
CHAPTER 8

INTEGRATION OF PROGRAM RECOMMENDATIONS INTO DEPARTMENTAL, LOCAL, AND REGIONAL PLANNING PRACTICES AS AN ACTION PLAN

This chapter addresses Task 4 of the original scope for this project, which calls for the “Integration of Study Results into Departmental, Local, and Regional Planning Practices as an Action Plan.” There are four specified subtasks which will be addressed in this chapter:

- Subtask 4.A — Methodologies and Standard Policy
- Subtask 4.B — Goals, Objectives, Policies, Measures, and Strategies
- Subtask 4.C — Section 5311(f) Program Strategy
- Subtask 4.D — Follow-Up Strategies and Application Review Criteria

Each of these is addressed in turn. The recommendations in this chapter are based on the analysis of the early chapters, the outreach findings, and the discussions with Caltrans and the Advisory Committee following the presentation of the issues and options found in Chapter 6.

SUBTASK 4.A — METHODOLOGIES AND STANDARD POLICY

Transportation Development Act Process

As part of this project, the study team undertook an analysis of TDA unmet needs statements to determine if this well-defined process is including rural intercity needs among those addressed, and if the results could be used to identify intercity needs. In addition, this review looked at the relationship of the unmet needs process to the decisions made regarding the use of TDA transit funding for local match for intercity services under S.5311(f). In general, the review indicated that there was no consistency in the way in which rural intercity needs were addressed, or in the application of definitions of adequacy or feasibility to these needs. Although the legislation is fairly specific in terms of the TDA process, Caltrans does oversee this planning effort and can provide some guidance.

Recommendation: TDA Guidance

Include in the annual guidance for the TDA process the rural and intercity transit needs among those addressed, providing definitions of intercity. The guidance should also include information on the purpose and availability of S.5311(f) funding to address these service needs. In addition, Caltrans could provide information from this study on the routes or services identified during this process as potentially having unmet needs. Finally, the guidance could include information about the existing S.5311(f) projects including farebox recovery rates, to demonstrate that intercity projects can potentially meet or exceed TDA farebox recovery requirements.

Increase Technical Assistance in Project Development, Implementation, and Monitoring

The Caltrans Rural Intercity Program currently has as its major focus a process that includes the development and issuance of an annual grant application, regional presentations regarding the application, an evaluation process (that includes staff review and then scoring by a committee), selection of projects, and contracting with the successful applicants. There are two Caltrans staff members directly responsible for this process, approximately one full-time equivalent position. In addition, District staff reporting to the DMT support the program by providing application information and screening applications before they are sent to headquarters. However, there is limited staff time and expertise to provide specific technical assistance to agencies that might consider applying, or to assist selected agencies in implementation, or in monitoring or evaluating projects once underway.

Recommendation: Provide Technical Assistance

Caltrans should provide additional workshops and technical assistance in the program, including assistance to potential applicants as they develop projects to help them adequately address program goals (such as assisting them in the development of routes and schedules that provide for meaningful connections, and in developing estimates of costs and revenues). In addition, the Caltrans technical assistance role should provide technical assistance in dealing with implementation issues, such as obtaining proper regulatory authority, or working out interline and terminal license agreements, etc. Finally, the Caltrans role should include expanded monitoring to allow staff to perform site visits and ensure FTA compliance with both the general regulations and those specific to S.5311(f).

Given that the existing staff with intercity expertise is essentially fully utilized, and that the District staff has limited expertise with regard to these types of projects, Caltrans could address this recommendation by procuring outside technical assistance from consultants or others, or by defining additional positions. At the moment, the national Rural Transit Assistance Program (RTAP) has the ability to provide some expertise in the development of interline agreements and meeting FMCSA requirements, and this is available essentially without cost to the state. Beyond that, it is likely that support for specific additional positions will need to be developed by demonstrating the amount of work involved, and that is probably best done by contracting for consultant technical assistance/monitoring.

Another aspect of providing technical assistance is to continue providing S.5311(f) planning funds for local studies that develop projects that address program goals. A number of such studies were reviewed for this project, but some were not directed to the examination of intercity needs and the development of intercity projects per se, but rather had a more general regional transit focus. Caltrans rural intercity program, with its revised goals and definitions, will be in a position to provide a general outline for a rural intercity study, guidance on what constitutes rural intercity service, the role of connectivity and how to design it, information sources, planning tools or techniques, and data sources. This study will also provide information on unmet needs.

Therefore, Caltrans should continue to fund rural intercity planning projects, but work to ensure that they are focused on intercity goals and projects. This may require more staff participation in study scope development and as part of the project advisory or review committee.

A related aspect of increased technical assistance addresses the potential for assisting applicants to participate in the Greyhound Rural Feeder Program, or in joining the NBTA to be able to offer interline ticketing. Currently the national RTAP program is able to make available specific technical assistance with these areas. Caltrans should determine the best way to offer this assistance to its grantees and applicants, whether through CalACT meetings, special workshops, or even site visits. Caltrans guidance on this should note that the costs of interlining—possible increases in insurance, a special printer, ticket stock, etc. are eligible S.5311(f) project expenses.

