: STEVE BUFFINGTON

FROM : H. THEODORE GRINDAL HTG
Special Assistant
Attorney General

PHONE: 297-3471

SUBJECT: Rules as Approved In the Matter of Proposed Amendments to Rules on Public Transit Subsidy, Paratransit Grant Program, Regular Route Transit Improvement Program, Financial Application for Subsidy and Grant Assistance; & Proposed New Rules Regarding Uniform Performance Standards in the Metropolitan Transit Taxing District and the Public Transit Capital Grant Assistance Program.

Enclosed herewith are the rules you have submitted for approval. These rules have been approved by this office and filed with the Secretary of State. Note that they have NOT been filed with the State Register; this must be done promptly by your agency.

Upon receipt and before transmittal to your agency, however, it is important that you recheck these rules as to:

1. Affixation of the stamps of the Attorney General and Secretary of State to the last page of the rules;

2. Coverage by these stamps of all rules submitted; and

3. Inclusion of all pages of the rules in the approved set.

Directly following the approved rules is a complete set of required documents and transcript which must be retained with the rules by you or your agency.

If you have any questions in this regard, please contact me.

HTG/bw
Encl.
cc: Duane Harves
Susan Robertson

Our File # 6[illegible]8

Permanent Rule X

Temporary Rule _____

RULES REVIEW CHECKLIST

DATE RULES RECEIVED 8/18 DUE DATE 9/7

Resubmitted and Received _____

a. Returned to Agency w/o Filing w/Secretary of State _____
b. Approved _____ Date Sent Back to Agency _____

- -

1. Rules as Adopted ✓
2. Rules as Proposed ✓
3. Certificate of Board's Authorizing Resolution, where applicable N/A
4. Order for Hearing ✓
5. Notice of Hearing ✓ 5.29.80
   Sufficiency ✓
6. Secretary of State's List ✓ (one copy only)
7. Certificate of Acquisition of Secretary of State's List ✓
8. Secretary of State's Certification of Delivery of Secretary of State's List to Agency ✓
9. Affidavit of Mailing ✓
   At least 30 days prior to hearing ✓ 4.25.80
10. Publication in State Register ✓
    At least 30 days prior to hearing ✓ 4.21.80
11. Statement of Need and Evidence ✓
12. Hearing Examiner's Report ✓
13. Agency's Findings of Fact ✓ incorporated in #15 - Order Adopting
14. Certificate of Board's Resolution Adopting Rules, where applicable N/A
15. Order Adopting ✓
16. Report of Chief Hearing Examiner ✓
17. Order Approving Incorporation by Reference, where applicable ✓
18. Certificate of Compliance with Rulemaking Procedures ✓
19. Copy of Notice of Intent to Solicit Outside Opinion, where applicable ✓ 11.26.79
20. Petition by Public, where applicable N/A

STATE OF MINNESOTA

DEPARTMENT OF TRANSPORTATION

In the Matter of the Proposed Amendments to Rules on Public Transit Subsidy, Paratransit Grant Program, Regular Route Transit Improvement Program, Financial Application for Subsidy and Grant Assistance; and Proposed New Rules Regarding Uniform Performance Standards in the Metropolitan Transit Taxing District, and the Public Transit Capital Grant Assistance Program.	ORDER ADOPTING RULES

- -

The above-entitled matter came on for hearing before Richard DeLong, Hearing Examiner, acting for the Commissioner of Transportation on the 29th day of May, 1980 at 10:00 A.M. in Room 81 of the Minnesota State Office Building, St. Paul, Minnesota, after proper notice required by Minn. Stat. § 15.0412 (1978) was served upon all persons, associations and other interested groups registered with the Secretary of State for that purpose.

FINDINGS OF FACT

1. The Report of the Hearing Examiner was transmitted to and received by the Commissioner of Transportation within the thirty day time period specified in Minn. Stat. § 15.0412, subd. 4 (1978); which report and its findings, conclusions, and recommendations are hereby adopted in their entirety.

2. Hearing Examiner, Richard DeLong, in his report for this proceeding recommended in "Findings" 21, 22 and 23 that rule 14 MCAR § 1.4029 at clauses F.3., G.1.c., and G.2. be modified for reasons of clarity, grammar, and specificity; which recommendations have been incorporated.

NOW THEREFORE, after affording interested persons an opportunity to present written and oral data, statements and arguments, having heard all of the testimony, having

considered all of the evidence adduced and upon the records files and proceedings herein, and applicable statutory standards or criteria, and having confirmed the need for the above-captioned rules and reasonableness thereof, it is ordered that these rules identified as Rules on Public Transit Subsidy, Paratransit Grant Program, Regular Route Transit Improvement Program, Financial Application for Subsidy and Grant Assistance, Uniform Performance Standards in the Metropolitan Transit Taxing District and the Public Transit Capital Grant Assistance Program are adopted this 25th day of July, 1980, pursuant to authority vested in me by Minn. Stat. §§ 15.0412, 174.23, subd. 2 (1978).

STATE OF MINNESOTA

DEPARTMENT OF TRANSPORTATION

Richard P. Braun
Commissioner

Subscribed and sworn to
before me this 25th day of
July, 1980.

Colette E. Prokop
Notary Public

Ramsey County, Minnesota.
My Commission expires 9-13-86.

COLETTE E. PROKOP
NOTARY PUBLIC—MINNESOTA
RAMSEY COUNTY
My Comm. Expires Sep. 13, 1986

Public Transit Subsidy and Demonstration Grant Programs

14 MCAR § 1.4025 General provisions.

A. Authority. The Minnesota Department of Transportation is authorized to adopt rules necessary to carry out the Public Transit Subsidy Program, Paratransit Grant Program, the Regular Route Transit Improvement Program, and the Public Transit Capital Grant Assistance Program pursuant to Minn. Stat. ch. 174 and Minn. Stat. § 15.0412.

B. Definitions. The following terms as used in these Rules have the following meanings:

1. "Department" means the Department of Transportation.

2. "Regular Route Transit Improvement Program" means state financial assistance granted to an eligible recipient in accordance with the Minn. Stat., 174.26.

3. "Public transit" or "transit" means general or specific transportation service provided to the public on a regular and continuing basis. "Public transit" or "transit" includes paratransit and regular route transit. For the purposes of these rules, this term does not include air or rail transit.

4. "Subsidy assistance" means state financial assistance granted to an eligible recipient in accordance with the Public Transit Subsidy Program established pursuant to Minn. Stat., 174.24.

5. "Operating deficit" means the amount by which the total operating expenses incurred in the operation of the public transit system exceeds the amount of operating revenue derived therefrom and the amount of any social fare reimbursement pursuant to Minn. Stat., § 174.24, subd. 4. Financial assistance received from the federal government for the operation of a public transit

system shall be treated as revenue for the purpose of determining the operating deficit.

6. "Commuter van" has the meaning given it in Minn. Stat. § 221.011.

7. "Development Region" has the meaning given to it by Minn. Stat., § 462.384.

8. "Paratransit" means the transportation of passengers by motor vehicle or other means of conveyance by persons operating on a regular and continuing basis and the transportation of passengers as its primary and predominant purpose and activity, but excluding regular route transit. "Paratransit" includes transportation by car pool and commuter van, point deviation and route deviation services, shared-ride taxi service, dial-a-ride service, and other similar services.

9. "Regular route transit" means transportation of passengers for hire by a motor vehicle or other means of conveyance by any person operating on a regular and continuing basis as a common carrier on fixed routes and schedules. "Regular route transit" does not include transportation of children to or from school or of passengers between a common carrier terminal station and a hotel or motel, transportation by common carrier railroad or common carrier railroads or by taxi, transportation furnished by a person solely for his or its employees or customers, or paratransit.

C. Program applications. The Program application procedure shall consist of a preliminary and final application. (See 14 MCAR §§ 1.4026, 1.4027 and 1.4028 for other rules relating to final application.)

The preliminary application must be submitted to the Department and appropriate Regional Development Commission for review and approval for consistency with regional transportation plans and development guides prior to the department approving the application. The RDC as part of their review will insure that existing public or private transit service in the proposed service area has the opportunity to comment on the proposed project. The RDC in their review will indicate this has been accomplished. Any Regional Development Commission that has not adopted a transportation plan may review but may not approve or disapprove an application. The Regional Development Commission must transmit its comments to the department within forty-five days of the receipt of the application. The preliminary application must also be submitted to the local transit authority, commission or system for review and comment as to consistency with its approved transportation development program. That review must be submitted to the department and RDC within thirty days of receipt. No comment from the RDC, local transit authority, commission or system will constitute a positive comment from such commission, authority or system. After considering those comments and within sixty days of receipt of preliminary application, the department shall determine and notify the applicant of its eligibility to submit a final application.

The final application must also be submitted to the RDC and transit authority, commission or system for comment. The department will allow any Regional Development Commission or Transit System to withdraw their approval or comment for any final application that deviates significantly from the preliminary application. Those comments must be submitted to the department

within 15 days of receipt. The Department will act upon the final application within 20 days of receipt.

Approval of applications shall be based on criteria in 14 MCAR §§ 1.4026, 1.4027 and 1.4028.

D. Regulation of use of subsidy and demonstration assistance.

1. State audits. The financial records of the eligible recipient will be audited by the Department. A benchmark audit of the receipient's books shall be required at the beginning of the first contract period and prior to contract execution and fund encumbrance. Another audit shall be required at the end of the contract period to establish an approved total operating deficit. The Department shall conduct an interim audit of an approved total operating system that is sold during the contract period as of the effective date of the ownership transfer. Other audits may be made by the Department. The eligible recipient will be required to conduct an audit of the participating public transit system financial records.

2. Record keeping. The eligible recipient and participating public transit system shall maintain accounting and other records as required by the Department. These records will permit audit verification of all transit cost allocations claimed during the contract period.

3. Project evalution. The Department shall use the management plan required pursuant to 14 MCAR § 1.4028 as a basis for monitoring and evaluating the performance of the participating public transit system during the contract period. Public transit policy management decisions made and actions taken during the contract period shall conform with the management plan. Any proposed deviation from the management plan shall be reported to the

Department for approval prior to implementation. Failure to secure approval will jeopardize continued subsidy or demonstration assistance.

4. Third-Party contracts. Private and public organizations may participate in projects by contract with the eligible recipient. Mn/DOT concurrence is required for the third party contract.

5. Penalties. When the eligible recipient fails to faithfully comply with the terms and conditions of the contract, the Department may terminate all or part of the subsidy or demonstration assistance awarded to the eligible recipient.

14 MCAR § 1.4026 Public transit subsidy program.

A. Purpose. The purpose of the Public Transit Subsidy Program is to supplement local effort in financing public transit systems in order to preserve and develop public transit and a balanced transportation system in the state.

B. Eligibility.

1. Eligible recipients. Any legislatively established public transit commission or authority, any county or statutory or home rule charter city providing financial assistance to public transit, any private operator of regular route transit, or any combination thereof is eligible to receive financial assistance through the public transit subsidy program.

2. Eligibility factors. A public transit system with a total operating deficit projected for the contract period shall be eligible for subsidy assistance. Deficits incurred prior to this period shall not be eligible for subsidy assistance. When a legislatively established public transit commission or authority

is in existence, any application for the area under the jurisdiction of the commission or authority must be submitted by that commission or authority, except any private operator of regular route transit in the metropolitan transit taxing district as defined in Minn. Stat. § 473.446, subd. 2 may apply directly to the department.

C. Application for subsidy assistance.

1. General. The application for subsidy assistance shall be submitted in two stages: preliminary and final applications. The Department shall assist the applicant in the preparation of the final application upon request. Subsidy assistance may not be used to pay any costs incurred by the applicant in the preparation, submission or processing of applications.

2. Preliminary application. The preliminary application shall be submitted to ascertain the probable eligibility of the applicant, including projected total operating deficit and projected availability of state and local financial assistance. For a particular public transit system, only one preliminary application shall be submitted on behalf of all units participating in the system. The preliminary application shall be in the form and manner prescribed by the Department and shall contain the information required by the Department, including the following:

a. The applicant's legal name;

b. The official name of the public transit system for which the subsidy assistance would be used;

c. The common carrier certificate number of public transit system prescribed by the Minnesota Public Service Commission;

d. The amount of subsidy assistance requested;

e. A narrative describing the transit service; and

f. A description of the transit costs allocation method.

g. The preliminary application shall be submitted to the Department and appropriate RDC as required in 14 MCAR § 1.4025 C.

A preliminary application that contains all of the above information will be approved for submittal of a final application.

3. Final application. The final application shall be submitted to determine the subsidy assistance to be granted and basic elements in the agreement. It shall be submitted by an applicant who has received notice that, based on its preliminary application, it is an eligible recipient. It shall be submitted to the Department and appropriate RDC and include the elements specified in 14 MCAR § 1.4028. When the eligible recipient has submitted or anticipates submitting an application for assistance under the demonstration program 14 MCAR § 1.4027, during the contract period, that project must be identified in the application.

D. Determination of subsidy assistance.

1. Total operating deficit. In determining the total operating deficit of a public transit system, the following shall apply:

a. Generally accepted accounting principles and practices;

b. Depreciation on capital equipment that was purchased with state or federal financial assistance shall be excluded in the computation of total operating expenses to the extent of the federal or state assistance;

c. Subsidy assistance shall be considered on the basis of the total project deficit for the proposed contract period;

d. A deficit incurred as the result of authorized increased services shall be considered in determining eligibility;

e. An eligible recipient shall treat financial assistance received from any agency of the federal government for the operation of a public transit system as revenue for the purposes of determining its total operating deficit.

2. Factors in subsidy assistance. The Department shall review the application and determine the amount of subsidy assistance, if any, that shall be given to the eligible recipient.

a. The Department shall use the management plan required pursuant to 14 MCAR § 1.4028 as a basis for allocation of subsidy assistance to an eligible recipient. In the allocation of subsidy assistance, the Department shall consider population, transit ridership, relative need for public transit, new developments, and prior local assistance. Subsidy assistance shall not exceed two-thirds of the total operating deficit of the public transit system, as approved by the Department. The eligible recipient shall establish to the satisfaction of the Department that at least one-third of the total operating deficit will be available from local sources during the contract period. When more than one unit contributes assistance to the operation of the public transit system, the share contributed by each shall be specified.

b. In the Minneapolis-St. Paul Metropolitan transit taxing district as defined in Minn. Stat. § 473.446, subd. 2 private operators of transit service that are eligible recipients may receive a grant for up to 100% of their operating deficit. The

amount of the grant shall be based on the uniform performance standards specified in 14 MCAR § 1.4029.

E. Contract.

1. Content. The subsidy assistance contract shall be based upon the final application. It shall specify the amount of subsidy assistance that shall be awarded to the eligible recipient and shall be effective for a period of no more than one (1) year. It shall include the assurance of the eligible recipient that it will provide the required local share. For a particular public transit system, only one contract shall be executed on behalf of all units participating in the system.

2. Disbursement schedule. The contract shall specify a monthly or quarterly disbursement schedule at the pleasure of the recipient. Disbursements will reimburse the recipient based on the claimed operating deficit for the monthly or quarterly reporting period, but will not be allowed to exceed the estimate in the final application. At the end of seven months if it appears that the existing contract limit shall be insufficient the department will, upon application, amend the contract.

As agreed to in the contract, a portion of the final payment of the transit subsidy shall be withheld pending a final audit of the public transit system's books by the Department at the termination of the contract. The final audit shall be used by the Department to verify the transit costs claimed during the contract period. When the supplemental assistance is more than two-thirds of the total operating deficit, the final payment shall be reduced accordingly. Any overpayment by the State shall be returned to the State Treasury at the request of the Department.

14 MCAR § 1.4027 Paratransit grant and regular route transit improvement program.

A. Paratransit purpose. The purpose of the Paratransit Grant Program is to plan, promote, demonstrate, and evaluate the effectiveness, cost, and efficiency of paratransit as a means of accomplishing program objectives.

B. Paratransit objectives. The objectives of the Paratransit Grant Program are:

1. To provide transportation services which improve the accessibility and productivity of regular route transit;

2. To provide transportation services in those areas inefficiently or inadequately served by regular route transit;

3. To provide transportation services for persons who because of age or incapacity are unable to drive a private automobile or use existing modes of public transit;

4. To show how existing single occupant auto drivers can be diverted to paratransit or other public transportation modes; and

5. To determine the most effective manner of providing paratransit services. A potential demonstration project shall be designed to meet directly one or more of these program objectives.

C. Eligible recipients. Any public or private agency, entity, or person is eligible to receive financial assistance through the Paratransit Grant Program.

D. Regular route program objective. The objective of the Regular Route Transit Improvement Program is to provide financial assistance for improvements in the accessibility, quality, economic performance, or patronage of regular route transit service by the following means:

1. Expansion of existing routes and addition of new routes in areas that previously have not been served or have been served inadequately by regular route transit;

2. Management and operations improvements without expanding existing routes or adding new routes.

A potential improvement project shall be designed to meet program objectives by one of these two methods. Not less than 40 percent nor more than 60 percent of the total financial assistance available shall be granted to projects for improvements by each method.

E. Eligible recipients. Any organization that qualifies under 14 MCAR § 1.4026 B. 1. who operates, intends to operate, or assists in the operation of regular route transit services is eligible to receive financial assistance through the regular route transit improvement program.

F. Eligible projects. An eligible project for Paratransit Grant and Regular Route Improvement programs shall meet the following requirements:

1. It shall be designed to have potential for general applicability in other areas of the State;

2. It shall demonstrate the effect of improved public transit service; and

3. It shall meet one or more of the program objectives in 14 MCAR § 1.4027 B. or D.

An application should include a request for funding an ongoing evaluation of the project.

G. Determination of grant assistance.

1. General. The application for grant assistance shall be submitted in two stages: preliminary and final applications.

The Department shall assist the applicant in the preparation of application upon request. Grant assistance may not be used to pay any costs incurred by the applicant in the preparation, submission or processing of the applications.

2. Preliminary application. The preliminary application shall be submitted to ascertain the probable eligibility of the applicant, including projected availability of state and local financial assistance. For a particular public transit system, only one preliminary application shall be submitted on behalf of all units participating in the system. It shall be in narrative form and shall contain the following:

a. Project objectives. A narrative describing the purpose of the proposed project shall include the manner in which it will meet one or more of the program objectives.

b. Project description. The following must be discussed:

(1) The content of the project;

(2) The time schedule proposed for completion of the project;

(3) The public transit service including identifying proposed service levels and daily hours of operation;

(4) The compatibility of the project with any existing transit service;

(5) The potential for continuation of the project beyond the demonstration phase;

(6) A project budget, by categories of expenditures, including sources and amounts of non-state funding;

(7) A description of the applicant's organization including the key personnel and their experience.

(8) Identification of the market to be served, including the proposed daily and weekly patronage.

(9) Transit cost allocation procedures.

A preliminary application that contains all of the above information will be approved for submittal of a final application.

The preliminary application shall be submitted to the Department and appropriate Regional Development Commission and transit systems as required in 14 MCAR § 1.4025 C. The Department will assist in the planning of a system or the preparation of the applications if requested.

3. Final application. The final application shall be submitted to determine the financial assistance to be granted and the basic elements of the agreement. It may be submitted only by an applicant who has received notice that, based on its preliminary application, it is an eligible recipient. It shall be submitted to the Department and appropriate RDC in the form and manner prescribed by the Department and shall include the elements specified in 14 MCAR § 1.4028. When the eligible recipient has submitted or anticipates submitting an application for assistance under the Public Transit Subsidy Program, 14 MCAR § 1.4026, during the contract period, this shall be briefly discussed in the application.

4. Application evaluation. The criteria that will be used by the Department to evaluate and approve proposed projects are:

a. Potential for meeting one or more of the program objectives;

b. Potential in demonstrating specific concepts that are applicable in other areas of the State;

c. Degree of innovation incorporated;

d. Compatibility and coordination with existing regular route and paratransit systems;

e. Potential for integration with existing transit service;

f. Evidence of local government and public support;

g. Ability to continue a successful project beyond the demonstration phase;

h. Efficiency in the use of energy resources to accomplish objectives; and

i. Cost effectiveness of the project.

H. Contract

1. Content. The demonstration contract shall be based upon the final application. It shall specify the amount of the demonstration assistance that shall be awarded to the eligible recipient and shall not exceed one year. It shall include the assurance of the eligible recipient that it will provide the required local share and carry out the management plan. For a particular public transit system, one contract shall be executed on behalf of all units participating in the system.

2. Disbursement schedule. Disbursements will reimburse the recipient based on the claimed deficit for the monthly reporting period, but will not be allowed to exceed the contract amount.

As agreed to in the contract a portion of the final payment shall be withheld pending an audit of the transit system's books by the department at the termination of the contract. This final audit shall be used by the department to verify the transit costs claimed during the contract period. When the grant assistance is more than the approved limit of the total cost, the final payment shall be reduced accordingly. Any overpayment by the State shall be returned to the State Treasury.

14 MCAR § 1.4028 Final application for subsidy and grant assistance.

The final application for the subsidy program or for the grant program shall be a form as prescribed by the department and shall contain the following:

A. Management plan. The basic component of the final application shall be a management plan that details all of the planned and anticipated events that will affect the public transit system's operating revenue and expenses during the contract period.

1. Purposes. The essential purposes of a management plan are:

a. To document the maintenance or improvement of public transit services;

b. To identify and implement policies and practices to increase the efficiency of public transit operations; and

c. To insure that state assistance will be spent wisely.

2. Content. The final application shall include the following elements which may vary in detail with the size of the public transit system:

a. Ownership. The ownership of the participating transit system during the contract period shall be described.

b. Levels of service. The levels of service provided by the participating public transit system during the contract period shall be described.

c. Fares. The fare structures anticipated during the contract period shall be described.

d. Marketing. A proposed marketing program shall be described in general terms, including the costs benefits of the major elements. Elements of a marketing program shall include:

(1) Market research;

(2) Public information;

(3) Promotion;

(4) Advertising;

(5) Community relations; and

(6) Employee relations.

e. Capital improvements. Any actual or anticipated capital improvements in the participating public transit system during the contract period shall be described. Capital improvements include, but are not limited to: buses, fareboxes, communications equipment, storage and maintenance facilities and equipment, passenger shelters, and bus-stop signs.

f. Non-capital improvements. Any anticipated non-capital improvements proposed in the participating public transit service area during the contract period shall be described. Non-capital improvements include, but are not limited to:

(1) Staggering work hours;

(2) Regulating supply and prices of off-street parking; and

(3) Increasing daytime parking rates on workdays.

g. Revenue contracts. Revenue producing contracts relating to the public transit services provided by or for the eligible recipient shall be described. A copy of the contract will be required as part of the final application.

The following types of contracts shall be discussed:

(1) Contracts with private and public schools, colleges and universities;

(2) Contracts with private and public organizations that guarantee a minimum revenue on regular or special

route(s);

(3) Contracts with private and public organizations that purchase rides for employees or patrons; and

(4) Advertising contracts.

h. Traffic improvements.

(1) Any traffic improvements made in the public transit service area during the contract period that will affect directly the speed and reliability of transit services shall be described. Examples of traffic improvements include:

(a) Use of exclusive or preferential streets, bus lanes, or expressway ramps;

(b) Control of traffic lights by buses;

(c) Provision of fringe parking spaces with express or improved bus service;

(d) Provision of bus turnouts; and

(e) Priority snow-plowing of transit routes.

(2) The discussion of each type of traffic improvement shall include the following:

(a) The date the traffic improvement is expected to be made; and

(b) The expected impact of the traffic improvement upon estimated public operating revenues and expenses.

i. Expenses contracts. Any contracts for services and goods relating to the public transit services provided by or for the eligible recipient and others shall be described.

The types of contracts to be discussed include:

(1) Contracts for management and consulting services;

(2) Contracts for storage and maintenance of buses;

(3) Contracts for the lease or purchase of tires and tubes;

(4) Contracts for fuel and lubricants;

(5) Contracts for liability and property insurance;

(6) Contracts, union and non-union, with transit system employees.

A copy of each contract will be required as part of the management plan.

j. Preventive maintenance. The participating public transit system's planned preventive maintenance program for the contract period shall be described. Elements of a preventive maintenance program typically include:

(1) Defect reporting by drivers;

(2) Daily fueling inspection;

(3) Mileage inspection; and

(4) Inventory controls.

B. Organization. The local institutional or organizational structures established to carry out the management plan shall be described, including a description of the technical policy and decision-making organizations responsible for directing, controlling, reviewing, and implementing the management plan. The relationships between these various organizations shall be illustrated in a simple diagram following the narrative. In addition, the following questions shall be answered:

1. Who is directly responsible for the day-to-day management and operation of the transit system?

2. Who is directly responsible for negotiating wage contracts with the employees of the transit system?

3. Where more than one local unit of government participates in the program, who represents the applicant public body in negotiations with surrounding communities? Who represents the surrounding communities?

4. Who will represent the applicant public body in negotiating an assistance contract with the State, and how shall a contract be ratified by the applicant public body?

5. Who is responsible for filing reports for the transit system with the Minnesota Public Service Commission?

C. Financial conditions. Financial data shall be reported in the form and manner prescribed by the Department. The cash accounting method shall be used to report financial data unless otherwise authorized by the department.

1. For the transit subsidy program, this financial data shall contain the audited figures for a twelve (12) month period preceding the contract period and estimated figures for the contract period.

2. For the grant program, the financial data shall contain estimated figures. When the grant project is associated with an existing public transit system, the financial data shall include the audited figures for a twelve (12) month period preceding the contract period.

D. Financial statement. A detailed breakdown of operating expenses shall be required. The projection of revenues and expenses should reflect the policies and practices outlined in the management plan.

E. Operating statistics. The actual and anticipated operational characteristics of the public transit system in a twelve (12) month period preceding the contract period and/or the contract period shall be described. This discussion shall include revenue passengers, monthly ridership, total operating miles, revenue hours, and other relevant information required by the Department.

F. Sources of local funds. The sources and type of revenue that the eligible recipient and each participating unit will use to match the supplemental or demonstration assistance shall be identified.

G. Fuel supplies. Existing and potential problems that the public transit system faces in obtaining adequate fuel supplies during the contract period shall be identified, including the status of contracts with fuel suppliers, the prospects for securing contracts for the contract period, the time between deliveries under normal and anticipated conditions, and any other pertinent facts.

The existing rules dated August 23, 1974 under Laws 1974, ch. 534 are rescinded.

14 MCAR § 1.4029 Uniform Performance standards for private operators in the metropolitan transit taxing district.

A. General.

1. These rules set forth a description of what shall be considered minimum levels of performance or design and identify the standards against which existing services will be evaluated and for planning new or modified services.

2. Performance standards have been developed to apply to the unique financial and geographical characteristics encountered by private operators in the Metropolitan Area as defined in Minn.

Stat., § 473.446. These standards are not necessarily the same ones utilized by the Metropolitan Transit Commission (MTC). The MTC service standards are spelled out in the "TRANSPORTATION DEVELOPMENT PROGRAM AND TRANSPORTATION IMPROVEMENT PROGRAM (1978-1983)."

B. Definitions. The following terms as used in these rules will have the following meanings:

1. "Regular service" shall mean a bus service operating primarily on arterial streets making a minimum of 5 pickup or dropoff stops per mile and having an average operating speed of 15 mph or less.

2. "Express service" shall mean a bus service having the following characteristics:

a. Average operating speed in excess of "regular" bus service speeds and nearly equivalent to average automobile speeds for the same trip.

b. A limited-stop route segment which is greater than 50% of the route's one-way mileage. Limited-stop route segment is defined as one-half or less than the minimum stops for regular service.

3. "School service" shall mean extra bus trips on "regular or express" service, designed to transport students either on the route or directly to or from a school.

4. "Contract service" shall mean bus service operated under contract (or as a charter) to provide service to a specific market.

5. "Linehaul service" shall mean direct, point-to-point travel over distances (route length) greater than two (2) miles between residential areas and activity centers of business districts.

