

Project Summary Report 8211

Authors: David Kack, Zhirui (Jared) Ye, Jaydeep Chaudhari, and Levi Ewan
Western Transportation Institute
Montana State University - Bozeman



Montana Intercity Bus Service Study

<http://www.mdt.mt.gov/research/projects/planning/intercity.shtml>

Introduction

The Federal Transit Administration (FTA) defines intercity bus (ICB) service as “regularly scheduled bus service for the general public that operates with limited stops over fixed routes connecting two or more urban areas not in close proximity, that has the capacity for transporting baggage carried by passengers, and that makes meaningful connections with scheduled intercity bus service to more distant points, if such service is available. Intercity bus projects may include package express service, if it is incidental to passenger transportation. Intercity service is not limited by the size of the vehicle used or by the identity of carrier” (FTA, 2007).

Intercity bus service funding from the FTA’s Section 5311(f) program is a part of the larger 5311 program known as Formula Grants for Other than Urbanized Areas. The 5311 program provides funding to the states to support public transportation in areas with populations less than 50,000.

The Non-Urbanized Intercity Bus Formula Program, S.5311(f), requires that 15% of the total 5311 program funds given to the state be used to develop and support ICB service. This 15% can be waived if the governor certifies that the intercity bus transportation needs are being met within the state (FTA, 2007).

In Montana, national/major ICB services are provided in the areas along Interstate 90 (I 90), I 15, and US Highway 93. A large geographic area of the state does not have ICB services. Analysis indicates that approximately 45 percent of Montanans (436,799 people) live in cities served by national/major ICB services, including eight of the ten largest cities in the state.

At the national level, due to the increase in personal automobile ownership, competition from airlines and Amtrak, and high operating costs, the ICB industry has abandoned numerous unprofitable routes across the country in the last five decades. The termination of intercity

routes had a profound impact on available services, especially in rural areas. At present, Greyhound Lines Inc. is the only nationwide ICB carrier in the United States. After half a century of decrease in service, ICB operations started to expand in the past few years. Intercity bus services have started to recover since 2006, after a continued shrinkage.

Despite the recent growth, ICB needs might remain unmet, given the low level of service across the country. States need to determine whether or not ICB needs are being adequately met, and how to allocate funds to support ICB service.

The goal of this project was to provide a current assessment of ICB services in Montana. This study also provided a methodology that can be used to determine if ICB service needs are being adequately met, and if not, a process to identify potential new routes/services, and how to allocate funding for the new services. Specifically, the objectives of this project were to:

References

Federal Transit Administration (FTA), “FTA Circular 9040.1F” Federal Transit Administration, Washington DC (2007) 135 pp.

- Provide MDT with a current assessment of intercity bus services and needs in Montana;
- Document the connections between intercity bus providers and other public transportation providers (FTA Section 5307, Section 5310 and Section 5311 providers) in Montana;
- Define “meaningful connections” in regards to intercity bus services within Montana;
- Provide recommendations and best practices that may be implemented to overcome any barriers to the use of intercity services, and to identify opportunities to further improve intercity services in “intercity deficient” areas; and,
- Provide a methodology for MDT to use to assess intercity bus services and needs in the future (likely every three years).

What we did

Initially, researchers conducted a literature review to establish the current state of intercity bus services within the United States in general, and in specific states. A further task included surveying peer states with characteristics similar to Montana’s rural/frontier nature to further understand how those states managed their intercity bus program. This survey included an analysis of how funding was distributed, and a highlight of any best practices.

One purpose of this project was to provide insight into the use of intercity bus (ICB) services in Montana and the attitudes toward the service. Two surveys were conducted to achieve this objective. A survey of riders of ICB in Montana was completed to understand the users’ attitudes and ridership characteristics. Further, a random telephone survey of the public was performed to get more information on attitudes toward, and uses of ICB service in the state.

An examination of the connectivity of current intercity bus (ICB) services with local public transportation providers in Montana (FTA Section 5307, 5310 and 5311 providers), as well as with other

transportation modes (i.e., Amtrak and Essential Air Service) was conducted. The network connectivity analysis included a review of current ICB routes and schedules within Montana. Initial data was collected through a review of ICB websites and other documentation of service providers (intercity, 5307 – urban transit providers, 5311 – rural public transit providers), Amtrak and Great Lakes Airlines. In addition, an electronic survey was developed and sent to Section 5307 and 5311 providers.