Intercity Needs as Part of the Public Transit-Human Service Transportation Coordinated Services Planning Process

Caltrans is currently initiating a state-wide effort to develop the Public Transit–Human Service Transportation Coordinated Services plans required by FTA as part of Section 5310 (Elderly Individuals and Individuals with Disabilities Program), Section 5316 (JARC Program), and Section 5317 (New Freedom Program). Early guidance from FTA included intercity bus transportation needs as a potential need to be identified in this planning process, though the final guidance did not explicitly include intercity needs.

Recommendation: Include Rural Intercity Needs in the Assessment

While these plans do not specifically address intercity bus needs, this process represents another opportunity for local communities to consider if their residents have adequate connections to urban areas and the national transportation network. While these plans are intended to develop strategies to address identified needs, and potentially projects under the three programs that they specifically address, raising the need for long-distance transportation to regional centers and transportation hubs could help identify projects that might be appropriate for S.5311(f) funding. It should also be noted that a potential strategy for addressing such needs by human service clients could include purchasing tickets for human service clients on available intercity services, or using human service transportation funding as revenue for a S.5311(f) project, or as part of the local match. S.5311(f) services are required to be open to the general

public, but agency clients could certainly be among the riders, and agency funds could be used to help provide the availability of a service that addressed intercity connectivity and needs for long-distance human service trips.

Intermodal Terminals

The analysis of connectivity conducted for this project revealed few places where the various intercity passenger services connect, much less where the schedules are designed to facilitate connection. The ability of passengers to use all of these services as a network would be greatly enhanced if they served common facilities, so that transfers between modes and carriers could be made in the same facility. As it is, in many cases rural feeders will need to make multiple stops in a destination city to connect with different intercity bus carriers, local public transit, or rail services.

Recommendation: Pro-Active Policy Favoring Intermodal Facilities that Include Intercity Bus Services

While the DMT does not have a major role in the development and operation of intermodal facilities (except through S.5311(f)), the rail passenger program is involved in the development of facilities to serve its rail passenger and feeder bus services. Caltrans should articulate a policy favoring the development of intermodal terminals that include the private intercity bus operators and the S.5311(f) services as well as local public transit, Amtrak feeder buses, Amtrak, and other rail passenger services. This is not a change in policy, as this goal is reflected in the Caltrans S.5311(f) Intercity Bus Program guidance regarding facilities, and in existing Caltrans statutory guidance. It is understandable that each project is unique, and the inclusion of various providers involves a host of issues including site location, capacity, operating arrangements, and cost—but it should be clear that the state policy is that these publicly-funded facilities should be comprehensive transportation centers including both public and private providers of service to the public.

FMCSA Compliance

As previously discussed, several current S.5311(f) recipients provide service across state lines, and some recipients of S.5311 funding only provide interstate service. The current Caltrans Intercity Bus Program guidance refers applicants to the FMCSA website to determine if there are FMCSA requirements for their services, but it does not require that the operators have the correct operating authority and registration. If they do not, they are potentially exposed to enforcement actions by the FMCSA, and possibly would face liability if an accident occurred on one of these routes and an injured party found that the operator did not have appropriate authority. In addition, if the program is revised to encourage operators to enter into formal interline agreements with Greyhound or other carriers, they will require that their interline partners have appropriate FMCSA authority, insurance, and registration to be carrying persons making interstate trips (even if the vehicle does not cross the state line).

Recommendation: Require that Applicants Have Appropriate Authority

This recommendation would change the language in the application to require compliance with FMCSA for any interstate services funded with S.5311(f). Caltrans will need to provide for more technical assistance to work with providers on determining what authority they need, and the appropriate insurance requirements. These requirements vary with the size of the vehicle, whether the agency is a public entity or not, and whether the entity is a recipient of FTA funding or not. It is further complicated in California by Highway Patrol regulations that require a contractor to have authority (as they employ the drivers, schedule them, and monitor their logs), so it is not strictly the case that the operator obtains the authority.

An applicant not already providing interstate service is not likely to go through the regulations to determine the appropriate steps prior to winning a grant, so the application should be modified to include a question about the applicant's understanding of the need for FMCSA authority and demonstrating their intention to obtain whatever is required. The application could provide a limited summary of the requirements, though the most understandable comprehensive guidance requires a complete Transit Cooperative Research Program (TCRP) synthesis publication. It is likely that Caltrans staff will need to become familiar with these regulations. If a subrecipient with a S.5311(f) contract is required to have FMCSA authority, Caltrans should followup after grant award to make sure that it was obtained.

SUBTASK 4.B — GOALS, OBJECTIVES, POLICIES, MEASURES, AND STRATEGIES

Revise Program Goals

The current Caltrans S.5311(f) State Program Emphasis states:

“In California, the primary emphasis of the FTA Section 5311(f) program is to support the three National Objectives. The project should emphasize coordination and connectivity by providing a meaningful connection, with and between multi-transportation modes such as airport, rail, water (ferry/taxi), and local transit (bus and/or taxi) between non-urbanized areas and urbanized areas.”