6. "Feeder service" shall mean providing access to or from a linehaul service.

7. "Crosstown service "shall mean bus service connecting either community subcenters or linehaul services emanating radially from a central business district (CBD). It shall generally be construed to mean nonradial travel that is not directed to or from a central business district.

8. "Peak period" shall mean the hours of 6:30 a.m. to 9:00 a.m. and 3:30 p.m. to 6:00 p.m. weekdays.

9. "Off peak periods" shall mean all other times not included under "Peak period".

10. "Headway" shall mean the time interval between two consecutive buses (Frequency of Service) measured at the maximum load point.

11. "On time performance" shall mean zero minutes early and no more than five (5) minutes late at a schedule time point.

12. "Load factor" shall mean the ratio of the number of passengers on board versus the number of seats provided measured at the maximum load point(s) on a particular route.

13. "Capacity" shall mean the number of passenger seats made available.

14. "Peak period bus requirement" shall mean the maximum number of transit units an operator must have in service to meet scheduled trips excluding spare units.

15. "Route miles" shall mean the one-way mileage between route termini.

16. "Bus miles" shall mean the miles operated by a transit unit from the time it leaves the garage until it returns including "pull-out" and "pull-in" mileage.

17. "Passenger per mile" shall mean the number of passengers carried divided by the number of bus miles operated.

18. "Vehicle hours" shall mean the hours operated by a transit unit from the time it leaves the garage until it returns including "pull-out" and "pull-in" time.

19. "Revenue hours/revenue miles" shall mean the miles or hours operated by a transit unit on a route excluding "pull-in"/"pull-out" miles and hours. Same as "scheduled" hours/"scheduled" miles.

20. "Deadhead miles" shall mean those miles operated for the purpose of maintenance testing, driver training and garage transfers.

C. Purpose. The purpose of uniform performance standards for private operators in the metropolitan transit taxing district is:

1. To increase the number of persons riding and the rate at which persons are diverted from driving to riding.

2. To achieve the fullest and most efficient use of public resources and investments in public transit.

3. To provide adequate service levels within geographic areas and on route segments characterized by high density of demand for service and for the transit dependent population.

D. Objectives. The objectives of uniform performance standards for private operators in the metropolitan transit taxing district are:

1. The public transit service provided by state funded private operators within the Metropolitan Area as defined in Minn. Stat., 473.446, shall be designed, operated and maintained to attract patrons in such numbers as to assure continuing viability as a reasonable alternative to the private automobile.

2. Prime consideration shall be given to the safety of operators and passengers.

3. Each private operator's system shall be maximized within the Metropolitan Urban Service Area and shall be consistent with the Development Guide of the Metropolitan Council.

4. Existing service levels shall be evaluated for economic considerations, public necessity and ability to attract new patrons from competing modes of transportation.

5. Service shall be designed to minimize door-to-door travel time.

6. Service changes shall be made on the basis of feasibility and the attendant physical, operational, economical, financial and social merits.

7. Each private operator shall provide some opportunity for local input into their systems' service levels and route structures.

8. Service provided by the private operators shall be comparable to and compatible with other service offered in the Metropolitan Urban Service Area.

E. Service standards.

1. Route spacing. Route spacing is a function of population density and physical considerations such as terrain and adequate roadways.

MINIMUM ROUTE SPACING

Population Per Square Mile (1) (Thousands)	Route Spacing or (Miles)	Route Miles Per Square Mile
4 & over	0.50	1.50
2 - 4	1.00	1.00
0 - 2	2.00	0.50

(1) Land acreage only.

2. Directness of service.

a. Schedule leave and arrive times for routes having common termini shall be coordinated to the maximum extent possible.

b. Not more than 25% of the total systems riders will be required to transfer between an operator's vehicles to complete their trip.

3. Route layout.

a. Route alignment shall be as direct as possible, and to the maximum extent feasible, areas with no adjacent land development will be avoided in laying out the collector portion of a route.

b. Service shall be operated over permanently paved streets having at least ten (10) foot lanes.

c. Service shall not be operated over streets which continually exhibit danger-producing situations such as steep grades; poorly plowed or sanded roadways; or streets where parking habitually encroaches on the roadway reducing passageway to less than ten (10) feet.

4. Frequency of service. A sufficient number of vehicles shall be provided past the maximum load points on a route to accommodate the passenger volume within the loading standards established under the Section: "Operating Performance Standards".

MINIMUM HEADWAYS

Service Type	Days Provided	Range of Service	Peak	Off Peak
Regular	Mon-Fri	6:00 am - 6:30 pm	30 min	70 min
Regular	Sat	8:00 am - 6:00 pm	To be based on demon-	
Express	Mon-Fri	6:30 am - 9:00 pm	strated need	
		3:30 pm - 6:00 pm		

5. Passenger stops.

a. In suburban residential areas, the distance between bus stops shall not exceed 2000 feet.

b. In CBD's, the distance between bus stops shall not exceed 600 feet.

c. Designated bus stops shall be indicated by at least a sign on a stanchion or fastened to a utility pole. The bus stop sign shall display a bus information phone number.

d. Minimum acceptable bus stop lengths are:

(1) farside stop . . . . . 80 feet.

(2) nearside stop . . . . . 80 feet.

(3) mid-block stop . . . . . 80 feet.

NOTE: Farside stops are preferable to all others.

e. Shelters shall be provided at all stops which serve 40 or more boarding or transferring passengers during the course of a typical day.

F. Operating performance standards.

1. Speed.

a. Average operating speed excluding recovery time shall not exceed twenty five percent (25%) deviation from the service (i.e., express and regular) operating speed for the time being analyzed. Any service having an average operating speed less than this standard will be considered for remedial analysis.

b. No service is to have a layover time to running time ratio over 30% at any time.

2. Maximum load standards - per route shall be:

Service	Peak of the Peak	Total Peak Period	Off Peak
Express	1.1	1.0	1.0
Regular	1.25	1.1	1.0

3. Labor productivity shall be measured by "miles per employee" factored to 8 hours = 1 full time employee. No operator's labor productivity shall be less than 18,000 bus miles per employee per year.

4. Schedule adherence and service dependability.

a. 95% of all service provided shall be on time.

b. 99% of all scheduled trips shall be completed each month.

c. Maintenance standards shall be high enough to provide, at a minimum, 10,000 bus miles of service for each disruption of service due to mechanical failure.

d. Complaints shall not exceed one (1) per 100 hours of service. A complaint is defined as official contact in writing with either the PSC or the Minnesota Department of Transportation (Mn/DOT).

5. Economic standards.

a. No service shall be permitted to have a "revenue per passenger" departure from the system average of more than -25%, unless the "passengers per mile" are at least 65% of the system average.

b. System fares shall be set to ensure a system "revenue per passenger" ratio to "full cost per passenger" of at least 35% in that reimbursement to the operator on a "deficit per passenger" basis will not exceed 65% of the "full cost per passenger".

G. Funding procedure.

1. Two months prior to the expiration of an existing contract term, the operator shall be sent a letter by the Minnesota Department of Transportation notifying him of the upcoming expiration. This letter shall also have attached the "Service Standards for Metro Area Private Operators". The letter will ask the operator to:

a. Advise Department of Transportation (Mn/DOT) of the operator's intent to continue providing fixed route public transit service within his authorized service area.

b. Advise Mn/DOT if he intends to apply for a state financial assistance contract relative to the public transit service.

c. Submit a signed statement to Mn/DOT that he has read and ~~met~~ can meet the required "service standards".

2. If the operator intends to apply for state financial assistance, and has indicated he can meet the "service standards", a member of the Mn/DOT staff shall meet with the operator to assist him to prepare the application including ~~but not limited to~~:

a. Management plan.

b. Operating budget.

c. Patronage and revenue projections.

d. Transit cost allocation plan (to be attached as an element of the contract).

e. Capacity analysis.

f. Operations narrative.

3. When the application is complete and agreed to as accurate by Mn/DOT and the operator, funding shall be calculated as follows:

a. Full operating cost shall be divided by the number of rides projected. This will yield a "full cost per passenger".

b. All anticipated revenues shall be calculated and divided by the number of rides projected to obtain an estimated "revenue per passenger".

c. The estimated "revenue per passenger" shall then be subtracted from the "full cost per passenger" to obtain a "deficit per passenger".

d. The amount of the "deficit per passenger" shall be what the operator will be reimbursed for each passenger carried on his system. Such reimbursement shall not exceed 65% of the "full cost per passenger".

H. Verification procedure.

1. Timetable analysis.

a. Prior to the execution of a financial assistance contract or a route or service change the operator shall be required to submit a complete set of current or proposed schedules to Mn/DOT.

b. Upon receipt of the schedules, Mn/DOT and Metropolitan Council staff shall perform an analysis to ensure that the service offered is consistent with the recommended operating performance standards and Metropolitan Council Development Guide.

c. Upon completion of the schedule analysis, a summary shall be prepared detailing those portions, if any, of the service that are sub-standard and outlining possible corrective measures.

2. Maximum load and on-time performance analysis.

a. Performed by operators.

(1) Operators shall develop and maintain "daily trip sheets" for their drivers to record daily passenger counts. The driver's daily trip sheet should include, but not be limited to:

(a) Day of week/date/run number/bus number.

(b) Each trip run (terminal and scheduled departure time).

(c) Maximum load carried per trip (at specified maximum load points).

(d) Number of transfers received.

(e) Any deviation from scheduled time, and reason for this.

(f) Driver signature.

(2) Daily trip sheets shall be collected for each service day by the operator.

(3) Daily trip sheets are to be retained by the operator for a period of two years or until final audit, whichever occurs first.

b. Performed by Mn/DOT.

(1) Mn/DOT shall establish maximum load points for each route in an operator's system; these will be consistent with the maximum load points that the operators are using.

(2) Checking sheets shall then be developed for each maximum load point. The checking sheets will be organized by trip (inbound or outbound), in time order, for an entire service day. Separate sheets will be developed for weekday and Saturday service.

(3) Mn/DOT shall hire on-street checkers to collect the actual data. The checkers will be placed at the maximum load points and required to record the following data for each bus that passes:

(a) Condition of bus.

(b) Bus number.

(c) Actual time bus passes maximum load point.

(d) Estimated number of passengers on board.

(e) Trips not completed will also be recorded.

(f) Weather and street conditions.

(4) Checkers shall conduct "spot checks" on a random basis. Checks shall be performed at random times within the peak and off peak periods to ensure that all time periods will be observed.

(5) Occasionally, checkers shall be required to perform "on-board" checks of an operator's service. On board checks are utilized to observe the loading patterns of an entire route, operating hazards along the route, transfers issued and received, and running time for the route. The operator shall be notified, in advance each time this is planned.

(6) Checking sheets shall be submitted to Mn/DOT and the data will be analyzed.

(7) A summary of the maximum load/on-time performance checks shall be prepared monthly and will detail the areas, if any, where the operator's system is performing below the minimum operating standards and recommendations for remedial measures will be made.

(8) Mn/DOT maximum load check sheets shall be compared with the operator's "drivers trip sheets" monthly to verify passengers carried.

3. Maintenance analysis.

a. Operators shall be required to report all disruption of service due to mechanical failure, to Mn/DOT monthly.

b. Mn/DOT shall apply the "total bus miles" operated monthly to the total number of "disruptions of service due to mechanical failure" to ensure that "bus miles for each disruption of service due to mechanical failure" are consistent with the maintenance standards.

A. Application. Eligible recipients as defined in Minn. Stat. § 174.245 (1979 Supp.) shall apply for capital grant assistance by a letter to the Minnesota Department of Transportation citing the Minnesota Statute under which eligibility is claimed. The letter of application shall contain the following information:

1. A statement of eligibility under the Urban Mass Transportation Act of 1964, Public Law 88-365, as amended.

2. The amount of state financial assistance requested.

3. A statement that this capital improvement is included in the current approved management plan if the recipient is currently receiving state financial assistance.

B. Procedure for review and approval. A letter of application shall be reviewed by the Department of Transportation for the requirements contained in paragraph A and shall be considered for funding.

C. Capital grant assistance shall be based on:

1. The priority listing recommendation of the Transportation Advisory Committee established by the State Management Plan for Public Transportation Financial Assistance under Section 18, Urban Mass Transportation Act of 1964, Public Law 88-365, as amended. The Committee shall base their recommendations on the following criteria:

a. How well the project meets the program objectives.

(1) To actively promote the coordination of transportation services where no local agency has taken this responsibility or where local disputes threaten accomplishment of the task.

(2) To help alleviate the transportation problems of Minnesota's elderly and handicapped residents.

(3) To participate in joint-agency efforts to construct and implement park-ride facilities when it can be demonstrated that these facilities will serve existing demand.

(4) To develop a specific position on performance funding for non-urban transit operators.

(5) To effectively provide public transportation in rural and small urban areas inefficiently or inadequately served by regular route transit.

(6) To divert single occupant auto drivers to public transportation modes.

(7) To fund effective and cost efficient methods of providing non-urban transportation services.

b. The accessibility to the transit system of the handicapped and elderly.

c. The amount of local government and community support.

d. The potential for continuation after the first year.

e. The applicability of the project results to other areas of the state.

f. The potential for meeting the life support needs (i.e., nutrition, health, shopping, recreation, etc.) of those the transit system is designed to serve.

2. The availability of state public transit capital grant assistance funds.

3. The availability of local matching funds.

D. Contract. The public transit capital grant assistance contract shall be based on the letter of application. It shall

specify the amount of financial assistance to be awarded. It shall include the assurance of the eligible recipient that the local matching funds are available and shall be provided.

APPROVED AS TO FORM AND LEGALITY
WARREN SPANNAUS, ATTORNEY GENERAL
BY _____ 19 80
SPECIAL ASSISTANT ATTORNEY GENERAL

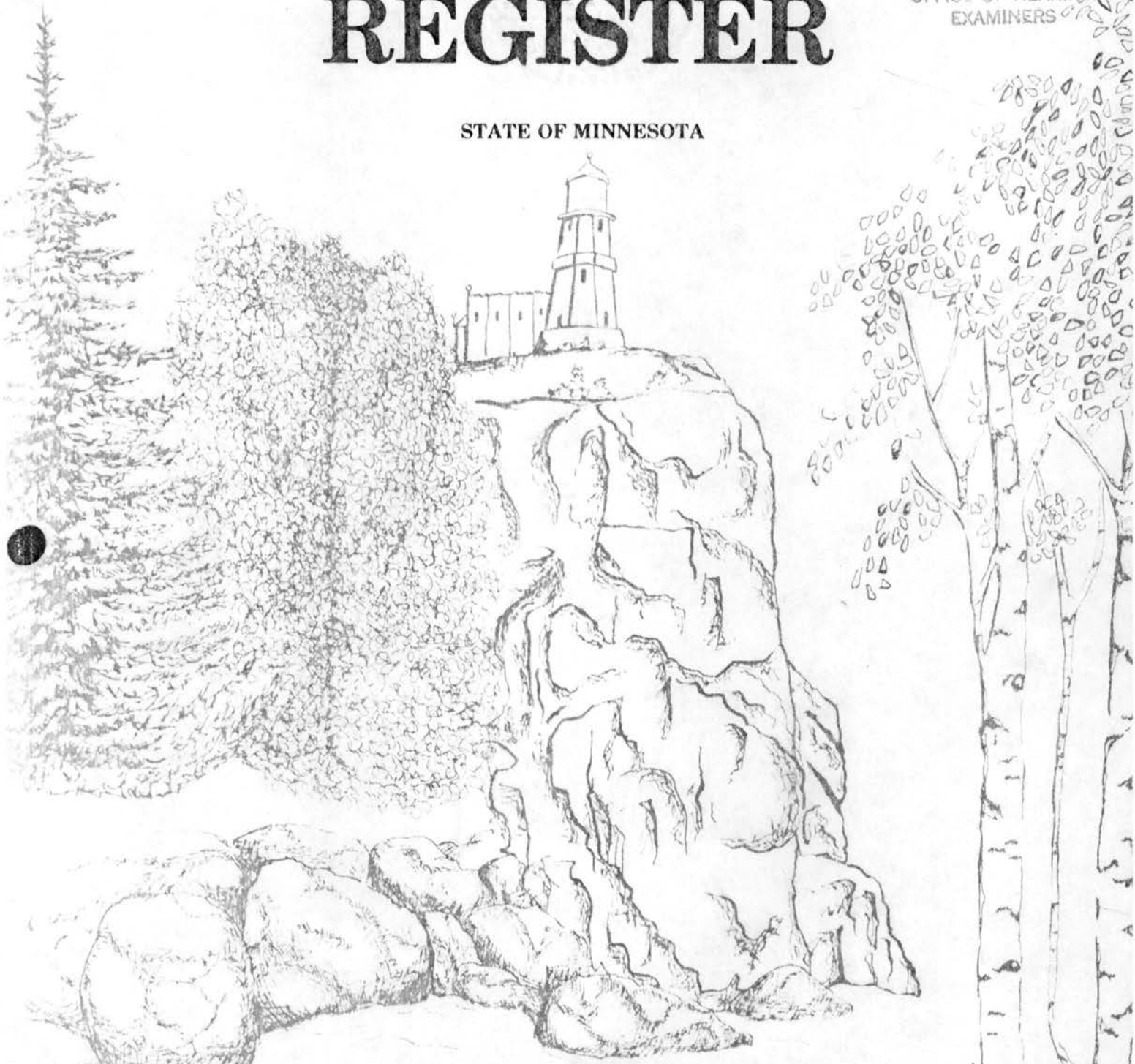
STATE OF MINNESOTA
DEPARTMENT OF STATE
F I L E D
SEP - 8 1980
Secretary of State
3:05 PM

EXHIBIT #8

RECEIVED
MAY 8 1980
OFFICE OF HEARING
EXAMINERS

STATE REGISTER

STATE OF MINNESOTA



VOLUME 4, NUMBER 42

April 21, 1980

Pages 1661-1704

CONTENTS

AMENDMENTS AND ADDITIONS

Inclusive listing for Issues 39-42 1664

PROPOSED RULES

Public Hearings on Agency Rules

April 28-May 5, 1980 1665

Minnesota State Retirement System Executive Director

State Deferred Compensation Plan (repeal and proposed new rules) 1665

Transportation Department

Public Transit Subsidy, Paratransit Grant Program, Regular Route Transit Improvement Program, Financial Application for Subsidy and Grant Assistance (proposed amendments); Uniform Performance Standards in the Metropolitan Transit Taxing District, and the Public Transit Capital Grant Assistance Program (proposed new rules) 1667

Housing Finance Agency

Emergency Energy Conservation Grant Program (proposed temporary) 1688

ADOPTED RULES

Health Department Manpower Division

Examination and Licensing of Morticians 1690
Urban Indian Housing Loan Program (temporary) 1692
Accessibility Improvement Assistance Program 1692

Pollution Control Agency

Exemption for Sparsely Populated Areas from Certain Sanitary Landfill Operating Standards 1693

SUPREME COURT

Decisions Filed Friday, April 11, 1980 1694
Decision Filed Thursday, April 3, 1980 1696

STATE CONTRACTS

Hearing Examiners Office

Hearing Examiners and Court Reports 1697

State Board of Investment

Expansion of the Minnesota Public Employees Deferred Compensation Plan 1697

Public Welfare Department Fergus Falls State Hospital

Pathological Services and Autopsies, Laboratory Consultant 1697

OFFICIAL NOTICES

Health Department

Application for Licensure to Operate A Life Support Transportation Service at Fulda, MN 1698

Higher Education Coordinating Board

Outside Opinion Sought on Amendment of Rules Governing Scholarship and Grants-in-aid; Private College Contract; State Work-study; Medical and Osteopathic Loan; Foreign Student Assistance Program; Veterans' Dependents Student Assistance; Part-time Student Grant; Private Institution Registration; and Area Vocational-technical Institute Tuition Subsidy Programs 1698

Revenue Department Income Tax Division

Outside Opinion Sought on Rules Concerning the Deduction for Contribution to Individual Housing Accounts 1699

Errata 1699

Department of Transportation

Proposed Amendments to Rules on Public Transit Subsidy, Paratransit Grant Program, Regular Route Transit Improvement Program, Financial Application for Subsidy and Grant Assistance; and Proposed New Rules Regarding Uniform Performance Standards in the Metropolitan Transit Taxing District, and the Public Transit Capital Grant Assistance Program

Notice of Hearing

Notice is hereby given that a public hearing in the above entitled matter will be held pursuant to Minn. Stat. § 15.0412, subd. 4 (1978) in Room 81, State Office Building, 435 Park Street (between Aurora and Fuller), Saint Paul, Minnesota on May 29, 1980 at 10:00 a.m.

The statutory authority of the Department of Transportation to adopt and promulgate these rules is provided in Minn. Stat. §§ 15.0412 and 174.23, subd. 2 (1978). The proposed rules, if adopted, would:

(1) Change rule titles and make other similar editing changes of a non-substantive nature in the light of recent amendments to Minn. Stat. ch. 174.

(2) Modify certain statutory references to enable the rules to remain effective until reached by future legislative action.

(3) Delete provisions concerning local governmental financial support now obsolete as a result of recent enactments.

(4) Adopt uniform performance, service, and operating standards, as well as funding procedures, for private operators in the metropolitan transit taxing district.

(5) Adopt application, review, and approval procedures for the public transit capital grant assistance program.

A copy of the proposed rules is attached. Additional copies of the proposed rules are now available and one free copy may be obtained by writing to: Ms. Sherri Y. Alston, Assistant Commissioner for Public Transportation, Minnesota Department of Transportation, Room 413 Transportation Building, Saint Paul, Minnesota 55155. The rules will be available at the door on the date of the hearing.

Notice is hereby given that twenty-five (25) days prior to the hearing a Statement of Need and Reasonableness will be available for review at the Department of Transportation address given immediately above and at the Office of Hearing Examiners. This Statement of Need and Reasonableness will include a summary of all of the evidence which will be presented by the Department at the hearing justifying both the need for and the reasonableness of the proposed rule/rules. Copies of the Statement of Need and Reasonableness may be obtained from the Office of Hearing Examiners at a minimal charge.

The proposed rules are subject to change as a result of the rule hearing process. The Department of Transportation therefore strongly urges those who are potentially affected by these proposed rules to participate in the rule hearing process.

All interested or affected persons will have an opportunity to participate concerning the adoption of proposed or amended rules relating to public transportation assistance and transportation management as authorized under Minn. Stat. §§ 174.21 to 174.27, as amended. Statements may be made orally and written material may be submitted at the hearing. In addition, whether or not an appearance is made at the hearing, written statements or material may be submitted at the hearing. In addition, whether or not an appearance is made at the hearing, written statements or material may be submitted by mail to Richard DeLong, Hearing Examiner, Office of Hearing Examiners, at Room 300, 1745 University Avenue, Saint Paul, Minnesota 55104, telephone (612) 296-8117, either before the hearing or within five (5) working days after the close of the hearing. If so ordered by the Hearing Examiner, the hearing record may remain open and such materials may be submitted for a period longer than five (5) working days but not exceeding twenty (20) calendar days after the close of the hearing. All such statements and materials will be entered into and become a part of the record for this proceeding. The rule hearing procedure is governed by Minn. Stat. §§ 15.0411 to 15.0412 and § 15.052; as well as by 9 MCAR §§ 2.101 to 2.112 (Minnesota Code of Agency Rules). If you have any questions about the procedure, call or write the hearing examiner.

Any person may request notification of the date on which the Hearing Examiner's Report will be available, after which date the Department of Transportation may not take any final action on the rules for a period of five (5) working days. Any person may request notification of the date on which the hearing record has been submitted (or resubmitted) to the Attorney General by the Department of Transportation. If you desire to be so notified, you may so indicate at the hearing. After the hearing, you may request notification by sending a written request to the

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Hearing Examiner (in the case of the Hearing Examiner's Report) or to the department (in the case of the department's submission or resubmission to the Attorney General).

The department expects that fifty to one hundred persons may attend the hearing and it estimates that one to two hours will be necessary for the department to present its evidence at the hearing.

It is not anticipated that adoption of the proposed rules will result in the expenditure of public monies by local bodies of government to implement the rule for the two years immediately following its adoption within the meaning of Minn. Stat. § 15.0412, subd. 7 (1978).

In addition, please be advised that Minn. Stat. ch. 10A requires each lobbyist to register with the State Ethical Practices Board within five (5) days after he or she commences lobbying. Minn. Stat. ch. 10A provides that an individual appearing at a rules hearing is a lobbyist if he or she is:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than $250.00, not including *his or her own* travel expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or

(b) Who spends more than $250.00, not including *his or her own* traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials;

"Communicating with public officials" includes, but is not limited to, testifying at rulemaking hearings where the public officials' decisions will be based on the hearing record.

The following individuals are not lobbyists even if they meet the above criteria:

(a) Public officials or employees of the state or any of its political subdivisions or public bodies acting in an official capacity;

(b) Party or his representative appearing in a proceeding before a state board, commission or agency of the executive branch unless the board, commission or agency is taking administrative action;

(c) Individuals while engaged in selling goods or services to be paid for by public funds;

(d) News media or its employees or agents while engaged in the publishing or broadcasting of news items, comments or paid advertisements which directly or indirectly urge official action;

(e) Paid expert witness whose testimony is requested by the body before which he is appearing, but only to the extent of preparing or delivering testimony; or

(f) Stockholder of a family farm corporation as defined in § 500.24, subd. 1, who does not spend over $250.00, excluding *his or her own* travel expenses, in any year in communicating with public officials.

An individual who falls within the lobbyist definition shall register with the Ethical Practices Board within five days of becoming a lobbyist.

Lobbyist registration forms may be obtained by writing the Ethical Practices Board, 41 State Office Building, Saint Paul, Minnesota 55155, or telephoning (612) 296-5615. Please contact the board if you have any questions concerning lobbying registration and reporting requirements.

April 7, 1980

Richard P. Braun
Commissioner

Rules as Proposed

14 MCAR § 1.4025 General provisions.

A. Authority. The Minnesota Department of Transportation is authorized to adopt rules necessary to carry out the Public Transit Subsidy Program, Paratransit ~~Demonstration~~ Grant Program, ~~and~~ the Regular Route ~~Demonstration~~ Transit Improvement Program, and the Public Transit Capital Grant Assistance Program pursuant to Minn. Stat. ~~1977~~, ch. 174 ~~(1977 Supplement)~~ and Minn. Stat. ~~1976~~ § 15.0412 ~~as amended~~.

B. Definitions. The following terms as used in these Rules have the following meanings:

1. "Department" means the Department of Transportation.

2. ~~"Demonstration assistance"~~ "Regular Route Transit Improvement Program" means state financial assistance granted to an eligible recipient in accordance with ~~the Paratransit Service Demonstration Grant Program or Regular Route Demonstration Program established pursuant to~~ Minn. Stat. §§ ~~174.25 and~~ 174.26. ~~(1977 Supplement).~~

3. "Public transit" or "transit" means general or specific transportation service provided to the public on a regular and continuing basis. "Public transit" or "transit" includes paratransit and regular route transit. For the purposes of these rules, this term does not include air or rail transit.

4. "Subsidy assistance" means state financial assistance granted to an eligible recipient in accordance with the Public Transit Subsidy Program established pursuant to Minn. Stat. § 174.24. ~~(1977 Supplement).~~

5. "Operating deficit" means the amount by which the total operating expenses incurred in the operation of the public transit system exceeds the amount of operating revenue derived therefrom and the amount of any social fare reimbursement pursuant to Minn. Stat. § ~~174.21~~ 174.24, subd. 4. ~~(1977 Supplement).~~ Financial assistance received from the federal government for the operation of a public transit system shall be treated as revenue for the purpose of determining the operating deficit.

6. "Commuter van" has the meaning given it in Minn. Stat. ~~1976~~, § 221.011.

7. "Development region" has the meaning given to it by Minn. Stat. §462.384.