Based on the results of the data from the provider surveys, discussions with the Montana Department of Transportation (MDT) and other stakeholders, and a review of standard practice, a working definition of “meaningful connections” was developed for ICB in Montana.

The final task focused on providing a current assessment of Montana intercity bus (ICB) services and on providing a methodology that can be used to determine if ICB service needs are being adequately met. If the methodology concludes ICB needs are not being met, a process to be used to determine where new services may be implemented, and how to be implemented was proposed.

What we found

With passage and implementation of the Federal surface transportation bill SAFETEA-LU (Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users), there has been a renewed interest in intercity bus services, both on a national and statewide level. There have been several studies of intercity bus service focused on the nationwide network, and states have conducted research to better understand the intercity bus services within their borders. One emphasis of states’ research has been how to address the requirements of the Federal Transit Administration (FTA) and their program that funds intercity bus services, FTA Section 5311(f).

Of the nine rural/frontier states that

responded to the survey, six of them (New Mexico, North Dakota, Texas, Utah, Washington, and Oregon) used 15% of their 5311 funds for ICB services (the percentage was determined simply based on the FTA formula of allocating 15% of 5311 funds to support rural ICB services). Two other states (South Dakota and Colorado) used less than 15% of the 5311 funds. These two states used a grantor/grantee system to award funds. It is noted that Colorado used 14.8% of its 5311 funds in FY 11, up from 6% six years ago.

Overall, the prioritization and determination of funds for ICB projects/ services include two aspects. First, states may have identified areas (or routes) for ICB service. This was usually done through regional and/or statewide ICB studies. States conducting ICB studies to identify routes (areas) were found to use an RFP/bid system to award funds. Second, for those states using a grantor/grantee system to award funds, the general process of determining funds include three steps:

- 1) submitting proposals by ICB providers;
- 2) reviewing and/or scoring applications;
- and 3) determining funds for projects.

Washington, Oregon, and Colorado reported increased ICB services in the past two years, and Washington and Colorado also reported increased ridership in the past two years. It was unknown in Oregon if ridership has increased. The results indicate a positive effect of increased ICB services on ridership. Moreover, the survey results showed that Washington, Oregon, and Colorado have been actively promoting ICB services. Funding was the most commonly reported issue facing ICB services. Funding issues included policy on the use of in-kind match, potential federal budget cuts that could be detrimental to local ICB services, and lack of DOT support for using funding to support private, for profit companies.

The results of the two public surveys indicated a disconnect between riders (or those who are using the service), and those who haven’t used ICB services recently (the majority of those taking

the phone survey). Seventy percent of riders who are Montana residents were somewhat satisfied or satisfied with ICB frequency and routes. Conversely, 70 percent of respondents to the phone survey said that their ICB needs were not being met. This may be a case of a respondent justifying their position, e.g., “I don’t ride ICB services because they don’t meet my needs.”

The data collected does suggest, however, that there are areas of the state that could use new or additional services. In addition to new ICB services, the survey results indicate a desire for more information about ICB services and perhaps better locations for bus terminals.

In Montana, local transit agencies provide a wide variety of services including fixed route, demand response, paratransit, and ICB. The general public, senior citizens, and persons with disabilities are the primary beneficiaries of transit services. However, only a few services provide daily service to regional hubs, and connect with national or “major” ICB services. The ability to connect to major ICB services is a function of the size of the community (and by proxy, the size of its transit system), the distance from an ICB station, and the time of day that the ICB service has a departure.

The information gathered shows that approximately 44 percent of scheduled ICB departures are outside of the 7:30 am to 5:30 pm timeframe. It is therefore, unreasonable (unfeasible) for many local transit systems to make those connections. Furthermore, local transit systems may have significant travel times, based on significant distances, from a rural community to an ICB station/terminal. As noted, a definition of “meaningful connections” that recognizes the various sizes of communities, and distances between those communities in Montana, is a reasonable basis for evaluating and funding transit services in the state.

