

Demand Response Service Explained

February 2013

Demand Response Service Definitions

Basic Definition of Demand Response Service (49 C.F.R Section 604.3(g)):

“Demand response” is any non-fixed route system of transporting individuals that requires advanced scheduling by the customer, including services provided by public entities, nonprofits, and private providers.

Expanded Definition of Demand Response (Circular 2710.2A (1988)):

A “demand response system” is one where passenger trips are generated by calls from passengers or their agents to the transit operator, who then dispatches a vehicle to pick the passengers up and transport them to their destinations. The operation is characterized by the following:

- a. The vehicles do not operate over a fixed route or on a fixed schedule except, perhaps, on a temporary basis to satisfy a special need.
- b. Typically, the vehicle may be dispatched to pick up several passengers at different pick-up points before taking them to their respective destinations and may even be interrupted en route to these destinations to pick up other passengers.
- c. The following types of operations fall under the above definitions provided they are not on a scheduled fixed-route basis:
 - (1) Many origins – many destinations -- The typical operation described above.
 - (2) Many origins – one destination -- For example, a pre-arranged persons with disabilities or senior citizen operation which picks up the passengers at their homes and takes them to a shopping or recreation center.
 - (3) One origin – many destinations -- For example, a vehicle meets a commuter train, picks up the passengers, and drives them to their homes.
 - (4) One origin – one destination -- For example, a group of senior citizens is transported from a nursing home to a recreation center and returned.

*Fact sheet provided for summary purposes only.
Please consult regulatory text for exact requirements.*

Demand Response Service Definitions Cont.

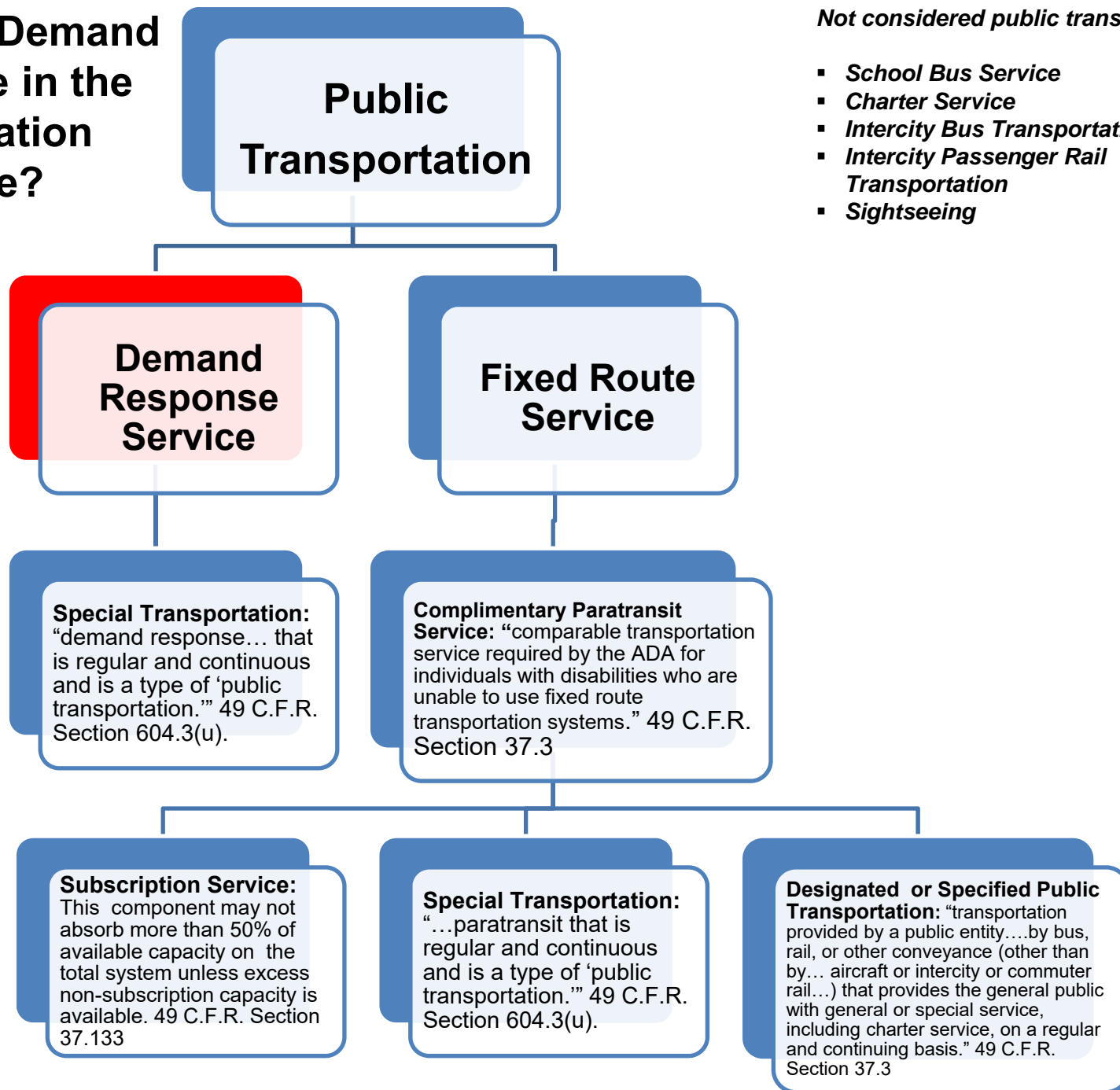
Demand Response Defined Under Americans with Disabilities Act (ADA) Implementing Regulations

(49 CFR Section 37.3):

Demand Response System means any system of transporting individuals.... which is not a fixed route system. The ADA broadly defines all types of transportation using fixed route service and demand responsive service. Fixed route is defined as service provided along a prescribed route according to a fixed schedule. Demand responsive is any service which is not fixed route. The term “paratransit” is commonly used to describe certain types of demand responsive services. The USDOT’s implementing regulations (49 CFR Part 37, *et seq.*) use paratransit to describe the comparable transportation service that must be provided for individuals who are unable to use fixed route systems.