8. "Paratransit" means the transportation of passengers by motor vehicle or other means of conveyance by persons operating on a regular and continuing basis and the transportation of passengers as its primary and predominant purpose and activity, but excluding regular route transit. "Paratransit" includes transportation by car pool and commuter van, point deviation and route deviation services, shared-ride taxi service, dial-a-ride service, and other similar services.

9. "Regular route transit" means transportation of passengers for hire by a motor vehicle or other means of conveyance by any person operating on a regular and continuing basis as a common carrier on fixed routes and schedules. "Regular route transit" does not include transportation of children to or from school or of passengers between a common carrier terminal station and a hotel or motel, transportation by common carrier railroad or common carrier railroads or by taxi, transportation furnished by a person solely for his or its employees or customers, or paratransit.

C. Program applications. The program application procedure shall consist of a preliminary and final application. (See 14 MCAR §§ 1.4026, 1.4027 and 1.4028 for other rules relating to final application.)

The preliminary application must be submitted to the department and appropriate regional development commission for review and approval for consistency with regional transportation plans and development guides prior to the department approving the application. The RDC as part of their review will insure that existing public or private transit service in the proposed service area has the opportunity to comment on the proposed project. The RDC in their review will indicate this has been accomplished. Any regional development commission that has not adopted a transportation plan may review but may not approve or disapprove an application. The regional development commission must transmit its comments to the department within forty-five days of the receipt of the application. The preliminary application must also be submitted to the local transit authority, commission or system for review and comment as to consistency with its approved transportation development program. That review must be submitted to the department and RDC within thirty days of receipt. No comment from the RDC, local transit authority, commission or system will constitute a positive comment from such commission, authority or system. After considering those comments and within sixty days of receipt of preliminary application, the department shall determine and notify the applicant of its eligibility to submit a final application.

The final application must also be submitted to the RDC and transit authority, commission or system for comment. The department will allow any regional development commission or transit system to withdraw their approval or comment for any final application that deviates significantly from the preliminary application. Those comments must be submitted to the department with 15 days of receipt. The department will act upon the final application within 20 days of receipt.

Approval of applications shall be based on criteria in 14 MCAR §§ 1.4026, 1.4027 and 1.4028.

D. Regulation of use of subsidy and demonstration assistance.

1. State audits. The financial records of the eligible recipient will be audited by the department. A benchmark audit of the recipient's books shall be required at the beginning of the first contract period and prior to contract execution and fund encumbrance. Another audit shall be required at the end of the contract period to establish an approved total operating deficit. The department shall conduct an interim audit of an approved total operating system that is sold during the contract period as of the effective date of the ownership transfer. Other audits may be made by the department. The eligible recipient will be required to conduct an audit of the participating public transit system financial records.

2. Record keeping. The eligible recipient and participating public transit system shall maintain accounting and other records as required by the department. These records will permit audit verification of all transit cost allocations claimed during the contract period.

3. Project evaluation. The department shall use the management plan required pursuant to 14 MCAR § 1.4028 as a basis for monitoring and evaluating the performance of the participating public transit system during the contract period. Public transit policy management decisions made and actions taken during the contract period shall conform with the management plan. Any proposed deviation from the management plan shall be reported to the department for approval prior to implementation. Failure to secure approval will jeopardize continued subsidy or demonstration assistance.

4. Third-party contracts. Private and public organizations may participate in projects by contract with the eligible recipient. Mn/DOT concurrence is required for the third-party contract.

5. Penalties. When the eligible recipient fails to faithfully comply with the terms and conditions of the contract, the department may terminate all or part of the subsidy or demonstration assistance awarded to the eligible recipient.

14 MCAR § 1.4026 Public transit subsidy program.

A. Purpose. The purpose of the Public Transit Subsidy Program is to supplement local effort in financing public transit systems in order to preserve and develop public transit and a balanced transportation system in the state.

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B. Eligibility.

1. Eligible recipients. Any legislatively established public transit commission or authority, any county or statutory or home rule charter city providing financial assistance to public transit, any private operator of regular route transit, or any combination thereof is eligible to receive financial assistance through the public transit subsidy program.

2. Eligibility factors. A public transit system with a total operating deficit projected for the contract period shall be eligible for subsidy assistance. Deficits incurred prior to this period shall not be eligible for subsidy assistance. When a legislatively established public transit commission or authority is in existence, any application for the area under the jurisdiction of the commission or authority must be submitted by that commission or authority, except any private operator of regular route transit in the metropolitan transit taxing district as defined in Minn. Stat. § 473.446, subd. 2 may apply directly to the department.

C. Application for subsidy assistance.

1. General. The application for subsidy assistance shall be submitted in two stages: preliminary and final applications. The department shall assist the applicant in the preparation of the final application upon request. Subsidy assistance may not be used to pay any costs incurred by the applicant in the preparation, submission or processing of applications.

2. Preliminary application. The preliminary application shall be submitted to ascertain the probable eligibility of the applicant, including projected total operating deficit and projected availability of state and local financial assistance. For a particular public transit system, only one preliminary application shall be submitted on behalf of all units participating in the system. The preliminary application shall be in the form and manner prescribed by the department and shall contain the information required by the department, including the following:

a. The applicant's legal name;

b. The official name of the public transit system for which the subsidy assistance would be used;

c. The common carrier certificate number of public transit system prescribed by the Minnesota Public Service Commission;

d. The amount of subsidy assistance requested;

e. A narrative describing the transit service; and

f. A description of the transit costs allocation method.

g. The preliminary application shall be submitted to the department and appropriate RDC as required in 14 MCAR § 1.4025 C.

A preliminary application that contains all of the above information will be approved for submittal of a final application.

3. Final application. The final application shall be submitted to determine the subsidy assistance to be granted and basic elements in the agreement. It shall be submitted by an applicant who has received notice that, based on its preliminary application, it is an eligible recipient. It shall be submitted to the department and appropriate RDC and include the elements specified in 14 MCAR § 1.4028. When the eligible recipient has submitted or anticipates submitting an application for assistance under the demonstration program 14 MCAR §1.4027, during the contract period, that project must be identified in the application.

D. Determination of subsidy assistance.

1. Total operating deficit. In determining the total operating deficit of a public transit system, the following shall apply:

a. Generally accepted accounting principles and practices;

b. Depreciation of capital equipment that was purchased with state or federal financial assistance shall be excluded in the computation of total operating expenses to the extent of the federal or state assistance;

c. Subsidy assistance shall be considered on the basis of the total project deficit for the proposed contract period;

d. A deficit incurred as the result of authorized increased services shall be considered in determining eligibility;

e. An eligible recipient shall treat financial assistance received from any agency of the federal government for the operation of a public transit system as revenue for the purposes of determining its total operating deficit.

2. Factors in subsidy assistance. The department shall review the application and determine the amount of subsidy assistance, if any, that shall be given to the eligible recipient.

a. The department shall use the management plan required pursuant to 14 MCAR § 1.4028 as a basis for allocation of subsidy assistance to an eligible recipient. In the allocation of subsidy assistance, the department shall consider population, transit ridership, relative need for public transit, new developments, and prior local assistance. Subsidy assistance shall not exceed two-thirds of the total operating deficit of the public transit system, as approved by the department. The eligible recipient shall establish to the satisfaction of the department that at least one-third of the total operating deficit will be available from local sources during the contract period. When more than one unit contributes assistance to the operation of the public transit system, the share contributed by each shall be specified.

b. In the Minneapolis-St. Paul Metropolitan transit taxing district as defined in Minn. Stat. § 473.446, subd. 2 private operators of transit service that are eligible recipients may receive a grant for up to 100% of their operating deficit. The amount of the grant shall be based on the uniform performance standards specified in 14 MCAR § 1.4029.

E. Contract.

1. Content. The subsidy assistance contract shall be based upon the final application. It shall specify the amount of subsidy assistance that shall be awarded to the eligible recipient and shall be effective for a period of no more than one (1) year. It shall include the assurance of the eligible recipient that it will

provide the required local share. For a particular public transit system, only one contract shall be executed on behalf of all units participating in the system.

2. Disbursement schedule. The contract shall specify a monthly or quarterly disbursement schedule at the pleasure of the recipient. Disbursements will reimburse the recipient based on the claimed operating deficit for the monthly or quarterly reporting period, but will not be allowed to exceed the estimate in the final application. At the end of seven months if it appears that the existing contract limit shall be insufficient the department will, upon application, amend the contract.

As agreed to in the contract, a portion of the final payment of the transit subsidy shall be withheld pending a final audit of the public transit system's books by the department at the termination of the contract. The final audit shall be used by the department to verify the transit costs claimed during the contract period. When the supplemental assistance is more than two-thirds of the total operating deficit, the final payment shall be reduced accordingly. Any overpayment by the state shall be returned to the state treasury at the request of the department.

14 MCAR § 1.4027 Paratransit ~~service~~ grant and regular route ~~demonstration grant~~ transit improvement program.

A. Paratransit purpose. The purpose of the Paratransit ~~Service Demonstration~~ Grant Program is to plan, promote, demonstrate, and evaluate the effectiveness, cost, and efficiency of paratransit as a means of accomplishing program objectives.

B. Paratransit objectives. The objectives of the Paratransit Service Demonstration Grant Program are:

1. To provide transportation services which improve the accessibility and productivity of regular route transit;

2. To provide transportation services in those areas inefficiently or inadequately served by regular route transit;

3. To provide transportation services for persons who because of age or incapacity are unable to drive a private automobile or use existing modes of public transit;

4. To show how existing single occupant auto drivers can be diverted to paratransit or other public transportation modes; and

5. To determine the most effective manner of providing paratransit services. A potential demonstration project shall be designed to meet directly one or more of these program objectives.

C. Eligible recipients. Any public or private agency, entity, or person is eligible to receive financial assistance through the Paratransit ~~Service Demonstration~~ Grant Program.

D. Regular route program objective. The objective of the Regular Route Transit ~~Demonstration Grant~~ Improvement Program is to ~~demonstrate~~ provide financial assistance for improvements in the accessibility, quality, economic performance, or patronage of regular route transit service by the following means:

1. Expansion of existing routes and addition of new routes in areas that previously have not been served or have been served inadequately by regular route transit;

2. Management and operations improvements without expanding existing routes or adding new routes.

A potential ~~demonstration~~ improvement project shall be designed to meet program objectives by one of these two methods. Not less than 40 percent nor more than 60 percent of the total financial assistance available shall be granted to projects ~~to demonstrate~~ for improvements by each method.

E. Eligible recipients. Any organization that qualifies under 14 MCAR §1.4026 B.1. who operates, intends to operate, or assists in the operation of regular route transit services is eligible to receive financial assistance through the regular route transit ~~demonstration~~ improvement program.

F. Eligible projects. An eligible project for Paratransit ~~Service~~ Grant and Regular Route ~~Demonstration~~ Improvement ~~Grant~~ programs shall meet the following requirements:

1. It shall be designed to have potential for general applicability in other areas of the state;

2. It shall demonstrate the effect of improved public transit service; and

3. It shall meet one or more of the program objectives in 14 MCAR § 1.4027 B. or D.

An application should include a request for funding an ongoing evaluation of the project.

G. Determination of ~~demonstration~~ grant assistance.

1. General. The application for ~~demonstration~~ grant assistance shall be submitted in two stages: preliminary and final applications. The department shall assist the applicant in the preparation of application upon request. ~~Demonstration~~ Grant assistance may not be used to pay any costs incurred by the applicant in the preparation, submission or processing of the applications.

2. Preliminary application. The preliminary application shall be submitted to ascertain the probable eligibility of the applicant, including projected availability of state and local financial assistance. For a particular public transit system, only one preliminary application shall be submitted on behalf of all units participating in the system. It shall be in narrative form and shall contain the following:

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a. Project objectives. A narrative describing the purpose of the proposed project shall include the manner in which it will meet one or more of the program objectives.

b. Project description. The following must be discussed:

(1) The content of the project;

(2) The time schedule proposed for completion of the project;

(3) The public transit service including identifying proposed service levels and daily hours of operation;

(4) The compatibility of the project with any existing transit service;

(5) The potential for continuation of the project beyond the demonstration phase;

(6) A project budget, by categories of expenditures, including sources and amounts of non-state funding;

(7) A description of the applicant's organization including the key personnel and their experience.

(8) Identification of the market to be served, including the proposed daily and weekly patronage.

(9) Transit cost allocation procedures.

A preliminary application that contains all of the above information will be approved for submittal of a final application.

The preliminary application shall be submitted to the department and appropriate regional development commission and transit systems as required in 14 MCAR § 1.4025 C. The department will assist in the planning of a system or the preparation of the applications if requested.

3. Final application. The final application shall be submitted to determine the ~~demonstration~~ financial assistance to be granted and the basic elements of the agreement. It may be submitted only by an applicant who has received notice that, based on its preliminary application, it is an eligible recipient. It shall be submitted to the department and appropriate RDC in the form and manner prescribed by the department and shall include the elements specified in 14 MCAR § 1.4028. When the eligible recipient has submitted or anticipates submitting an application for assistance under the Public Transit Subsidy Program, 14 MCAR § 1.4026, during the contract period, this shall be briefly discussed in the application.

4. Application evaluation. The criteria that will be used by the Department to evaluate and approve proposed demonstration projects are:

a. Potential for meeting one or more of the program objectives;

b. Potential in demonstrating specific concepts that are applicable in other areas of the state;

c. Degree of innovation incorporated;

d. Compatibility and coordination with existing regular route and paratransit systems;

e. Potential for integration with existing transit service;

f. Evidence of local government and public support;

g. Ability to continue a successful project beyond the demonstration phase;

h. Efficiency in the use of energy resources to accomplish objectives; and

i. Cost effectiveness of the project.

~~5. Project funding. The applicant is expected to share in the cost of a demonstration project. Demonstration assistance normally will not exceed 90 percent of the cost of approved demonstration projects. The Department reserves the authority to fund up to 100% of a project that it feels is unique and needs to be demonstrated but lacks the necessary local financial support. When in the Department's judgment, a proposed demonstration project has potential national significance, the Department may require the eligible recipient to submit an application to the Federal Government, in addition to the State application.~~

H. Contract.

1. Content. The demonstration contract shall be based upon the final application. It shall specify the amount of the demonstration assistance that shall be awarded to the eligible recipient and shall not exceed one year. It shall include the assurance of the eligible recipient that it will provide the required local share and carry out the management plan. For a particular public transit system, one contract shall be executed on behalf of all units participating in the system.

2. Disbursement schedule. ~~The contract shall specify a disbursement schedule either monthly or quarterly at the pleasure of the recipient.~~ Disbursements will reimburse the recipient based on the claimed deficit for the monthly ~~or quarterly~~ reporting period, but will not be allowed to exceed the ~~estimate~~ contract amount.

As agreed to in the contract a portion of the final payment ~~of the demonstration assistance~~ shall be withheld pending an audit of the transit system's books by the department at the terminatioon of the contract. This final audit shall be used by the department to verify the transit costs claimed during the contract period. When the ~~demonstration~~ grant assistance is more than the approved limit of the total cost, the final payment shall be reduced accordingly. Any overpayment by the state shall be returned. ~~to the State Treasury at the request of the department.~~

14 MCAR § 1.4028 Final application for subsidy and grant assistance.

The final application for the subsidy program or for the ~~demonstration~~ grant program shall be a form as prescribed by the department and shall contain the following:

A. Management plan. The basic component of the final application shall be a management plan that details all of the planned and anticipated events that will affect the public transit system's operating revenue and expenses during the contract period.

1. Purposes. The essential purposes of a management plan are:

a. To document the maintenance or improvement of public transit services;

b. To identify and implement policies and practices to increase the efficiency of public transit operations; and

c. To insure that state assistance will be spent wisely.

2. Content. The final application shall include the following elements which may vary in detail with the size of the public transit system:

a. Ownership. The ownership of the participating transit system during the contract period shall be described.

b. Levels of service. The levels of service provided by the participating public transit system during the contract period shall be described.

c. Fares. The fare structures anticipated during the contract period shall be described.

d. Marketing. A proposed marketing program shall be described in general terms, including the cost benefits of the major elements. Elements of a marketing program shall include:

(1) Market research;

(2) Public information;

(3) Promotion:

(4) Advertising;

(5) Community relations; and

(6) Employee relations.

e. Capital improvements. Any actual or anticipated capital improvements in the participating public transit system during the contract period shall be described. Capital improvements include, but are not limited to: buses, fareboxes, communications equipment, storage and maintenance facilities and equipment, passenger shelters, and bus-stop signs.

f. Non-capital improvements. Any anticipated noncapital improvements proposed in the participating public transit service area during the contract period shall be described. Noncapital improvements include, but are not limited to:

(1) Staggering work hours;

(2) Regulating supply and prices of off-street parking; and

(3) Increasing daytime parking rates on workdays.

g. Revenue contracts. Revenue producing contracts relating to the public transit services provided by or for the eligible recipient shall be described. A copy of the contract will be required as part of the final application.

The following types of contracts shall be discussed:

(1) Contracts with private and public schools, colleges and universities;

(2) Contracts with private and public organizations that guarantee a minimum revenue on regular or special route(s);

(3) Contracts with private and public organizations that purchase rides for employees or patrons; and

(4) Advertising contracts.

h. Traffic improvements.

(1) Any traffic improvements made in the public transit service area during the contract period that will affect directly the speed and reliability of transit services shall be described. Examples of traffic improvements include:

(a) Use of exclusive or preferential streets, bus lanes, or expressway ramps;

(b) Control of traffic lights by buses;

(c) Provision of fringe parking spaces with express or improved bus service;

(d) Provision of bus turnouts; and

(e) Priority snow-plowing of transit routes.

(2) The discussion of each type of traffic improvement shall include the following:

(a) The date the traffic improvement is expected to be made; and

(b) The expected impact of the traffic improvement upon estimated public operating revenues and expenses.

i. Expenses contracts. Any contracts for services and goods relating to the public transit services provided by or for the eligible recipient and others shall be described.

The types of contracts to be discussed include:

(1) Contracts for management and consulting services;

(2) Contracts for storage and maintenance of buses;

(3) Contracts for the lease or purchase of tires and tubes;

(4) Contracts for fuel and lubricants;

(5) Contracts for liability and property insurance;

(6) Contracts, union and non-union, with transit system employees.

A copy of each contract will be required as part of the ~~final application~~ management plan.

j. Preventive maintenance. The participating public transit system's planned preventive maintenance program for

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the contract period shall be described. Elements of a preventive maintenance program typically include:

(1) Defect reporting by drivers;

(2) Daily fueling inspection;

(3) Mileage inspection; and

(4) Inventory controls.

B. Organization. The local institutional or organizational structures established to carry out the management plan shall be described, including a description of the technical policy and decision-making organizations responsible for directing, controlling, reviewing, and implementing the management plan. The relationships between these various organizations shall be illustrated in a simple diagram following the narrative. In addition, the following questions shall be answered:

1. Who is directly responsible for the day-to-day management and operation of the transit system?

2. Who is directly responsible for negotiating wage contracts with the employees of the transit system?

3. Where more than one local unit of government participates in the program, who represents the applicant public body in negotiations with surrounding communities? Who represents the surrounding communities?

4. Who will represent the applicant public body in negotiating an assistance contract with the State, and how shall a contract be ratified by the applicant public body?

5. Who is responsible for filing reports for the transit system with the Minnesota Public Service commission?

C. Financial conditions. Financial data shall be reported in the form and manner prescribed by the department. The cash accounting method shall be used to report financial data unless otherwise authorized by the department.

1. For the transit subsidy program, this financial data shall contain the audited figures for a twelve (12) month period preceding the contract period and estimated figures for the contract period.

2. For the ~~demonstration~~ grant program, the financial data shall contain estimated figures. When the ~~demonstration~~ grant project is associated with an existing public transit system, the financial data shall include the audited figures for a twelve (12) month period preceding the contract period.

D. Financial statement. A detailed breakdown of operating expenses shall be required. The projection of revenues and expenses should reflect the policies and practices outlined in the management plan.

E. Operating statistics. The actual and anticipated operational characteristics of the public transit system in a twelve (12) month period preceding the contract period and/or the contract period shall be described. This discussion shall include revenue passengers, monthly ridership, total operating miles, revenue hours, and other relevant information required by the department.

F. Sources of local funds. The sources and type of revenue that the eligible recipient and each participating unit will use to match the supplemental or demonstration assistance shall be identified.

G. Fuel supplies. Existing and potential problems that the public transit system faces in obtaining adequate fuel supplies during the contract period shall be identified, including the status of contracts with fuel suppliers, the prospects for securing contracts for the contract period, the time between deliveries under normal and anticipated conditions, and any other pertinent facts.

The existing rules dated August 23, 1974 under Laws 1974, ch. 534 are rescinded.

14 MCAR § 1.4029 Uniform performance standards for private operators in the metropolitan transit taxing district.

A. General.

1. These rules set forth a description of what shall be considered minimum levels of performance or design and identifies the standards against which existing services will be evaluated and for planning new or modified services.

2. Performance standards have been developed to apply to the unique financial and geographical characteristics encountered by private operators in the Metropolitan Area as defined in Minn. Stat. § 473.121, subd. 2 (1978). These standards are not necessarily the same ones utilized by the Metropolitan Transit Commission (MTC). The MTC service standards are spelled out in the "TRANSPORTATION DEVELOPMENT PROGRAM AND TRANSPORTATION IMPROVEMENT PROGRAM (1978-1983)."

B. Definitions. The following terms as used in these rules will have the following meanings:

1. "Regular service" shall mean a bus service operating primarily on arterial streets making a minimum of 5 pickup or dropoff stops per mile and having an average operating speed of 15 mph or less.

2. "Express service" shall mean a bus service having the following characteristics:

a. Average operating speed in excess of "regular" bus service speeds and nearly equivalent to average automobile speeds for the same trip.

b. A limited-stop route segment which is greater than 50% of the route's one-way mileage. Limited-stop route segment is defined as one-half or less than the minimum stops for regular service.

3. "School service" shall mean extra bus trips on "regular or express" service, designed to transport students either on the route or directly to or from a school.

4. "Contract service" shall mean bus service operated under contract (or as a charter) to provide service to a specific market.

5. "Linehaul service" shall mean direct, point-to-point travel over distances (route length) greater than two (2) miles between residential areas and activity centers of business districts.

6. "Feeder service" shall mean providing access to or from a linehaul service.

7. "Crosstown service "shall mean bus service connecting either community subcenters or linehaul services emanating radially from a central business district (CBD). It shall generally be construed to mean nonradial travel that is not directed to or from a central business district.

8. "Peak period" shall mean the hours of 6:30 a.m. to 9:00 a.m. and 3:30 p.m. to 6:00 p.m. weekdays.

9. "Off peak periods" shall mean all other times not included under "Peak period."

10. "Headway" shall mean the time interval between two consecutive buses (Frequency of Service) measured at the maximum load point.

11. "On time performance" shall mean zero minutes early and no more than five (5) minutes late at a schedule time point.

12. "Load factor" shall mean the ratio of the number of passengers on board versus the number of seats provided measured at the maximum load point(s) on a particular route.

13. "Capacity" shall mean the number of passenger seats made available.

14. "Peak period bus requirement" shall mean the maximum number of transit units an operator must have in service to meet scheduled trips excluding spare units.

15. "Route miles" shall mean the one-way mileage between route termini.

16. "Bus miles" shall mean the miles operated by a transit unit from the time it leaves the garage until it returns including "pull-out" and "pull-in" mileage.

17. "Passenger per mile" shall mean the number of passengers carried divided by the number of bus miles operated.

18. "Vehicle hours" shall mean the hours operated by a transit unit from the time it leaves the garage until it returns including "pull-out" and "pull-in" time.

19. "Revenue hours/revenue miles" shall mean the miles or hours operated by a transit unit on a route excluding "pull-in"/"pull-out" miles and hours. Same as "scheduled" hours/"scheduled" miles.

20. "Deadhead miles" shall mean those miles operated for the purpose of maintenance testing, driver training and garage transfers.

C. Purpose. The purpose of uniform performance standards for private operators in the metropolitan transit taxing district is:

1. To increase the number of persons riding and the rate at which persons are diverted from driving to riding.

2. To achieve the fullest and most efficient use of public resources and investments in public transit.

3. To provide adequate service levels within geographic areas and on route segments characterized by high density of demand for service and for the transit dependent population.

D. Objectives. The objectives of uniform performance standards for private operators in the metropolitan transit taxing district are:

1. The public transit service provided by state funded private operators within the Metropolitan Area as defined in Minn. Stat. § 473.121, subd. 2 (1978) shall be designed, operated and maintained to attract patrons in such numbers as to assure continuing viability as a reasonable alternative to the private automobile.

2. Prime consideration shall be given to the safety of operators and passengers.

3. Each private operator's system shall be maximized within the Metropolitan Urban Servic Area and shall be consistent with the Development Guide of the Metropolitan Council.

4. Existing service levels shall be evaluated for economic considerations, public necessity and ability to attract new patrons from competing modes of transportation.

5. Service shall be designed to minimize door-to-door travel time.

6. Service changes shall be made on the basis of feasibility and the attendant physical, operational, economical, financial and social merits.

7. Each private operator shall provide some opportunity for local input into their systems' service levels and route structures.

8. Service provided by the private operators shall be comparable to and compatible with other service offered in the Metropolitan Urban Service Area.

E. Service standards.

1. Route spacing. Route spacing is a function of population density and physical considerations such as terrain and adequate roadways.

Minimum Route Spacing

Population Per Square Mile (1) (Thousands)	Route Spacing (Miles)	or	Route Miles Per Square Mile
4 & over	0.50		1.50
2-4	1.00		1.00
0-2	2.00		0.50

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(1) Land acreage only.

2. Directness of service.

a. Schedule leave and arrive times for routes having common termini shall be coordinated to the maximum extent possible.

b. Not more than 25% of the total systems riders will be required to transfer between an operator's vehicles to complete their trip.

3. Route layout.

a. Route alignment shall be as direct as possible and to the maximum extent feasible, areas with no adjacent land development will be avoided in laying out the collector portion of a route.

b. Service shall be operated over permanently paved streets having at least ten (10) foot lanes.

c. Service shall not be operated over streets which continually exhibit danger-producing situations such as steep grades; poorly plowed or sanded roadways; or streets where parking habitually encroaches on the roadway reducing passageway to less than ten (10) feet.

4. Frequency of service. A sufficient number of vehicles shall be provided past the maximum load points on a route to accommodate the passenger volume within the loading standards established under the Section: "Operating Performance Standards."

Minimum Headways

Service Type	Days Provided	Range of Service	Peak	Off Peak
Regular	Mon-Fri	6:00 am-6:30 pm	30 min	70 min
Regular	Sat	8:00 am-6:00 pm	To be based on	
Express	Mon-Fri	6:30 am-9:00 am 3:30 pm-6:00 pm	demonstrated need	

5. Passenger stops.

a. In suburban residential areas, the distance between bus stops shall not exceed 2000 feet.

b. In CBDs, the distance between bus stops shall not exceed 600 feet.

c. Designated bus stops shall be indicated by at least a sign on a stanchion or fastened to a utility pole. The bus stop sign shall display a bus information phone number.

d. Mininimum acceptable bus stop lengths are:

(1) farside stop ..... 80 feet.

(2) nearside stop ..... 80 feet.

(3) mid-block stop ..... 80 feet.

NOTE: Farside stops are preferable to all others.

e. Shelters shall be provided at all stops which serve 40 or more boarding or transferring passengers during the course of a typical day.

F. Operating performance standards.

1. Speed.

a. Average operating speed excluding recovery time shall not exceed twenty five percent (25%) deviation from the service (i.e., express and regular) operating speed for the time being analyzed. Any service having an average operating speed less than this standard will be considered for remedial analysis.

b. No service is to have a layover time to running time ratio over 30% at any time.