This emphasis does not define “meaningful connection”, and it does not clearly focus on the federal goal to provide connections from rural areas to the national network of intercity bus service. The connection to this federal goal is indirect, as it is listed as Objective #1 under National Program Objectives.

The assessment of connectivity to the national intercity bus network reveals that this National Objective is not being met, and that many of the projects must have been designed to address the State Program Emphasis without reference to the National Objectives.

Recommendation: Revise Language to Make Clear that the Federal and State Program Emphasis is Connectivity to the National Intercity Bus Network

Change in Primary Program Emphasis

The FTA guidance found in FTA C 9040.1F, Section 7 makes clear that for projects to be eligible for this funding: “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 FTA guidance goes on to note that a meaningful connection means both service to the intercity bus station or terminal, and scheduling with regard to intercity bus timetables. Service that only incidentally stops at an intercity bus terminal among other stops in a destination city without regard to schedule connections is not eligible for S.5311(f). Therefore, a recommendation for a change in language for the Caltrans program State Program Emphasis:

In California, the primary emphasis of the FTA Section 5311(f) program is to support the three National Objectives. The project should demonstrate that it will address Objective #1 by providing for a meaningful connection to the national network of intercity bus services wherever feasible, and as a primary aspect of service design. Projects achieving this objective may also be designed to offer connections to other modes or meet broader transportation needs between non-urbanized areas and urbanized areas, addressing the other National Objectives.

Definition of Meaningful Connection

In the following section on Eligibility, additional guidance can be provided regarding the definition of Meaningful Connection:

Meaningful Connection to the national network of intercity bus service: Services funded under this program should be designed to provide service to the same physical location served by intercity bus carriers (either into the station grounds or bus docks, or the street immediately adjacent to the facility), on schedules that would require that an outbound connecting passenger wait no longer than two hours before being able to depart on connecting intercity bus service, or inbound connecting passengers would not have to wait more than two hours for a departing rural intercity service funded under this program.

National Network of Intercity Bus Service: Intercity bus services operated by firms that are members of the NBTA. In California this includes Greyhound Lines/Cruzeiro and Orange Belt Stages.

Feasibility of Meaningful Connection

The FTA guidance requires the meaningful connection **wherever feasible**. It is possible or even likely that Caltrans will receive applications in which the extra distance required to connect with an NBTA carrier makes the project infeasible (the higher costs could not be funded by the available local match plus federal funding, for example). Or no service design could be developed that would allow passenger connections without overnight stays. Or service designed to provide for a direct connection to the national network would result in the driver exceeding the

ten hour limit on the hours of service, requiring a second driver (and rendering the project financially infeasible). The applicant will need to make the case that such a scheduled connection is infeasible in order to justify a project that addresses the other National Objectives, but does not provide for the meaningful connection to the national network of intercity bus service. This might be done by demonstrating that because of the places served, only connections to other intercity modes or carriers, or to other destinations or on different schedules, are feasible. But the guidance will need to shift the onus of demonstrating infeasibility to the applicant to overcome this shift in emphasis.

Schedule Window for Meaningful Connection

The proposed language has suggested that the schedule window for a meaningful connection be a four-hour window around a scheduled arrival/departure of a national network bus, with the rural feeder arriving no more than two hours before the scheduled connection, and leaving no later than two hours afterwards. This window is based on recognition that buses can be late (both intercity and rural intercity feeders), and that S.5311(f) recipients do not have the funding to offer a guaranteed connection (like California's Amtrak feeder buses), which would be optimal. It is possible that a broader window may be needed to make more projects feasible, as rural operators may need to offer more time at the destination to attract additional riders who are not making the intercity connection.

Service Design to Address Additional Markets

Program guidance could also include language to the effect that:

If a meaningful connection is provided (or is determined to be infeasible), eligible projects may also include service to other points in a destination city, including stops at other modal terminals (other bus carriers, local transit, rail passenger terminals, airports) or other key destinations (such as a major medical facility).

In the examination of S.5311(f) funded projects around the country, it is apparent that rural services designed only to provide the FTA required meaningful connection may not have sufficient ridership to support continuation. The most successful of these projects provide the meaningful connection to the national intercity bus network, and offer stops at other modal terminals, and serve other needs (by stopping at major medical facilities, for example). Project design, including routing and scheduling, to provide both for the meaningful connection and serve other needs, can be difficult. The Caltrans program will need to recognize this by allowing for services to address these additional markets, if the meaningful connection is successfully addressed.

Commuter Service

Another issue to be addressed in the program guidance is the specific federal ban on funding commuter service under Section 5311(f). The existing guidance makes this quite clear, but there are applications (and some funded projects) that are clearly designed to serve commuter trips. The definitions of commuter service to be found in various publications do not lend

themselves to the definition of a specific test. In general, commuter services are provided during peak hours, with increased frequency in the peak direction, to serve daily work and school trips. Key destinations would be major employment sites, schools, and transportation hubs. The reason FTA placed this restriction is because there are other federal funding sources that can be used to support work trips, including S.5311, S.5307, JARC, and CMAQ—but none other for rural intercity service. The absolute test of whether a service is a commuter service is survey data regarding the percentage of passengers whose trip purpose is work or school.

