

CALIFORNIA STATEWIDE RURAL INTERCITY BUS STUDY

Draft Final Report: November, 2007



Prepared for:
**The State of California
Department of Transportation
Division of Mass Transportation**

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CHAPTER 1

INTRODUCTION

BACKGROUND

This is the *California Statewide Rural Intercity Bus Study Draft Final Report*, which documents the analysis, policy recommendations, and proposed program developed for the Division of Mass Transportation of the California Department of Transportation (Caltrans). This project focused on the development of policies and projects as part of a plan to support a network of transportation services to link rural areas to cities and towns throughout the State to each other and to national intercity transportation networks under the federal program of assistance for rural intercity bus transportation, the program of rural intercity transportation assistance under the Federal Transit Administration (FTA) known as the Section 5311(f) program.

The plan includes a comprehensive examination of federal and state policies related to intercity bus transportation. Although the State may not have direct ownership or control over the various public and private transportation providers operating throughout California, it is the policy of Caltrans to support and facilitate the integration of such services into a coordinated system linked by intermodal facilities. A key recommendation in the study is to include the designation of a conceptual statewide intercity network in relation to the Interregional Road System network of state interest defined in S.B. 45, and to utilize that network as a potential basis of state action in evaluation and selection of rural intercity bus projects.

The study also includes an analysis of the existing network, a comparison of its services with the location of places with higher potential levels of need, and the identification of unserved locations. An analysis of connectivity assessed the degree to which currently funded services meet the federal goal of providing meaningful connections with the national intercity bus network, and it also looked at connectivity with the Amtrak California bus and rail services. The assessment generally found that the combination of the services provided by private firms under the market, the Amtrak bus/rail network, and the S.5311(f) funded services provides good coverage, in the sense that almost all places in California identified as having a “high” or “moderate” need are within 25 miles of an intercity bus stop, and most in the ten- to 25-mile range are linked to a point with intercity bus service by local transit. However, the analysis of connectivity demonstrated that these are actually multiple independent networks, that consumers cannot get information that would allow them to connect these services, and that in many cases S.5311(f) funded services are not designed to connect with the national intercity bus network

because they do not serve the same stations, are not scheduled to meet intercity services, or there is no information about potential connections.

An outreach component solicited input from stakeholders through telephone interviews of regional planning agencies and transit operators, and through four regional stakeholder meetings held across the State. A study Advisory Committee also reviewed materials and provided input at four meetings at key point in the study. The results of these processes are also documented. The combination of the analysis and the input provided support for identification of potential expanded services.

Based on the analysis and the input the study also included identification of issues and opportunities in the Caltrans S. 5311(f) program, including potential changes in goals and requirements, in project evaluation, and in terms of opportunities to increase connectivity with the national intercity bus industry. These issues and options for addressing them were reviewed with Caltrans and the Advisory Committee, and recommendations made regarding changes in the overall S.5311(f) program. The Caltrans rural intercity program has been evolving, and it needs limited changes in guidance and requirements to focus the program more on providing connectivity to the national intercity bus system, and to focus more on providing operating funding to address unmet needs. Another option is to utilize the new FTA “Pilot Program” for funding projects that do not have sufficient local match. This is an alternative way to utilize funding provided under S. 5311(f) using the value of the capital in the connecting unsubsidized intercity services as “in-kind” match for operating assistance for rural intercity projects. The study demonstrates how this funding approach can be used to fund key rural intercity services with a minimum of local match funding, utilizing the available S.5311(f) funding.

DEFINITION OF “INTERCITY”

In a policy sense, Caltrans should be considering the “intercity” needs of the State in a broad sense, including both the services operated by private for-profit firms without any federal, state, or local operating or capital assistance, and the services operated with federal, state, or local operating or capital assistance, whether by private for-profit firms, private non-profit agencies, or public transit entities. Thus the intercity network, broadly defined, includes:

- Services provided by private for-profit firms that are regulated primarily by the Federal Motor Carrier Safety Administration (FMCSA) (in terms of registration, insurance, and safety records), and are participants in the national intercity bus network that is based on the interline ticketing system known as the National Bus Traffic Association (NBTA). This is primarily Greyhound Lines and Orange Belt Stages, and is what we think of as traditional “intercity bus” services. However, in California there are also several statewide firms that provide scheduled intercity bus service that do not belong to the NBTA. These firms primarily market their services to the Hispanic community, but the services are open to the general public. Most recently, a new firm, Megabus has also begun offering limited stop intercity bus service between a number of the larger cities in the state.

- Services provided by public transit grant recipients that have a “meaningful” connection to the network described above. In California this includes three sub-groups:
 - Public transit systems that receive S.5307, S.5311, or S.5309 funding, and who have identified one or more services that offers patrons the capability of making a physical connection to the services operated by the traditional intercity bus firms.
 - Public transit systems, private non-profit agencies, or private for-profit firms that receive S.5311(f) rural intercity bus assistance to provide service within rural areas (between points of less than 50,000 population) or from rural areas into Urbanized areas, making a meaningful connection with the national intercity bus network.
- Bus services operated by or in conjunction with Amtrak intercity rail passenger services (Amtrak Thruway), shown in Amtrak schedules.

Clearly, this is a broad network, though it should be noted that it excludes a lot of publicly-available transit services, some of which operate lengthy routes between urbanized areas or between urbanized areas and non-urbanized areas. It does not include any public transit services that operate completely within the service area of the provider, even though the routes may be long, and many municipalities may be connected. In addition, state-regulated demand-responsive airporter services are not included. The network described above is one that Caltrans has been, and should be monitoring, should be capable of providing information about, and should support where it can, given the limitations of various funding programs. The network described above is the network of policy concern for Caltrans. However, in funding terms there are much narrower segments to which different kinds of funding may be applied.

The remainder of this chapter presents the current state and federal policy context affecting the intercity providers listed above. Chapter 2 presents maps and inventory data describing the services provided by these providers. Chapter 3 identifies areas in the state that have a need for intercity connections, based on demographic characteristics, and the network identified in the inventory is compared to these locations to identify places that are unserved. The analysis of this network in terms of connectivity is also included in this chapter. Chapter 4 describes the current funding arrangements for the Caltrans rural intercity program. Chapter 5 describes the outreach effort of the study, including the telephone surveys and the stakeholder meetings. Chapter 6 focuses on the issues identified from the analysis and the outreach, and presents policy and program options to deal with them. Finally, in Chapter 7 recommended program changes are described.

FEDERAL AND STATE INTERCITY BUS POLICY

The purpose of this chapter is to present the current federal and state policy context the State of California Department of Transportation (Caltrans) uses to maintain and improve the

state's rural intercity bus services, including the rural-to-urban services. This document begins with an overview of federal policy, the funding program, and regulatory controls with respects to the provision of rural intercity bus services. Next, a discussion of Caltrans' implementation of the primary federal funding program for rural intercity bus service, the State's regulatory structure, and brief description of program implementation are discussed. Once the policy and regulatory context have been described, a summary review of local plans is provided in order to understand how the local agencies identify and address rural intercity needs. The last section contains a review and discussion of statewide policy documents that may affect or guide the provision of intercity bus services.

Federal Intercity Policy

State of California policy regarding intercity bus transportation exists within the context of the federal policy structures that have evolved over the past several decades. These federal statutes have been specifically designed to pre-empt state policy and regulation. In general, the federal policy is that interstate bus transportation is not regulated at the federal level in terms of entry (which carriers can serve which routes), exit (whether a carrier is allowed to abandon a route), or rates (the federal government no longer oversees rates at all). Federal regulation is limited to ensuring that carriers are financially responsible (have adequate insurance) and meet federal safety standards. Because it is recognized that the federal policy of deregulation has reduced service coverage and level in rural areas, federal policy also provides for financial assistance for intercity bus service to, from, or in rural areas. Federal policy also recognizes that there are benefits to ensuring that travelers have the ability to make connections between modes, including intercity bus, local transit, and intercity rail passenger services. In this respect, federal funding has been made available for constructing intermodal passenger facilities, including the intercity bus related portions. The following section discusses federal and state policies that resulted from the period of deregulation.

