

Introduction

On November 16, 2022, the Texas Department of Transportation (TxDOT) Public Transportation Division (PTN) conducted a webinar for Intercity Bus (ICB) Program stakeholders. The purpose of the webinar was to discuss the background and current state of ICB funding and address key questions. TxDOT-PTN opened a consultation period, so stakeholders could contribute their valuable comments. A copy of the webinar presentation accompanies this document.

The table below outlines all the submitted comments during the consultation period (November 16, 2022 – January 13, 2023), with a TxDOT-PTN response for each comment. All comments were condensed from original format for brevity and for the benefit of the reader.

#	Stakeholder Comment	TxDOT-PTN Response
1)	<p>One idea would be to leave 10 - 20% (up to \$2.62 million) in the ICB program for varying, specific needs that may come up in certain geographical areas of the state (some areas have a greater need whereas other areas may have very low to no need). Take the remaining 80 - 90% and place in the rural area 5311 program and distribute to all 36 RTDs using the existing formula. Run this process for two years to determine what [ICB-specific] needs may arise, and if none do, transfer the entire balance to the rural area 5311 program in year 3.</p> <p>This will help with the transition from CARES funding, inflationary pressures, and the need to pay employees more due to rising demand for service, fewer job applicants in the market, extreme wage competition between transit and other industries, and many companies offering flexible and remote work when the transit industry cannot.</p>	<p>TxDOT-PTN will consider this approach, specifically the possible retention of a portion of funds in order to meet critical needs identified since the last call for projects.</p>
2)	<p>While Title 43 of the Texas Administrative Code 31.36 allows for the transfer of excess intercity bus transportation funds to the 5311 rural formula program is there some of benefit or other funding offset available to the small urban program? If TxDOT transfers the \$13.1M in excess ICB funds to the rural formula program will some amount of other previously-budgeted rural dollars be made available to small urban programs? If all the eligible ICB projects for FY23/24 that have been funded consisted of both rural</p>	<p>Unfortunately, grant program rules require funds for the rural program be used in support of rural service. We acknowledge that, in previous project calls, urban transit districts providing intercity bus connections benefiting rural areas and/or rural riders have received a proportional share of ICB funds for capital projects, however there is no mechanism that allows us to transfer rural program funds to urban providers.</p>

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	and urban agencies should not some amount to this windfall go toward urban agencies?	
3)	<p>Requesting TxDOT consider use of excess ICB funding to support Texas rural public transportation services. This funding will greatly benefit Rural Transit systems who are struggling with the rapidly increasing cost of service provision including fuel, supplies, services, insurance, and drivers. It appears that all eligible rural intercity bus projects, including some of the priority routes identified in the Texas Intercity Bus Study, received funding for FY 23/24. In addition, Inter City Bus services area fully funded through FY 24. The Public Transportation Division (PTN) currently has an FY 22 ICB apportionment balance of \$4 million dollars, and they anticipate the FY 23 appointment amount to be an estimated \$9.1 million dollars. The total combined anticipated total will be \$13.1 million dollars. It appears that these funds are not needed as the next opportunity for funds is the FY 24 coordinated call using FY24/FY25 apportionments. We fully support the departments use of excess ICB funding to support rural transit systems.</p>	<p>TxDOT-PTN recognizes the current struggles by rural transit districts with increased costs and the benefit transferring these funds will provide.</p>
4)	<p>The TXDOT coordinated call process requires identifying and forecasting operating and capital needs several years out. While it provides a stable and predictable funding commitment of historically funded services prior to implementation of the next coordinated call, it does not provide flexibility to address critical needs identified mid cycle. Greyhound has recently identified critical capital infrastructure projects required to support intercity bus service and is requesting TXDOT make the additional \$13.1 million in FTA Section 5311(f) funding available for those projects. Further, the company is requesting that funding be awarded mid-cycle, given the immediate and critical nature of the situation. Those projects represent a significant unmet need with regard to intercity bus service and infrastructure. Given the scope of these projects, there is a considerable timeline to fully develop these projects, so time is of the essence. This situation was not fully understood until after the last TXDOT coordinated call of November 18, 2021. The November 2021 KFH Intercity Bus Study, which informed the coordinated call, was largely completed before the October 21, 2021 sale of</p>	<p>TxDOT-PTN is aware of Greyhound’s organizational transitions as well as the impact on service. ICB funds can be used for eligible capital projects, which are those that benefit the rural areas and/or rural riders to connect to the larger ICB network. It is our practice to allow funding in support of eligible capital projects up to 20% of the annual apportionments, thus ensuring sufficient funds available for service. As stated in our response to comment #1 above, TxDOT will consider the retention of a portion of available funds for projects to meet critical needs identified since the last call for projects.</p> <p>TxDOT anticipates making a decision with respect to the transfer of funds by spring of 2023. The process required to certify needs met is identified in FTA C 9040.1G, and 43 TAC 31.36 (Texas Administrative Code title 43, 31.36) and discussed in the subject presentation on Nov 16, 2022</p>

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	<p>Greyhound to FLIX. The study recognized that the sale would have unknown impacts on Greyhound’s future operations but could not draw any conclusions as to the scope of that impact.</p>	<p>(PowerPoint included with this posting). The transfer of funds to the 5311 program involves awarding those funds through a minute order approved by the Texas Transportation Commission, obligating the funds in the federal system and issuing project grant agreements in accordance with our regular procedures for 5311 formula funds.</p> <p>Conducting a mid-cycle call for projects is not a practical endeavor at this time as we will be initiating our regularly scheduled call for projects later this calendar year (fall 2023). However, TxDOT will explore the possibility of advancing the standard timeline for award of the funds for the ICB portion of the call.</p>
5)	<p>Writing in opposition to the proposed transfer of 5311(f) funding for FY 22/23. Contrary to the assertions made in the TxDOT presentation on this matter of Nov 17, 2022, that “ICB services are fully funded through FY24” and that “FY22/23 funds are not needed to meet current needs”, CARTS has significant and immediate [capital] needs not anticipated under the last call for projects (applications due February 2022). This is a critical time in the intercity bus industry, and our part in it is essential and offers both opportunities and challenges. We request the opportunity to demonstrate these needs prior to any further action by the Department that may deplete the funding directed to meeting the challenges and opportunities we face.</p>	<p>TxDOT-PTN appreciates the recent challenges brought by increased traffic to CARTS eastside bus plaza due to Greyhound service changes. ICB funds can be used for eligible capital projects which are those that benefit the rural areas and/or rural riders to connect to the larger ICB network. It is our practice to allow funding in support of those capital projects up to 20% of the annual apportionments, thus ensuring sufficient funds available for service. As stated in our response to comment #1 above, TxDOT will consider the retention of a portion of available ICB funds for capital projects that benefit the rural areas and/or rural riders.</p>