The Montana Department of Transportation (MDT) already has a process in place to review transit

providers on an annual basis to determine funding levels for the subsequent fiscal year. However, what was lacking was a triennial process (including a consultation process) to determine if ICB service needs are being met, and if not, a process to determine where service should be implemented (provided sufficient funding exists). This study provided a process to be used by MDT to address the Federal Transit Administration requirements regarding intercity bus services.

Finally, the research indicated that 29 of 31 of the largest cities (those having a population of 2,000 or more people) in Montana have access to ICB service. This access to ICB service includes direct service from a national or regional carrier, or a connection to cities with those services through local transit or feeder services.

What the researchers recommend

This research study found that there were areas of Montana that could potentially use new or additional services. Intercity bus services to these communities may meet the needs of those who indicated their needs are not being met, along with more information about ICB services and perhaps better locations for bus terminals. It is recommended that MDT use a threshold of 85 percent of the largest (most populated) cities in the state receiving some level of intercity service as the determining factor in whether the state’s intercity bus service needs are being met. Based on the 2010 Census, this threshold would be 26 of 31 cities with a population of 2,000 or more people. The 2010 Census designates 129 cities and towns in Montana, with 98 (or 76 percent) of cities/towns each having a population of less than 2,000 people.

The research team used a hierarchy of criteria to define “meaningful connections” in Montana based on the populations of communities and distances between those communities and ICB services. Connection times in the definition of “meaningful connections”

relate to “normal transit hours” which fall between 7:30 am and 5:30 pm, Monday through Friday. No connections are necessary during weekend days (Saturdays and Sundays). MDT can use these parameters as a basis for evaluating and funding new services in the state. MDT already has a process in place to review transit providers on an annual basis to determine funding levels for the subsequent fiscal year. This research study provided a process that can occur on a triennial process to determine if intercity bus service needs are being met, and if not, a process to determine where service should be implemented (providing sufficient funding exists). Currently 29 of 31 of the largest cities in Montana have access to intercity bus service. If future analyses yield similar results, it is recommended that MDT utilize a partial certification, so that unspent Section 5311(f) funds can be used for other public transportation (transit) services.

Finally, the definition of “meaningful connections” and the assessment methodology provided in this document were developed with the rural/frontier nature of Montana in mind. While it is recommended that MDT adopt the definition and methodology noted herein, these items may need to be updated in the future if there are changes to the Federal Transit Administration’s programs, specifically FTA Section 5311 and 5311(f).

For More Details . . .

The research is documented in Report FHWA/MT-11-005/8211, Montana Intercity Bus Service Study

MDT Project Manager:

Kris Christensen, krchristensen@mt.gov, 406.444.6125

Western Transportation Institute Project Manager:

David Kack, dkack@coe.montana.edu, 406.994.7526

To obtain copies of this report, contact Sue Sillick, MDT Research Programs, 2701 Prospect Avenue, PO Box 201001, Helena MT 59620-1001, ssillick@mt.gov, 406.444.7693.

MDT Implementation Status

December 2011

Implementation activities related to this study will include: 1) reviewing existing ICB services based on performance measures to determine funding allocations; (2) support the ICB services that are performing adequately and make adjustments to services that are performing below projected standards; (3) determine funding for new services based on communities with a population that can support ICB services; (4) and finally, determine whether ICB needs are being met based on the results of the assessment methodology. If it is determined that all needs are being met then MDT will utilize partial certification so that remaining intercity funds can be used for other general public transportation activities throughout the state.

For more information contact David Jacobs, dajacobs@mt.gov, 406.444.9192

DISCLAIMER STATEMENT

This document is disseminated under the sponsorship of the Montana Department of Transportation and the United States Department of Transportation in the interest of information exchange. The State of Montana and the United States Government assume no liability of its contents or use thereof.

The contents of this report reflect the views of the authors, who are responsible for the facts and accuracy of the data presented herein. The contents do not necessarily reflect the official policies of the Montana Department of Transportation or the United States Department of Transportation.

The State of Montana and the United States do not endorse products of manufacturers.

This report does not constitute a standard, specification, or regulation.

ALTERNATIVE FORMAT STATEMENT

MDT attempts to provide accommodations for any known disability that may interfere with a person participating in any service, program, or activity of the Department. Alternative accessible formats of this information will be provided upon request. For further information, call (406) 444-7693, TTY (800) 335-7592, or Montana Relay at 711.

This document is published as an electronic document at no cost for printing and postage.