Federal Assistance for Intercity Bus Service—FTA Programs

By the late 1980s and early 1990s, federal policy-makers began discussing the need to provide ongoing funding assistance for rural intercity routes, which led to the creation of the Section 18(i) program of assistance for rural intercity routes as part of the 1992 Intermodal Surface Transportation Efficiency Act (ISTEA) authorizing legislation. This program was subsequently codified as 49 USC Section 5311(f) (S.5311(f)), and is fully described in the (draft) Chapter VII of Circular 9040.1E. The basic outline of the program has remained the same since 1992, though there have been some changes and interpretations over the years as the program has been implemented. More recently, the passage of the latest federal transportation authorization bill: Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), included language that has resulted in the most substantial change in the program to date. SAFETEA-LU also included some additional changes that affect the use of federal funds for intercity bus projects.

Federal Definition of Public Transportation Does Not Include Intercity Service

SAFETEA-LU adopted a change in the FTA definition of public transportation that adds constraints to the use of federal transit funds for intercity bus services. The new language excludes intercity bus transportation from the definition of public transportation that is supported with federal funding, with three exceptions—the S.5311(f) rural intercity bus assistance program, intermodal facilities, and the S.3038 Over-the-Road Bus Accessibility Program of the Transportation Equity Act for the 21st Century (TEA-21) to assist in purchasing accessibility equipment and training for private operators of over-the-road coaches. This means that public transit agencies that receive FTA funding cannot operate intercity bus service between urbanized areas—this is a market reserved for the private for-profit industry. The three types of federal intercity assistance are discussed in the following section.

Federal S.5311(f). Federal S.5311(f) funds are a key funding source for intercity bus operations and are used in a majority of states to subsidize targeted intercity bus services. Section 5311(f) is a subsection of the S.5311 formula allocation program for small urban and rural areas under 50,000 population, which allocates funding to each state’s governor for distribution to local applicants. The amount of funds provided to each state is based on the non-urbanized population of the state.

Program funds can be used for capital, operating, planning, and administrative assistance to state agencies, local public bodies, non-profit organizations, Native American Tribal Groups, and operators of public transportation services. Fifteen percent of the annual S.5311 apportionment must be used to support intercity bus service through the S.5311(f) component of the program unless the governor of the state certifies that all rural intercity bus needs are met. A partial certification is also possible, if the rural intercity needs can be met without utilizing the full 15 percent. If the governor certifies that intercity needs are met, the funding reverts to the overall S.5311 program for use on other rural transit projects. Under SAFETEA-LU, states planning to certify (partially or completely) are required to undergo a consultation process prior to the governor’s certification. The draft Chapter VII of Circular 9040.1E calls for the certification process to include identification of the intercity carriers, definition of the activities the state will undertake as part of the consultation process, an opportunity for intercity carriers to submit information regarding service needs, a planning process that examines unmet needs, and documentation that the results of the consultation process support the decision to certify—if, in fact, that is the final decision.

Under the S.5311(f) program, intercity bus service is defined as regularly scheduled bus service for the general public which operates with limited stops over fixed routes connecting two or more urban areas not in close proximity, has the capacity to carry passenger baggage, and makes meaningful connections with scheduled intercity bus service to points outside the service area. Feeder services to intercity bus services are also eligible. Commuter service is excluded. The S.5311(f) program is implemented by each state as part of its overall S.5311 program management activities. In the circular, FTA includes guidance that makes clear that S.5311(f) funded intercity services must take schedule considerations into account to have a meaningful connection with scheduled intercity bus services to points outside the service area, thereby, including the dimension of time (schedule) to the definition of a meaningful connection.

Furthermore, FTA suggests that services that include a stop at the intercity bus station as one among many stops in the urban area should not properly be considered for S.5311(f) funding, but instead should utilize other federal funding programs. Both of these interpretations have the effect of narrowing the definition of eligible intercity service that satisfy S.5311(f) criteria. It should be noted connection to intercity bus services is a key element of the federal program guidance:

Connection to the national network of intercity bus service is an important goal of Section 5311(f) and services funded must make meaningful connections wherever feasible....The definition of intercity bus service does not include commuter service (service designed primarily to provide daily work trips with the local commuting area)...Intercity bus does not include air, water, and rail service.¹

Historically, for both S.5311 and S.5311(f) capital funds, the maximum federal shares have been 80 percent of the cost for capital, and for operating assistance, 50 percent of the net cost. Following the passage of SAFETEA-LU, California has been able to utilize a sliding scale of federal match rates, permitting a maximum federal share of 55.33 percent of net project cost for operations, and 88.53 for capital. Net cost or operating expenses are those expenses that remain after operating revenues, which at a minimum include farebox revenues, are subtracted from eligible operating expenses. While the State of California does provide some operating assistance through the Transit Development Act (TDA) using State Transportation Account (STA) and Local Transportation Fund (LTF) funds there are limited local monies made available. Many applicants have difficulty securing local matching funds. Not having access to local matching funds makes it increasingly difficult for transit operators to access other federal and state funds. In cases throughout the country, obtaining local cash operating match has been a major program issue, particularly in states that provide no state operating assistance.

State administration, planning, and technical assistance in support of intercity bus service are eligible at 100 percent federal share if applied against the 15 percent cap on state administration expenses. The amount of S.5311 funds used for planning of intercity bus service is not limited by the 15 percent cap. However, the federal share of any planning assistance for intercity bus not included in the 15 percent allowed for state administration is limited to 80 percent of the planning cost.

For projects that may have both a rural and urban component (for example, a bus terminal located in an urbanized area, but served by rural routes), recipients can use S.5311(f) funds as a portion of the overall project funding. Their use for capital projects in urbanized areas is limited to those aspects of the project that can be clearly identified as a direct benefit to services to and from non-urbanized areas. Such projects have to be included in both the metropolitan Transportation Improvement Program (TIP) and the State Transportation Improvement Program (STIP).

¹ Federal Transit Administration FTA C 9040.1F, Nonurbanized Area Formula Program Guidance and Grant Application Instructions, p.VII 4-5. April 1, 2007.

With regard to eligible recipients, for the S.5311(f) program only, FTA allows states to pass-through funds to private intercity bus carriers directly as subrecipients, if they are willing to accept the federal terms and conditions. Carriers may decide not to be recipients directly, and prefer to be third-party contractors to a subrecipient (which may be the state itself or a local public entity or nonprofit organization). As a third-party contractor, a carrier is able to isolate its other (non-assisted) operations from the requirements associated with a federal and/or state grant.

Recent Guidance on the Use of the Value of Capital on Connecting Unsubsidized Service as In-kind Match for Operating Assistance. On October 20, 2006, FTA executive management approved a two-year pilot project allowing states to use the capital costs of unsubsidized private sector intercity bus service as in-kind match for the operating costs of connecting rural intercity bus feeder service. This decision, and the guidance that followed, closely follow a proposal developed on behalf of the Washington State Department Of Transportation (WDOT). In that proposal, it was suggested that FTA include language in the Revised Circular that would allow S.5311(f) projects to use the capital cost portion of connecting services on the unsubsidized intercity bus network as in-kind local match for operating projects. This approach is intended to be similar in concept to the permitted use of human service transportation funds for match by S.5311 and S.5307 providers.

As part of this approach, the value of the capital cost portion of the total cost of the connecting unsubsidized services is used as in-kind match because the operating cost portion of these miles is offset by the revenues, and so it would not be eligible for operating assistance in the absence of a net operating deficit (and therefore would not be eligible to be considered as an in-kind contribution). Based on the precedent of the FTA regulations permitting 50 percent of the total cost of a turnkey operating contract to be considered as eligible for the 80 percent capital match ratio, FTA has allowed 50 percent of the total per-mile cost of the unsubsidized connecting intercity bus service be considered as the in-kind capital contribution of the intercity bus company to the rural intercity bus project.