2. Maximum load standards—per route shall be:

Service	Peak of the Peak	Total Peak Period	Off Peak
Express	1.1	1.0	1.0
Regular	1.25	1.1	1.0

3. Labor productivity shall be measured by "miles per employee" factored to 8 hours = 1 full time employee. No operator's labor productivity shall be less than 18,000 bus miles per employee.

4. Schedule adherence and service dependability.

a. 95% of all service provided shall be on time.

b. 99% of all scheduled trips shall be completed each month.

c. Maintenance standards shall be high enough to provide, at a minimum, 10,000 bus miles of service for each disruption of service due to mechanical failure.

d. Complaints shall not exceed one (1) per 100 hours of service. A complaint is defined as official contact in writing with either the PSC or the Minnesota Department of Transportation (Mn/DOT).

5. Economic standards.

a. No service shall be permitted to have a "revenue per passenger" departure from the system average of more than -25%, unless the "passengers per mile" are at least 65% of the system average.

b. System fares shall be set to ensure a system "revenue per passenger" ratio to "full cost per passenger" of at least 35% in that reimbursement to the operator on a "deficit per passenger" basis will not exceed 65% of the "full cost per passenger."

G. Funding procedure.

1. Two months prior to the expiration of an existing contract term, the operator shall be sent a letter by the Minnesota Department of Transportation notifying him of the upcoming expiration. This letter shall also have attached the "Service Standards for Metro Area Private Operators." The letter will ask the operator to:

a. Advise Department of Transportation (Mn/DOT) of the operator's intent to continue providing fixed route public transit service within his authorized service area.

b. Advise Mn/DOT if he intends to apply for a state financial assistance contract relative to the public transit service.

c. Submit a signed statement to Mn/DOT that he has read and met the required "service standards."

2. If the operator intends to apply for state financial assistance, and has indicated he can meet the "service standards," a member of the Mn/DOT staff shall meet with the operator to assist him to prepare the application including, but not limited to:

a. Management plan.

b. Operating budget.

c. Patronage and revenue projections.

d. Transit cost allocation plan (to be attached as an element of the contract).

e. Capacity analysis.

f. Operations narrative.

3. When the application is complete and agreed to as accurate by Mn/DOT and the operator, funding shall be calculated as follows:

a. Full operating cost shall be divided by the number of rides projected. This will yield a "full cost per passenger."

b. All anticipated revenues shall be calculated and divided by the number of rides projected to obtain an estimated "revenue per passenger."

c. The estimated "revenue per passenger" shall then be subtracted from the "full cost per passenger" to obtain a "deficit per passenger."

d. The amount of the "deficit per passenger" shall be what the operator will be reimbursed for each passenger carried on his system. Such reimbursement shall not exceed 65% of the "full cost per passenger."

H. Verification procedure.

1. Timetable analysis.

a. Prior to the execution of a financial assistance contract or a route or service change the operator shall be required to submit a complete set of current or proposed schedules to Mn/DOT.

b. Upon receipt of the schedules, Mn/DOT and Metropolitan Council staff shall perform an analysis to ensure that the service offered is consistent with the recommended operating performance standards and Metropolitan Council Development Guide.

c. Upon completion of the schedule analysis, a summary shall be prepared detailing those portions, if any, of the service that are sub-standard and outlining possible corrective measures.

2. Maximum load and on-time performance analysis.

a. Performed by operators.

(1) Operators shall develop and maintain "daily trip sheets" for their drivers to record daily passenger counts. The driver's daily trip sheet should include, but not be limited to:

(a) Day of week/date/run number/bus number.

(b) Each trip run (terminal and schedules departure time).

(c) Maximum load carried per trip (at specified maximum load points).

(d) Number of transfers received.

(e) Any deviation from scheduled time, and reason for this.

(f) Driver signature.

(2) Daily trip sheets shall be collected for each service day by the operator.

(3) Daily trip sheets are to be retained by the operator for a period of two years or until final audit, whichever occurs first.

b. Performed by Mn/DOT.

(1) Mn/DOT shall establish maximum load points for each route in an operator's system; these will be consistent with the maximum load points that the operators are using.

(2) Checking sheets shall then be developed for each maximum load point. The checking sheets will be organized by trip (inbound or outbound), in time order, for an entire service day. Separate sheets will be developed for weekday and Saturday service.

(3) Mn/DOT shall hire on-street checkers to collect the actual data. The checkers will be placed at the maximum load points and required to record the following data for each bus that passes:

(a) Condition of bus.

(b) Bus number.

(c) Actual time bus passes maximum load point.

(d) Estimated number of passengers on board.

(e) Trips not completed will also be recorded.

(f) Weather and street conditions.

(4) Checkers shall conduct "spot checks" on a random basis. Checks shall be performed at random times within the peak and off peak periods to ensure that all time periods will be observed.

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(5) Occasionally, checkers shall be required to perform "on-board" checks of an operator's service. On board checks are utilized to observe the loading patterns of an entire route, operating hazards along the route, transfers issued and received, and running time for the route. The operator shall be notified, in advance each time this is planned.

(6) Checking sheets shall be submitted to Mn/DOT and the data will be analyzed.

(7) A summary of the maximum load/on-time performance checks shall be prepared monthly and will detail the areas, if any, where the operator's system is performing below the minimum operating standards and recommendations for remedial measures will be made.

(8) Mn/DOT maximum load check sheets shall be compared with the operator's "drivers trip sheets" monthly to verify passengers carried.

3. Maintenance analysis.

a. Operators shall be required to report all disruption of service due to mechanical failure, to Mn/DOT monthly.

b. Mn/DOT shall apply the "total bus miles" operated monthly to the total number of "disruptions of service due to mechanical failure" to ensure that "bus miles for each disruption of service due to mechanical failure" are consistent with the maintenance standards.

14 MCAR § 1.4030 Public transit capital grant assistance program.

A. Application. Eligible recipients as defined in Minn. Stat., § 174.245 (1979 Supp.) shall apply for capital grant assistance by a letter to the Minnesota Department of Transportation citing the Minnesota Statute under which eligibility is claimed. The letter of application shall contain the following information:

1. A statement of eligibility under the Urban Mass Transportation Act of 1964, Public Law 88-365, as amended.

2. The amount of state financial assistance requested.

3. A statement that this capital improvement is included in the current approved management plan if the recipient is currently receiving state financial assistance.

B. Procedure for review and approval. A letter of application shall be reviewed by the Department of Transportation for the requirements contained in paragraph A and shall be considered for funding.

C. Capital grant assistance shall be based on:

1. The priority listing recommendation of the Transportation Advisory Committee established by the State Management Plan for Public Transportation Financial Assistance under Section 18, Urban Mass Transportation Act of 1964, Public Law 88-365, as amended. The Committee shall base their recommendations on the following criteria:

a. How well the project meets the program objectives.

(1) To actively promote the coordination of transportation services where no local agency has taken this reponsibility or where local disputes threaten accomplishment of the task.

(2) To help alleviate the transportation problems of Minnesota's elderly and handicapped residents.

(3) To participate in joint-agency efforts to construct and implement park-ride facilities when it can be demonstrated that these facilities will serve existing demand.

(4) To develop a specific position on performance funding for non-urban transit operators.

(5) To effectively provide public transportation in rural and small urban areas inefficiently or inadequately served by regular route transit.

(6) To divert single occupant auto drivers to public transportation modes.

(7) To fund effective and cost efficient methods of providing non-urban transportation services.

b. The accessibility of the handicapped and elderly to the transit system.

c. The amount of local government and community support.

d. The potential for continuation after the first year.

e. The applicability of the project results to other areas of the state.

f. The potential for meeting the life support needs (i.e., nutrition, health, shopping, recreation, etc.) of those the transit system is designed to serve.

2. The availability of state public transit capital grant assistance funds.

3. The availability of local matching funds.

D. Contract. The public transit capital grant assistance contract shall be based on the letter of application. It shall specify the amount of financial assistance to be awarded. It shall include the assurance of the eligible recipient that the local matching funds are available and shall be provided.

Housing Finance Agency

Proposed Temporary Rule Governing the Emergency Energy Conservation Grant Program

Request for Public Comment

Notice is hereby given that the Minnesota Housing Finance Agency has proposed the following proposed temporary rule for the purpose of implementing the Emergency Energy Conservation Grant Program.

All interested persons are hereby afforded the opportunity to submit their comments on the proposed rule for 20 days immediately following publication of this material in the *State Register* by writing to Mary Tingerthal, Manager Home Improvement Programs, Minnesota Housing Finance Agency, 333 Sibley Street, Suite 200, St. Paul, Minnesota 55101. The proposed temporary rule may be revised on the basis of comments received. Any written material received shall become part of the record in the final adoption of the proposed temporary rule.

April 7, 1980

James J. Solem
Executive Director

HE report.

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS
ROOM 300 - 1745 UNIVERSITY AVENUE
ST. PAUL, MINNESOTA 55104
(612) 296-6910

June 27, 1980

Mr. Richard P. Braun, Commissioner
Department of Transportation
411 Transportation Building
St. Paul, Minnesota - 55155

RE: In the Matter of the Proposed Amendments to Rules on Public Transit Subsidy, Paratransit Grant Program, Regular Route Transit Improvement Program, Financial Application for Subsidy and Grant Assistance; and Proposed New Rules Regarding Uniform Performance Standards in the Metropolitan Transit Taxing District, and the Public Transit Capital Grant Assistance Program.
DOT-80-031-RD

Dear Commissioner Braun:

I enclose herewith and serve upon you by mail the Report of the Hearing Examiner in the above-entitled matter. I am also certifying the recorded tapes of the hearing together with an invoice for same, and also the official record of the case.

Yours very truly,

Richard DeLong

RICHARD DeLONG
Hearing Examiner
(612)296-8117

RD/eag
Encs.
CC: Mr. Steve Buffington
Special Assistant Attorney General

AN EQUAL OPPORTUNITY EMPLOYER

STATE OF MINNESOTA)
(ss.
COUNTY OF RAMSEY)

AFFIDAVIT OF SERVICE

Eileen A. Gaiovnik, being first duly sworn, deposes and says that on the 27th day of June, 1980, at the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Report of the Hearing Examiner, DOT-80-031-RD

unstamped, by placing in the designated tray to be collected by messenger for delivery to the central mailing station as required by Minn. Stat. § 16.54 (1974), a true and correct copy thereof on all persons at the addresses shown on the attached mailing list.

Eileen A. Gaiovnik

Subscribed and sworn to before me this
27th day of June, 1980.

Susan C. Wojcik

SUSAN G. WOJCIK
NOTARY PUBLIC-MINNESOTA
RAMSEY COUNTY
My Commission Expires April 26, 1986

Mr. Richard P. Braun, Commissioner
Department of Transportation
411 Transportation Building
St. Paul, Minnesota - 55155

Mr. Steve Buffington
Special Assistant Attorney General
Department of Transportation
Transportation Building
St. Paul, Minnesota- 55155

DOT-80-031-PD

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE DEPARTMENT OF TRANSPORTATION

In the Matter of the Proposed Amendments to Rules on Public Transit Subsidy, Paratransit Grant Program, Regular Route Transit Improvement Program, Financial Application for Subsidy and Grant Assistance; and Proposed New Rules Regarding Uniform Performance Standards in the Metropolitan Transit Taxing District, and the Public Transit Capital Grant Assistance Program.

REPORT OF THE HEARING EXAMINER

The above-entitled matter came on for hearing in St. Paul, Minnesota, on May 29, 1980 before Richard DeLong, Hearing Examiner for the Minnesota State Office of Hearing Examiners.

Steve Buffington, Special Assistant Attorney General, appeared on behalf of the Minesota Department of Transportation. Don Hubert, Assistant Director of Transit Administration for the Department of Transportation, and Mr. Al Vogel, Manager of Section 18, Federal Funding Program for the Department of Transportation, appeared in support of the proposed amendments and proposed rules and were available for questioning thereon. The hearing continued until all interested persons had had an opportunity to be heard concerning the adoption of the proposed amendments and rules.

Pursuant to Minn. Stat. § 15.0412, subd. 4 (1978), this Report shall be available for review to all affected individuals upon request for at least five days. Thereafter, the Commissioner of Transportation shall, if it proposes to adopt the rules as originally proposed or amended, submit a copy of the Order Adopting Rules, a copy of any additional agency findings, a copy of the rules as originally proposed, and a copy of the rules as adopted to the Chief Hearing Examiner for review pursuant to Minn. Stat. § 15.052, subd. 4 (1978). The submission to the Chief Hearing Examiner shall precede review by the Attorney General. The Chief Hearing Examiner shall complete his review and submit his report to the Commissioner on the issues of substantial changes in the rule and compliance with Minn. Stat. § 15.0412 (1978) within ten calendar days. The Commissioner will be responsible for filing the rules with the Attorney General and for notifying persons who have indicated that they wish to be notified of such filing.

Based upon all the records and proceedings herein, the Examiner makes the following:

FINDINGS OF FACT

Procedural Requirements

1. On November 26, 1979, a Notice of Intent by the Department of Transportation to Solicit Outside Opinion on the proposed amendments and proposed new rules was published at 4 State Register 872.

2. On April 4, 1980, the Department of Transportation filed the following documents with the Chief Hearing Examiner:

(a) A copy of the proposed rules.
(b) The Order for Hearing proposed to be issued.
(c) The Notice of Hearing proposed to be issued.
(d) A Statement of the number of persons expected to attend the hearing and estimated length of the Agency's presentation.

3. On April 17, 1980, the Chief Hearing Examiner entered an order pursuant to Minn. Stat. § 15.0412, subd. 4, allowing the Department of Transportation to incorporate by reference in their notice of proposed amendments and new rules the following documents:

(a) The Metropolitan Development Guide, as amended in March, 1978. This is a publication of the Minnesota Metropolitan Council.

(b) The Federal Urban Mass Transportation Act of 1964, as amended through November 26, 1974.

4. On April 21, 1980, a Notice of Hearing and a copy of the proposed rules were published at 4 State Register 1677.

5. On April 25, 1980, the Department mailed the Notice of Hearing to all persons and associations who had registered their names with the Secretary of State for the purpose of receiving such notice.

6. On May 2, 1980, the Department filed the following documents:

(a) The Order for Hearing and authorizing resolution.
(b) The Notice of Hearing as mailed.
(c) The Affidavit of Receipt of the Secretary of State's list.
(d) The Affidavit of Mailing the Notice to all persons on the Secretary of State's list.
(e) The Secretary of State's Certificate and list.
(f) The Statement of Need and Reasonableness.
(g) All materials received following the Notice of Intent to Solicit Outside Opinion.

The documents were available for inspection at the Office of Hearing Examiners from the date of filing to the date of the hearing.

7. The record remained open through June 5, 1980 for the receipt of written comments and statements.

8. Statutory authority to promulgate the proposed amendments and rules is contained in Minn. Stat. §§ 174.23, subd. 2; 174.245, and § 15.0412.

9. The proposed amendments herein refer to 14 MCAR §§ 1.4025; 1.4026; 1.4027 and 1.4028. Those rules were promulgated for the purpose of implementing the provisions of Minn. Stat. §§ 174.21, 174.24 and 174.25 (1977 Supplement which established a Paratransit Demonstration Program and a Regular Route Demonstration Grant Program. The 1979 Legislature, in Extra Session, adopted Chapter 1, Section 23, of the Laws of Minnesota, Extra Session, which changed the title of these programs respectively to "Paratransit Grant Program" and "Regular Route Transit Improvement Program". These changes were apparently for the purpose of indicating that the experimental nature of the programs had terminated and that said programs were to become permanent.

10. The bulk of the amendments to the aforementioned Rules consist of deleting references to the former "demonstration" programs and substituting instead of said references the new designations of those programs adopted by the Extra Session of the 1979 Legislature as indicated above. These changes are wholly changes of form and result in absolutely no substantive changes in the provisions of the Rules as so amended. The need for and reasonableness of

such amendments have been established by the Department of Transportation and such amendments should be adopted.

11. The Department also proposes to amend 14 MCAR § 1.0425, sections A. and B.(2, 4, 5 and 6) to eliminate statute year designations in order to obviate the need for changes to these rules with regard to such designations after publication of each new edition of the Minnesota Statutes.

These amendments are also purely of form only and make no substantive change in the provisions of the rules so amended. The need for and the reasonableness of such proposed amendments have been demonstrated by the Department of Transportation and said proposed amendments should be adopted.

12. The Department also proposes to amend 14 MCAR § 1.4025 A. by stating its authority to adopt rules to carry out the Public Transit Capital Grant Assistance Program. This is made necessary because said program was added by Minn. Stat. § 174.245 subsequent to the promulgation of the original rule. The need for and necessity of such proposed amendment was demonstrated and such proposed amendment should be adopted.

13. The Department proposes to amend 14 MCAR § 1.0425 B.5. by changing the statute referenced therein from "Minnesota Statutes § 174.21" to Minnesota Statutes § 174.24" solely for the purpose of correcting an error in the original rule. Said amendment should be adopted.

14. The Department proposes to amend 14 MCAR § 1.4026 D.2. by dividing the second paragraph of the original rule into two new paragraphs designated as "paragraph a" and "paragraph b". This is solely for improving the readibility of the provisions and makes no substantive change. The proposed amendment should be adopted.

15. The new paragraph b. of 14 MCAR § 1.4026 is amended by adding a complete new sentence thereto. The rule in general provides that private eligible operators of a transit service within the Minneapolis-St. Paul Metropolitan Transit taxing district may receive a grant for up to 100% of their operating deficits. The added sentence provides that "The amount of the grant shall be based on the uniform performance standards specified in 14 MCAR § 1.4029." This latter referenced rule is the new rule proposed by the Department as discussed hereinafter. Said standards are mandated by the new legislation. Accordingly, the need for and reasonableness of the amendment has been established and the amendment should be adopted.

16. 14 MCAR § 1.4027 G.5., providing for funding of up to 100% for certain transit projects is proposed to be deleted by the Department. This is because the section reiterates the earlier funding ratio which was altered by the subsequent legislation. The proposed amendment is both reasonable and necessary and should be adopted.

17. Under existing Rule 14 MCAR § 1.4027 H.2., contracts between the Department and recipient transit operators could specify either monthly or quarterly disbursements to the recipient, at the latter's pleasure, and could not exceed the estimate of the contract amount. The Department proposes to amend this section to provide as follows: "Disbursements will reimburse the recipient based on the claimed deficit for the monthly reporting period, but will not be allowed to exceed the contract amount." The effect of this change is to eliminate the option to the recipient of specifying quarterly reimbursements. This is because the Department's project evaluation procedures regarding ridership, costs, mileage and hours of operation are computer processed on

a monthly basis. It is believed that monthly reimbursements will alleviate cash flow problems of small transit systems. The change also eliminates estimated reimbursements because the contracts have been changed to a fixed amount for a one-year period. It is believed that this will allow flexible reimbursements to accommodate variations in the deficit caused by seasonal ridership fluctuations and unscheduled maintenance.

The need for and reasonableness of such amendments have been established and the proposed amendment should be adopted.

18. The last sentence of 14 MCAR § 1.4027 H.2. provides that any overpayment to the recipient ". . . by the state shall be returned to the State Treasury at the request of the department". The Department proposes to amend this provision by deleting the phrase "to the State Treasury at the request of the department." The reason for this proposed amendment is that the original wording implied that the Department of Transportation had an option to either request or not request return of any overpayment. Upon inquiry by the Examiner, the Department indicated that it has no objection to retention of the words "to the State Treasury", at the end of the sentence. The Examiner finds that retention of these words would make it clear that any such repayment would still go to the State Treasury as opposed to a different agency. It is found that it is both necessary and reasonable to delete the final phrase "at the request of the department."

not retained p. 14

19. 14 MCAR § 1.4028 A.2.i., as it currently exists, provides that a contract for reimbursement to a transit operator shall be based upon the final application of the operator. Said application must contain expense contracts entered into by the operator for such things as consulting and management services, storage and maintenance of buses, purchase of fuel, lubricants, tires, liability insurance and labor.

The Department proposes to amend this latter section so as to require that these various expense contracts be made a part of the management plan rather than being included as a separate part of the final application. The reason for this is that existing operators will not be required to file new applications for each contract period. However, they will be required to file management plans for each contract period. Therefore, the expense contracts which form an important basis for calculating reimbursements to the operator will be required to be a part of the management plan under the proposed amendment.

The necessity for and reasonableness of said proposed amendment has been established and the proposed amendment should be adopted.

20. 14 MCAR § 1.4029 is new in its entirety. These rules provide uniform performance standards for private operators in the metropolitan transit taxing district. These rules are mandated by Minn. Stat. § 174.24 which states:

> The commissioner shall adopt rules establishing uniform performance standards for private operators of regular route transit systems in the transit taxing district as defined in section 473.446, subdvision 2.

The rules are very specific and detailed and are generally self-explanatory. No objection was raised to any of the provisions thereof. The standards set forth therein were amply described by Mr. Hubert and the reasons therefor were adequately described in the Department's Statement of Need and Reasonableness which was received into the record as Exhibit No. 6. Accordingly, any elaborate discussion thereof would be repetitious of unchallenged evidence in

the record and is not essential. Several minor changes are required as discussed in the following paragraphs.

21. 14 MCAR § 1.4029 F.3. sets a standard for a transit operator's labor productivity in terms of "miles per employee". The final sentence thereof provides that "No operator's labor productivity shall be less than 18,000 bus miles per employee". This number is meant as an annual standard, and at the hearing, the Department proposed that the sentence be amended by adding the phrase "per year" after the word "employee". This amendment is necessary for clarity and should be adopted.

complied P.27

22. 14 MCAR § 1.4029 G. provides procedures for renewing an existing contract between an operator and the Department for a subsequent contract period. Section C. thereof provides that a prerequisite to continuing a transit system into a future contract period is that the operator "Submit a signed statement to MnDOT that he has read and met the required 'service standards'." The word "met" in this provision should be replaced with the phrase "can meet" to make it grammatically compatible with the fact that the standards are to be met during a future period. This change was proposed by the Department at the hearing and should be adopted.

complied P.28

23. 14 MCAR § 1.4029 G.2. as drafted provides as follows:

> 2. If the operator intends to apply for state financial assistance and has indicated he can meet the "service standards", a member of the Mn/DOIT staff shall meet with the operator to assist him to prepare the application including, but not limited to:
>
> a. Management Plan
> b. Operating Budget
> c. Patronage and Revenue Projections
> d. Transit Cost Allocation Plan (to be attached as an element of the contract)
> e. Capacity Analysis
> f. Operations Narrative

The Department proposed at the hearing to eliminate the phrase "but not limited to" found at the end of the first sentence. This is necessary to state with specificity the information which must be contained in the application and should be adopted.

complied P.28

24. With provisions for the required changes as found in paragraphs 22, 22 and 23 immediately above, 14 MCAR § 1.4029 should be adopted as proposed.

25. 14 MCAR § 1.4030 is also new in its entirety. These rules are required by Minn. Stat. § 174.245 to determine priorities in making grants to aid eligible recipients to meet federal matching requirements for federal grants available for the purchase and major repair of transit vehicles. The Rules set out the procedures for making application for such grants and set forth standards for review and approval of such applications. The necessity for and the reasonableness of these provisions were discussed at the hearing. There were no objections to any portion thereof and they should be adopted as proposed.

26. Mr. Dick Ryan, Local 1005 Transit Workers' Union questioned whether a private operator seeking federal funding would be required to go through the Urban Mass Transit Association for approval. Mr. Hubert explained that federal funding is not available for private operators in an urban area but only in non-urban areas.

27. Mr. George Holter, Richfield Bus Company, made a statement indicating his opinion that there is no incentive for private operators to minimize expenses because of the available subsidies. He suggested that public agencies be eliminated from the transit business wherever possible by putting individual routes out for bids and allowing the lowest bidder to operate such route if the cost to the public would be lower than the cost of public operation of such route. Other than this broad philosophical disagreement with public involvement in the transit industry, Mr. Holter had no specific objections to the proposed rules or amendments.

28. No other persons spoke at the hearing.

29. On April 28, 1980, the City of Rochester submitted a letter setting forth the following statements and questions:

1. In areas where metropolitan planning organizations are established, such as Council of Governments, that program applications would be reviewed and approved by these agencies in place of the regional development commissions.

2. The requirement for preliminary applications for prior federal programs should be deleted.

3. Some clarification should be provided for State funding of private operators within the Minneapolis/St. Paul area at 100% subside (sic) requiring no local share.

4. Is improvement program funding considered over and above the usual program funding?

5. Will formula funding based on deficit per passenger be available to outstate systems?

6. Under formula funding based on deficit per passenger, will the recipient be required to reimburse the Stae for achieving a less deficit per passenger during the operating year than as projected?

31. No written responses were received subsequent to the hearing.

CONCLUSIONS

1. The Department of Transportation gave due, timely and adequate legal notice of the hearing.

2. Pursuant to Minn. Stat. § 15.052, subd. 3 (1978), it is the duty of the Hearing Examiner to: ". . . (4) make a report on each proposed agency action . . . taking notice of the degree to which the agency has (i) documented its statutory authority to take the proposed action; (ii) fulfilled all relevant, substantive and procedural requirements of law or rule, and (iii) demonstrated the need for and reasonableness of its proposed action with an affirmative presentation of facts".

3. The Department has documented its statutory authority to promulgate the proposed rules.

4. The Department has fulfilled all relevant, substantive and procedural requirements of law or rule.

Based upon the foregoing Conclusions, the Hearing Examiner makes the following:

RECOMMENDATION

That the Minnesota Department of Transportation adopt the proposed amendments and new rules, with consideration given to the suggested modifications noted in this Report.

Dated: June 27, 1980.

RICHARD DeLONG
Hearing Examiner

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MAY 2 1980
OFFICE OF HEARING
EXAMINERS

STATE OF MINNESOTA

DEPARTMENT OF TRANSPORTATION

In the Matter of the Proposed) Amendments to Rules on Public) Transit Subsidy, Paratransit) Grant Program, Regular Route) Transit Improvement Program,) Financial Application for) Subsidy and Grant Assistance;) and Proposed New Rules Re-) garding Uniform Performance) Standards in the Metropolitan) Transit Taxing District, and) the Public Transit Capital) Grant Assistance Program.)

ORDER FOR HEARING

EXHIBIT #1

- -

IT IS HEREBY ORDERED that a public hearing on the above-captioned rules be held in the State Office Building, Room 81, Wabasha Street, Saint Paul, Minnesota 55155, on May 29, 1980, commencing at 10:00 A.M. and continuing until all persons have had an opportunity to be heard.

IT IS FURTHER ORDERED that a Notice of Hearing be mailed to all persons or representatives of associations or other interested groups who have registered for the purpose.

IT IS FURTHER ORDERED that a Notice of Hearing be published in the State Register.

Richard P. Braun
Commissioner

Dated this 7th day of April, 1980.

Subscribed and sworn to before me
this 7th day of April, 1980.

Colette E. Prokop
Notary Public

COLETTE E. PROKOP
NOTARY PUBLIC--MINNESOTA
RAMSEY COUNTY
My Comm. Expires Sep. 13, 1986

Rules as Proposed

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Public Transit Subsidy and Demonstration Grant Programs

14 MCAR § 1.4025 General provisions.

A. Authority. The Minnesota Department of Transportation is authorized to adopt rules necessary to carry out the Public Transit Subsidy Program, Paratransit ~~Demonstratation~~ Grant Program, ~~and~~ the Regular Route ~~Demonstration~~ Transit Improvement Program, and the Public Transit Capital Grant Assistance Program pursuant to Minn. Stat. ~~1977~~, ch. 174 ~~(1977 Supplement)~~ and Minn. Stat. ~~1976~~ § 15.0412 ~~as amended~~.

B. Definitions. The following terms as used in these Rules have the following meanings:

1. "Department" means the Department of Transportation.

2. ~~"Demonstration assistance"~~ "Regular Route Transit Improvement Program" means state financial assistance granted to an eligible recipient in accordance with the ~~Paratransit Service Demonstration Grant Program or Regular Route Demonstration Program established pursuant to~~ Minn. Stat., §§~~174.25 and~~ 174.26. ~~(1977 Supplement)~~.