Caltrans has already attempted to address this issue in its Cycle 25 awards by providing S.5311(f) funding only for the portion of a service that is not deemed to be commuter service, either based on the percentage of anticipated commute riders, or on the service schedules. If a service can provide work trips incidentally while also meeting the meaningful connection requirement, it may be one way of making an overall project feasible (including the need to obtain local support for providing match)—but the Caltrans approach may be appropriate in a case where an applicant has designed a service that provides for a meaningful connection mid-day only, and additional trips are included in the morning and evening peaks (to serve work trips). In that case the cost of the work trips should be covered by some other funding source.

Additional Definitions

The study process has requested that one result be more precise definitions for many of the program eligibility requirements. However, as we have already noted, the FTA has generally avoided specific definitions of terms such as “meaningful connection”, “commuter service”, “limited stops”, “not in close proximity”. It may be easier to focus on whether or not a project meets the test of the meaningful connection to the national network of intercity bus services, or to what degree it does, than to attempt to quantify definitions to be able to exclude projects as ineligible. In a sense setting such thresholds is likely to be arbitrary, and will result in a frequent need for applicants to justify their exceptions. However, some additional efforts at defining terms related to this program may make it easier for applicants to design appropriate projects, or project evaluators to detect projects that should be funded by other programs.

Recommended Definitions

The definition of meaningful connection was presented above. It represents a threshold definition in terms of defining the connection in terms of a physical location and a schedule. The level of connectivity of a project could be higher, with projects offering a higher level of connectivity scored higher:

Fully Connected Rural Intercity Service

- *A fully connected service uses a common terminal (can enter the property with a terminal license) with a carrier that is part of the national network, and within the facility, signage and other information is available to customers about the connecting service.*

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- *Services are scheduled to require no more than a two-hour wait for outbound or inbound passengers.*
 - *Interline service agreements between the feeder and the intercity carrier allow through tickets to be issued, and provide for baggage liability.*
 - *Schedule, fare and other information is available to both local and distant users.*

Evaluation of projects should provide full points to projects offering full connectivity, with scoring adjusted downward on projects offering partial connectivity—i.e. if connections are offered within three hours, or within five hours, or only the same day, etc.; or if information is provided only to local riders, or if there are no interline agreements and there is separate ticketing. A rubric could be developed to assist scoring, if Caltrans desires.

Another characteristic of an eligible intercity project would be that it has limited stops:

Limited Stop: Service stops only at key transfer points and major activity centers (urban areas) along the route, as contrasted with numerous local stops spaced at regular intervals along a route (e.g. stops every block, or half-mile). For an intercity service a minimum distance between stops outside the destination zone could be set at one mile.

An issue that arises in part from federal guidance is the question of how many stops an intercity service might be allowed in a destination city before it becomes a local public transit service. A possible definition:

Maximum number of stops at destination: Five = intercity bus station, Amtrak station, airport, transit transfer point, major hospital.

These definitions, if adopted by Caltrans, should be included in the application and provided to the evaluators as part of the scoring procedures. Potential applicants should be made aware of them through workshop presentations, in the application and associated guidance, and through technical assistance in project development.

SUBTASK 4.C — SECTION 5311(F) PROGRAM STRATEGY

Recommended Section 5311(f) Intercity Bus Consultation Process

As called for in the revised FTA Circular C 9040.1F, Nonurbanized Area Formula Program Guidance and Grant Application Instructions, Chapter VIII, Intercity Bus, 4. Consultation Process Requirements, California would incorporate additional steps into its annual S.5311(f) program process to make sure that full consultation is provided. It should be noted that California has not ever certified that there are unmet intercity needs under this program, and that this process is not being conducted as part of a process that would anticipate certification.

The California process includes the following elements:

- 1) **Identification of intercity carriers:** This would involve use of Russell's Guide, the California Public Utilities Commission, Yellow Pages, the Bus Industry Directory, and the California Bus Association membership list and other public sources to develop a list of carriers licensed to serve the state which should be consulted. The private for-profit operators of OTRBs who are part of the national intercity bus network by virtue of interlining with Greyhound, are most easily identified through Russell's Guide and the Greyhound website. Other potential operators could include intrastate carriers (such as airport or tour operators) registered with the Public Utilities Commission or airport management. Finally, it is obvious that there are a number of operators focusing on the Hispanic market, some of whom advertise in local papers and phone books. Any or all of these may be providing service that would meet the definition of intercity. The carriers providing regular-route intercity service have been identified as part of the current statewide intercity bus study, but the annual consultation process will revisit this list.
- 2) **Issuance of a solicitation document:** All of these carriers, plus local/regional transportation planning bodies, and local/regional public transportation providers, will be sent a document explaining the S.5311(f) program as implemented in the state, including the service types it covers, the types of funding available, and requirements on providers (PUC registration, USDOT number from the FMCSA, proof of insurance, etc.). This solicitation should include questions regarding existing services provided by the carrier, and potential needs for assistance in different categories. Opinions about unmet needs for service (for example, a new route between A and B), capital/facilities (for example, accessible buses or intermodal stations, etc.), and marketing/information should be solicited. Intercity/regional needs identified by transit operators or in regional plans should be included. This is a general solicitation, and is not a specific request for funds. Respondents should be asked to respond in any case, either indicating an interest in receiving a grant application, or noting that they have been contacted, but are not interested.
- 3) **Compilation of a report:** This information should be compiled in a report summarizing the responses, and reviewed by Caltrans. Caltrans should develop priorities among the suggested intercity needs that it can identify as more likely to receive funding. Caltrans priorities are being developed as part of the statewide intercity bus plan, and will generally include:
 - Maintaining a minimal level of existing intercity services (one daylight round-trip per day, for example) on the existing identified network.
 - Restarting or replacing service linking rural areas that formerly received intercity service with the remaining intercity network, if identified as high or moderate needs areas and included on the defined state network (as developed in the plan).
 - Providing new regional feeder services connecting rural areas with remaining intercity service points, where identified based on the identified state network.