The project definition includes the connecting unsubsidized service on a specified segment, in terms of both costs and revenues. As in the case of most intercity bus services, costs are based on the cost per-mile. The length of the segment and the frequency of the connecting service determine the number of bus-miles operated in turn setting a limit on the value of the in-kind contribution. The capital cost portion of the unsubsidized segment is included. Depending on the project definition, the amount of unsubsidized service may provide enough in-kind match to cover the net operating deficit of the rural feeder service. FTA recognizes that the amount of in-kind match may not be enough to fully fund the feeder service, and that additional cash match may be required. However, if the in-kind match exceeds the amount needed, the excess cannot be used to increase the federal share above the actual operating deficit of the project.

In cases where the unsubsidized (from an operating perspective) connecting intercity service is already operated with FTA-funded capital for vehicles, the percentage used for in-kind will need to be adjusted, following the guidelines provided by FTA for determining percentage of contract cost eligible for capital under capital cost of contracting in cases where the buses are FTA-funded. This circumstance would necessarily reduce the amount of in-kind generated.

A major part of the rationale for this approach is based on the call for “meaningful connections with scheduled intercity bus service to more distant points” contained in the FTA Circular. Because the proposal for valuing unsubsidized service as local match involves defining the project in terms of a meaningful connection, FTA’s guidance requires that the private operator has consented to the arrangement in the project, and it must acknowledge that the service it provides is covered by the labor warranty and other requirements.

Because this essentially supplants the need for local operating match, it will have the effect of utilizing the available S.5311(f) operating funds at approximately twice the rate than would have been the case, where local sources (including carriers or transit agencies) provided local match for 50 percent of the net operating deficit. In addition, it means that the policy guidelines and project designs will need to conform to the FTA guidance for such projects, and that the private carriers providing the unsubsidized segments will need to be full participants in program and project design.

Other Federal Programs—Bus and Bus Facility Program—Intermodal Terminals

In addition to assistance for maintaining or developing rural intercity services, a second aspect of intercity bus service that is addressed by federal transit policy and funding is support for intermodal terminals—i.e. passenger terminals that are served by more than one transit mode or carrier. There are many such terminals around the country that are served by private for-profit intercity bus companies, in which passengers can change carriers. Many of them also have intercity or commuter rail passenger service, and most have local bus transit or other transit service.

Often intermodal facilities are joint development projects that also include commercial office space, retail space, or even residential units. These projects are typically developed by local transit or development authorities, who act as the applicant for federal and available state funding. Private for-profit intercity bus firms have been involved, either as partners (contributing some of the local capital match), or tenants (leasing docking space for buses, counters, offices, and paying a pro rata share of common space), or sometimes both (paying a pro rata share of operating expenses, but not having to lease because of participation in the local match). Funding for these projects has generally come from the FTA capital programs—particularly the Bus and Bus Facilities funding (formerly Section 9), much of which is earmarked by Congress for specific projects, but also as an eligible capital project under S.5307, S.5311, or S.5311(f). In some cases, applicants have used (sought) earmarks directly. Congestion Mitigation Air Quality (CMAQ) program capital funding has also been used for intermodal facilities, including both terminal buildings and park and ride lots.

In the past, FTA guidance about private intercity bus operator participation has been interpreted by some to require that these firms be treated as if they are the same as any other non-transit private use—i.e., FTA funds could not be used to build or operate portions of a project used by the private carriers. In these cases, the projects often required the high rents expected of commercial tenants, or bus companies to fund the full cost of facility improvements attributable to the intercity carriers. However, in SAFETEA-LU, a revision to the transportation authorization makes it clear that private intercity carriers should be considered as eligible to

benefit from federal transit funding in these projects—the intercity bus portion of an intermodal facility is now eligible under the Bus and Bus Facilities program. Preliminary guidance about this change has been issued by FTA.

In addition, SAFETEA-LU creates a funding source for the intercity bus facilities by authorizing \$35 million per year under the Bus and Bus Facilities discretionary program (Section 3011) for intercity bus facilities—a total of \$175 million over the life of the bill, beginning in FY 2005. The program is administered by FTA, and is likely to fit within the general Bus and Bus Facilities program. This funding could potentially be a source of capital for intermodal facilities in Colorado—it is likely that this funding will be considered as having been applied to the earmark projects that have intercity components, so it may not represent a new additional source. SAFETEA-LU contains an extensive list of such projects.

Section 9 funding has also been used in the past in other states for buses, including not only rural and urban transit buses, but also intercity buses that were made available for use by private firms. While this has not been common, it is another way to provide vehicle capital for rural intercity services.

S.3038 Over-the-Road Bus Accessibility Program Grants

This program was authorized as part of TEA-21, and it continues under SAFETEA-LU. It makes funds available to private operators of over-the-road buses to pay for the incremental capital and training costs associated with compliance of the final DOT rules on over-the-road accessibility.² The S.3038 program is unusual in that it is administered directly by FTA (including its regional offices) rather than being managed by state recipients. The solicitation for applications is conducted on a national basis, with federal funding to provide up to 90 percent of the costs of accessibility equipment (such as wheelchair lifts, access doors, folding seats, interlocks, tie-downs, etc. and the labor cost for installation) and training. The funds can be spent on the incremental costs of this equipment on a new coach, or used to retrofit existing coaches. In FY 2006 \$5,568,750 was provided to regular-route carriers, and an additional \$1,856,250 to charter and other operators of over-the-road buses. Over-the-road buses are defined as buses with a high seating deck with luggage compartments below. The definition of intercity, fixed-route over-the-road bus service is essentially the same as that for the S.5311 program: “regularly scheduled bus service for the general public, using an over-the-road bus that: operates with limited stops over fixed routes connecting two or more urban areas not in close proximity; has the capacity for transporting baggage carried by passengers; and makes meaningful connections with scheduled intercity bus service to more distant points”. The only difference is the focus on the over-the-road bus. In terms of a potential state role, Caltrans could encourage carriers serving the state to apply for funding, could assist them in preparing grant applications, and could potentially provide the ten percent local match. However, it should be noted that the bus industry associations have provided models for grant applications, and the ten percent carrier match is not a major barrier to participation (it is likely that the cost of having a vehicle out of service for a retrofit is a larger barrier). The major statewide scheduled carrier, Greyhound Lines, received \$2,803,950 in FY 2006 for its national fleet. Greyhound Lines has

² 49 CFR Part 37, published in the Federal Register on September 28, 1998 (63 FR 51670).

received grants from a number of states for S.5311 capital funding for the incremental costs of lifts and training, but that is outside this program.

Another Possible Source of Federal Funds for Intercity Bus--CMAQ Funding

CMAQ funding is FTA funding available in air quality non-attainment areas for projects that reduce emissions, such as transit projects that attract patrons from single-occupant autos. The funding can be used for capital projects or operating assistance, although operating assistance is limited to three years. CMAQ has been used for park and ride lots, intermodal terminals, and coaches that are used by private for-profit intercity firms. New Hampshire DOT has been a leader in the use of this funding source to build a network of services that provide intercity trips to downtown Boston (commuters and intermodal connections to Amtrak and intercity bus services) and to Logan Airport. The New Hampshire approach used CMAQ capital to build the facilities, which were then used by the private firms, who also operate and maintain them. Buses have also been provided to private carriers. More recently a major expansion of park and ride commuter lots designed to increase bus and ride-sharing while I-93 is being rebuilt has led New Hampshire to also use CMAQ to provide operating assistance for this commuter-oriented service. In Colorado, a similar effort using CMAQ for the FREX service between Denver and Colorado Springs has supported the development of an extensive commuter bus service—as it transitions to other funding sources CMAQ could be considered for use in other corridors where the air quality and congestion mitigation aspects of bus service are present, such as north of Denver.