3. "Public transit" or "transit" means general or specific transportation service provided to the public on a regular and continuing basis. "Public transit" or "transit" includes para-transit and regular route transit. For the purposes of these rules, this term does not include air or rail transit.

4. "Subsidy assistance" means state financial assistance granted to an eligible recipient in accordance with the Public Transit Subsidy Program established pursuant to Minn. Stat., 174.24. ~~(1977 Supplement)~~.

5. "Operating deficit" means the amount by which the total operating expenses incurred in the operation of the public transit system exceeds the amount of operating revenue derived therefrom and the amount of any social fare reimbursement pursuant to Minn. Stat., § ~~174.21~~ 174.24, subd. 4. ~~(1977 Supplement).~~ Financial assistance received from the federal government for the operation of a public transit system shall be treated as revenue for the purpose of determining the operating deficit.

6. "Commuter van" has the meaning given it in Minn. Stat. ~~1976,~~ § 221.011.

7. "Development Region" has the meaning given to it by Minn. Stat., § 462.384.

8. "Paratransit" means the transportation of passengers by motor vehicle or other means of conveyance by persons operating on a regular and continuing basis and the transportation of passengers as its primary and predominant purpose and activity, but excluding regular route transit. "Paratransit" includes transportation by car pool and commuter van, point deviation and route deviation services, shared-ride taxi service, dial-a-ride service, and other similar services.

9. "Regular route transit" means transportation of passengers for hire by a motor vehicle or other means of conveyance by any person operating on a regular and continuing basis as a common carrier on fixed routes and schedules. "Regular route transit" does not include transportation of children to or from school or of passengers between a common carrier terminal station and a hotel or motel, transportation by common carrier railroad or common carrier railroads or by taxi, transportation furnished by a person solely for his or its employees or customers, or paratransit.

C. Program applications. The Program application procedure shall consist of a preliminary and final application. (See 14 MCAR §§ 1.4026, 1.4027 and 1.4028 for other rules relating to final application.)

The preliminary application must be submitted to the Department and appropriate Regional Development Commission for review and approval for consistency with regional transportation plans and development guides prior to the department approving the application. The RDC as part of their review will insure that existing public or private transit service in the proposed service area has the opportunity to comment on the proposed project. The RDC in their review will indicate this has been accomplished. Any Regional Development Commission that has not adopted a transportation plan may review but may not approve or disapprove an application. The Regional Development Commission must transmit its comments to the department within forty-five days of the receipt of the application. The preliminary application must also be submitted to the local transit authority, commission or system for review and comment as to consistency with its approved transportation development program. That review must be submitted to the department and RDC within thirty days of receipt. No comment from the RDC, local transit authority, commission or system will constitute a positive comment from such commission, authority or system. After considering those comments and within sixty days of receipt of preliminary application, the department shall determine and notify the applicant of its eligibility to submit a final application.

The final application must also be submitted to the RDC and transit authority, commission or system for comment. The

department will allow any Regional Development Commission or Transit System to withdraw their approval or comment for any final application that deviates significantly from the preliminary application. Those comments must be submitted to the department within 15 days of receipt. The Department will act upon the final application within 20 days of receipt.

Approval of applications shall be based on criteria in 14 MCAR §§ 1.4026, 1.4027 and 1.4028.

D. Regulation of use of subsidy and demonstration assistance.

1. State audits. The financial records of the eligible recipient will be audited by the Department. A benchmark audit of the receipient's books shall be required at the beginning of the first contract period and prior to contract execution and fund encumbrance. Another audit shall be required at the end of the contract period to establish an approved total operating deficit. The Department shall conduct an interim audit of an approved total operating system that is sold during the contract period as of the effective date of the ownership transfer. Other audits may be made by the Department. The eligible recipient will be required to conduct an audit of the participating public transit system financial records.

2. Record keeping. The eligible recipient and participating public transit system shall maintain accounting and other records as required by the Department. These records will permit audit verification of all transit cost allocations claimed during the contract period.

3. Project evalution. The Department shall use the management plan required pursuant to 14 MCAR § 1.4028 as a basis

for monitoring and evaluating the performance of the participating public transit system during the contract period. Public transit policy management decisions made and actions taken during the contract period shall conform with the management plan. Any proposed deviation from the management plan shall be reported to the Department for approval prior to implementation. Failure to secure approval will jeopardize continued subsidy or demonstration assistance.

4. Third-Party contracts. Private and public organizations may participate in projects by contract with the eligible recipient. Mn/DOT concurrence is required for the third party contract.

5. Penalties. When the eligible recipient fails to faithfully comply with the terms and conditions of the contract, the Department may terminate all or part of the subsidy or demonstration assistance awarded to the eligible recipient.

14 MCAR § 1.4026 Public transit subsidy program.

A. Purpose. The purpose of the Public Transit Subsidy Program is to supplement local effort in financing public transit systems in order to preserve and develop public transit and a balanced transportation system in the state.

B. Eligibility.

1. Eligible recipients. Any legislatively established public transit commission or authority, any county or statutory or home rule charter city providing financial assistance to public transit, any private operator of regular route transit, or any combination thereof is eligible to receive financial assistance through the public transit subsidy program.

2. Eligibility factors. A public transit system with a total operating deficit projected for the contract period shall be eligible for subsidy assistance. Deficits incurred prior to this period shall not be eligible for subsidy assistance. When a legislatively established public transit commission or authority is in existence, any application for the area under the jurisdiction of the commission or authority must be submitted by that commission or authority, except any private operator of regular route transit in the metropolitan transit taxing district as defined in Minn. Stat. § 473.446, subd. 2 may apply directly to the department.

C. Application for subsidy assistance.

1. General. The application for subsidy assistance shall be submitted in two stages: preliminary and final applications. The Department shall assist the applicant in the preparation of the final application upon request. Subsidy assistance may not be used to pay any costs incurred by the applicant in the preparation, submission or processing of applications.

2. Preliminary application. The preliminary application shall be submitted to ascertain the probable eligibility of the applicant, including projected total operating deficit and projected availability of state and local financial assistance. For a particular public transit system, only one preliminary application shall be submitted on behalf of all units participating in the system. The preliminary application shall be in the form and manner prescribed by the Department and shall contain the information required by the Department, including the following:

a. The applicant's legal name;

b. The official name of the public transit system for which the subsidy assistance would be used;

c. The common carrier certificate number of public transit system prescribed by the Minnesota Public Service Commission;

d. The amount of subsidy assistance requested;

e. A narrative describing the transit service; and

f. A description of the transit costs allocation method.

g. The preliminary application shall be submitted to the Department and appropriate RDC as required in 14 MCAR § 1.4025 C.

A preliminary application that contains all of the above information will be approved for submittal of a final application.

3. Final application. The final application shall be submitted to determine the subsidy assistance to be granted and basic elements in the agreement. It shall be submitted by an applicant who has received notice that, based on its preliminary application, it is an eligible recipient. It shall be submitted to the Department and appropriate RDC and include the elements specified in 14 MCAR § 1.4028. When the eligible recipient has submitted or anticipates submitting an application for assistance under the demonstration program 14 MCAR § 1.4027, during the contract period, that project must be identified in the application.

D. Determination of subsidy assistance.

1. Total operating deficit. In determining the total operating deficit of a public transit system, the following shall apply:

a. Generally accepted accounting principles and practices;

b. Depreciation on capital equipment that was purchased with state or federal financial assistance shall be excluded in the computation of total operating expenses to the extent of the federal or state assistance;

c. Subsidy assistance shall be considered on the basis of the total project deficit for the proposed contract period;

d. A deficit incurred as the result of authorized increased services shall be considered in determining eligibility;

e. An eligible recipient shall treat financial assistance received from any agency of the federal government for the operation of a public transit system as revenue for the purposes of determining its total operating deficit.

2. Factors in subsidy assistance. The Department shall review the application and determine the amount of subsidy assistance, if any, that shall be given to the eligible recipient.

a. The Department shall use the management plan required pursuant to 14 MCAR § 1.4028 as a basis for allocation of subsidy assistance to an eligible recipient. In the allocation of subsidy assistance, the Department shall consider population, transit ridership, relative need for public transit, new developments, and prior local assistance. Subsidy assistance shall not exceed two-thirds of the total operating deficit of the public transit system, as approved by the Department. The eligible recipient shall establish to the satisfaction of the Department that at least one-third of the total operating deficit will be available

from local sources during the contract period. When more than one unit contributes assistance to the operation of the public transit system, the share contributed by each shall be specified.

b. In the Minneapolis-St. Paul Metropolitan transit taxing district as defined in Minn. Stat. § 473.446, subd. 2 private operators of transit service that are eligible recipients may receive a grant for up to 100% of their operating deficit. The amount of the grant shall be based on the uniform performance standards specified in 14 MCAR § 1.4029.

E. Contract.

1. Content. The subsidy assistance contract shall be based upon the final application. It shall specify the amount of subsidy assistance that shall be awarded to the eligible recipient and shall be effective for a period of no more than one (1) year. It shall include the assurance of the eligible recipient that it will provide the required local share. For a particular public transit system, only one contract shall be executed on behalf of all units participating in the system.

2. Disbursement schedule. The contract shall specify a monthly or quarterly disbursement schedule at the pleasure of the recipient. Disbursements will reimburse the recipient based on the claimed operating deficit for the monthly or quarterly reporting period, but will not be allowed to exceed the estimate in the final application. At the end of seven months if it appears that the existing contract limit shall be insufficient the department will, upon application, amend the contract.

As agreed to in the contract, a portion of the final payment of the transit subsidy shall be withheld pending a final audit of the public transit system's books by the Department

at the termination of the contract. The final audit shall be used by the Department to verify the transit costs claimed during the contract period. When the supplemental assistance is more than two-thirds of the total operating deficit, the final payment shall be reduced accordingly. Any overpayment by the State shall be returned to the State Treasury at the request of the Department.

14 MCAR § 1.4027 Paratransit ~~service~~ grant and regular route ~~demonstration grant~~ transit improvement program.

A. Paratransit purpose. The purpose of the Paratransit ~~Service-Demonstration~~ Grant Program is to plan, promote, demonstrate, and evaluate the effectiveness, cost, and efficiency of paratransit as a means of accomplishing program objectives.

B. Paratransit objectives. The objectives of the Paratransit ~~Service-Demonstration~~ Grant Program are:

1. To provide transportation services which improve the accessibility and productivity of regular route transit;

2. To provide transportation services in those areas inefficiently or inadequately served by regular route transit;

3. To provide transportation services for persons who because of age or incapacity are unable to drive a private automobile or use existing modes of public transit;

4. To show how existing single occupant auto drivers can be diverted to paratransit or other public transportation modes; and

5. To determine the most effective manner of providing paratransit services. A potential demonstration project shall be designed to meet directly one or more of these program objectives.

C. Eligible recipients. Any public or private agency, entity, or person is eligible to receive financial assistance through the Paratransit ~~Service-Demonstration~~ Grant Program.

D. Regular route program objective. The objective of the Regular Route Transit ~~Demonstration-Grant~~ Improvement Program is to ~~demonstrate~~ provide financial assistance for improvements in the accessibility, quality, economic performance, or patronage of regular route transit service by the following means:

1. Expansion of existing routes and addition of new routes in areas that previously have not been served or have been served inadequately by regular route transit;

2. Management and operations improvements without expanding existing routes or adding new routes.

A potential ~~demonstration~~ improvement project shall be designed to meet program objectives by one of these two methods. Not less than 40 percent nor more than 60 percent of the total financial assistance available shall be granted to projects ~~to~~ ~~demonstrate~~ for improvements by each method.

E. Eligible recipients. Any organization that qualifies under 14 MCAR § 1.4026 B. 1. who operates, intends to operate, or assists in the operation of regular route transit services is eligible to receive financial assistance through the regular route transit ~~demonstration~~ improvement program.

F. Eligible projects. An eligible project for Paratransit ~~Service~~ Grant and Regular Route ~~Demonstration~~ Improvement ~~Grant~~ programs shall meet the following requirements:

1. It shall be designed to have potential for general applicability in other areas of the State;

2. It shall demonstrate the effect of improved public transit service; and

3. It shall meet one or more of the program objectives in 14 MCAR § 1.4027 B. or D.

An application should include a request for funding an ongoing evaluation of the project.

G. Determination of ~~demonstration~~ grant assistance.

1. General. The application for ~~demonstration~~ grant assistance shall be submitted in two stages: preliminary and final applications. The Department shall assist the applicant in the preparation of application upon request. ~~Demonstration~~ Grant assistance may not be used to pay any costs incurred by the applicant in the preparation, submission or processing of the applications.

2. Preliminary application. The preliminary application shall be submitted to ascertain the probable eligibility of the applicant, including projected availability of state and local financial assistance. For a particular public transit system, only one preliminary application shall be submitted on behalf of all units participating in the system. It shall be in narrative form and shall contain the following:

a. Project objectives. A narrative describing the purpose of the proposed project shall include the manner in which it will meet one or more of the program objectives.

b. Project description. The following must be discussed:

(1) The content of the project;

(2) The time schedule proposed for completion of the project;

(3) The public transit service including identifying proposed service levels and daily hours of operation;

(4) The compatibility of the project with any existing transit service;

(5) The potential for continuation of the project beyond the demonstration phase;

(6) A project budget, by categories of expenditures, including sources and amounts of non-state funding;

(7) A description of the applicant's organization including the key personnel and their experience.

(8) Identification of the market to be served, including the proposed daily and weekly patronage.

(9) Transit cost allocation procedures.

A preliminary application that contains all of the above information will be approved for submittal of a final application.

The preliminary application shall be submitted to the Department and appropriate Regional Development Commission and transit systems as required in 14 MCAR § 1.4025 C. The Department will assist in the planning of a system or the preparation of the applications if requested.

3. Final application. The final application shall be submitted to determine the ~~demonstration~~ financial assistance to be granted and the basic elements of the agreement. It may be submitted only by an applicant who has received notice that, based on its preliminary application, it is an eligible recipient. It shall be submitted to the Department and appropriate RDC in the form and manner prescribed by the Department and shall include the elements specified in 14 MCAR § 1.4028. When the eligible recipient has submitted or anticipates submitting an application

for assistance under the Public Transit Subsidy Program, 14 MCAR § 1.4026, during the contract period, this shall be briefly discussed in the application.

4. Application evaluation. The criteria that will be used by the Department to evaluate and approve proposed ~~demonstration~~ projects are:

a. Potential for meeting one or more of the program objectives;

b. Potential in demonstrating specific concepts that are applicable in other areas of the State;

c. Degree of innovation incorporated;

d. Compatibility and coordination with existing regular route and paratransit systems;

e. Potential for integration with existing transit service;

f. Evidence of local government and public support;

g. Ability to continue a successful project beyond the demonstration phase;

h. Efficiency in the use of energy resources to accomplish objectives; and

i. Cost effectiveness of the project.

~~5.---Project-funding.--The-applicant-is-expected-to-share in-the-cost-of-a-demonstration-project.--Demonstration-assistance normally-will-not-exceed-90-percent-of-the-cost-of-approved-demonstration-projects.--The-Department-reserves-the-authority-to-fund up-to-100%-of-a-project-that-it-feels-is-unique-and-needs-to-be demonstrated-but-lacks-the-necessary-local-financial-support.--When in-the-Department's-judgment,-a-proposed-demonstration-project-has potential-national-significance,-the-Department-may-require-the~~

~~eligible-recipient-to-submit-an-application-to-the-Federal-Government,-in-addition-to-the-State-application.~~

H. Contract

1. Content. The demonstration contract shall be based upon the final application. It shall specify the amount of the demonstration assistance that shall be awarded to the eligible recipient and shall not exceed one year. It shall include the assurance of the eligible recipient that it will provide the required local share and carry out the management plan. For a particular public transit system, one contract shall be executed on behalf of all units participating in the system.

2. Disbursement schedule. ~~The contract shall specify a disbursement schedule either monthly or quarterly at the pleasure of the recipient.~~ Disbursements will reimburse the recipient based on the claimed deficit for the monthly ~~or quarterly~~ reporting period, but will not be allowed to exceed the ~~estimate~~ contract amount.

As agreed to in the contract a portion of the final payment ~~of the demonstration assistance~~ shall be withheld pending an audit of the transit system's books by the department at the termination of the contract. This final audit shall be used by the department to verify the transit costs claimed during the contract period. When the ~~demonstration~~ grant assistance is more than the approved limit of the total cost, the final payment shall be reduced accordingly. Any overpayment by the State shall be returned ~~to the State Treasury at the request of the department.~~

14 MCAR § 1.4028 Final application for subsidy and grant assistance.

The final application for the subsidy program or for the ~~demonstration~~ grant program shall be a form as prescribed by the department and shall contain the following:

A. Management plan. The basic component of the final application shall be a management plan that details all of the planned and anticipated events that will affect the public transit system's operating revenue and expenses during the contract period.

1. Purposes. The essential purposes of a management plan are:

a. To document the maintenance or improvement of public transit services;

b. To identify and implement policies and practices to increase the efficiency of public transit operations; and

c. To insure that state assistance will be spent wisely.

2. Content. The final application shall include the following elements which may vary in detail with the size of the public transit system:

a. Ownership. The ownership of the participating transit system during the contract period shall be described.

b. Levels of service. The levels of service provided by the participating public transit system during the contract period shall be described.

c. Fares. The fare structures anticipated during the contract period shall be described.

d. Marketing. A proposed marketing program shall be described in general terms, including the costs benefits of the major elements. Elements of a marketing program shall include:

(1) Market research;

(2) Public information;

(3) Promotion;

(4) Advertising;

(5) Community relations; and

(6) Employee relations.

e. Capital improvements. Any actual or anticipated capital improvements in the participating public transit system during the contract period shall be described. Capital improvements include, but are not limited to: buses, fareboxes, communications equipment, storage and maintenance facilities and equipment, passenger shelters, and bus-stop signs.

f. Non-capital improvements. Any anticipated non-capital improvements proposed in the participating public transit service area during the contract period shall be described. Non-capital improvements include, but are not limited to:

(1) Staggering work hours;

(2) Regulating supply and prices of off-street parking; and

(3) Increasing daytime parking rates on workdays.

g. Revenue contracts. Revenue producing contracts relating to the public transit services provided by or for the eligible recipient shall be described. A copy of the contract will be required as part of the final application.

The following types of contracts shall be discussed:

(1) Contracts with private and public schools, colleges and universities;

(2) Contracts with private and public organizations that guarantee a minimum revenue on regular or special route(s);

(3) Contracts with private and public organizations that purchase rides for employees or patrons; and

(4) Advertising contracts.

h. Traffic improvements.

(1) Any traffic improvements made in the public transit service area during the contract period that will affect directly the speed and reliability of transit services shall be described. Examples of traffic improvements include:

(a) Use of exclusive or preferential streets, bus lanes, or expressway ramps;

(b) Control of traffic lights by buses;

(c) Provision of fringe parking spaces with express or improved bus service;

(d) Provision of bus turnouts; and

(e) Priority snow-plowing of transit routes.

(2) The discussion of each type of traffic improvement shall include the following:

(a) The date the traffic improvement is expected to be made; and

(b) The expected impact of the traffic improvement upon estimated public operating revenues and expenses.

i. Expenses contracts. Any contracts for services and goods relating to the public transit services provided by or for the eligible recipient and others shall be described.

The types of contracts to be discussed include:

(1) Contracts for management and consulting services;

(2) Contracts for storage and maintenance of buses;

(3) Contracts for the lease or purchase of tires and tubes;

(4) Contracts for fuel and lubricants;

(5) Contracts for liability and property insurance;

(6) Contracts, union and non-union, with transit system employees.

A copy of each contract will be required as part of the ~~final application~~ management plan.

j. Preventive maintenance. The participating public transit system's planned preventive maintenance program for the contract period shall be described. Elements of a preventive maintenance program typically include:

(1) Defect reporting by drivers;

(2) Daily fueling inspection;

(3) Mileage inspection; and

(4) Inventory controls.

B. Organization. The local institutional or organizational structures established to carry out the management plan shall be described, including a description of the technical policy and decision-making organizations responsible for directing, controlling, reviewing, and implementing the management plan. The relationships between these various organizations shall be illustrated in a simple diagram following the narrative. In addition, the following questions shall be answered:

1. Who is directly responsible for the day-to-day management and operation of the transit system?

2. Who is directly responsible for negotiating wage contracts with the employees of the transit system?

3. Where more than one local unit of government participates in the program, who represents the applicant public body in negotiations with surrounding communities? Who represents the surrounding communities?

4. Who will represent the applicant public body in negotiating an assistance contract with the State, and how shall a contract be ratified by the applicant public body?

5. Who is responsible for filing reports for the transit system with the Minnesota Public Service Commission?

C. Financial conditions. Financial data shall be reported in the form and manner prescribed by the Department. The cash accounting method shall be used to report financial data unless otherwise authorized by the department.

1. For the transit subsidy program, this financial data shall contain the audited figures for a twelve (12) month period preceding the contract period and estimated figures for the contract period.

2. For the ~~demonstration~~ grant program, the financial data shall contain estimated figures. When the ~~demonstration~~ grant project is associated with an existing public transit system, the financial data shall include the audited figures for a twelve (12) month period preceding the contract period.

D. Financial statement. A detailed breakdown of operating expenses shall be required. The projection of revenues and expenses should reflect the policies and practices outlined in the management plan.

E. Operating statistics. The actual and anticipated operational characteristics of the public transit system in a twelve (12)

month period preceding the contract period and/or the contract period shall be described. This discussion shall include revenue passengers, monthly ridership, total operating miles, revenue hours, and other relevant information required by the Department.

F. Sources of local funds. The sources and type of revenue that the eligible recipient and each participating unit will use to match the supplemental or demonstration assistance shall be identified.

G. Fuel supplies. Existing and potential problems that the public transit system faces in obtaining adequate fuel supplies during the contract period shall be identified, including the status of contracts with fuel suppliers, the prospects for securing contracts for the contract period, the time between deliveries under normal and anticiapted conditions, and any other pertinent facts.

The existing rules dated August 23, 1974 under Laws 1974, ch. 534 are rescinded.

14 MCAR § 1.4029 Uniform Performance standards for private operators in the metropolitan transit taxing district.

A. General.

1. These rules set forth a description of what shall be considered minimum levels of performance or design and identifies the standards against which existing services will be evaluated and for planning new or modified services.

2. Performance standards have been developed to apply to the unique financial and geographical characteristics encountered by private operators in the Metropolitan Area as defined in Minn. Stat., § 473.121, subd. 2 (1978). These standards are not necessarily the same ones utilized by the Metropolitan Transit Commission

(MTC). The MTC service standards are spelled out in the "TRANSPORTATION DEVELOPMENT PROGRAM AND TRANSPORTATION IMPROVEMENT PROGRAM (1978-1983)."

B. Definitions. The following terms as used in these rules will have the following meanings:

1. "Regular service" shall mean a bus service operating primarily on arterial streets making a minimum of 5 pickup or dropoff stops per mile and having an average operating speed of 15 mph or less.

2. "Express service" shall mean a bus service having the following characteristics:

a. Average operating speed in excess of "regular" bus service speeds and nearly equivalent to average automobile speeds for the same trip.

b. A limited-stop route segment which is greater than 50% of the route's one-way mileage. Limited-stop route segment is defined as one-half or less than the minimum stops for regular service.

3. "School service" shall mean extra bus trips on "regular or express" service, designed to transport students either on the route or directly to or from a school.

4. "Contract service" shall mean bus service operated under contract (or as a charter) to provide service to a specific market.

5. "Linehaul service" shall mean direct, point-to-point travel over distances (route length) greater than two (2) miles between residential areas and activity centers of business districts.

6. "Feeder service" shall mean providing access to or from a linehaul service.

7. "Crosstown service "shall mean bus service connecting either community subcenters or linehaul services eminating radially from a central business district (CBD). It shall generally be construed to mean nonradial travel that is not directed to or from a central business district.

8. "Peak period" shall mean the hours of 6:30 a.m. to 9:00 a.m. and 3:30 p.m. to 6:00 p.m. weekdays.

9. "Off peak periods" shall mean all other times not included under "Peak period".

10. "Headway" shall mean the time interval between two consecutive buses (Frequency of Service) measured at the maximum load point.

11. "On time performance" shall mean zero minutes early and no more than five (5) minutes late at a schedule time point.

12. "Load factor" shall mean the ratio of the number of passengers on board versus the number of seats provided measured at the maximum load point(s) on a particular route.

13. "Capacity" shall mean the number of passenger seats made available.

14. "Peak period bus requirement" shall mean the maximum number of transit units an operator must have in service to meet scheduled trips excluding spare units.

15. "Route miles" shall mean the one-way mileage between route termini.

16. "Bus miles" shall mean the miles operated by a transit unit from the time it leaves the garage until it returns including "pull-out" and "pull-in" mileage.

17. "Passenger per mile" shall mean the number of passengers carried divided by the number of bus miles operated.

18. "Vehicle hours" shall mean the hours operated by a transit unit from the time it leaves the garage until it returns including "pull-out" and "pull-in" time.

19. "Revenue hours/revenue miles" shall mean the miles or hours operated by a transit unit on a route excluding "pull-in"/"pull-out" miles and hours. Same as "scheduled" hours/"scheduled" miles.

20. "Deadhead miles" shall mean those miles operated for the purpose of maintenance testing, driver training and garage transfers.

C. Purpose. The purpose of uniform performance standards for private operators in the metropolitan transit taxing district is:

1. To increase the number of persons riding and the rate at which persons are diverted from driving to riding.

2. To achieve the fullest and most efficient use of public resources and investments in public transit.

3. To provide adequate service levels within geographic areas and on route segments characterized by high density of demand for service and for the transit dependent population.

D. Objectives. The objectives of uniform performance standards for private operators in the metropolitan transit taxing district are:

1. The public transit service provided by state funded private operators within the Metropolitan Area as defined in Minn. Stat., 473.121, subd. 2 (1978) shall be designed, operated and maintained to attract patrons in such numbers as to assure continuing viability as a reasonable alternative to the private automobile.

2. Prime consideration shall be given to the safety of operators and passengers.

3. Each private operator's system shall be maximized within the Metropolitan Urban Service Area and shall be consistent with the Development Guide of the Metropolitan Council.

4. Existing service levels shall be evaluated for economic considerations, public necessity and ability to attract new patrons from competing modes of transportation.

5. Service shall be designed to minimize door-to-door travel time.

6. Service changes shall be made on the basis of feasibility and the attendant physical, operational, economical, financial and social merits.

7. Each private operator shall provide some opportunity for local input into their systems' service levels and route structures.

8. Service provided by the private operators shall be comparable to and compatible with other service offered in the Metropolitan Urban Service Area.

E. Service standards.

1. Route spacing. Route spacing is a function of population density and physical considerations such as terrain and adequate roadways.

MINIMUM ROUTE SPACING

Population Per Square Mile (1) (Thousands)	Route Spacing (Miles)	or	Route Miles Per Square Mile
4 & over	0.50		1.50
2 - 4	1.00		1.00
0 - 2	2.00		0.50

(1) Land acreage only.

2. Directness of service.

a. Schedule leave and arrive times for routes having common termini shall be coordinated to the maximum extent possible.

b. Not more than 25% of the total systems riders will be required to transfer between an operator's vehicles to complete their trip.

3. Route layout.

a. Route alignment shall be as direct as possible, and to the maximum extent feasible, areas with no adjacent land development will be avoided in laying out the collector portion of a route.

b. Service shall be operated over permanently paved streets having at least ten (10) foot lanes.

c. Service shall not be operated over streets which continually exhibit danger-producing situations such as steep grades; poorly plowed or sanded roadways; or streets where parking habitually encroaches on the roadway reducing passageway to less than ten (10) feet.

4. Frequency of service. A sufficient number of vehicles shall be provided past the maximum load points on a route to accommodate the passenger volume within the loading standards established under the Section: "Operating Performance Standards".

