

FTA

FEDERAL TRANSIT ADMINISTRATION

**Section 5311(f)
Intercity Bus Transportation
Use of In-Kind Match
NRTAP Training for States**



U.S. Department of Transportation
Federal Transit Administration

Section 5311(f) Intercity Bus Program Purpose

- Provides funding to carry out a program to develop and support intercity bus transportation
 - To support the connection between rural areas and the larger regional or national system of intercity bus service;
 - To support services to meet the intercity travel needs of residents in rural areas; and
 - To support the infrastructure of the intercity bus network through planning and marketing assistance and capital investment in facilities.

Source: FTA C 9040.1G, Chapter VIII.3

Section 5311(f) Intercity Bus Program Requirements for States

- Each State must spend no less than 15 percent of its annual Section 5311 apportionment for the development and support of intercity bus transportation, unless it can certify, after consultation with affected intercity bus service providers, that the intercity bus service needs of the State are being adequately met

What is Intercity Bus Service?

- Regularly scheduled service for the general public 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
- Makes meaningful connections with scheduled intercity bus service to more distant points, if such service is available.
- For purposes of the 15% set-aside, intercity service does not include commuter service. It also does not include air, water, and rail service.

Intercity Bus – Eligible Activities

- 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
- Coordination of rural connections between small transit operations and intercity bus carriers
- Operating assistance for the direct operation of intercity bus service
- Capital assistance to purchase vehicles or vehicle related equipment for use in intercity bus service

Source: FTA C 9040.1G, Chapter VIII.8

Intercity Bus Program – Eligible Subrecipients

- Operators of intercity bus service are eligible subrecipients for Section 5311 funding.
- A state may choose to provide assistance to operators of intercity bus service using a contractual relationship instead.
- In either case, the state should use a merit-based selection process to ensure the best and most appropriate service operator is selected.

Source: FTA C 9040.IG, Chapter VIII.6

Feeder Service Eligibility

- Service that acts as a feeder to intercity bus service and makes meaningful connections to more distant points is eligible.
- The feeder service does not have to have the same characteristics as the intercity bus service (eg, it can be demand responsive)
- It must have a connection to intercity bus service, but it is OK if it also provides access to intercity connections with rail or air service.

Source: FTA C 9040.1G, Chapter VIII.9

Intercity Bus In-kind Match Provision

- For projects that include feeder service to unsubsidized intercity bus service, local match “may be derived from the costs of a private operator for the unsubsidized segment of intercity bus service as an in-kind match for the operating costs of connecting rural intercity bus feeder service funded under 5311(f).”
- The project must be defined as including both the feeder service and an unsubsidized segment of the intercity bus network to which it connects.
- The private operator must agree in writing to the use of the costs of the private operator for the unsubsidized segment of intercity bus service as an in-kind match.

Calculating Allowable In-Kind Match

- Choose one of two methods for calculating eligible net cost to be used as local match.
- Method 1: Applying the percentages allowed in FTA's capital cost of contracting guidance to the cost of *the entire Section 5311(f) project*, use only the capital costs of the unsubsidized service as local match. If the operator provides and maintains all of the capital equipment, 50 percent of capital costs may be used as local match.
- Method 2: The private operator directly calculates the net project cost of unsubsidized segment and provides to FTA verifiable information showing eligible capital and operating expenses as well as fare revenues attributable to the unsubsidized segment that were used to make the calculation.

Excess or Insufficient In-Kind Match

- Excess in-kind match cannot be used to increase the federal share above the actual operating deficit of the project
- If there is not enough in-kind match to equal the Section 5311(f) funds needed to cover the operating deficit for the project, the state or local agency would have to provide the difference in cash.

Documentation Requirements for In-Kind Match

- To use in-kind match, the state must provide the following supplemental information with its Section 5311 grant application:
 - A description of the feeder service and the connecting service, identifying the locations served by each, and the connections between the two services.
 - Itemize the total and net costs of each segment used in the project description, using place names and level of service. Document the costs incurred by the private operator for the connecting service.
 - Include documentation that the private operator has consented to the arrangement.
 - Document availability of additional cash match if necessary.



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