In California, two projects associated with intercity bus service using CMAQ funds include: Amador County (Sutter Hill Transit Center) and Morongo Basin Transit Authority. Amador County received 5309 (Bus and Bus Facility) and unobligated funds for the regional transit center and construction of a bus facility in Livermore.

Innovative Funding – Social Service Contracts.

In some cases in the rural areas, with their sparse population concentrations and needs to travel long distances to access services in metropolitan areas, intercity services may be coordinated with human service agencies to allow their clients access to transportation services. This opportunity may allow for a more consistent customer base, depending on the need served, and would allow human service agencies to contract for such services and provide another source of revenue for the operator. Contract revenue from human service agencies could be used as revenue or match. If a human service agency purchases intercity bus tickets on an existing unsubsidized service for distribution to human service clients, the difference in price between the bus ticket and the amount charged the user (which may be zero) could be considered as the net deficit, and could potentially be eligible for funding from human service sources (though not Section 5311(f), which must be open to the general public).

Job Access Reverse Commute Funding (JARC)

The needs analysis/outreach effort for this study identified a number of cases in which a need for longer-distance commuter services was seen as the primary issue, often to resort areas. As noted above, commuter services cannot be funded with S.5311(f), and FTA notes that such services may be a valid need, but should be funded with other programs. In addition to the basic S.5307 and S.5311 programs, the JARC program is a potential funding source for commuter services. Under SAFETEA-LU, JARC funding has become a formula program, and local human service coordination plans must be developed to establish local needs and project evaluation criteria. This planning effort is currently underway in California, and it may well identify some longer-distance work trip needs that should be addressed outside the intercity bus program.

In Nevada, JARC funds have been used to fund their “PRIDE” service, from Reno to Carson City, between 1999-2003. When this funding expired, some of the services (mid-day) were cut, thus affecting the capacity to make meaningful connections. For example, the Carson Ridgecrest Eastern Sierra Transit (CREST) route, along the US 395 corridor, originally ended its service in Carson City, NV. After PRIDE discontinued its mid-day service, CREST (INYO/MONO transit) extended their services to Reno (Airport) thus requesting additional funding through the 5311(f) program for this purpose. There were negotiations that took place as to whether the State of California should fund services that operate in another state.

Federal Motor Carrier Safety Administration

The other major federal policy framework affecting intercity bus service is the regulatory framework of the FMCSA. As noted above, the FMCSA is an agency of the U.S. DOT, and is one remnant of the regulatory authority formerly exercised by the Interstate Commerce Commission (ICC). FMCSA does not have any role in the economic regulation of the intercity bus industry, rather its focus is on ensuring that the firms providing service in interstate commerce are financially responsible (have the required levels of insurance), and operate within the federal safety requirements. Thus the FMCSA requirements are important to Caltrans in that intercity bus carriers in the state that offer interline service to interstate passengers must meet FMCSA requirements, with some limited exceptions. In addition, FMCSA policing of insurance and safety allows Caltrans in association with the California Department of Motor Vehicles and the California Highway Patrol to address these issues by requiring FMCSA registration and compliance, rather than having to do these things itself as part of its intercity bus program.

In general, all commercial motor vehicle operators that transport passengers “for-hire” across state lines must register with the FMCSA. For-hire means that the operator receives compensation, even if it is not directly from passengers (for example, if Medicaid pays for the trip). This is true for non-profit agencies as well as for-profit firms. A commercial motor vehicle is a motor vehicle used in interstate commerce to transport passengers if it has a gross vehicle weight rating (or weight, or gross combination weight) in excess of 10,001 pounds, or is designed or used to carry more than eight passengers, including the driver, for compensation, or is designed or used to carry more than 15 passengers, including the driver, and is **not** used to transport passengers for compensation. There are exceptions for school bus service, operations entirely within a commercial zone, and taxicab service. There are specific definitions for

commercial zones in the law, including listing of specific zones and a generic definition for other locations not specifically listed.

The commercial vehicle operator transporting passengers for-hire in interstate service must apply for a license, filing a Form OP-1(P) (paper) or on-line, and an application fee. The applicant must present evidence of the proper insurance and designate a process agent (a representative who can receive court papers that might be served in any court proceeding against the carrier). Generally the operator must pay a fee to a process agent for these services. The required insurance levels are based on the seating capacity of the vehicle (the largest vehicle in the operator's fleet or the number of passengers, whichever is greater). The liability insurance coverage per occurrence is \$5 million for vehicles having capacity of 16 or more passengers, and \$1.5 million for 9 to 15 passenger vehicles. Once the operator has a license, they receive an MC (for motor carrier) number, and a USDOT number. The USDOT number and the name of the operator must be marked on the buses. There is no separate fee to obtain the USDOT number. Public entities performing for-hire services are exempt from the need to obtain a USDOT number, and from a number of other FMCSA safety requirements, but they must obtain operating authority (an MC number) if they are providing transportation that would otherwise be covered by these requirements.

Commercial vehicle operators that provide interstate service and receive funding under S.5311(f) (or S.5311, S.5307, or S.5310), or contract to provide service funded by these programs, do not have to meet the insurance requirements listed above, but must carry insurance at the highest levels required by any of the states in which they operate. Also, the application fee for the FMCSA license is waived—but the operator must still file and obtain an MC number and a USDOT number (unless a public entity). These exemptions and exceptions for FTA grantees and contractors receiving FTA funding are not widely known in the FMCSA system, and applicants may need to contact FMCSA offices directly and explain their status as recipients of FTA funding in order to receive the fee waiver and the alternative insurance requirements. It should be noted that operators receiving S.5311(f) funding who wish to interline with Greyhound Lines or be part of the NBTA interline ticketing system, will need to meet FMCSA levels of insurance which may be higher than the amount required of FTA subrecipients not providing interstate transportation.

FMCSA is also responsible for safety regulations affecting commercial motor vehicles operated in interstate commerce. In addition to the requirements for the appropriate USDOT numbers and vehicle markings, FMCSA sets requirements for driver qualifications, driver medical examinations, hours of service limits, records of duty status, vehicle safety inspections, and documentation of vehicle repair and maintenance. FMCSA regulations include the Commercial Driver's License (CDL) requirements for both interstate and intrastate commercial transportation (for operators of vehicles designed to transport 16 or more passengers). FMCSA regulations also include drug and alcohol testing, however, if the operator is receiving FTA funds, the FTA drug and alcohol and drug-free workplace requirements apply. In California, the CDL program, medical exams, vehicle safety and inspections, and vehicle licenses are enforced by the California Department of Motor Vehicles and California Highway Patrol, while intrastate fares are regulated by the California Public Utilities Commission.

STATE OF CALIFORNIA INTERCITY POLICY

State of California Department of Transportation-Division of Mass Transportation (DMT)

The DMT is responsible for the administration of State and Federal Grant Programs that provide funding for operating assistance and capital improvement projects. DMT provides technical assistance to agencies responsible for public transportation services in their respective areas including buses; demand-responsive accessible services for the elderly and disabled; rural transit; commuter and urban rail services; and waterborne ferry operations.

Within the DMT, the Rural Transit Procurement (RTP), administers and manages two federal grant programs: FTA S.5311, which promotes public transit in the non-urbanized areas of the state, and FTA S.5311(f) which promotes intercity transit in the non-urbanized areas of the state. RTP personnel in the DMT's headquarters manage S.5311 program through policy and procedural guidance. In addition to staff at DMT headquarters, DMT also has personnel in eleven District offices throughout the state who provide local oversight of the S.5311 program, including S.5311(f). The District office is responsible for providing planning and technical assistance to Transportation Planning Agencies (TPA) and transit operators.