MINIMUM HEADWAYS

Service Type	Days Provided	Range of Service	Peak	Off Peak
Regular	Mon-Fri	6:00 am - 6:30 pm	30 min	70 min
Regular	Sat	8:00 am - 6:00 pm	To be based on demon-	
Express	Mon-Fri	6:30 am - 9:00 am 3:30 pm - 6:00 pm	strated need	

5. Passenger stops.

a. In suburban residential areas, the distance between bus stops shall not exceed 2000 feet.

b. In CBD's, the distance between bus stops shall not exceed 600 feet.

c. Designated bus stops shall be indicated by at least a sign on a stanchion or fastened to a utility pole. The bus stop sign shall display a bus information phone number.

d. Minimum acceptable bus stop lengths are:

(1) farside stop . . . . . 80 feet.

(2) nearside stop . . . . . 80 feet.

(3) mid-block stop . . . . . 80 feet.

NOTE: Farside stops are preferable to all others.

e. Shelters shall be provided at all stops which serve 40 or more boarding or transferring passengers during the course of a typical day.

F. Operating performance standards.

1. Speed.

a. Average operating speed excluding recovery time shall not exceed twenty five percent (25%) deviation from the service (i.e., express and regular) operating speed for the time being analyzed. Any service having an average operating speed less than this standard will be considered for remedial analysis.

b. No service is to have a layover time to running time ratio over 30% at any time.

2. Maximum load standards - per route shall be:

Service	Peak of the Peak	Total Peak Period	Off Peak
Express	1.1	1.0	1.0
Regular	1.25	1.1	1.0

3. Labor productivity shall be measured by "miles per employee" factored to 8 hours = 1 full time employee. No operator's labor productivity shall be less than 18,000 bus miles per employee.

4. Schedule adherence and service dependability.

a. 95% of all service provided shall be on time.

b. 99% of all scheduled trips shall be completed each month.

c. Maintenance standards shall be high enough to provide, at a minimum, 10,000 bus miles of service for each disruption of service due to mechanical failure.

d. Complaints shall not exceed one (1) per 100 hours of service. A complaint is defined as official contact in writing with either the PSC or the Minnesota Department of Transportation (Mn/DOT).

5. Economic standards.

a. No service shall be permitted to have a "revenue per passenger" departure from the system average of more than -25%, unless the "passengers per mile" are at least 65% of the system average.

b. System fares shall be set to ensure a system "revenue per passenger" ratio to "full cost per passenger" of at least 35% in that reimbursement to the operator on a "deficit per passenger" basis will not exceed 65% of the "full cost per passenger".

G. Funding procedure.

1. Two months prior to the expiration of an existing contract term, the operator shall be sent a letter by the Minnesota Department of Transportation notifying him of the upcoming expiration. This letter shall also have attached the "Service Standards for Metro Area Private Operators". The letter will ask the operator to:

a. Advise Department of Transportation (Mn/DOT) of the operator's intent to continue providing fixed route public transit service within his authorized service area.

b. Advise Mn/DOT if he intends to apply for a state financial assistance contract relative to the public transit service.

c. Submit a signed statement to Mn/DOT that he has read and ~~met~~ meet the required "service standards".

2. If the operator intends to apply for state financial assistance, and has indicated he can meet the "service standards", a member of the Mn/DOT staff shall meet with the operator to assist him to prepare the application including, ~~but not limited to:~~ limited to:

a. Management plan.

b. Operating budget.

c. Patronage and revenue projections.

d. Transit cost allocation plan (to be attached as an element of the contract).

e. Capacity analysis.

f. Operations narrative.

3. When the application is complete and agreed to as accurate by Mn/DOT and the operator, funding shall be calculated as follows:

a. Full operating cost shall be divided by the number of rides projected. This will yield a "full cost per passenger".

b. All anticipated revenues shall be calculated and divided by the number of rides projected to obtain an estimated "revenue per passenger".

c. The estimated "revenue per passenger" shall then be subtracted from the "full cost per passenger" to obtain a "deficit per passenger".

d. The amount of the "deficit per passenger" shall be what the operator will be reimbursed for each passenger carried on his system. Such reimbursement shall not exceed 65% of the "full cost per passenger".

H. Verification procedure.

1. Timetable analysis.

a. Prior to the execution of a financial assistance contract or a route or service change the operator shall be required to submit a complete set of current or proposed schedules to Mn/DOT.

b. Upon receipt of the schedules, Mn/DOT and Metropolitan Council staff shall perform an analysis to ensure that the service offered is consistent with the recommended operating performance standards and Metropolitan Council Development Guide.

c. Upon completion of the schedule analysis, a summary shall be prepared detailing those portions, if any, of the service that are sub-standard and outlining possible corrective measures.

2. Maximum load and on-time performance analysis.

a. Performed by operators.

(1) Operators shall develop and maintain "daily trip sheets" for their drivers to record daily passenger counts. The driver's daily trip sheet should include, but not be limited to:

(a) Day of week/date/run number/bus number.

(b) Each trip run (terminal and scheduled departure time).

(c) Maximum load carried per trip (at specified maximum load points).

(d) Number of transfers received.

(e) Any deviation from scheduled time, and reason for this.

(f) Driver signature.

(2) Daily trip sheets shall be collected for each service day by the operator.

(3) Daily trip sheets are to be retained by the operator for a period of two years or until final audit, whichever occurs first.

b. Performed by Mn/DOT.

(1) Mn/DOT shall establish maximum load points for each route in an operator's system; these will be consistent with the maximum load points that the operators are using.

(2) Checking sheets shall then be developed for each maximum load point. The checking sheets will be organized by trip (inbound or outbound), in time order, for an entire service day. Separate sheets will be developed for weekday and Saturday service.

(3) Mn/DOT shall hire on-street checkers to collect the actual data. The checkers will be placed at the maximum load points and required to record the following data for each bus that passes:

(a) Condition of bus.

(b) Bus number.

(c) Actual time bus passes maximum load point.

(d) Estimated number of passengers on board.

(e) Trips not completed will also be recorded.

(f) Weather and street conditions.

(4) Checkers shall conduct "spot checks" on a random basis. Checks shall be performed at random times within the peak and off peak periods to ensure that all time periods will be observed.

(5) Occasionally, checkers shall be required to perform "on-board" checks of an operator's service. On board checks are utilized to observe the loading patterns of an entire route, operating hazards along the route, transfers issued and received, and running time for the route. The operator shall be notified, in advance each time this is planned.

(6) Checking sheets shall be submitted to Mn/DOT and the data will be analyzed.

(7) A summary of the maximum load/on-time performance checks shall be prepared monthly and will detail the areas, if any, where the operator's system is performing below the minimum operating standards and recommendations for remedial measures will be made.

(8) Mn/DOT maximum load check sheets shall be compared with the operator's "drivers trip sheets" monthly to verify passengers carried.

3. Maintenance analysis.

a. Operators shall be required to report all disruption of service due to mechanical failure, to Mn/DOT monthly.

b. Mn/DOT shall apply the "total bus miles" operated monthly to the total number of "disruptions of service due to mechanical failure" to ensure that "bus miles for each disruption of service due to mechanical failure" are consistent with the maintenance standards.

14 MCAR § 1.4030 Public Transit capital grant assistance program.

A. Application. Eligible recipients as defined in Minn. Stat., § 174.245 (1979 Supp.) shall apply for capital grant assistance by a letter to the Minnesota Department of Transportation citing the Minnesota Statute under which eligibility is claimed. The letter of application shall contain the following information:

1. A statement of eligibility under the Urban Mass Transportation Act of 1964, Public Law 88-365, as amended.

2. The amount of state financial assistance requested.

3. A statement that this capital improvement is included in the current approved management plan if the recipient is currently receiving state financial assistance.

B. Procedure for review and approval. A letter of application shall be reviewed by the Department of Transportation for the requirements contained in paragraph A and shall be considered for funding.

C. Capital grant assistance shall be based on:

1. The priority listing recommendation of the Transportation Advisory Committee established by the State Management Plan for Public Transportation Financial Assistance under Section 18, Urban Mass Transportation Act of 1964, Public Law 88-365, as amended. The Committee shall base their recommendations on the following criteria:

a. How well the project meets the program objectives.

(1) To actively promote the coordination of transportation services where no local agency has taken this responsibility or where local disputes threaten accomplishment of the task.

(2) To help alleviate the transportation problems of Minnesota's elderly and handicapped residents.

(3) To participate in joint-agency efforts to construct and implement park-ride facilities when it can be demonstrated that these facilities will serve existing demand.

(4) To develop a specific position on performance funding for non-urban transit operators.

(5) To effectively provide public transportation in rural and small urban areas inefficiently or inadequately served by regular route transit.

(6) To divert single occupant auto drivers to public transportation modes.

(7) To fund effective and cost efficient methods of providing non-urban transportation services.

b. The accessibility of the handicapped and elderly to the transit system.

c. The amount of local government and community support.

d. The potential for continuation after the first year.

e. The applicability of the project results to other areas of the state.

f. The potential for meeting the life support needs (i.e., nutrition, health, shopping, recreation, etc.) of those the transit system is designed to serve.

2. The availability of state public transit capital grant assistance funds.

3. The availability of local matching funds.

D. Contract. The public transit capital grant assistance contract shall be based on the letter of application. It shall

specify the amount of financial assistance to be awarded. It shall include the assurance of the eligible recipient that the local matching funds are available and shall be provided.

EXHIBIT #7

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The Agency staff will review these comments, develop additional information, and make its recommendation(s) to the Minnesota Pollution Control Agency Board. All written statements received as a result of this "Notice of Intent to Solicit Outside Opinion" will become part of the record.

Terry Hoffman
Executive Director

Department of Transportation
Public Transportation Division

Notice of intent to Solicit Outside Opinion Regarding Amendments to Rules on Public Transit Subsidy and Demonstration Grant Programs and Proposed New Rules Regarding Performance Standards and Capital Grant Assistance Programs

Notice is hereby given that the Department of Transportation is considering amendments to the rules regarding Public Transit Subsidy and Demonstration Grant Programs which will change titles to be in conformance with Minn. Stat. ch. 174 and adopting proposed rules regarding Uniform Performance Standards for Private Operators in the Metropolitan Transit Taxing District which will determine payments to the operators and adopting rules for the Public Transit Capital Assistance Grant Program which will determine priorities for awarding funds for matching federal Capital Grants. The proposed new rules are authorized by Minn. Stat. ch. 174.

All interested or affected persons or groups may submit information on this subject. Written or oral information and comment should be addressed to:

Mr. Robert M. Works
Director, Transit Administration
Room 419 Transportation Building
St. Paul, MN 55155

All statements of information and comment must be received by December 21, 1979. Any written material received by this date will become part of the record of any rules hearing held on this subject.

Nov. 14, 1979

Richard P. Braum
Commissioner

STATE CONTRACTS

Pursuant to the provisions of Minn. Stat. § 16.098, subd. 3, an agency must make reasonable effort to publicize the availability of any consultant services contract or professional and technical services contract which has an estimated cost of over $2,000.

Department of Administration procedures require that notice of any consultant services contract or professional and technical services contract which has an estimated cost of over $10,000 be printed in the *State Register*. These procedures also require that the following information be included in the notice: name of contact person, agency name and address, description of project and tasks, cost estimate, and final submission date of completed contract proposal.

Department of Agriculture

Shade Tree Program
Notice of Request for Proposals for Public Information and Media Relations Services

The Shade Tree Program, Department of Agriculture, is seeking one, two or three contractors to provide the following services:

1. Production of at least 4 radio and 4 television public service announcements: Price cannot exceed $23,000.

2. Provision of media relations services to be provided until the contract expiration date, September 30, 1980: Price cannot exceed $12,000.

3. Development of local public information programs including information kits in camera ready form: Price cannot exceed $10,000.

The Department will accept proposals for any or all the above services. Contract(s), if awarded, will be awarded for any or all the above services to one, two or three contractors.

The deadline for the submission of proposals will be 4:30 p.m., December 17, 1979.

Energy Agency
Alternative Energy Division
District Heating Activity

Notice of Request for Proposals for Steam District Heating System Evaluation

Proposals are requested from engineering firms to evaluate existing steam district heating systems in three Minnesota

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OFFICE OF HEARING EXAMINERS

STATE OF MINNESOTA

DEPARTMENT OF TRANSPORTATION

In the Matter of the Proposed) Amendments to Rules on Public) Transit Subsidy, Paratransit) Grant Program, Regular Route) Transit Improvement Program,) Financial Application for) Subsidy and Grant Assistance;) and Proposed New Rules Re-) garding Uniform Performance) Standards in the Metropolitan) Transit Taxing District, and) the Public Transit Capital) Grant Assistance Program.)

NOTICE OF HEARING

EXHIBIT # 2

- -

NOTICE IS HEREBY GIVEN that a public hearing in the above entitled matter will be held pursuant to Minn. Stat. § 15.0412, subd. 4 (1978) in Room 81, State Office Building, 435 Park Street (Between Aurora and Fuller), Saint Paul, Minnesota on May 29, 1980 at 10:00 A.M.

The statutory authority of the Department of Transportation to adopt and promulgate these rules is provided in Minn. Stat., §§ 15.0412, and 174.23, subd. 2 (1978). The proposed rules, if adopted, would:

(1) Change rule titles and make other similar editing changes of a non-substantive nature in the light of recent amendments to Minn. Stat., ch. 174.

(2) Modify certain statutory references to enable the rules to remain effective until reached by future legislative action.

(3) Delete provisions concerning local governmental financial support now obsolete as a result of recent enactments.

(4) Adopt uniform performance, service, and operating standards, as well as funding procedures, for private operators in the metropolitan transit taxing district.

(5) Adopt application, review, and approval procedures for the public transit capital grant assistance program.

In the Matter of the Proposed)
Amendments to Rules on Public)
Transit Subsidy, Paratransit)
Grant Program, Regular Route)
Transit Improvement Program,)
Financial Application for)
Subsidy and Grant Assistance;)
and Proposed New Rules Re-)
garding Uniform Performance)
Standards in the Metropolitan)
Transit Taxing District, and)
the Public Transit Capital)
Grant Assistance Program.)

A copy of the proposed rules is attached. Additional copies of the proposed rules are now available and one free copy may be obtained by writing to: Ms. Sherri Y. Alston, Assistant Commissioner for Public Transportation, Minnesota Department of Transportation, Room 413 Transportation Building, Saint Paul, Minnesota 55155. The rules will be available at the door on the date of the hearing.

NOTICE IS HEREBY GIVEN that twenty-five (25) days prior to the hearing a Statement of Need and Reasonableness will be available for review at the Department of Transportation address given immediately above and at the Office of Hearing Examiners. This Statement of Need and Reasonableness will include a summary of all of the evidence which will be presented by the Department at the hearing justifying both the need for and the reasonableness of the proposed rule/rules. Copies of the Statement of Need and Reasonableness may be obtained from the Office of Hearing Examiners at a minimal charge.

The proposed rules are subject to change as a result of the rule hearing process. The Department of Transportation therefore strongly urges those who are potentially affected by these proposed rules to participate in the rule hearing process.

All interested or affected persons will have an opportunity to participate concerning the adoption of proposed or amended rules relating to public transportation assistance and transportation management as authorized under Minnesota Statutes §§ 174.21 to 174.27, as amended. Statements may be made orally and written material may be submitted at the hearing. In addition, whether

In the Matter of the Proposed)
Amendments to Rules on Public)
Transit Subsidy, Paratransit)
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garding Uniform Performance)
Standards in the Metropolitan)
Transit Taxing District, and)
the Public Transit Capital)
Grant Assistance Program.)

or not an appearance is made at the hearing, written statements or material may be submitted at the hearing. In addition, whether or not an appearance is made at the hearing, written statements or material may be submitted by mail to Richard DeLong, Hearing Examiner, Office of Hearing Examiners, at Room 300, 1745 University Avenue, Saint Paul, Minnesota 55104, telephone (612) 296-8117, either before the hearing or within five (5) working days after the close of the hearing. If so ordered by the Hearing Examiner, the hearing record may remain open and such materials may be submitted for a period longer than five (5) working days but not exceeding twenty (20) calendar days after the close of the hearing. All such statements and materials will be entered into and become a part of the record for this proceeding. The rule hearing procedure is governed by Minn. Stat. §§ 15.0411 to 15.0412 and § 15.052; as well as by 9 MCAR §§ 2.101 to 2.112 (Minnesota Code of Agency Rules). If you have any questions about the procedure, call or write the hearing examiner.

Any person may request notification of the date on which the Hearing Examiner's Report will be available, after which date the Department of Transportation may not take any final action on the rules for a period of five (5) working days. Any person may request notification of the date on which the hearing record has been submitted (or resubmitted) to the Attorney General by the Department of Transportation. If you desire to be so notified, you may so indicate at the hearing. After the hearing, you may request notification by sending a written request to the Hearing Examiner (in the case of the Hearing Examiner's

In the Matter of the Proposed)
Amendments to Rules on Public)
Transit Subsidy, Paratransit)
Grant Program, Regular Route)
Transit Improvement Program,)
Financial Application for)
Subsidy and Grant Assistance;)
and Proposed New Rules Re-)
garding Uniform Performance)
Standards in the Metropolitan)
Transit Taxing District, and)
the Public Transit Capital)
Grant Assistance Program.)

Report) or to the Department (in the case of the department's submission or resubmission to the Attorney General).

The Department expects that fifty to one hundred persons may attend the hearing and it estimates that one to two hours will be necessary for the Department to present its evidence at the hearing.

It is not anticipated that adoption of the proposed rules will result in the expenditure of public monies by local bodies of government to implement the rule for the two years immediately following its adoption within the meaning of Minn. Stat. § 15.0412, subd. 7 (1978). 10

In addition, please be advised that Minn. Stat. ch. 10A requires each lobbyist to register with the State Ethical Practices Board within five (5) days after he or she commences lobbying. Minn. Stat. ch. 10A provides that an individual appearing at a rules hearing is a lobbyist if he or she is:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than $250.00, not including his or her own travel expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or 6

(b) Who spends more than $250.00, not including his or her own traveling expenses and membership dues, in any

In the Matter of the Proposed)
Amendments to Rules on Public)
Transit Subsidy, Paratransit)
Grant Program, Regular Route)
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Financial Application for)
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and Proposed New Rules Re-)
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Grant Assistance Program.)

year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials;

"Communicating with public officials" includes, but is not limited to, testifying at rulemaking hearings where the public officials' decisions will be based on the hearing record.

The following individuals are not lobbyists even if they meet the above criteria:

(a) Public officials or employees of the state or any of its political subdivisions or public bodies acting in his official capacity;

(b) Party or his representative appearing in a proceeding before a state board, commission or agency of the executive branch unless the board, commission or agency is taking administrative action;

(c) Individuals while engaged in selling goods or services to be paid for by public funds;

(d) News media or their employees or agents while engaged in the publishing or broadcasting of news items, comments or paid advertisements which directly or indirectly urge official action;

(e) Paid expert witness whose testimony is requested by the body before which he is appearing, but only to the extent of preparing or delivering testimony; or

In the Matter of the Proposed)
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and Proposed New Rules Re-)
garding Uniform Performance)
Standards in the Metropolitan)
Transit Taxing District, and)
the Public Transit Capital)
Grant Assistance Program.)

(f) Stockholder of a family farm corporation as defined in § 500.24, subd. 1, who does not spend over $250.00, excluding his own travel expenses, in any year in communicating with public officials.

An individual who falls within the lobbyist definition shall register with the Ethical Practices Board within five days of becoming a lobbyist.

Lobbyist registration forms may be obtained by writing the Ethical Practices Board, 41 State Office Building, Saint Paul, Minnesota 55155, or telephoning (612)296-5615. Please contact the Board if you have any questions concerning lobbying registration and reporting requirements.

Richard P. Braun
Commissioner

Dated this 7th day of April, 1980.

Subscribed and sworn to before me
this 7th day of April, 1980.

Colette E. Prokop
Notary Public

COLETTE E. PROKOP
NOTARY PUBLIC—MINNESOTA
RAMSEY COUNTY
My Comm. Expires Sep. 13, 1986

Exhibit #5

STATE OF MINNESOTA

DEPARTMENT OF TRANSPORTATION

DIVISION OF PUBLIC TRANSPORTATION

In the Matter of the Proposed Amendments to Rules on Public Transit Subsidy, Paratransit Grant Program, Regular Route Transit Improvement Program, Financial Application for Subsidy and Grant Assistance; and Proposed New Rules Regarding Uniform Performance Standards in the Metropolitan Transit Taxing District, and the Public Transit Capital Grant Assistance Program.	AFFIDAVIT OF MAILING

RECEIVED
MAY 2 1980
OFFICE OF HEARING EXAMINERS

Kenneth H. Bjork, being first duly sworn, deposes and says:

That on the 25th day of April, 1980, at the City of Saint Paul, County of Ramsey, State of Minnesota, he served the attached Notice of Hearing by depositing in the United States mail at said City of Saint Paul, a true and correct copy thereof, properly enveloped, with postage prepaid, to all persons and associations at the addresses listed on the attached Certificate of the Secretary of State.

/s/ Kenneth H. Bjork

Subscribed and sworn to before me

this 25th day of April, 1980.

Agnes I. Litfin

Notary Public,

Ramsey, County, Minnesota

My Commission expires November 21, 1980.

AGNES I. LITFIN
Notary Public, Ramsey Co., Minn.
My Commission Expires
November 21, 1980

EXHIBIT #4

STATE OF MINNESOTA

DEPARTMENT OF TRANSPORTATION

In the Matter of the Proposed Amendments to Rules on Public Transit Subsidy, Paratransit Grant Program, Regular Route Transit Improvement Program, Financial Application for Subsidy and Grant Assistance; and Proposed New Rules Regarding Uniform Performance Standards in the Metropolitan Transit Taxing District, and the Public Transit Capital Grant Assistance Program.	AFFIDAVIT OF RECEIPT OF THE SECRETARY OF STATE'S LIST

RECEIVED
MAY 2 1980
OFFICE OF HEARING EXAMINERS

Kenneth H. Bjork, being duly sworn on oath deposes and says:

1) That he is an employee of the Dept. of Transportation, Division of the State of Minnesota.

2) That on the 24th day of April 1980, he went to the Secretary of State's office for the State of Minnesota and requested a current list of all representatives of associations or other interested groups or persons who had registered their names with the Secretary of State for the purpose of obtaining notices of public hearings relating to the promulgation of rules pursuant to Minn. Stat., § 15.0412 (1978, & 1979 Supp).

3) That on the 24th day of April, 1980, in response to the above request, the Secretary of State provided him with such a list, a copy of which is attached hereto and incorporated by reference.

Further affiant sayeth not. Kenneth H. Bjork

Subscribed and sworn to before me this 25th day of April, 1980

Notary Public, Agnes I. Litfin

Ramsey County, Minnesota

My Commission expires November 21, 1980.

AGNES I. LITFIN
Notary Public, Ramsey Co., Minn.
My Commission Expires
November 21, 1980

EXHIBIT H.3

STATE OF MINNESOTA

DEPARTMENT OF TRANSPORTATION

DIVISION OF PUBLIC TRANSPORTATION

In the Matter of the Proposed Amendments to Rules on Public Transit Subsidy, Paratransit Grant Program, Regular Route Transit Improvement Program, Financial Application for Subsidy and Grant Assistance; and Proposed New Rules Regarding Uniform Performance Standards in the Metropolitan Transit Taxing District, and the Public Transit Capital Grant Assistance Program.	CERTIFICATE OF DELIVERY OF THE SECRETARY OF STATE'S LIST

RECEIVED
MAY 2 1980
OFFICE OF HEARING EXAMINERS

I hereby certify that the attached 345 Labels 3 sheets constitute the complete list of persons, associations, and other interested groups who as of 4:00 o'clock PM, this 24th day of April, 1980, have requested pursuant to Minn. Stat., §§ 1976 15.0412, (1978 & 1979 Supp) that their names be placed on file with the Secretary of State for the purpose of receiving notice of public hearing on proposed rules on the subject captioned above.

SECRETARY OF STATE

Joan Anderson Growe

By Theresa Scott

Advocates for the Blind, 1821 Univ. Ave. Rm 389 So., St. Paul 55104

BERG, JANE, NEW CONNECTION PROGRAMS 73 LEECH ST., ST. PAUL 55102

Henkel Corp. Law Dept. 4620 W. 77th St., Mpls 55435

Jorgensen, Dwain 645 W. 3rd St., Zumbrota 55992

QSS INCORPORATED P.O. BOX 838 FARIBAULT, MN. 55021

Sudduth, J.R. 2100 Bloomington Ave. So. Apt. 206, Mpls 55404

The following Names on the General Mailing List can be sent through Interoffice Mail

Dawson, Jean Mn. Gov't Rep. Room B12 Capitol Bldg., St. Paul, Mn. 55155

Heckt, Paul 720 American Center Bldg., St. Paul, Mn. 55101

Hiniker, James Commissioner of Admin. 200 Admin Bldg., St. Paul, Mn.

Leg.Ref.Lib Z. Dewitt, Room 111 State Capitol, St. Paul, Mn.

Met. Waste Control Comm. 350 Metro Sq. Bldg., St. Paul, Mn.

Minn. Pollution Control , Water Quality, 1935 W. Co. Rd. B2, Roseville, Mn.

Minn. Pollution Control Agency, 1935 W. Co. Rd. B2, Roseville, Mn.

Minnesota Water Resources Bd., Rm. 206 555 Wabasha St., St. Paul, Mn.

Minn. State Council for the Handicapped, Metro Sqr. Bldg. 7th & Robert, St. Pau

Office of the Governor, 130 State Capitol, St. Paul, Mn.

Peterson, H. Commissioner of Labor & Industry, 444 Lafayette Rd., St. Paul

Schultz, Linda, Room 328 Capitol Bldg., St. Paul, Mn.

Wehrwein, Judith 625 Admin. Bldg., St. Paul, Mn. 55155

Whitlock, Marshal LCRAR, Rm 44 St. Off. Bldg., St. Paul, Mn.