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- Providing vehicle capital that will benefit California residents by supporting continued intercity service (through improved attractiveness, reliability and reduced maintenance costs) and increasing accessibility for people with disabilities.
 - Providing information or marketing of existing and new intercity services and connections with local transit or other modes.
 - Service to intermodal terminal facilities (in rural areas or in urban areas in proportion to the amount of service coming from rural areas) linking local transit, intercity bus services, Amtrak (or other) rail passenger service, and airport ground transportation.

These are being developed in the current plan document, and could well involve further refinement or modification in future years. This list, in priority order, focuses first on maintaining existing service, then on getting back access that has been lost, then on elements that would support the entire network such as buses, information, and terminals.

Caltrans is currently completing a statewide planning study that includes analysis of potential intercity need based on demographic data including overall population, demographics reflecting the transportation disadvantaged, population density, existing and past services, potential demand, and connection opportunities. It will further define these policy goals, and will be available for consideration by those firms or systems receiving the solicitation.

- 4) **Distribution of the S.5311(f) Intercity Program Application:** Caltrans has an annual grant application specifically for this program, and it would then be distributed to any respondents requesting it or showing interest. Along with the application, additional material on the results of the solicitation and state priorities will be provided, along with the forms specifically tailored to the program. Compliance requirements ranging from audit to drug and alcohol testing, should be clearly spelled out as part of this application or supplement.
- 5) **Solicitation of proposals:** The application should be sent to interested parties, as identified from the initial solicitation.
- 6) **Conduct a meeting:** Caltrans currently conducts regional meetings presenting the program and the annual grant application. Interested parties, including the self-identified private carriers, would be invited to any of the meetings conducted by Caltrans staff. At the meeting, previous input, state priorities, the grant application, and compliance requirements would all be presented and discussed. It may be necessary for Caltrans to provide for additional technical assistance or information in response to individual requests, and the state would do that (as it does now).
- 7) **Document consultation process:** The results of the above steps will be documented in terms of the firms contacted, their response (or lack of it), who requests applications, who attends the meeting, and who eventually replies.

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- 8) **Evaluate resulting project applications** : This would involve a process that Caltrans is already performing, with some additions to reflect the results of the consultation process. It could involve follow-up interviews.

This overall process is conducted every year, though potentially the statewide plan process underway may recommend a shift to a two-year cycle, in that case the process would take place as part of the new revised grant cycle.

Limit Capital Project Eligibility

The current Caltrans program has a funding cap of \$200,000 per project per year, in part to keep the limited funding from being consumed on a very limited number of projects. In addition, it has been noted that facility capital projects have sometimes had only a tangential relationship to rural intercity services (e.g. fencing for a bus garage that maintains some vehicles used in S.5311(f) service as part of an overall fleet). Given the apparent unmet service need identified in previous chapters, and the estimated additional costs of meeting this need, a Caltrans policy change is recommended.

Recommendation: Limit Capital Project Eligibility

This recommendation would change the program guidance to eliminate facility capital as an eligible category for the California program. Existing facility projects for which a commitment has been made will be grandfathered in, eligible to keep receiving annual funding (assuming the projects meet all other requirements). There would be no additional projects, no maintenance facilities (except for incremental costs specifically related to rural intercity service).

Thus, under the revised program, eligible capital projects would focus on items that directly support rural intercity services:

- Vehicles
- Signs, benches, shelters (only at intercity stops in rural areas)
- Computers/printers/software and communication equipment specifically for rural intercity services

For the most part, the substantial investment in intermodal passenger facilities should be made in Urbanized Areas, where there are multiple modes (intercity bus, rural bus, local public transit, passenger rail) that could and should connect, and the scale of the services provided warrants off-street facilities. A possible exception to the restriction on using S.5311(f) for intermodal facilities could allow the use of this funding for aspects of an intermodal specifically required for the rural intercity project to offer connections, such as funding for a bus bay, a shelter, signage, etc. Another factor is that other sources of funding are available for intermodal passenger facilities in Urbanized Areas.