California's S.5311 Program

The S.5311 program is administered by the DMT Grant Program, with direct oversight by the RTP, and funds projects that provide rural intercity services. The program provides for capital, operating, administrative, and planning assistance for transportation services open to the general public that are provided in areas with less than 50,000 persons. The S.5311(f) program is a subsection of the S.5311 program. The DMT administers an annual application process for S.5311(f) program funds that allows local agencies the opportunity to propose projects that will provide rural intercity services. Fifteen percent of a state's overall S.5311 allocation is designated for rural intercity services, and a specific definition is provided regarding the intercity nature of the services—including a requirement for a meaningful connection with the national intercity bus network, as previously discussed.

California's S.5311 apportionment is distributed as follows – 75 percent is apportioned to non-urban areas based on population, this is known as *Regional Apportionment*; 15 percent is dedicated for *S.5311(f) Intercity Bus Program*; and ten percent is allocated for *state administrative expenses*. Guidance regarding the S.5311 program is provided in the S.5311 Handbook and Guide (April 2002) developed by the DMT. RTP manages the S.5311 program by developing state policies, procedures, and guidance consistent with FTA rules and regulations.

The 75 percent of California's S.5311 apportionment is redistributed to the TPAs whose county or region contains a non-urbanized area as identified by the United States Census Bureau. This *Regional Apportionment* is based on the population.

The TPA submits to the DMT a Program of Projects that identifies subrecipients and projects to receive S.5311 funds in their planning area by December 31st of each year. The

subrecipient must complete and submit a S.5311 Program Application, including all other required submittals by the appropriate deadline. Complete guidance regarding programming and applying for S.5311 Regional Apportionment funds can be found in the S.5311 Handbook and Guide.

S.5311(f) Program Application

The annual application process requires that applicants provide thorough responses to project descriptions, costs, documented local support, and capacity to manage the project and meet regulations. This year's cycle of the application process, known as Cycle 25, with completed applications due to the district offices in March, also includes an addendum discussing FMCSA requirements and the increased emphasis of coordination among local and national network operators through an interline agreement. Applications are submitted to the DMT through the district offices, there are 12 districts in the State of California (Figure 1-1). Application requirements over the last two cycles have most of the same filing requirements and will be briefly discussed below. Overall, principles that guide project evaluation are based on the ability to satisfy the National Program Objectives, as prescribed in the draft circular, and the State of California Emphasis. The National Program Objectives are the following:

- To support the connection between non-urbanized and the larger regional or national system of intercity bus service.
- To support services to meet the intercity travel needs of residents in non-urbanized areas.
- To support the infrastructure of the intercity bus network through planning and marketing assistance and capital investment in facilities.

The State Program Emphasis prescribes that the project should emphasize coordination and connectivity by providing a meaningful connection, with and between multiple transportation modes such as airport, rail, water (ferry/taxi), and local transit (bus and/or taxi) and between non-urbanized areas and urbanized areas. Note that this definition of meaningful connection includes modes that the FTA specifically defines as not being intercity bus.

Once a completed application has been received, a committee will evaluate all supporting documentation in light of the guiding principles and specific information on operations and management. Depending on the category of application filed – operating or capital - with the DMT, will determine the set of criteria the project will be evaluated against. A committee consisting of RTP staff and other officials will review and evaluate completed applications submitted by the District representatives. The grading scale used for final project selection is Exceptional, Satisfactory, and Unsatisfactory.

S.5311(f) Program Application-Previous years

Application requirements for the two previous application cycles are similar to what is currently required. A discrepancy in the State Emphasis for the Cycle 12 (FY 2004) application,

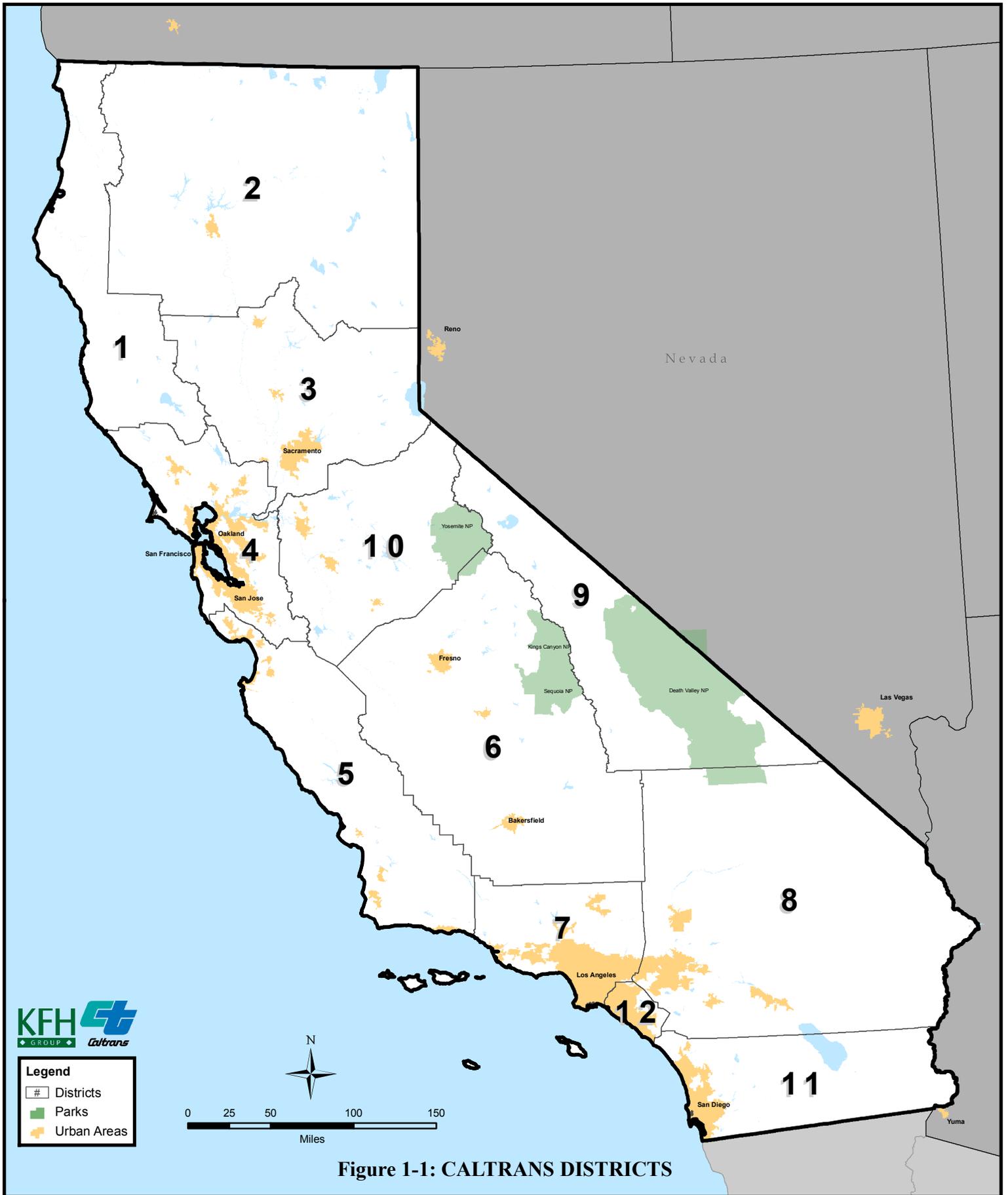


Figure 1-1: CALTRANS DISTRICTS

when compared to Cycle 13 and Grant 24, is that it did not include coordination efforts as a clearly defined component of the project. Coordination is clearly identified as an important component of the project in the following year's application cycle, Cycle 13. Following are brief summaries of approved projects for the three most recent cycles.

Cycle 12 (FY 2004) – 23 projects were submitted and 13 were approved. Project types: six capital, six operating, and one planning. The capital projects approved included expansion bus, bus shelter, and facility design and construction. For Cycle 12, over \$1.3 million in S.5311(f) funds were awarded.