Blake, Duane, 400 Midland Bank Bldg., Mpls 55401

Burton, Wendel, 3M Company, 3M Center, St Paul 55101

Chaffin, Robert L., E.F. Johnson Company, 299 10th Ave SW, Waseca 56093

Colloton, J. Michael, Dayton Hudson Corporation, 777 Nicollet Mall, Mpls 554[illegible]

Harris, Clarence, Sperry-Univac PO Box 3525, St Paul 55165

Noonan, James C., 60 East 4th Street, St Paul 55101

Schmid, Forest, Whirlpool Corp. PO Box 3380, 850 Arcade St, St Paul 55165

Theissen, Joseph, 2250 Wabash Avenue, St Paul

Ubel, Frank, 3M Company, 3 M Center, St Paul 55101

Human Services

Conroy, Frank, 126 Wood Street, Mahtomedi 55115

Association of Casualty and Surety Executives, 60 John St, New York, NY

Bowar, C.L., Minnesota AAA, Burnsville 55378

Ferris, Sandra 9039 Pierce St. N.E Blaine 55434

Fred Fischer Dan Dugan Transport Co. Box 946 Sioux Falls, S.D. 57101

Higgens, J.C., Brotherhood Rwy, Clks, 2317 W. 7th Street Duluth

Hoglund United Sales, Inc., South Hwy 25, Monticello

Hopkins, Bill, 2004 Lyndale Avenue South, Mpls 55405

Matthias, Dr. Howard, 329 Brown Hall, St Cloud State College, St Cloud 56301

Minnesota School Bus Operators Association, Faribault 55021

Morgan, Bob A-1800 Government Center, Minneapolis, Mn. 55487

Nelson-Zepper, 9150 Central Avenue NE, Blaine 55434

Perley A. Thomas, Car Works, Inc., Attn: Carroll Graham, High Point, North Carolina
(School bus laws only)

St Paul Motorcycle Escort Club, Inc., PO Box 3264, St Paul 55101

Shields, J.B., Driver Ed. Range, 1000 N Snelling Avenue, St Paul 55108

Stern, Philip J., 1234 Soo Line Bldg., Mpls (Re driving Instructor & school)

United West End-Citizens Organization, 2904 W.3rd.St. Duluth 55806

345 Lowell

TEST PATTERN TEST PATTERN
ADDRESS TEST ADDRESS
CITY TESTCITY MN
55555

TEST PATTERN TEST PATTERN
ADDRESS TEST ADDRESS
CITY TESTCITY MN
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ADDRESS TEST ADDRESS
CITY TESTCITY MN
55555

ACKLAND, K. CRIM JUST COUN.
1422 CITY HALL ANNEX
ST. PAUL, MN
55102

ALLERS JOHN
7529 LYNDALE AVE SO
MPLS MN
55423

ANDERSON JAMES
7703 NORMANDALE RD
MPLS MN
55435

ANDERSON STANFORD
14600 MINNETONKA BLVD
MINNETONKA MN
55343

ARROWHEAD REGIONAL DEV. COMM
200 ARROWHEAD PLACE
DULUTH MN
55802

ASSOCIATED GEN CONTR.OF M
111 E. KELLOGG BLVD.
ST. PAUL, MN
55101

BARATTO[redacted]VINE M
1192 BUSH ST
ST PAUL MN
55106

BEGA[redacted]D REV
212 N[redacted]LK ST
BELLE PLAINE MN
56011

BLAHA GERALD
457 GOODHUE ST
ST PAUL MN
55102

BLOHM, JOHN D.
BOX 1065
MARSHALL, MN
56258

BRIGGS & MORGAN LIBRARIAN
W2200 1ST.NATL.BK.BLDG.
ST. PAUL, MN
55101

BROEKER JOHN
2850METRO DR. SUITE 504
BLOOMINGTON MN
55420

BRUNING C.R.DEPT.CLINIC.EXP.
BURTON HALL
MPLS. MN
55455

BUSCH NOEL
SUITE 705 510 MARQUETTE
MPLS MN
55402

CARRISON DALE K
MANKATO STATE COLLEGE
MANKATO MN
56001

CARVER CO. AUDITOR
600 E. 4TH. ST.
CHASKA, MN
55318

CHRISTIAN SCI COMM ON PUB
1821 UNIV AVE SUITE 271
ST PAUL MN
55104

CHRISTIANSEN FREDRIK
RM 505 CAPITOL SQ BLDG
ST PAUL MN
55155

CITY OF ALBERT LEA
221 E CLARK ST
ALBERT LEA MN
56007

CITY OF ALEXANDRIA
114 7TH AVE W BOX 231
ALEXANDRIA MN
56308

CITY OF BLAINE
9150 CENTRAL AVE NE
BLAINE MN
55434

CITY OF BRAINERD
CITY HALL
BRAINERD MN
56401

CITY OF BROOKLYN PARK
5800 85TH AVE NO
BROOKLYN PARK MN
55443

CITY OF BURNSVILLE
1313 E HWY 13
BURNSVILLE MN
55337

CITY OF CHANHASSEN
7610 LAREDO
CHANHASSEN MN
55317

CITY OF CHASKA
205 E 4TH ST
CHASKA MN
55318

CITY OF DETROIT LAKES
106 E HOLMES ST
DETROIT LAKES MN
56501

CITY OF DULUTH
CITY HALL
DULUTH MN
55802

CITY OF E GRAND FORKS
P O BOX 453
E GRAND FORKS MN
46721

CITY OF EDEN PRAIRIE
8950 EDEN PRAIRIE RD
EDEN PRAIRIE MN
55343

CITY OF HASTINGS
100 SIBLEY ST
HASTINGS MN
55033

CITY OF HUTCHINSON
37 WASHINGTON AVE WEST
HUTCHINSON MN
55350

CITY OF MAPLE GROVE
9401 FERNBROOK LANE
MAPLE GROVE MN

CITY OF MAPLEWOOD
1380 FROST AVE
MAPLEWOOD MN
55109

CITY OF MORRIS
CITY HALL
MORRIS MN
56244

CITY OF MOUNDSVIEW
2401 HWY 10
ST PAUL MN
55113

CITY OF ROCHESTER
1421 3RD AVE SE
ROCHESTER MN
55901

CITY OF ROSEMOUNT
BOX 455
ROSEMOUNT MN
55068

CITY OF ST LOUIS PARK
5005 MINNETONKA BLVD
ST LOUIS PARK MN
55416

CITY OF ST PAUL
445 CITY HALL
ST PAUL MN
55102

CITY OF WAYZATA
600 RICE STREET
WAYZATA MN
55391

CITY OF WHITE BEAR LAKE
250 MILLER AVE
WHITE BEAR LK MN
55110

COHEN LAWRENCE
1291 1 APPLETREE SOU
MPLS MN
55420

CONCORDIA COLLEGE
DEAN
MOORHEAD MN
56560

DANIELSON RODNEY L.
411 MAIN ST. SU 210
ST. PAUL, MN
55102

DAVIS & RACETTE
6100 EXCELSIOR BLVD
ST LOUIS PK MN
55416

DEVELOP DISABILITIES PROG
STATE PLAN 200 CAP SQ.
ST. PAUL, MN
55155

DICKSON GARY L
4665 NO VICTORIA ST
SHOREVIEW MN
55112

E CENTRAL REG. DEV. COMM
COURTHOUSE 18 N VINE ST
MORA MN
55051

EDINA HEALTH DEPT
4801 W 50TH ST
EDINA MN
55424

ELMER EDWIN W
2901 PLEASANT AVE
MPLS MN
55408

ERNEST K. LEHMANN & ASSOC.
1409 WI[redacted]W ST.
MPLS MN
55403

FARSETH PAUL FOOD STAMPS PRO
WELFARE DEPT 690 N ROBT
ST PAUL MN

FED-ST REPORTS INC.
5203 LEESBURGPIKE S1201
FALLS CHURCH, VA
22041

FITZGERALD DR BOB
3007 LYNDALE AVE SO
MPLS MN
55408

FITZPATRICK LEO
8138 HENSLOWE AVE S
COTTAGE GROVE MN
55016

FOX W.E. LINDQUIST & VENNUM
4200 IDSCTR 80 S.8TH ST
MINNEAPOLIS MN
55402

FREDIN CONRAD M
811 FIRST NATL BK BLDG
DULUTH MN
55802

FURRY CATHERINE
2174 COMMONWEALTH AVE
ST PAUL MN
55108

GODIN RALPH J
3824 47TH AVE SO
MPLS MN
55406

GOLDBERG PROF MELVIN
WM MITCHELL COL OF LAW
ST PAUL MN
55105

GREEN GARY J
41 SHERBURNE AVE
ST PAUL MN
55102

GRUMMERT REV DONALD
1435 ADAMS ST
MPLS MN
55413

HAIDER MARYLOU
1757 PRINCETON AVE
ST PAUL MN
55105

HAIK RAYMOND A
4344 IDS CENTER
MPLS MN
55402

HARRY, RICK
1000 LAKESHORE DR.
MOOSE LAKE, MN
55767

HARTFELDT WILL
2850 METRO DRIVE STE800
BLOOMINGTON MN
55420

HEAD & TRUHN
1007 SOO LINE BLDG
MPLS MN
55402

HEADWATERS REG DEV. COMM
BOX 586 MENTAL HEALTH
BEMIDJI MN
56601

HEANEY BILL
30 W SUPERIOR ST
DULUTH MN
55802

HEARING EX.OFF. M GREENBE
1745 UNIV AVE
ST PAUL MN
55104

HELTZER JAMES DAYTON HUDSON
777 NICOLLET MALL
MPLS MN
55402

HINIKER JAMES COMM OF ADM
200 ADMIN BLDG
ST PAUL MN

HOLMES [redacted]TIS ET AL
4610 IDS CENTER
MPLS MN
55402

HORN[redacted]WALDORF - KAZIUKEW
PO BOX 3260
ST PAUL MN
55165

HUTCHISON R.M. ANOKA CO.COMP
COURT HOUSE
ANOKA MN
55303

INGVALDSON ERIC
1036 MIDLAND BK BLDG
MPLS MN
55401

INGVALSON VERN MN.FARM BU
1976 WOODDALE BOX 43370
ST PAUL MN
55164

IZAAK WALTON LEAGUE OF AM
111 E FRANKLIN SU 201
MPLS MN
55404

JENOS INC
525 LAKE AVE SO
DULUTH MN
55801

JENSEN MRS GAYNOLD
111 WEST 107TH ST
MPLS MN
55420

JOHNSON CLARENCE IBEW LU 292
3615 37TH AVE S
MPLS MN
55406

JOHNSON G ROBERT
4344 IDS CENTER
MPLS MN
55402

JOHNSON M.D. FRUNDT & FRUNDT

BLUE EARTH MN
56013

JOHNSON LANCE J
265 S LAFAYETTE RD
ST PAUL MN
55107

KEENAN RICHARD J
4444 IDS BLDG
MPLS MN
55402

KELLY BARBARA SOLID WASTE
4001 PEBBLEBROOK DR
BLOOMINGTON MN
55437

KNUTSON R N GRANNIS ETAL
F J SCHULT BLDG
ST ST PAUL MN
55075

KRAMER ERNEST W
717 DELAWARE ST SE
MPLS MN
55440

LAKE SUPERIOR INDUSTRIAL BUR
828 FIRST AM. BK. BLDG.
DULUTH MN
55802

LANGEVIN, DAVID P.
8748 IDEN AVE. SO.
COTTAGE GROVE MN
55016

LEG REPORT SERV-P STURDEVANT
PO BOX 3259
ANNAPOLIS MD
2140

LEWIS DR.G.M JR.
ABBOTT 110 E 18TH ST
MPLS MN
55403

LUTH SOC SERVICE OF MN
2414 PARK AVE
MPLS MN
55404

MALECKI [redacted]MES
1 SO STA[redacted] ST
NEW ULM MN
56073

MANKA[redacted] STAT STUDENT SENA
CENTE[redacted]IAL STUDENT UN
MANKATO MN
56001

MARQUARDT PHILIP
RTE 2 BOX 209
JANESVILLE MN
56048

MASTOR & BALE, LTD.
315 PEAVEY BLDG.
MPLS. MN
55402

MCDONALD PHILIP M
2077 SELBY AVE
ST PAUL MN
55104

MCNEILLY GREG MNDSVIEW ED
41 SHERBURNE AVE
ST PAUL MN
55103

MEYER HERBERT
10824 ZENITH AVE S
BLOOMINGTON MN
55431

MIDLAND GLASS-BARTO R.J.
P.O. BOX 69
SHAKOPEE, MN
55379

MILLER SHERMAN E
RFD 2 BOX 28
WELLS MN
56097

MILLER TOM
6921 YORK AVE SO
EDINA MN
55435

MINN ASPHALT PAVEMENT ASSN
555 WABASHA RM 209
ST PAUL MN
55102

MINN ASSN COOPERATIVES
55 SHERBURNE AVE
ST PAUL MN
55103

MINN DACA GRIGGS MIDWAY BLDG
RM SO 280 1821 UNIV AVE
ST PAUL MN
55104

MINN DEPT HEALTH J C MCKA
717 DELAWARE S E
MPLS MN
55440

MINN LP GAS ASSN
7515 WAYZATA BLVD 106
MPLS MN
55426

MINN.MTR.TRANSP. .J.N.D
1821 UNIV.
ST.PAUL MN
55104

MINN PCA WATER QUALITY
1935 W CO RD B 2
ROSEVILLE MN
55113

MINN PETROLEUM COUNCIL
1020 NORTHERN FED BLDG
ST PAUL MN
55102

MINN RETAIL HARDWARE ASSN
3033 EXCELSIOR BLVD 313
MPLS MN
55416

MINN RURAL ELECTRIC ASSN
4901 W 77TH ST
MPLS MN
55435

MINN STATE MEDICAL ASSOC
STE 900 AM NATL BK BLDG
STPAUL MN
55101

MINN TEAMSTERS CREDIT UNI
2021 HENN AVE E
MPLS MN
55413

MINN WATER RESOURCES BD
RM 206 555 WABASHA ST
ST PAUL MN
55102

MINN-WISC BOUNDARY AREA C
600 2ND ST
HUDSON WI
54016

MN AUTO[illegible]BILE DEALERS ASSN
277 UNI[illegible]AVE
ST PAUL MN
55103

MN.BD. OF NURSING
717 [illegible]AWARE ST SE
MPLS MN
55414

MN REP STATE CENTRAL COMM
555 WABASHA AVE
ST PAUL MN
55102

MN SOC SERV ASS J HOOD
614 PORTLAND
ST PAUL MN
55102

MOFFITT R C
RM 301 M MPLS CITYHALL
MPLS MN
55415

MOSS DR JEROME
125 PEIK 159 PILLSBURY
MPLS MN
55455

MPLS ASSN RETARDED CITIZENS
2344 NICOLLET AVE. SO.
MPLS., MN
55404

MPLS TRIBUNE CITY DESK
425 PORTLAND AVE
MPLS MN
55415

NCEC INC C/O DR DAHLBERG
CONCORDIA COLLEGE
MOORHEAD MN
56560

NELSON HOWARD I

LINDSROM MN
55045

NURSING HOME ADMRS BD EXAMRS
RM 340 717 DELAWARE SE
MPLS MN
55414

NURSING HOME RES ADV CO.
111 E FRANKLIN S210
MPLS MN
55404

NW REG. DEV. COMM
425 WOODLAND AVE
CROOKSTON MN
56716

OFFICE OF THE GOVERNOR
130 STATE CAPITOL
ST PAUL MN
55101

OLOFSON ARTHUR MBO & MAI
927 SOO LINE BLDG
MPLS MN
55402

PARKER PAMELA J SUITE 204
METRO SQ BLDG
ST PAUL MN
55101

PAYNE COL ALVIN

DEGRAFF MN
56233

PHAR MFGRS ASSN GROSSMAN S.
1155 15TH. ST. N.W.
WASHINGTON, DC
20005

PHILLIPS LEGISLATIVE SERV
459 RICE ST
ST PAUL MN
55103

PLRC HAMLINE U LAW SCHOOL
1536 HEWITT AVE
ST PAUL MN
55104

POLT THOMAS M
MCCARTHY BLDG
EYOTA MN
55934

POYZER ROBT
BOX 675
FERGUS FALLS MN
56357

PRAUSE J.C.
1313 COON PAPIDS BLVD.
COON RAPIDS, MN
55433

RAMSEY CO MEDICAL SOC
908 AM NATL BK BLDG
ST PAUL MN
55101

RAUENHORSTCORP-RONALD G K
7900 XERXES S S-2200
MPLS MN
55431

RED OWL STORES INC
215 E EXCELSIOR AVE
HOPKINS MN
55343

REGION NINE DEV. COMM.
120 S. BROAD ST.
MANKATO, MN
56001

RIEKE, DAVID
SCORPION IND. INC.
CROSBY, MN
56441

RITTER, JERRY
1011 NICOLLET MALL
MPLS., MN
55403

ROYAL ESQUIRE REALTY INC
1612 PIONEER BLDG
ST PAUL MN
55101

SAX DOVE & STENSON
310 ENDICOTT BLDG
ST PAUL MN
55101

SCARBOROUGH WILLIAM
DIV.ED. U.M.
MORRIS MN
56267

SCHNEIDER MAHLON
GREEN GIANT
LESUEUR MN
56058

SCHUTZ LINDA
RM 328 CAPITOL BLDG
ST PAUL MN
55155

SHABATURA EUGENE H
2833 LAKE AVE. SO.
DULUTH, MN
55802

SIX EAST REG. DEV. COMM.
311 W 6TH ST
WILLMAR MN
56201

SODERBERG HAROLD J
1500 MIDWEST PLAZA BLDG
MPLS MN
55402

SOUTHWEST REGIONAL DEV CO
25TH & BROADWAY
SLAYTON MN
56172

STATE & FEDERAL AGENCIES
1101-15TH NW
WASHINGTON DC
20005

STD AM LIFE & ANNUITY CO
3801 W 50TH ST
MPLS MN
55410

SUDDUTH JR APT 206
2100 BLOOMINGTON AVE SO
MPLS MN
55404

SULLIVAN J KIRK
P.O. BOX 50
BOISE, IDAHO
83728

THORNTON, P.J.
107 SO. 6TH. AVE. W.
VIRGINIA, MN
55792

TOWNSHIP OF WHITE BEAR
1281 HAMMOND RD
WHITE BEAR LK MN
55110

US DEPT OF AGRICULTURE
252 FEDERAL BLDG
ST PAUL MN
55101

VOS LEROY
2137 BURNS AVE
ST PAUL MN
55119

WAMPLER LINUS DIR USW OF AM
609 PROVIDENCE BLDG
DULUTH MN

WASHINGTON COUNTY
14900 61ST ST NO
STILLWATER MN
55082

WELK G V NORTHERN STATES
414 NICOLLET MALL
MPLS MN
55401

WEST CENTRAL REG. DEV.
ADM BLDG, COMMUNITY COLL
FERGUS FALLS MN
56537

WM. MITCHELL LAW LIB.
875 SUMMIT AVE.
ST. PAUL, MN
55105

WIS FEEDER PIG MARKET CO-

FRANCIS CREEK WI

WRIGHT CO COMMUNITY SERVICES
7NW 1ST ST
BUFFALO MN
55313

TEST PATTERN TEST PATTERN
ADDRESS TEST ADDRESS
CITY TESTCITY MN
55555

TEST PATTERN TEST PATTERN
ADDRESS TEST ADDRESS
CITY TESTCITY MN
55555

TEST PATTERN TEST PATTERN
ADDRESS TEST ADDRESS
CITY TESTCITY MN
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TEST PATTERN TEST PATTERN
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CITY TESTCITY MN
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TEST PATTERN TEST PATTERN
ADDRESS TEST ADDRESS
CITY TESTCITY MN
55555

