



U.S. Department of  
Transportation

# News:

Office of the Assistant Secretary for Public Affairs  
Washington, D.C. 20590

FOR RELEASE FRIDAY  
September 18, 1987

UMTA 12-87

Contact: Dale Petroskey  
Phone: (202) 366-4570  
James L. Bynum  
Phone: (202) 366-4043

**DOLE ANNOUNCES \$5 MILLION CHALLENGE  
TO RECRUIT PRIVATE ENTREPRENEURS  
FOR MASS TRANSIT PROGRAMS**

Secretary of Transportation Elizabeth Dole today announced a new \$5 million small business challenge grant program as part of efforts to help solve transportation problems in American communities.

Dole said the initiative, called the Entrepreneurial Services Program, will focus on new travel patterns and shifting population centers that are creating serious problems, particularly in suburbs and inner cities. The term "challenge grant" means communities will compete for the funds. Proposals will be reviewed by the Urban Mass Transportation Administration (UMTA).

"This initiative is designed to bring a more market-oriented approach to mass transit, one tailored to meet the demands now being placed on modern-day transportation operators," Dole said. "Population and business centers have shifted to the suburbs, causing a dramatic shift in travel patterns and complex problems that large public transit operators have been unable to solve alone."

Dole said a combination of creativity, cost-effectiveness and greater attention to the desires of the public is essential if transportation providers are to be successful in meeting the challenges of the 1990's and beyond.

Alfred A. DelliBovi, Deputy Administrator of the Urban Mass Transportation Administration, said the federal government has handed out almost \$49 billion in mass transit aid over the past 20 years, yet ridership has actually fallen.

"Too many cities have tried to attract riders by building large, expensive fixed rail systems," he said. "Although well-intended and perhaps appropriate to the cities and suburbs of 20 years ago, such systems are largely outdated now and are unable to respond to the more flexible needs of the marketplace."

DelliBovi said the shape of the urban community has changed from the traditional transit system designed to connect suburban bedroom communities to the central city and to provide services within the central business district.

"Today, cities are surrounded by business and shopping centers that rival the central business district in both office space and employment," he said. "We believe new demands placed on mass transit by these changing conditions provide not only a number of formidable challenges for transit authorities but also a wealth of opportunities for private operators."

DelliBovi noted that small companies create most of the nation's new private sector jobs and are responsible for many significant technological and management innovations.

The entrepreneurial services program will feature a variety of separate but complementary efforts. One priority will be development of route associations where several independent owner/operators band together to share transit routes while retaining ownership and control of their vehicles.

The program will also focus on strengthening the health of existing public transit agencies while promoting a greater use of public-private partnerships and competitive contracting in mass transit services.

# # # #

U.S. Department  
of Transportation

**Urban Mass  
Transportation  
Administration**

400 Seventh St., S.W.  
Washington, D.C. 20590

Official Business  
Penalty for Private Use \$300

Postage and Fees Paid  
Urban Mass  
Transportation  
Administration  
DOT 511