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Where is Demand Response in the transportation family tree?



Not considered public transportation:

- *School Bus Service*
- *Charter Service*
- *Intercity Bus Transportation*
- *Intercity Passenger Rail Transportation*
- *Sightseeing*

Demand Response Service v. Charter Service

Compared in March 4, 2009 Federal Register (Vol. 74, No. 41, pages 9471-9473) and NTD Reporting

(1) ***Charter service is exclusive, whereas demand response service is shared-ride.*** If the transit provider may mix passengers from a trip sponsor with other demand response passengers on the same trip, then the trip is shared-ride service.

(2) ***Charter service is service to a group, whereas demand response service is service to individuals. Service to individuals can be identified by a vehicle trip that includes multiple origins,*** multiple destinations, or both, even when the clients have exclusive use of the vehicle. Some demand response sponsored trips carried out as part of a Coordinated Human Services Transportation Plan, such as trips for Head Start, assisted living centers, or sheltered workshops, may be provided on an exclusive basis, but are provided to service multiple origins to a single destination, a single origin to multiple destinations, or even multiple origins to multiple destinations.

(3) ***Charter service is for a specific event or function, whereas demand response service is regular and continuing.*** Some demand response sponsored trips carried out as part of a Coordinated Human Services Transportation Plan may be exclusive, and may be for a group from a single origin to a single destination, but may occur on a frequently reoccurring basis, such as daily, weekly, biweekly, or monthly.

(4) **Demand response service may also include certain trips that are exclusive, for a group, from a single origin to a single destination, and that reoccur on a less-frequent basis than once per month, so long as these trips are arranged and operated under the same terms and conditions as the demand response system for individuals.** These terms and conditions include advance notice requirements, service windows for pick-up and drop-off, and price. Service carried out by the demand response units of transit providers that are exclusive, for a group, from a single origin to a single destination, for a single event, *and not under the usual terms and conditions of the demand response system for individuals should be considered to be charter service.* Transit providers should report these services to the charter registration web site.

Transportation Scenarios

Scenario #1: Service from an assisted living residence where the seniors live to a concert hall for an event for which they individually purchased tickets. A social worker may call the demand response service from the assisted living residence and say we have 10 people who need to go to the concert hall. There is no exclusive use of the vehicle, a regular fee is paid, and no special treatment.

This is demand response service to individuals and is not considered charter service according to 49 C.F.R Section 604.3(c).

Scenario #2: An outing arranged by the entertainment committee of the college dorm residence, including chartered transportation to and from the residence to the concert hall only for that group.

This is charter service to an event unless the trips are arranged and operated under the same terms and conditions as the demand response system for individuals, meaning there is no exclusive use of the vehicles, each passenger pays individual fares and no third party pays. If you are unsure whether the service is charter service, always contact the FTA's Charter Ombudsman at ombudsman.charterservice@dot.gov.

Scenario #3: Sunnybrook nursing home would like to take its clients (100% elderly) on a fall leaf tour, stopping at a local café for pie and coffee. The nursing home would pay for and schedule the trip. The trip would be a quality of life benefit for each individual patient.

This is transportation provided by the transit agency at the request of a nursing home for exclusive use of a vehicle for a negotiated price to be paid for by the nursing home. Because a third party (Sunnybrook) is paying for and directing the service rather than the individuals, it is charter service. However, because all the clients are elderly, if the vehicle used for transportation is funded with FTA Section 5310 funds, then this is charter service for program purposes under 5310 and exempt from the charter rule. If the vehicles are not funded with Section 5310 funds, such a trip may not be provided unless (a) the transit agency has given appropriate notice to all registered charter providers and none expresses interest, (b) the transit agency provides the service for free, or (c) the nursing home can qualify as a QHSO.

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Transportation Scenarios Cont.

Scenario #4: A demand response service system decides to schedule a trip to and from the State Fair for residents in its community. The trip is advertised in the community, open to the public, and the regular fare is charged.

The proposed service would be initiated and scheduled by the transit agency rather than scheduled by the individual customer. As long as the transit agency is initiating and scheduling the service in response to community demand, rather than in response to a third party group request, and none of the other characteristics of charter service such as premium fares or exclusive use of the vehicle by a group are present, this type of service is acceptable and would not be considered charter service under FTA's current regulations. Furthermore, the fare cannot be subsidized in whole or in part by a third party.

Scenario #5: Service from a nursing home to take some of the residents shopping every Friday morning. The nursing home would pay for the trip (3rd party pay) and if anyone else called in and needed a ride, and seats were available on the vehicle during that trip, the transit system would put those other individuals on the bus.

This is a subset of demand response service called special transportation and is not considered charter service. According to 49 CFR Section 604.3(u), "Special transportation" means demand response or paratransit service that is regular and continuous and is a type of "public transportation."

Scenario #6: Service from a residential house to take five neighborhood children to the public swimming pool and then return them home.

This is demand response service to the general public. This is not considered charter service so long as each child pays his or her own individual fare and the service is arranged under the normal demand response system terms and conditions.

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