

Qualifications and Nine Key Points about Intercity Bus Programs

Intercity Bus Program Objectives – The first objective of the funding for intercity bus service under Section 5311 is 1) to support the connection between nonurbanized areas and the larger regional or national system of intercity bus service. A second objective is to support services 2) to meet the intercity travel needs of residents in nonurbanized areas. A third objective is 3) to support the infrastructure of the intercity bus network through planning and marketing assistance and capital investment in facilities. The FTA encourages states to use the funding under Section 5311(f) to support these national objectives as well as priorities determined by the state. When the Federal funding appropriation exceeds the “need” for transit in individual states, program funds may be certified by a state’s governor for use in other rural transit programs.

Eligible Activities – Assistance under Section 5311(f) must support intercity bus service in rural and small urban areas. Section 5311(f) specifies eligible intercity bus activities to include “planning and marketing for intercity bus transportation, capital grants for intercity bus shelters, joint-use stops and depots, operating grants through purchase-of-service agreements, user-side subsidies and demonstration projects, and coordination of rural connections between small transit operations and intercity bus carriers.” This listing does not preclude other capital and operating projects for the support of rural intercity bus service.

Eligible Recipients – FTA has generally allowed states to pass through funds to local public bodies and to private nonprofit organizations as subrecipients, while requiring that assistance to provide for-profit operators of transportation service be in the form of third party contracts. For the purpose of Section 5311(f) only, however, FTA permits states to pass through funds to private intercity bus providers in a subrecipient relationship. In some instances, certain intercity bus providers may be unwilling or unable to accept the terms and conditions the state applies to subrecipients and may prefer to maintain a contractual relationship, in order to isolate the remainder of their operations from Federal requirements related to the grant. The state may use either mechanism to provide assistance to private operators for intercity bus service. In either case, the state should use a merit based selection process to ensure that the private operator is qualified, will provide eligible service, can comply with Federal and state requirements, and is the best, or only, provider available to offer service at a fair and reasonable cost.

Definition – For the purpose of this provision, FTA defines intercity bus service 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, which has the capacity for transporting baggage carried by passengers, and which makes meaningful connections with scheduled intercity bus service to more distant points, if such service is available. Schedule information for intercity service typically maintained in the Official Bus Guide (Russell’s Guide). Commuter service (service designed primarily to provide daily work trips within local commuting area) is excluded from the definition. Intercity service is not limited by the size of the vehicle used or by the identity of the carrier.

The following **Nine Key Points** define intercity bus:

1. Regularly scheduled bus service (not demand service);
2. Available to the general public (not reservations only);
3. Limited stops;
4. Operates on fixed routes (does not deviate from route);
5. Connects two or more urban areas not in close proximity;
6. Makes meaningful connections to national intercity network;
7. Predominately passenger service;
8. Not charter service; and
9. Not air, water or rail service.

For additional information, contact the Intercity Bus Program Coordinator.

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