With regard to maintenance facilities, rural intercity services at the scale permitted by an annual funding cap are seen to be incremental services involving additional vehicles or service hours operated by a provider that is also operating other services. Construction of facilities

specifically to support S.5311(f) service would not generally be warranted, and again, other sources of funding are available.

Increase the Per Project Cap

Currently there is a per project cap of \$200,000 under the existing program, designed to ensure that a limited number of large projects do not consume all the available funding. However, this amount may limit the ability of applicants to serve long routes, or to offer additional frequencies. Some applicants have requested specific exceptions.

Recommendation: Raise the Cap

A recommended short-term change would be to raise the cap to \$300,000 per project.

State Program Network Information Initiative

This program recommendation relates to the finding that although the combined networks of the various providers offer coverage, they do not constitute a usable network. The mobility of California's travelers could be greatly enhanced if there was a single source of information on all the intercity services, particularly if it included software to facilitate trip-planning. The developing trip planner platform offered by Google suggests that a possible way to achieve this information system at relatively low cost would be to fund an entity to upload and maintain intercity service schedules, fares, and stop information in the format needed by Google (or other web sites if they also wish to offer a comparable transit information service). Without a sponsored, dedicated effort to include all this information and maintain it, users would likely find partial and obsolete information. They would quickly determine that this is not a useful information source, and mobility would not be enhanced.

Recommendation: Fund a Statewide Intercity Information System

It is recommended that Caltrans fund a statewide effort to improve the information available about the intercity bus services and the rural feeders funded under S.5311(f). This would consist of three projects:

- Dedicated statewide collection, formatting, and uploading of intercity service data to internet trip-planning sites,
- Provision of printed timetable and route information about the rural intercity services, and
- A statewide trailblazer sign program to direct passengers to intercity bus terminals.

The first project would involve contracting with an entity to collect, upload, and maintain intercity transportation schedule, fare, and stop data to support the usable operation of an intercity trip-planning component of Google Transit or any similar internet trip-planning site. This could be accomplished directly, through a Request for Proposal (RFP) from Caltrans DMT utilizing S.5311(f) planning funds, or somewhat more indirectly by funding an application from a provider interested in performing this function or contracting for it. Some public transit

operators are already performing this function, and if those are providers of S.5311(f) services this project would not need to include their information. In addition, it would make sense for the Caltrans intercity rail passenger program to provide its service data, and potentially this project could be a joint effort.

A related, and less costly recommendation is that any S.5311(f) funded service be required to publish its schedules in Russell's Guide, and that it provide public timetables showing its intercity services and their intercity bus connections. Caltrans should publish a combined timetable of its funded services that could be distributed at/through intercity bus stations, including a map. Ideally distribution of this folder would be through the same channels as Amtrak California brochures (they are everywhere).

The third component of this activity would be funding the installation of trailblazer signs statewide to direct potential passengers to the intercity bus stops and terminals. A number of states have done this, and it would help passengers find stop locations as well as serve as a kind of marketing announcing that such service is available. This project would likely need to be conducted with the Districts, and incorporated into the general signage procedures for state highways. It could be funded as a S.5311(f) capital project, if the state sign program could not absorb the costs. Ideally the signs would include information on the carriers served at the stop, and the signs would have a common design/logo.

Explicitly Permit Operating Funding Beyond Third Year (No Set Time Limitation)

In practice the program already permits a project to receive funding for a fourth year or more, if the application is selected in the current round. However, many potential applicants are unaware of this. In addition, Caltrans has a concern about continuing to fund projects that do not perform. Revisions to guidance could address both of these issues.

Recommendation: Permit Successful Projects Continued Funding

This recommendation would include two aspects. One is publicizing that there is no longer a limit on the number of years that a project may receive funding, if it is meeting program goals. The second aspect is addressed elsewhere in terms of changes to the application and project scoring that would collect more defined data on project performance. Criteria would be added or included in the evaluation scoring sheet that would make it easier to determine if existing projects have ridership, and if the trend in performance is up, down, or steady. Existing projects that have low performance would receive low scores, and funding would not be awarded. A criteria addressing the past performance of the applicant in meeting other program management requirements (FTA compliance, connectivity, FMCSA, grants management/reporting, etc.). Again, unsatisfactory ratings would reduce the chances of receiving continued funding.

Another suggestion was related to the need to complete the entire application each year. A recommended means of addressing this would be to allow continuation projects, after an initial year and a site visit, to apply for two years, with reduced application/reporting for the second

year. The reduced application would show the new budget, and the basic project description, ridership, and performance data, and would note any changes in the service.

Create a Caltrans Program “Pilot Project”

As previously described, FTA currently has in effect a “Pilot Project” funding option permitting S.5311(f) applicants to count the value of the capital used (at 50% of the fully-allocated cost) in unsubsidized connecting services as “in-kind” match for operating projects. This approach is particularly of benefit in states where there is no state match provided for public transit, and it is extremely difficult to obtain local match for services in multiple jurisdictions. California is somewhat more fortunate in having the TDA program to provide funding to local areas for use as federal match, though in practice it is treated as if it is local funding. The disadvantage for the overall S.5311(f) program is that this “Pilot Project” funding method essentially provides federal funding for the entire operating deficit of the S.5311(f) portion of the project, so the federal share for California would in effect rise from 55.33 percent to 100 percent, consuming the limited funding more quickly. At the same time, this offers a tool that could be used to fund some projects for which there is no hope of obtaining local match—such as projects submitted by private firms.