Cycle 13 (FY 2005) – 21 projects were submitted and 17 were approved. Project types: seven capital, 8 operating, and two planning. The planning projects included the development of transit plans for Northern Santa Barbara and Stanislaus Counties. For Cycle 13, over \$3 million in S.5311(f) funds were awarded.

Grant 24 (FY 2006) – 33 projects were submitted and 25 were approved. Project types: eight capital, 15 operating, and two planning. This cycle resulted in a significantly higher proportion of funds dedicated for operations. The planning projects include a Transit Development Plan and a transit needs study for Tehama County and Glenn County, respectively. For Grant 24, over \$2.6 million in S.5311(f) funds were awarded.

During the review of Grant 24 applications, there were general trends identified that denied program funds for several proposed projects. In most cases, not satisfying program objectives or incomplete applications critically weakened the project's opportunity to receive program funds.

Grant 25 (FY 2007) – 31 applications were submitted and 24 projects received awards. Project Types: 20 operating and 4 capital projects. As in previous award cycles, applicants had difficulty meeting the program objectives and/or explaining how the service would improve connectivity in the service area. For Grant 25, over \$2.6 million in S.5311(f) funds were awarded.

State Legislation – Senate Bill 45 (SB45)

With the enactment of SB45 in 1997, local entities, in cooperation with the Department [Caltrans], are provided the opportunity to identify and propose projects that address regional transportation needs. Each region of the state will produce a locally adopted regional transportation plan that includes transportation projects addressing regional transportation needs. These regional plans are then submitted to Caltrans and presented to the California Transportation Commission for review and adoption into the Interregional Improvement Program (IIP) and the STIP.

The bill also modified the allocation of funds in support of the statewide interregional transportation system. Once Caltrans has compiled the IIP and the STIP, and the California Transportation Commission has adopted it, then project monies are allocated accordingly. Elements of the IIP specific to this study are paragraph (2) and (3) of subdivision (a) of *Section*

14526 of the Government Code - paragraph (2) identifies the projects of the intercity passenger rail system and paragraph (3) identifies projects to improve the interregional movement of people, vehicles, and goods.

SB45 allocates state transportation funds for two categories: interregional and regional transportation needs. The State Transportation Improvement Program (STIP) - the policy document that is comprised of approved projects addressing the interregional and regional priorities – will have funds made available from all available transportation funds, State Highway Account, Public Transportation Account, and federal transportation funds, after deducting Caltrans' annual administration costs, annual expenditures for the maintenance and operations of the state highway system, annual expenditures for the rehabilitation of the state highway system, annual expenditures for local assistance, and safety. Of these remaining funds, seventy-five percent are committed to the Regional Improvement Program and 25 percent to the Interregional Improvement Program, as codified in *Section 164 of the Streets and Highways Code*.

The regional improvement program grants more responsibility to the local agencies in addressing transportation issues in their region. Regional improvements include public transit, intercity rail, local roads, intermodal facilities, transportation system management, and pedestrian and bicycle facilities. The interregional improvements are allocated for larger capital improvements – state highway, intercity passenger rail, mass transit guideway, or grade separation.

These fund allocations and the requirement for local and state participation in the development of regional plans and the STIP have certainly promoted the opportunity, and increased the responsibility for, local agencies to participate in this planning and programming process.

State Regulation - California Public Utilities Commission (CPUC)

While federal deregulation of passenger carriers under the Bus Regulatory Reform Act of 1982 pre-empted state regulation of fares, entry and exit for interstate services, and the ICC sunset legislation in 1989 expanded this pre-emption, California has assumed some control to fares, entry and exit for passenger carriers that are completely intrastate, other than taxi cabs, medical transportation, pupil transportation, and farm worker transportation. As part of the Passenger Stage Corporation (PSC) certificate application, the entity proposing an intercity service must demonstrate that, pursuant to Public Utilities Code 1031, the public convenience and necessity requirement will be met with the proposed operation. This requires a formal notice process in which city and county governmental entities, regional transportation planning agencies and public transit operators within whose boundaries passengers will be loaded or unloaded are contacted and kept abreast of the application process. If the territory already has a certificate holder, the CPUC would have to make a determination that the existing carrier is not providing service to the satisfaction of the CPUC. Also, the CPUC will not issue a certificate of public convenience and necessity if there is no participation in the CPUC substance and alcohol testing program as developed by the California Highway Department.

The applicant for a PSC certificate will also have to file evidence of liability insurance coverage on a CPUC prescribed form. The applicant must also participate in the Department of Motor Vehicles (DMV) Employer Pull-Notice System. For any vehicle seating more than 10 (including the driver) must undergo a California Highway Patrol safety inspection.

The CPUC issues two types of for-hire passenger certificates: the Passenger Stage Coach (PSC) provides transportation service to the general public on an individual-fare basis; the charter-party carrier (TCP) charters a vehicle, on a prearranged basis, for the exclusive use of an individual or group. Rates are also regulated with the approved PSC operator required to file a tariff with the CPUC setting forth their passenger fares. Private non-profit transportation services need to register, provide certain driver qualifications, and provide evidence of insurance. The CPUC does not provide any operating assistance in the form of federal or state funds. However, the CPUC has allowed an exception for registering a passenger vehicle not operated by a public entity, if the vehicle satisfies all of the rules and regulations that the local operator must meet.

California Department of Motor Vehicles

The DMV administers the permitting process for the CDL and the motor carrier permit. There are several requirements for both documents. However, the CDL is a requirement of the Motor Carrier Permit (MCP) Application.

The DMV issues a CDL in accordance with Federal Regulations that permits an individual to operate a commercial vehicle. The individual must be at least 21 years old to drive a commercial vehicle across state lines (interstate commerce) or to transport passengers or hazardous materials or wastes (intrastate or interstate commerce). The individual may drive for hire (including school buses) intrastate if the individual is 18 years of age or older and does not engage in interstate commerce activities. In 2005, new federal regulations were adopted that require a person who is applying for a California CDL with an **original** or **renewal** Hazardous Materials (HazMat) endorsement to undergo a security threat assessment. The USA Patriot Act requires the Transportation Security Administration (TSA) to complete a security threat assessment (background records check) before the DMV issues a HazMat endorsement. In addition, the following requirements must be satisfied: pre-trip vehicle inspection, skills and driving test or submit to DMV a Certificate of Driving Skill if employer is authorized by DMV to issues such certificates, and a medical report form documenting that the medical examination was conducted within the last two years.

The MCP issued by the DMV's Motor Carrier Permit Branch is evidence of registration with the DMV of their California Identification Number (CA#) and the permit verifies that the motor carrier has satisfied all of the statutory requirements to commercially operate motor vehicles on California's highways. There is only one point of contact for all matters related to participation or information concerning the MCP program and that is the MCP Branch located at DMV Headquarters, in Sacramento, California. The following are the requirements for the MCP: completed application, pay all required fees, proof of Workers' Compensation Insurance, enrollment in the Employer Pull-Notice Program, and obtain a CA# from the California Highway Patrol.

The enrollment in the Employer Pull Notice Program (EPN) is required if you employ drivers with a Commercial Class A, B or a Class C driver license with a HazMat endorsement. This will provide operators/employers with a requester code for quick access to an employee's driver license record. This keeps more current information of driver activity on file, allows for quick access to the driver's record, and helps the employer identify if there are any specific safety measures that should be addressed.

California Highway Patrol (CHP)

The CHP has several responsibilities as pertain to the provision of intercity bus service in the state. The CHP conducts safety and permit inspections of vehicles used for intercity services – vehicle identification, hours of service, vehicle safety. The CHP also enforces the Controlled Substances and Alcohol Testing (CSAT) regulations of the Federal Motor Carrier Safety Administration as adopted by the CPUC.