TEST PATTERN TEST PATTERN
ADDRESS TEST ADDRESS
CITY TESTCITY MN
55555

AMERICAN CAMPING ASSN
4132 88TH LANE
ST PAUL MN
55112

ANDERSON HERBERT
418 8TH ST. SO.
VIRGINIA MN
55792

ANTHONY DICK WDSM RADIO
1105 E. SUPERIOR ST.
DULUTH, MN
55802

ARROWHEAD REG. DEV COMM.
211 W 2ND ST
DULUTH MN
55802

A[illegible]N OF MINN COUNTIES
2[illegible]5 FORD PKWY
ST PAUL MN
55116

BEST FLANAGAN ET AL
4040 IDS CENTER
MPLS MN
55402

BLADIN PAPER CO W J LICKE
115 1ST ST SW
GRAND RAPIDS MN
55744

BOYUM BURDETTE
250 SO 4TH ST
MPLS MN
55415

BRICK PHILIP D
807 SELLWOOD BLDG
DULUTH MN
55802

BROOKS WILLIAM F JR.
900 MIDLAND BK. BLDG.
MPLS., MN
55401

BROWN D M GOODRIDGE PUB SCH
IND DIST #561
GOODRIDGE MN
56725

CHIEF EDITOR ST INFO UNIT
1231 25TH ST NW
WASHINGTON DC
20037

CHILDS J L
4012 LYNN AVE S
MPLS MN
55416

CITIZENS LEAGUE
530 SYNDICATE BLDG
MPLS MN
55402

CITY CLERKS OFFICE
126 NO. MARSHALL
LITCHFIELD, MN
55355

CITY OF ANOKA
CITY HALL 2015 1ST AVE
ANOKA MN
55303

CITY OF APPLE VALLEY
14200 CEDAR AVE SO
APPLE VALLEY MN
55124

CITY OF BRECKENRIDGE
CITY HALL
BRECKENRIDGE MN
56520

CITY OF BROOKLYN CENTER
6301 SHINGLE CREEK PKWY
BROOKLYN CTR MN
55430

CITY OF CAMBRIDGE
139 E FIRST AVE
CAMBRIDGE MN
55008

CITY OF CHAMPLIN
12001 HWY 52
CHAMPLIN MN
55316

CITY OF COTTAGE GROVE
7516 80TH ST SO
COTTAGE GROVE MN
55016

CITY OF CRYSTAL
4141 DOUGLAS DRIVE NO
CRYSTAL MN
55422

CITY OF EAGAN
3795 PILOT KNOB ROAD
EAGAN MN
55122

CITY OF EAST BETHEL
2751 VIKING BLVD NE
WYOMING MN
55092

CITY OF EDINA
4801 W 50TH ST
EDINA MN
55424

CITY OF GOLDEN VALLEY
7800 GOLDEN VALLEY RD
GOLDEN VALLEY MN
55427

CITY OF JORDAN FRANK HOUSER2
10 E 1ST
JORDAN MN
55352

CITY OF LAKE INDEPENDENCE
RT 1 BOX 123A
MAPLE PLAIN MN
55359

CITY OF MINNEPOLIS
3801 66TH AVE NO
BROOKLYN CTR MN
55429

CITY OF MINNETONKA
74600 MINNETONKA BLVD
MINNETONKA MN
55343

CITY OF NEW HOPE
4401 XYLON AVE NO
NEW HOPE MN
55428

CITY OF ORONO
PO BOX 66
CRYSTAL BAY MN
55323

CITY OF ROSEVILLE
2701 NO LEXINGTON AVE
ROSEVILLE MN
55113

CITY OF ST CLOUD
CITY HALL
ST CLOUD MN
56301

CITY OF SHAKOPEE
129 E 1ST AVE
SHAKOPEE MN
55379

CITY OF SHOREVIEW
4665 NO VICTORIA ST
SHOREVIEW MN
55112

CLARKSON J.B.
2350 I.D.S. CENTER
MINNEAPOLIS MN
55402

CLAUSEN PHILLIP
2307 STANDISH ST
ST PAUL MN
55108

CONSUMER SERVICES DEPT COMM
5TH FLR METRO SQ BLDG
ST PAUL MN
55101

COUNTY ATTYS COUNCIL
40 NO MILTON ST STE 106
ST PAUL MN
55104

DAKOTA CO MENTAL HEALTH CTR
744 19THAVE NO
SO ST PAUL MN
55075

DAWSON JEAN MN GOV'T REPORT
ROOM B12 CAPITOL
ST PAUL MN
55155

DAYTON, HERMAN, ET AL
800 MIDLAND BANK BLDG.
MPLS., MN
55401

DUPONT MIKE
5720 EXCELSIOR BLVD
MPLS MN
55416

DZUGAN KEN ST.PAUL PLANNING
25 W. 4TH. ST.
ST PAUL, MN
55102

EBELING EDWARD H.
161 W. MAIN
PERHAM MN
56573

ECKLUND WM EELLHABER-LARSON
W 1080 1ST NATL BANK
ST PAUL MN
55101

E[redacted]RSON WILLIAM
[redacted]4 NICOLLET AVE
MINNEAPOLIS MN
55409

FARMERS ELEVATOR ASSN
852 GRAIN EXCH BLDG
MPLS MN
55415

FELHABER R S
W 1ST NATL BANK BLDG
ST PAUL MN
55101

FORBES GORDON MINN RRS ASSN
203 HANOVER 480 CEDAR
ST PAUL MN
55101

FRIESEN MILLER A
RAHR BD 624 13TH ST S
VIRIGINIA MN
55792

GEBERT KENNETH L
300 PUBLIC HEALTH CTR
MPLS MN
55415

GRAHAM THOS H.
900 MIDLAND BK. BLDG.
MPLS., MN
55401

[redacted]ENNIS A F BOISE CASCADE
[redacted]O BOX 713
INTL FALLS MN
56649

FARRELL FRANK BUR NOR
RM 1180 176 E 5TH ST
ST PAUL MN
55101

FERGUSON BEVERLY
2122 CARROLL AVE
ST PAUL MN
55104

FORSBERG AGR SERV
518 SUMMIT AVE
NEW ULM MN
56073

FRISON FRANK NECA
RM 305 200 SO ROBERT
ST PAUL MN
55107

GEO A HORMEL & CO LAW DEPT
PO BOX 800
AUSTIN MN
55912

GREATER MET AREA HOSPITALITY
5152 CEDAR AVE S
MPLS MN
55417

H B FULLER CO
2400 KASOTA AVE
ST PAUL MN
55108

HALLMAN W A
1745 UNIVERSITY AVE
ST PAUL MN
55104

HAUN DR J W GEN MILLS
PO BOX 1113
MPLS MN
55440

HEALTH CENTRAL
2810 57TH. AVE. NO.
MINNEAPOLIS, MN
55430

HECKT PAUL
720 AMERICAN CENTER BLD
ST PAUL MN
55101

HAMMER HENRY
11445TH AVE SO
ANOKA MN
55303

HAVEN ROBT TWIN TN TREATMENT
1706 UNIV AVE
ST PAUL MN
55104

HEALTH MANPOWER C LARSON
717 DELAWARE ST SE
MPLS MN
55440

HEIM, PAUL M.
5501 NORMAN CENTER DR.
MPLS., MN
55437

HULSTRAND RICHARD C
BOX 755
WILLMAR MN
56201

HOLEY GEORGE
509 SW SIXTH STREET
FARIBAULT MN
55021

HULSTRAND ANDERSON & LARSON
PO BOX 130
WILLMAR MN
56201

HUNTER LAWRENCE
STE 115 NALPAK BLDG
ST PAUL MN
55101

IMS PAUL

ECHO MN

INGRAM ALAN NASW MN CH
22 NO DALE ST
ST PAUL MN

INTERSTATE POWER RW STEELE
1000 MAIN ST
DUBUQUE IA
52001

IVERSON DR JOS DEPT ED
ST OLAF COLLEGE
NORTHFIELD MN
55057

JAIN NIRMAL ENIV PROCESS
1220 GLENWOOD AVE
MPLS MN
55405

JACK JAMES DEPT OF REC PARKS
MANKATO ST UNIVERSITY
MANKATO MN
56001

JOHANSEN BUS SERV INC.
11911 HWY. 52
CHAMPLIN, MN
55316

JOHNSON & SANDERSON
ST MARYS HOSPITAL
ROCHESTER MN
55901

JOHNSON KEL MACI
HANOVER BLDG
ST PAUL MN
55101

JOHNSON LEROY
1207 98TH LANE NW
COON RAPIDS MN
55433

KAVANEY RICHARD
1220 NORTHERN FED BLDG
ST PAUL MN
55102

KNODELL DAVID 31
5 PEAVEY BLDG
MPLS MN
55402

KNOPP TIMOTHY
COLLEGE FORESTRY U OF M
ST PAUL MN
55108

KRONLCKKEN J E
10048 NORD RD
BLOOMINGTON MN
55437

LEAGUE WOMEN VOTERS OF MINN
555 WABASHA
ST PAUL MN
55102

LEG.REF.LIB-Z. DEWITT
RM 111 STATE CAPITOL
ST PAUL MN
55155

LOCH DAVID REG 5 REG DEV CO6
11 IOWA AVE
STAPLES MN
56479

LOEFFLER DOROTHY MRS
U OF M 101 EDDY HALL
MPLS MN
55455

MAHCF RICK CARTER
7850 METRO DR SUITE 431
BLOOMINGTON MN
55420

MANTHEY T J PICKANDS MATHER
1100 SUPERIOR AVE
CLEVELAND OH
44114

MARLATT RALPH J
1320 SOO LINE BLDG
MPLS MN
55402

MAUL WARREN E.
605 4TH. AVE. SO.
MPLS., MN
55415

MC KEE MICHAEL
2721 CHISHOLM
NO ST PAUL MN
55109

MET. WASTE CONTCL COMM.
350 METRO SQ BLG
ST PAUL MN
55101

METROPOLITAN COUNCIL LIBRARY
300 METRO SQUARE
ST PAUL MN
55155

MILLER DAVID S
2845 QUEBEC AVE SO
ST LOUIS PK MN
55426

MILLER PAUL J PHARMACY SERV
ST MARYS HOSP
ROCHESTER MN
55901

MILLER THOMAS F
1628 IDS CENTER
MPLS MN
55402

MILLMAN DEBBY
2616 HARRIET AVE SO 104
MPLS MN
55408

MINN ASSN VOL SOC SERVICE
1821 UNIV SUITE 389
ST PAUL MN
55114

MINN CHAP ASSOC BLDRS-CONTRS
7204 W 27TH ST
MPLS MN
55426

MINN GOV ENG COUNCIL
722 91ST AVE NE
BLAINE MN
55434

MINN HOSPITAL ASSN
2333 UNIV AVE SE
MPLS MN
55414

MINN MULTI HOUSING ASSN
3100 W LAKE ST
MPLS MN
55416

MINN NEWSPAPER ASSN
84 S 6TH ST STE 400
MPLS MN
55402

MINN POLLUTION CONTROL AGCY
1935 W CO RD B2
ROSEVILLE MN
55113

MINN RETAIL FEDERATION
180 METRO SQUARE BLDG
ST PAUL MN
55101

MINN. SERV. STA. ASSN.
1115 2ND. AVE. SO.
MPLS., MN
55403

MINN STATE BD PHARMACY
717 DELAWARE ST SE #351
MPLS MN
55414

MINN. TBR. PRODUCERS ASSN.
333 W. SUPERIOR ST.
DULUTH, MN
55802

MINN.TURKEY GROWERS ASSN
2383 UNIV AVE
ST PAUL MN
55114

MINNESOTA AFL-CIO
175 AURORA AVE
ST PAUL MN
55103

MIXA FRANK LK MNTKA CONS DIS
402 E LAKE ST
WAYZATA MN
55391

MN ELECTRICAL ASSN
3100 HUMBOLT SO
MPLS MN
55408

MN PUB INT RESEARCH GROUP
3036 UNIV AVE SE
MPLS MN
55414

MN ST COUNCIL FOR HANDICAPP
METRO SQ 7TH & ROBERT
ST PAUL MN
55101

MN ST PHARMACEUTICAL ASSN
2469 UNIVERSITY AVE
ST PAUL MN
55114

MOSTCA
PO BOX J
PERHAM MN
56573

MOTOR VEHICLE MFRS ASSN
411 MAIN ST (215)
ST PAUL MN
55102

MT OLIVET ROLLING ACRES
R 1 BOX 576
EXCELSIOR MN
55331

NATL FAMILY INS CO
2147 UNIV AVE
ST PAUL MN
55114

NEMDA
800 ALWORTH BLDG
DULUTH MN
55802

NOZISKA HOWARD
7851 METRO PKWY S 103
MPLS MN
55420

NW BELL TEL CO LEGAL DEPT
224 S 5TH ST RM 2000
MPLS MN
55402

NW COUNTRY ELEVATOR ASSN
P.O.BOX.15004COMM.STAT
MPLS., MN
55415

O'BRIEN J.DENNIS
1100 1ST NATL.BANK BLDG
MINNEAPOLIS MN
55402

O'CONNELL RAY
MN GAS CO 733 MARQ AVE
MPLS MN
55402

OTTER TAIL POWER CO.
215 S. CASCADE ST.
FERGUS FALLS MN
56537

PETERSON DOUG AM RED CROSS
11 DELL PLACE
MPLS MN
55403

PETERSON, H. COMM LABOR&IND.
444 LAFAYETTE RD.5TH FL
ST. PAUL, MN
55101

PIDGEON, JOHN G. CITY MGR.
BLOOMINGTON CITY HALL
BLOOMINGTON, MN
55431

PINNETTI NICK M HALEY & ASS.
40 CENTRAL PARK S
NEW YORK NY
10019

POPOVICH PETER S
314 MINN BLDG
ST PAUL MN
55101

PORTER DAVID
3002 27 AVE S
MPLS MN
55406

F[illegible]E WALT C REISS COAL CO
1021 SO 8TH ST
SHEBOYGAN WI
53081

PUBLIC LAW RESEARCH CENTER
1536 HEWITT AVE
ST PAUL MN
55104

RADMAN RICHARD-LABOR TEMPLE
411 MAIN STREET
ST. PAUL, MN
55102

RALPH BURKE ASSOCIATES
5200 W 73RD ST
MPLS MN
55435

REAGAN MICHAEL
% MINN LEARNING CTR
BRAINERD MN
56401

REARDON MRS HELEN
1125 S E 6TH ST
WILLMAR MN
56201

RENNER R.H. ST PAUL AREA CC
300 OSBORN BLDG.
ST PAUL MN
55102

RICHARDS MONTGOMERY ET AL
1430 RAND TOWER
MPLS MN
55402

ROSENTHAL ABE MN TRANS SERV
SUITE 310 N 1821 UNIV
ST PAUL MN
55104

ROSS ALFRED
6356 WARE RD
LINO LAKES MN
55014

SANFORD S M
7000 PORTLAND AVE
RICHFIELD MN
55423

SCHMIDT WARREN WELLCOME MH5
GARDEN CITY
MN
56034

SCHWINN, ROBT. P.
1830 SOO LINE BLDG.
MPLS., MN
55402

SE MN REG DEV COMM
301 MARQ BK BLDG
ROCHESTER MN
55901

SMITH BOB III
PIONEER BLDG
ST PAUL MN
55101

SNYDER, R.W. U OF M
RM 248C CLASS OFF BLDG.
ST PAUL MN
55108

SPRAGUE CHARLOTTE B
AREA HOSPITAL BOX 339
WINDOM MN
56101

ST. PAUL FOOD RETAILERS ASSN
555 WABASHA ST. STE.204
ST. PAUL, MN
55102

STEELWORKERS CREDIT UNION
BOX 250
BABBITT MN
55706

STONE JOHN F MOSS FLAHERTY
2350 IDS CENTER
MPLS MN
55402

SULLIVAN JEANETTE
CDIC SW STATE UNIV
MARSHALL MN
56258

SWANSON DALE
1068 SO LAKE ST
FOREST LAKE MN
55025

TATE VERN 3M CO
3M CENTER 220/6W
ST PAUL MN
55101

TENNESSEN SEN ROBERT J
RM 309 STATE CAPITOL
ST PAUL MN
55165

UNION STOCK YARDS
ATTN PRES
SO ST PAUL MN
55075

VALLY CENTER DRUG
4827 W 124TH ST
SAVAGE MN
55378

VIITALA, W.C. HONEYWELL
HONEYWELL PLAZA
MPLS MN
55408

WALTERS THOMAS MN MFG HOUSE
4530 W 77TH ST STE 227
MPLS MN
55435

WALZ SAM CO ADMINISTRATION
ANOKA CTY COURTHOUSE
ANOKA MN
55303

WATERS, DONNA M.
110506 WINDMILL COURT
CHASKA MN
55318

WEHRWEIN JUDITH
625 ADMIN BLDG
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ECON LAB OSBORN BLDG
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55102

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RM.44 ST. OFF. BLDG.
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Please Note:

If you intend to supplement this list with other lists when mailing a hearing notice, please compare lists and eliminate duplicate notices.

Thank you.

ALSO
NOTIFY ALL INTERESTED STATE DEPARTMENTS, BOARDS AND COMMISSIONS
AND
PLEASE SORT OUT INTEROFFICE MAIL FROM LABELS

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RECEIVED
MAY 2 1980
OFFICE OF HEARING
EXAMINERS

STATE OF MINNESOTA

DEPARTMENT OF TRANSPORTATION

In the Matter of the Proposed)
Amendments to Rules on Public)
Transit Subsidy, Paratransit)
Grant Program, Regular Route)
Transit Improvement Program,)
Financial Application for)
Subsidy and Grant Assistance;)
and Proposed New Rules Re-)
garding Uniform Performance)
Standards in the Metropolitan)
Transit Taxing District, and)
the Public Transit Capital)
Grant Assistance Program.)

STATEMENT OF NEED AND

REASONABLENESS

EXHIBIT #6

The above captioned amendments are to existing rules of the Department of Transportation. The above captioned new rules add one new section relating to the Public Transit Subsidy and Grant Program.

The need to adopt these amendments arises because of the enactment of Laws of Minnesota, 1979, Extra Session, Chapter 1. Section 23 amended Minn. Stat., Section 174.25 by changing the title from "Paratransit Service Demonstration Program" to "Paratransit Grant Program." Section 25 amended Minn. Stat., Section 174.26 by changing the title from "Regular Route Demonstration Grant Program" to "Regular Route Transit Improvement Program."

The need to adopt new rules arises because of the enactment of Laws of Minnesota, 1979, Extra Session, Chapter 1. Section 20 of that Chapter amended Minn. Stat., Section 174.24 subd. 3 and requires "The Commissioner shall adopt rules establishing uniform performance standards for private operators of regular route

transit systems in the transit taxing district as defined in section 473.446, subd. 2." Section 22 of that Chapter amended Minn. Stat., Chapter 174.

14 MCAR § 1.4025

A. (Authority): Statute year designations have been eliminated to obviate the need for changes to these rules with regard to such designations after publication of each new edition of the Minnesota Statutes.

The term "Paratransit Service Demonstration Grant Program" was changed to "Paratransit Grant Program" to conform with 1979 amendments to Minnesota Statutes § 174.25 and the term "Regular Route Demonstration Program" was changed to "Regular Route Transit Improvement Program" to conform with 1979 amendments to Minnesota Statutes § 174.26. The Public Transit Capital Grant Assistance Program is included in this authority because this program was added to the law by Minnesota Statutes § 174.245 which is new.

B.2. "Demonstration assistance" is a term deleted from these amendments to the rules because "demonstration" funding has been deleted from Minnesota Statutes §§ 174.24 and 174.26. Changes have been made to specify the transit improvement program instead.

Statute year designations have been eliminated to obviate the need for changes to these rules with regard to such designations after publication of each new edition of the Minnesota Statutes.

B.4. Statute year designations have been eliminated to obviate the need for changes to these rules with regard to such designations after publication of each new edition of the Minnesota Statutes.

B.5. Minnesota Statutes § 174.21 has been changed to Minnesota Statutes 174.24 to correct an error in the previous rules.

Statute year designations have been eliminated to obviate the need for changes to these rules with regard to such designations after publication of each new edition of the Minnesota Statutes.

B.6. Statute year designations have been eliminated to obviate the need for changes to these rules with regard to such designations after publication of each new edition of the Minnesota Statutes.

14 MCAR § 1.4026

D.2. The second paragraph of this provision is divided into new paragraphs a. and b. to make the sense of the provision more clear.

D.2.b. The new sentence in this provision is added because amended Minnesota Statutes 1979, Extra Session, Chapter 1, section § 174.24, subd. 3 require application of uniform performance standards to the operations of private operators of regular route transit systems in the transit taxing district defined in Minnesota Statutes § 473.446, subdivision 2 for purposes of determining grant payments.

14 MCAR § 1.4027

The term "Paratransit Service Demonstration Grant Program" was changed to "Paratransit Grant Program" to conform with 1979 amendments to Minnesota Statutes § 174.25 and the term "Regular Route Demonstration Program" was changed to "Regular Route Transit Improvement Program" to conform with 1979 amendments to Minnesota Statutes § 174.26.

A. The term "Paratransit Service Demonstration Grant Program" was changed to "Paratransit Grant Program" to conform with 1979 amendments to Minnesota Statutes § 174.25.

B. The term "Paratransit Service Demonstration Grant Program" was changed to "Paratransit Grant Program" to conform with 1979 amendments to Minnesota Statutes § 174.25 and

C. The term "Paratransit Service Demonstration Grant Program" was changed to "Paratransit Grant Program" to conform with 1979 amendments to Minnesota Statutes § 174.25.

D. The term "Regular Route Demonstration Program" was changed to "Regular Route Transit Improvement Program" to conform with 1979 amendments to Minnesota Statutes § 174.26.

The change of the word "demonstrate" to "provide financial assistance" is to indicate the change in the nature of the funding provided for under amended Minnesota Statutes § 174.26, from experimental to a regularized funding program.

D.2. Word changes in this provision indicate the change from a "demonstration" or experimental funding rationale to a regularized one.

E. Word changes in this provision indicate the change from a "demonstration" or experimental funding rationale to a regularized one.

F. The term "Paratransit Service Demonstration Grant Program" was changed to "Paratransit Grant Program" to conform with 1979 amendments to Minnesota Statutes § 174.25 and the term "Regular Route Demonstration Program" was changed to "Regular Route Transit Improvement Program" to conform with 1979 amendments to Minnesota Statutes § 174.26.

Word changes in this provision indicate the change
ration" or experimental funding rationale to a
.

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ration" or experimental funding rationale to a
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Word changes in this provision indicate the change
ration" or experimental funding rationale to a
.

This paragraph is deleted from the rules because
changes the funding ratios. This paragraph is a
inn. Stat. § 174.25.

Previous contracts reimbursed on a monthly or
. Contracts have been changed specifying monthly
reimbursement requirements. Project evaluation
rding ridership, costs, mileage and hours of operation
ocessed on a monthly basis. "Contract amount"
ates" because contracts have been changed from an
ly or quarterly reimbursement schedule to the
for the full one year period. This allows flexible
o accommodate variations in the deficit caused by
hip fluctuations and unscheduled maintenance.
ements alleviated the cash flow problems of small
.

changes in this provision indicate the change from
n" or experimental funding and assistance rationale
d one.

inal words of the provision " . . . to the State
request of the department." were deleted to remove

the erroneous impression conveyed by previous rules that there was any option about repayment of any excess funds disbursed by the state.

14 MCAR § 1.4028

The word changes in this provision indicate the change from a "demonstration" or experimental funding and assistance rationale to a regularized one.

A.2.i. The management plan rather than the final application will be required to have a copy of the various contracts listed. The final application is the document upon which the transit contract is constructed by the Department of Transportation. The management plan rather than the final application becomes part of the executed contract.

C.2. Word changes in this provision indicate the change from a "demonstration" or experimental funding and assistance rationale to a regularized one.

14 MCAR § 1.4029

Uniform performance standards for private operators in the metropolitan transit taxing district.

These rules are mandated by Minnesota Statutes, § 174.24 which states "The Commissioner shall adopt rules establishing uniform performance standards for private operators of regular route transit systems in the transit taxing district as defined in section 473.446, subdivision 2."

A. General. These paragraphs tell why the rules have been written and to whom they apply.

B. Definitions. Terms used in the rules are defined so that the Department and applicants shall have the same basis of understanding for applications and evaluations.

1. This term describes a particular characteristic of transit service. Terms must be defined to establish uniform meaning for transit terminology.

2. This term describes a particular characteristic of transit service. Terms must be defined to establish uniform meaning for transit terminology.

3. This term describes a particular characteristic of transit service. Terms must be defined to establish uniform meaning for transit terminology.

4. This term describes a particular characteristic of transit service. Terms must be defined to establish uniform meaning for transit terminology.

5. This term describes a particular characteristic of transit service. Terms must be defined to establish uniform meaning for transit terminology.

6. This term describes a particular characteristic of transit service. Terms must be defined to establish uniform meaning for transit terminology.

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8. This term describes a particular characteristic of transit service. Terms must be defined to establish uniform meaning for transit terminology.

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10. This term describes a particular characteristic of transit service. Terms must be defined to establish uniform meaning for transit terminology.

11. This term describes a particular characteristic of transit service. Terms must be defined to establish uniform meaning for transit terminology.

12. This term describes a particular characteristic of transit service. Terms must be defined to establish uniform meaning for transit terminology.

13. This term describes a particular characteristic of transit service. Terms must be defined to establish uniform meaning for transit terminology.

14. This term describes a particular characteristic of transit service. Terms must be defined to establish uniform meaning for transit terminology.

15. This term describes a particular characteristic of transit service. Terms must be defined to establish uniform meaning for transit terminology.

16. This terms describes a particular characteristic of transit service. Terms must be defined to establish uniform meaning for transit terminology.

17. This term describes a particular characteristic of transit service. Terms must be defined to establish uniform meaning for transit terminology.

18. This term describes a particular characteristic of transit service. Terms must be defined to establish uniform meaning for transit terminology.

19. This term describes a particular characteristic of transit service. Terms must be defined to establish uniform meaning for transit terminology.

20. This terms describes a particular characteristic of transit service. Terms must be defined to establish uniform meaning for transit terminology.

C. Purposes. The purpose of these standards is to increase bus ridership through efficient use of public resources in providing reliable and adequate service levels within defined geographic areas and on route segments having a high density of demand for service.

D. Objectives These objectives are enumerated to give subjective detail to private operators in order to accomplish the objectives stated in Minn. Stat. § 174.21. By listing the objectives all private operators shall operate from a common basis. These objectives are contained in the report "Recommendations for Regular Route Service Standards: Private Operators - Metro Area." The Commissioner was directed to base subsidies upon these standards until the rules required by Minn. Stat. § 174.24 are adopted. This authority is contained in Laws of 1979, Extra Session, Chapter 1, Section 1.

E. Service standards. Service standards are required to insure that the riders will receive a high quality of service. Minimum route spacing assures optimum distances from residences and places of business. Directness of service is important to riders in minimizing trip ride time. Route layout over permanently paved streets avoiding underdeveloped areas assures comfort, safety and economy of service. Frequency of service means that

enough vehicles will pass a given stop to accommodate the volume of passengers. Passenger stop criteria of distance, signing and shelter gives passengers convenience, knowledge and comfort.

These standards are contained in the report "Recommendation for Regular Route Service Standards: Private Operators - Metro Area." The Commissioner was directed to base subsidies upon these standards until the rules required by Minn. Stat. § 174.24 are adopted. This authority is contained in Laws of 1979, Extra Session, Chapter 1, Section 1.

F. Operating performance standards. Operating standards are required as a measure of the quality and quantity of service being provided and refer to the operations of the transit system. Average operating speed and layover time measures the efficiency of the routes schedule. Load factors are a measure of passengers per vehicle and assures that enough vehicles are available to accommodate passengers. Labor productivity is a measure of the efficiency and effectiveness of the transit systems organization and management. Schedule adherence and service dependability requirements specifically measure scheduled trips, on-time performance, maintenance disruption and customer complaints. Economic standards specifically detail the balance between system revenue and cost per passenger and maximum allowable reimbursement for the deficit.

These standards are contained in the report "Recommendation for Regular Route Service Standards: Private Operator - Metro Area." The Commissioner was directed to base subsidies upon these standards until the rules required by Minn. Stat. § 174.24 are adopted. This authority is contained in Laws of 1979, Extra Session Chapter 1, Section 1.

G. Funding procedure. Funding procedure details the responsibilities of the Minnesota Department of Transportation and the operator in the process of applying for continued funding during a new contract period.

It is necessary to start negotiations for a new contract two months before the contract date. Changes in funding for the new year contract are contingent on costs of operation in an unstable economy. The recipient must submit all the data so that the Department of Transportation can determine the deficit to be funded and the availability of state funds for reimbursement.

The funding procedures are contained in the report "Recommendation for Regular Route Service Standards: Private Operator -Metro Area." The Commissioner was directed to base subsidies upon these procedures until the rules required by Minn. Stat. § 174.24 are adopted. This authority is contained in Laws of 1979, Extra Session, Chapter 1, Section 1.

H.1. Timetable analysis is performed to ensure quality of service and conformance with industry operating standards and the Metropolitan Council Development Guide.

H.2. Maximum load/on-time performance analysis is performed to ensure quality of service.

H.3. Maintenance analysis is performed to ensure schedule compliance and that disruptions of service do not exceed maintenance standards.

14 MCAR § 1.4030

Public transit capital grant assistance program.

A.1. The Public transit capital assistance program is to share the required local matching funds in order to receive a

federal grant for the acquisition of new equipment or major vehicle repair.

A.2. The Department needs to know the amount of funds requested in order to determine the availability of limited state funds.

A.3. The capital improvement must be in the management plan because a change in service or a larger vehicle will affect the cost of operation and cause a deficit requiring funds greater than provided for in the transit operating contract.

B. Applicants are informed of the procedure for review and approval by the Department of Transportation.

C. The need for criteria for awarding the grants is required by Minn. Stat. § 174.245.

D. This paragraph describes elements the contract shall contain.

Dated May 2, 1980

Richard P. Braun, Commissioner

STATE OF MINNESOTA

DEPARTMENT OF TRANSPORTATION

In the Matter of the Proposed)
Amendments to Rules on Public)
Transit Subsidy, Paratransit)
Grant Program, Regular Route)
Transit Improvement Program,)
Financial Application for)
Subsidy and Grant Assistance;)
and Proposed New Rules Re-)
garding Uniform Performance)
Standards in the Metropolitan)
Transit Taxing District, and)
the Public Transit Capital)
Grant Assistance Program.)

STATEMENT OF COMPLIANCE WITH
MANUAL OF RULE MAKING PROCEDURES

I, Special Assistant Attorney General Gilbert S. Buffington, do hereby declare that I have examined the proposed rules and all related documents and that, based on them and my personal familiarity with the applicable procedures, the Manual of Rule Making Procedures has been followed. Any exceptions are noted below.

Gilbert S. Buffington
Special Assistant Attorney General

Dated: August 15, 1980

STATE OF MINNESOTA
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July 31, 1980

Mr. Richard P. Braun, Commissioner
Department of Transportation
411 Transportation Building
St. Paul, Minnesota - 55155

Re: Proposed Amendments to Rules on Public Transit Subsidy....
DOT-80-031-RD

Dear Commissioner Braun:

Enclosed herewith is the Order of the Chief Hearing Examiner together with your original file which is being returned to you.

While the rules may be adopted as proposed, I noted that in several instances the rules refer to the Public Service Commission. The correct name is now Public Utilities Commission. This change should probably be made but certainly is not a requirement.

These rules will probably have to be amended next year upon the effective date of the Transportation Regulation Board. I would point out that the amendments to these rules to change references from Public Service Commission to Public Utilities Commission and/or references to the Transportation Regulation Board, when it is effective, would be prime candidates for amendment pursuant to the "non-controversial rule" procedure which was adopted by the 1980 Legislature and which will be codified as Minn. Stat. § 15.0412, Subd. 4g.

Incidentally, your staff is to be commended for an excellent drafting job prior to proposing these rules, which made the hearing process much easier than is normally found at rule hearings.

Yours very truly,

DUANE R. HARVES
Chief Hearing Examiner

DRH:sh
Enc.
cc: Kenneth Bjork
Steve Buffington

AN EQUAL OPPORTUNITY EMPLOYER

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE DEPARTMENT OF TRANSPORTATION

IN THE MATTER OF THE PROPOSED AMENDMENTS TO RULES ON PUBLIC TRANSIT SUBSIDY, PARA-TRANSIT GRANT PROGRAM, REGULAR ROUTE TRANSIT IMPROVEMENT PROGRAM, FINANCIAL APPLICATION FOR SUBSIDY AND GRANT ASSISTANCE; AND PROPOSED NEW RULES REGARDING UNIFORM PERFORMANCE STANDARDS IN THE METROPOLITAN TRANSIT TAXING DISTRICT, AND THE PUBLIC TRANSIT CAPITAL GRANT ASSISTANCE PROGRAM.

ORDER OF THE CHIEF HEARING EXAMINER

WHEREAS, a hearing was held on May 29, 1980, before Richard DeLong, a Hearing Examiner of the State Office of Hearing Examiners, on the above-entitled matter in compliance with Minn. Stat. § 15.0412, subd. 4; and

WHEREAS, the Report of the Hearing Examiner made pursuant to Minn. Stat. § 15.052, subd. 3, was issued to the Department of Transportation (hereinafter "Department") on June 27, 1980; and

WHEREAS, the Department has now determined to adopt rules pursuant to Minn. Stat. § 15.0412, subd. 4; and

WHEREAS, the Department has submitted said rules to the Chief Hearing Examiner for review pursuant to Minn. Stat. § 15.052, subd. 4, and Rule 9 MCAR § 2.110; and

WHEREAS, the Chief Hearing Examiner finds that the final proposed rules are not substantially different from those proposed at the public hearing and that the Department has met all requirements of Minn. Stat. § 15.0412, subd. 4.

NOW, THEREFORE, upon receipt of this Order, the Department has the responsibility of submitting the complete hearing record and the rules as adopted by the Department to the Attorney General, notifying all persons who requested to be informed that the hearing record has been submitted to the Attorney General, and publishing in the State Register, all pursuant to Minn. Stat. § 15.0412, subd. 4.

Dated this 31st day of July, 1980.

DUANE R. HARVES
Chief Hearing Examiner

ADMIN 1000 (Rev. 1/78)

STATE OF MINNESOTA

DEPARTMENT OFFICE OF HEARING EXAMINERS

Office Memorandum

TO : RICHARD P. BRAUN
Commissioner
Department of Transportation

DATE: April 17, 1980

FROM : DUANE R. HARVES
Chief Hearing Examiner

PHONE: 6-8100

SUBJECT: INCORPORATION BY REFERENCE OF FEDERAL LAW AND REGIONAL PLANNING POLICY INTO MNDOT RULES PERTAINING TO PUBLIC TRANSPORTATION ASSISTANCE AND TRANSPORTATION MANAGEMENT.
Our File No.: DOT-80-031-RD

Enclosed is a copy of the Order of the Chief Hearing Examiner allowing incorporation by reference as requested in your memorandum of April 7, 1980.

The original Order has been filed, by copy of this memorandum, with Hearing Examiner Richard DeLong for inclusion in the official record of the rules proceeding.

I am also returning the above-referenced documents which should be made available for public review at the May 29 public hearing. You should consult with your Attorney General to determine whether the documents should be made a part of the official record of the proceeding by introducing them as an exhibit.

DRH:sh
Encs.
cc: Kenneth Bjork
✓Richard DeLong

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE DEPARTMENT OF TRANSPORTATION

IN THE MATTER OF THE PROPOSED) AMENDMENTS TO RULES ON PUBLIC) TRANSIT SUBSIDY, PARATRANSIT) GRANT PROGRAM, REGULAR ROUTE) TRANSIT IMPROVEMENT PROGRAM,) FINANCIAL APPLICATION FOR) SUBSIDY AND GRANT ASSISTANCE;) AND PROPOSED NEW RULES RE-) GARDING UNIFORM PERFORMANCE) STANDARDS IN THE METROPOLITAN) TRANSIT TAXING DISTRICT, AND) THE PUBLIC TRANSIT CAPITAL) GRANT ASSISTANCE PROGRAM.)

ORDER OF THE
CHIEF HEARING EXAMINER

WHEREAS, on April 7, 1980, the Minnesota Department of Transportation (hereinafter "MnDOT) by its Commissioner, Richard P. Braun (hereinafter "Commissioner") submitted a request, pursuant to the provisions of 9 MCAR § 2.108, to the Chief Hearing Examiner, for approval of the incorporation by reference of certain materials in the above-referenced rules; and

WHEREAS, pursuant to Minn. Stat. § 15.0412, subd. 4, agencies may incorporate by reference provisions of federal law or rule or other materials from sources which the Chief Hearing Examiner determines are conveniently available for viewing, copying and acquisition by interested persons; and

WHEREAS, the Chief Hearing Examiner has reviewed Volumes One and Two of the Metropolitan Development Guide (as amended in March 1978), a publication of the Minnesota Metropolitan Council, and the Urban Mass Transportation Act of 1964, as amended through November 26, 1974, and has found them to be in excess of 3,000 words and has determined that they would exceed five pages of publication in the State Register; and

WHEREAS, MnDOT has indicated that the documents are available for review and copying by the public at the MnDOT library (Room B-11, Transportation Building, St. Paul, Minnesota) and the Chief Hearing Examiner thus finds that the documents are thereby conveniently available for review, copying and acquisition by interested persons; and

NOW, THEREFORE, IT IS ORDERED that MnDOT shall have the approval of the Chief Hearing Examiner to incorporate by reference in their proposed rules the above-referenced documents.

Dated this 17th day
of April, 1980.

DUANE R. HARVES
Chief Hearing Examiner