Recommendation: Caltrans S.5311(f) Pilot Project

Caltrans guidance for the coming project year should describe this funding option and offer it as a state “pilot project”, initially limited to one or two projects. It should be for new services only, so that existing S.5311(f) grantees do not simply shift current projects to a funding source not requiring local match. In order to keep the projects from using too much federal funding, it is recommended that there be a cap on the federal share of \$300,000 per project per year. The criteria for selection should include whether it meets unmet need, has interlining/connectivity with a sponsoring carrier, the application includes a demonstration of inability to find other sources of local match, and projected performance. This pilot would initially operate as a grant program, similar to other projects, but with modified budgets and reimbursement forms (i.e., Caltrans would not contract for service directly). Applicants would need to be warned that this is a federal project currently limited to two years, and that reduced federal funding ratios might apply in the future. It might well be viewed as a way to start a project to demonstrate its viability in order to obtain local match in the future.

Potential Use of Funding Based on SB 45 and the IRRS

Previous sections of the study have noted that SB 45 designates a network in California as the Interregional Roads System, a network of state responsibility to ensure the movement of people and goods throughout the state. State funding is associated with this network, and the language of the legislation supports the provision of transportation services over this network. As part of this study, the existing intercity network was compared to the IRRS, Focus and High Emphasis Routes to determine the relationship between these networks. The Conceptual Network of intercity services was also compared to this network. The comparison suggests that many of the conceptual routes not currently served are actually on the IRRS, and the potential

exists for providing state funds under this program to use as local match or funding to initiate new services in these corridors.

Recommendation: Develop Potential Use of SB 45 Funding for Intercity Bus Services

The possibility of linking the IRRS and the intercity network to obtain additional funding for the rural intercity program is worth further exploration. As seen in analysis of funding in previous chapters, many of the conceptual routes could be addressed without a large amount of funding, and so the possibility of this source should be explored further. If such state funding were to become available, it would require some changes in the program to determine if the funding would be spread among all the projects (on the IRRS), perhaps by having the state provide half or all the local match, or if it would be available only for the new projects with the existing network expected to continue local match as a maintenance of effort.

SUBTASK 4.D — FOLLOW-UP STRATEGIES AND APPLICATION REVIEW CRITERIA

Revised Evaluation Criteria

Currently (Cycle 25) the evaluation framework for S.5311(f) proposals uses a scoring sheet that requires each reviewer to assign points reflecting their review of the proposal in four areas. Each area has three questions which can be scored from 0-12 points, and descriptive criteria are provided for each four point increment for each criterion. A perfect application would score 144 points (36 in each of the four sections). In the current evaluation sheet, up to 12 points can be awarded for an application that supports one (any one) of the three National Program Objectives (one of which is a meaningful connection to the national network of intercity bus services), and 12 points can be awarded for fully supporting the State Emphasis (which is currently multi-model connections from rural areas to urban areas). Section III addresses Connectivity, Coordination, and Continuation. One of the three criteria in that section is “Demonstrated system connectivity-directly and/or indirectly”, which is worth 12 points. A second criteria is “Identified efforts to coordinate meaningful connections” also worth 12 points. The evaluation levels for these two criteria do not have any specific tests as to what constitutes a meaningful connection. Given the lack of specific tests and the low weight on these criteria, it is possible that projects with limited or no connectivity could be selected, if they score well on the other sections.

Recommendation: Revise Scoring to Reflect Specific Definitions

Given the proposed shift in the State Program Emphasis and more specific definitions, it is recommended that the project evaluation form be revised substantially to increase the weight given to the provision of a meaningful connection to the national network of intercity bus service (or to the most meaningful connection possible if that is not feasible). One complete section would be dedicated to the project description, anticipated or actual ridership, etc. A second section would be focused on the State Program Emphasis and the National Objectives. A third

section would focus on the budget and actual or anticipated performance. A fourth section would address the criteria regarding service maintenance, project management, local support, public outreach, and planning support. The review would be a two-part review, with a minimum threshold score for the first two sections—if the application does not provide an adequate description to allow assessment, it would not need to be reviewed further. If it did not address the meaningful connection adequately, it would not need further review.