The CHP requires the completion of the Motor Carrier Profile in order for the operator to obtain a California number. Certain types of carriers are not required to *display* their assigned California number if they are already displaying valid numbers assigned to them by other specified regulatory agencies. In order to cross reference the organization's other numbers to its California number, the CHP needs to know what the other numbers are. For example, **PSG**: A number assigned by the CPUC to intrastate for-hire passenger carriers (other than taxi services), which are preceded by the prefix "TCP" or "PSC," displayed on vehicles as "TCP 0000A" or "PSC 0000" (or both) with the zeros representing the number assigned to the carrier by the CPUC, and the "A" representing a CPUC-assigned alphabetic character indicating a specific type of passenger carrier.

The CHP also administers the Biennial Inspection of Terminal (BIT) program. Primarily, the intent is to ensure every truck terminal throughout the state is inspected by the CHP on a regular basis, thereby creating a level field for all motor carriers statewide. A terminal is any place where a vehicle described above is regularly garaged, maintained, operated, or dispatched from, including a dispatch office, cross-dock facility, maintenance shop, business, store, or even a private residence. For purposes of BIT inspections, "terminal" means the location or locations in California that are designated by a motor carrier, where vehicles subject to the BIT program may be inspected by the CHP and where vehicle maintenance records and drivers' records will be made available for inspection (Section 34515 Vehicle Code). A terminal inspection does *not* include inspection of any building or land, only vehicles and required records located there.

REVIEW OF STATEWIDE POLICY DOCUMENTS

The following documents outline transportation policies and strategies for the California transportation network, which includes all modes of transport. However, in light of the study objectives, the component of interest in these documents is the existing intercity bus services and identifying strategies for the maintenance and more efficient use. Each document contains goals

and policies that will impact the provision of intercity bus services. Below are brief descriptions of these policy documents with excerpts relevant to the provision of intercity bus services.

California Transportation Plan (CTP) 2025 (2006)

The CTP is a blueprint for meeting the State's future mobility needs. The CTP is a Long-Range Transportation Policy Plan that addresses the social, economic, and technological trends and demographic changes anticipated over the next 20 years and their potential impacts on travel behavior and the State's transportation system. The CTP vision is one of a fully integrated, multimodal, sustainable transportation system that supports the three outcomes that define quality of life in California — prosperous economy, quality environment, and social equity.

The plan contains several strategies that address transportation issues in the non-urbanized regions of the State that will impact intercity bus services. Although the non-urbanized areas of the state contain less population, this does not necessarily correlate with an existence of less need for transportation services. In effect, there are similar needs of accessibility and mobility; albeit in a less dense and larger geographic area. As noted in the CTP, with only 8% of the State population, the rural areas also comprise 94% of the land area. Considering this context and the objectives of this study, the impacts on intercity bus service are addressed.

The goal, policy, and strategies that support the provision of intercity bus services incorporate and address mobility and accessibility concerns. The provision of intercity services should allow for connectivity and increased accessibility to other transportation services. The first goal of this plan identifies the state's need to enhance intercity service:

Goal 1: Improve Mobility and Accessibility - Expanding the system and enhancing modal choices and connectivity to meet the State's future transportation demands. This goal addresses transportation issues in non-urbanized areas by focusing on the opportunity to increase connectivity among existing services. The goal also addresses the possibility of connecting rural services with urban services that host a myriad of transportation services and modes. This includes the expansion and improvement of transit services; including intercity bus service connecting small urban and rural communities to passenger air service and the national passenger network.

CTP - Rural Issues

The CTP recognizes that with an overall growing population, the rural areas will also experience some growth. These areas contain approximately eight percent of California's population, but comprise 94 percent of the land area. Providing transportation services to a low density and widely distributed population presents unique transportation challenges that must be considered when planning for a balanced, reliable, and interconnected system. The CTP states that California's economy relies heavily on the rural and interregional road and rail system in order to move agricultural products, timber, and tourists.

The CTP identifies the importance of transit in the rural areas by noting that for some rural residents, transit service is the only means of transportation. Entities in the rural areas that provide transportation services are often faced with the challenge of providing transit and paratransit services to rural customers sparsely distributed over considerable distances. This setting significantly impacts the cost of operating transportation service. Specifically, the report identified that regional and intercity bus service can be difficult to provide due to low demand, farebox return requirements, and limited resources for operating and maintaining the system.

The CTP acknowledged that intercity bus transportation is an important component of California's overall surface transportation network, holding particular importance to smaller communities and rural areas. The report recognized that intercity bus provides a critical service for smaller communities in which air or passenger rail is not readily available, and, even when these options are available, intercity bus may be more affordable. Since the 1980s, national carriers have abandoned many of the rural intercity bus routes, severely reducing rural mobility.

California Transportation Investment System (CTIS)

The Caltrans website has dedicated a section to this database of geographic information. In December 1998, as a first step in initiating the update of the CTP, a need was identified; to integrate existing long-range plans of both Caltrans and regional transportation planning agencies by creating a Geographic Information System (GIS) tool that incorporates the existing and planned transportation system. This tool maps highway, local road, rail, and airport projects and maintains project information in a database and is also geocoded. Bicycle, pedestrian, and planning projects are also included, but are not mapped. The tool is a customized ESRI ArcView project and is available for use by interested parties that have access to ArcView and have received permission from the Office of State Planning. In January 2001, the first official version (v1.1) of the California Transportation Investment System (CTIS) GIS tool was released. The tool was posted in May 2001 to the Department's website and made available to external agencies for downloading.

The website mentions that, recently, several upgrades have been made to the CTIS, the most significant of which was the creation of a centralized web-based database to collect and store project data for subsequent migration to the GIS tool - the first of two complementary databases. This planned-project database significantly streamlines the data collection process, minimizes data entry errors, and allows for continuous updates. Work has begun on a second database to collect information on current programmed projects from the tool's other major data source, the Division of Programming's California Transportation Improvement Program System (CTIPS) database.

Eventually, Caltrans would like the CTIS utility to serve as a web-based tool that can be accessed from the Internet without the need for GIS software and training. Owners of the project data would have the ability to update the tool's attribute (or descriptive) data and spatial (location) data, and even "map" the project with a simple "point and click." The tool would be dynamically linked to other Department databases, such as CTIPS, allowing users to access the most current project information. The tool would spatially display all modes of projects, including bicycle, pedestrian, and transit projects that are currently only viewable in table format.

Also, local roadway and rail projects, currently shown as a single point (at the main facility and cross street), would be displayed as a line for the full length of the project.

It is anticipated that the CTIS utility will allow for expedited fact finding processes that will reveal other transportation projects that may have merit with respects to the evaluation of intercity bus service in the State.

Interregional Transportation Strategic Plan (ITSP), 1998

Caltrans prepared the 1998 ITSP to consolidate and represent key elements of its ongoing long- and short-range planning. As such, it serves as a counterpart to the Regional Transportation Plans prepared by the 43 Regional Transportation Planning Agencies throughout California. In developing the 1998 Plan, Caltrans reviewed the status of projects included in the 1990 Plan. The ITSP emphasizes the two larger and more defined areas of responsibility for interregional transportation planning that are under Caltrans statutory responsibility---the state highway system, with an emphasis on the Interregional Road System (IRRS), and intercity passenger rail.

The Vision of the ITSP clearly identifies the importance of the interregional movement of people and goods using the state highway system and also the importance of providing an alternative mode of transportation through intercity passenger rail supplemented by feeder bus services. However, the ITSP does not address the privately-provided intercity bus network as an alternative mode.

Routes were categorized according to current and projected demand and the existing condition of the major roadways. The routes identified as most critical were identified as “High Emphasis Routes”. The ITSP includes these High Emphasis Routes and are incorporated into both Caltrans system planning, for long-range highway improvements, and in most regional transportation plans and planning processes.

The High Emphasis category represents routes that have become of increasing interregional importance from a statewide perspective in the past several years. While the non-urbanized portions of the interstates continue, for the most part, to provide an adequate level of service now and projected for the nearer term, there are increasing examples statewide of recurrent congestion on key interstate goods movement corridors due to interregional travel conflict between recreational, goods movement, and other interregional trips.

A subset of the “High Emphasis Routes” category that supports near-term improvements is the “Focus Routes”, as identified in the ITSP. The Focus Routes represent ten corridors determined the highest priority for completion to minimum facility standards in the 20-year ITSP period.

The ITSP includes six primary objectives for directing interregional program funds to achieve statewide interregional goals, which are:

- Complete a Trunk System of Higher Standard Routes (usually expressway/freeway standards)
- Connect Urbanized Areas to the Trunk System
- Ensure Dependable Connectivity to Major Gateways and Intermodal Transfer Facilities
- Connect Urbanizing Centers to the Trunk System
- Link Rural and Smaller Urban Centers to the Trunk System
- Improve Intercity Passenger Rail

In light of the existing intercity bus service and subsequent evaluation of such service, it is evident that the objectives of the ITSP will have an impact on the identification and implementation of any improvements to the intercity bus service. A reliable and well-maintained roadway infrastructure will impact the capacity for agencies – public and private – to provide intercity bus services. Several of the Focus Routes, are listed below.

- United States (US)-101 (North-South) – all along the state.
- State Route (SR)-99 (North-South) – from South of Bakersfield to the SR-99/70 Junction.
- SR-14/395 (North-South) – two state routes comprise this corridor. SR-14 covers a corridor from southern California to the lower Sierras and US-395 continues north and meanders through Reno, NV and back into California and onto the Oregon state line.
- SR-58 (East-West) – connects Interstate(I)-5 and SR-99 in the southern Central Valley with continuation onto SR-14 and I-40 heading east.
- SR 198 (East-West) – connects I-5 and SR-99 in the Central Valley.
- SR41/46 (East-West) – connects US 101, I-5 and SR 99, providing access from the coast to the Central Valley.
- SR-152/156 – connects US-101, I-5 and SR-99, providing access from South of the Bay Area and Monterrey to the Central Valley.
- SR-20 – connects US-101, I-5, SR-99, SR-70, and I-80 in the northern section of the Central Valley.

- SR-299 – connects rural and small urban centers across the northern region of the state and trucking to US-101.
- SR-20/29/53/49 (East-West) – connects US-101 to I-80 in the northern region of the state.
- SR-299/44/36 (East-West) – connects US-101, I-5, and onto US-395 via SR-36.

REVIEW OF LOCAL PLANS

This section includes a summary and review of local plans developed by the local operators and agencies throughout the state. Some of these plans were developed in 1996, while others are more recent. The study team reviewed the following types of local plans for rural communities and tribal governments:

- Regional Transit Plans
- Transit Development Plans (Five Year and Ten Year)
- Corridor Transit Plans

These plans were reviewed in order to understand what the local agencies have identified as needs that justify the inclusion of intercity services as a component of the transit plan.

Generally, the plans identified a lack of service or low-frequency service in the rural areas. Use of Census data resulted in the identification of the transit dependent population in the rural areas. Using Census and survey data, the studies compiled a list of needs that include connectivity to other regional services, and access to medical, employment and shopping. A summary review of these documents is provided below:

- **Modoc County Transit Development Plan Study (1996).** The needs identified include: expanded transit services that provide intercity services for shopping and medical needs (out-of-county) and improved connectivity between rural communities and the Alturas urbanized area; and transportation services between urban centers within the county to urban centers outside of it. Also, Greyhound service in the county was discontinued in 1995.
- **Mono County Transit Plan (1996).** The needs identified address access to recreational areas and after school activity for youth and basic social service transportation. However, overall transit demand is not high given the low population figures for the county. The report documents that Greyhound lines provided one northbound and one southbound bus per day between Reno and Los Angeles.
- **Mono, Inyo, and Kern County – US 395 Corridor Intercity Transit Study (2001).** Prepared for Inyo, Kern and Mono Counties. Analyzed potential intercity bus service strategies in light of Greyhound cancellation and 5311(f) limited funding schedule –

until 2000. Greyhound removed service because of flooding in the area but then resumed service. Eventually, making arrangements with local jurisdictions to receive some subsidy on the service, as it was operating at a net deficit and also provided a public service. The study identifies that Greyhound made some effort in evaluating potential schedule changes to provide more convenient travel times for people in the region. The greatest need identified is the provision of intercity services for senior citizens and transit dependent individuals. Strategies include subsidy of Greyhound service, new service, contract with another private organization or expand existing service as a “life line” service managed by the Area Agency on Aging. The alternatives include: subsidizing existing services, one-trip each way for the entire length of the corridor; contracting service with a private operator for a larger amount than the subsidy for Greyhound; and expansion of existing “Lifeline” services in the corridor.

- **Calaveras Council of Governments – Inter-City Plan (2004).** The need identified includes the provision of more services for seniors, persons without a car, and persons with disabilities. The service alternatives proposed include: scheduled service to Stockton; improved service to the Lodi Intermodal facility to facilitate transfers with other services, and direct service to downtown Sacramento.
- **Eastern Sierra Public Transportation Study (June 2005).** Looks at three main categories for public transportation improvements in the region: 1) Interregional, 2) Local, and 3) Passenger Rail. A major component of this study is implementing scheduled interregional bus service on US 395 from Reno, NV to Lancaster, CA. Three service options were discussed: 1) two additional buses that do not traverse the entire region, 2) two additional buses that traverse the entire corridor and 3) four additional buses that include two one-way regionwide trips and two shore distanced trips. The findings also include the necessity to form an entity that will manage and promote this service and also the development of a comprehensive marketing campaign.
- **Eastern Sierra Expanded Transit System – Field Report (2005).** Prepared for the Federal Highway Administration, FTA, and the United States Department of Agriculture – Forest Service (Inyo National Forest). The service area of the report represents a large geographic area from Reno, NV to Ridgecrest, CA along the US 395 corridor. Five local transit services were identified. Destinations in the service area are mostly recreational and have limited alternative transportation systems that provide transportation access. The report identifies that transportation system improvements including: expansion of existing services; implementation of new services to satisfy the recreational needs of the local attractions; and the establishment of regional partnerships and relationships to administer, maintain, and operate interregional services.
- **Reno-Truckee-North Tahoe – Access to Jobs Transit (2004).** The plan identified the transit depended population as mobility impaired persons and low-income persons. The transit strategies are centered upon the provision of convenient,

affordable, and reliable transit service between Reno and the Truckee-North Tahoe region for employees, visitors, and residents and increase multimodal connections. The plan stresses the lack of affordable housing and the low-wage job opportunities that result in proposed service that addresses the commuting demand. Intercity demand was discussed as secondary to commute demand, with an increased level of service resulting in seven additional one-way passenger trips per day.

- **San Luis Obispo Transit Short-Range Transit Plan (2004).** Needs identified were access to social services and retail. Three geographic areas have been identified as areas of high transit need, populated with seniors and school-aged and college students.
- **North Santa Barbara County Transit Plan (2006).** This Ten-Year Transit Plan supports transit options for persons residing in the rural sections of the county and addresses needs for local transit and long-distance travel to medical facilities, airports, Amtrak stations, out-of-county destinations, and farm worker transportation. Short term recommendations address the need to coordinate existing transit services and farm worker transportation. Long-term recommendations include elimination of duplicated services and operations improvements.

Although each of these studies addresses “intercity” needs to some extent, the greatest needs identified are most often “regional” trips for medical or work trip purposes, with primary user groups seen to be seniors, employees or visitors. Often there is limited focus on the connectivity of proposed services with the national intercity bus network—more often with Amtrak and other regional transit providers. Organizational issues are also a major concern, as the proposed services often cross the boundaries of more than one regional transit provider.