Project Description

This section would be revised to include the current Section I.1, and the Section II.1 and 2 criteria would be combined. A new criterion relating to project information, would be included to reflect whether or not the application had a clear and understandable table or matrix providing basic information about the proposed service. The matrix would be included in the application. This would include:

- The route—text description and map,
- Planned stops,
- One-way route length,
- Schedule and frequency,
- Applicant name and contractor names (if any),
- Proposed vehicle type,
- Vehicle seating capacity,
- Vehicle ADA compliance,
- Vehicle baggage capacity,
- Fares,
- Planned annual total vehicle miles,
- Planned annual revenue vehicle miles,
- Planned annual total vehicle hours,
- Planned annual revenue hours,
- Total operating cost (from budget),
- Total estimated farebox revenue,
- Farebox recovery,
- Local match, by source,
- Actual (from previous year) or estimated ridership,
- Actual or estimated average revenue per trip,
- Actual or estimated net cost per trip,
- Average passenger trip-length (passenger-miles)

In an initial transition year these data would be collected and compiled for the reviewers in a spreadsheet. The rating would be based on the ability of the applicant to provide the data, and the plausibility of the information. In subsequent years, an additional criteria addressing anticipated performance would apply Unsatisfactory-Exceptional rankings to the levels of key performance measures:

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- Anticipated or actual load factor (passenger-miles/seat-miles)
 - Farebox recovery for this service
 - Net cost per passenger trip (over or below a defined threshold)
 - Local funding support
 - Cost per hour and/or cost per mile

The primary performance comparison would be the farebox recovery. All rural intercity services would be compared only within intercity projects (intercity typically has higher farebox recovery, low boardings per hour or mile, high load factors)—and not with other S.5311 projects.

At the moment the lack of consistent data make setting the thresholds difficult, and the thresholds could well vary from year to year depending on the demand for funds and the anticipated performance of the applicants for that year.

Project Addresses Conceptual Network/IRRS or other Regional/Local Plan

This would be an additional criterion added in the Project Description section providing for additional points if a project addressed a need defined in the Conceptual Network on this plan or utilized the Interregional Road System designated under SB 45 (if this was determined to offer potential funding). “Unsatisfactory” would mean it had no relationship to any existing planning effort, “Satisfactory” would mean it was included in one of these, and “Exceptional” would be a project identified in a local plan, in the Conceptual Network, and on the IRRS.

Meaningful Connection

With regard to the meaningful connection criteria, the definitions of Unsatisfactory, Satisfactory, and Exceptional would be keyed to the definitions of connectivity described above. Lacking evidence of any connectivity **to the intercity bus network** would result in an Unsatisfactory rating. A service proposal showing a meaningful connection (defined in terms of service to the intercity bus terminal point and schedules resulting in no more than a two hour wait for inbound or outbound passengers) would be satisfactory. A full interline ticketing arrangement with inclusion in the intercity carrier’s information systems would be Exceptional. This could combine the criteria on the State Emphasis and Demonstrated System Connectivity in one 24 point question. The third criterion in that section would address the other National Objectives regarding support for meeting intercity mobility needs of rural residents, and support for network development.

Existing Projects to Get Follow-Up Site Visits

Currently Caltrans DMT headquarters staff does not do systematic follow-up site visits to determine if the project was implemented as described, whether changes are needed, etc. FTA compliance reviews are performed by other staff, and they address a more limited menu of specific compliance requirements, rather than seeking to determine if a project is actually meeting the intended purpose.

Recommendation: Scheduled Site Visits

It is recommended that DMT staff, or consultants if needed, schedule periodic site visits to determine how projects are working. This would provide technical assistance, monitor the projects, determine if project goals are being met, and allow DMT to learn about good ideas that are working, as well as potential issues or problems. These visits could be coordinated with compliance site visits performed to meet FTA oversight requirements.

Stakeholder Input

There are currently two groups of stakeholders that have a significant role in the administration of the S.5311(f) program. One is the Bus Improvement Committee, which has functioned as the advisory committee for this study. This group has provided advice on program policies and management for a number of years. The other is the Evaluation Committee, a group that reads and scores the grant applications.

Recommendation for Continued Stakeholder Input

It is recommended that the Bus Improvement Committee continue to work with the DMT to refine and develop the program. Its composition should include representation from the private intercity bus industry, rural transit operators, the Districts, and the Amtrak program. Rural transit operator representation should reflect geographic equity, with representatives from different regions. Rural transit operators should be represented on the Evaluation Committee as well, though rural operators who are current or potential applicants would need to be excluded because of the conflict of interest. Because of the increasing emphasis on having a meaningful connection, representation from the national intercity bus network providers on Evaluation Committee might also make sense as long as these firms are not applicants.

ACTION PLAN

A preliminary plan for implementing these recommendations would involve activities over the next several years. In this case the Immediate Short-Term items are likely to take place over the next 18 months, the Medium-Term items would start during this period, but would likely take place over a three- to four-year period, and the Long-Term agenda items could begin in the near-term, but would likely be ongoing over a longer time horizon.

- Immediate Short-Term:
 - Revise application regarding goals, definitions, eligibility, etc.
 - Initiate Consultation Process
 - Revise workshop/outreach materials
 - Revise scoring rubric and materials
 - Initiate Pilot Project opportunities

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- Medium-Term:
 - Initiate Statewide Intercity Information Program: Develop RFP, contracting process
 - Initiate Statewide Trailblazer Sign Program
 - Policy guidance through TDA program
 - Technical Assistance efforts

 - Long-Term:
 - Policy efforts in support of intermodal terminals
 - Inclusion of rural intercity in any efforts to develop additional sources of state match, either as part of the SB 45 IRRS network, or with new legislation

 - Minimum rural representation on FTA S.5311(f) grant evaluation committee