

The Bus Coalition

2023 Federal Agenda



The Bus Coalition (TBC) is an association of over 500 members from 48 states and Washington DC working with the Administration and bipartisan Members of Congress to ensure adequate funding for the nation's critical bus transit programs. In communities large and small, bus transit has proven a vital lifeline and an engine of opportunity connecting millions of Americans.

The Bipartisan Infrastructure Law (BIL) represents an historic investment in public transit as a whole and bus transit in particular. After years of disinvestment, the BIL increases the Bus and Bus Facility program from \$808 million in FY21 to \$2.2 billion in FY26.



Funding levels included in BIL will go a long way to helping transit systems of all sizes upgrade aging bus fleets, expand mobility options, boost economic growth, reduce greenhouse gas emissions and ensure better access and equity. TBC and its members are committed to ensuring these substantial new federal investments are spent wisely and efficiently.

To ensure successful implementation of BIL, The Bus Coalition supports FTA and Congressional action on these top priorities:

FY24 Appropriations: Bus and Bus Facility Plus-Up and Report Language Request

FTA/Congressional Recommendation: The Bus Coalition supports a plus-up of \$400 million in additional investments for the Bus and Bus Facility competitive grant program (5339b) and providing flexibility to the FTA to address cost escalations for previous, current, and future grant recipients.

Demand for bus transit funds remains at an all-time high. In 2022, the Bus and Bus Facility competitive grant program received \$7.8 billion in funding requests for \$1.6 billion available. This is the largest oversubscription in the program's history. Plus-Up funding would help address some of this tremendous demand.

In addition, inflation is impacting the cost of previous, current and future bus purchase orders and transit facility construction projects. Cost escalations are reducing the impact of grant awards by forcing transit systems to cut bus purchase orders or require additional non-federal funds from the transit system to fill the gap. The Bus Coalition supports giving the Federal Transit Administration the flexibility to use additional plus-up funds to help transit systems cover cost escalations as previous award amounts are no longer able to cover the full cost of procurement. Ultimately, plus-up funds and additional flexibility will help transit systems and their riders realize the promise of the Bipartisan Infrastructure Law.

Support CTAA's Efforts to Address the Cutaway Bus Shortage Crisis

FTA/Congressional Recommendation: We encourage Congress and the FTA to implement solutions that will increase the supply of small buses as cutaway fleets are aging out and timely replacement is not an option.

Today, the demand for small buses (particularly body-on-chassis vehicles) far outstrips supply with estimates of 20,000 small bus purchases currently backlogged and that number is expected to grow to 26,625 in 2025.

A survey of State Departments of Transportation revealed that three quarters of state DOTs are feeling an unprecedented level of concern regarding standard vehicle replacements and meeting the state of good repair, with more than half having had a small bus purchasing contract or



agreement terminated in 2022. Prices for these vehicles are running 30 percent to 70 percent above pre-pandemic levels.

The Bus Coalition strongly supports CTAA's recommendations to address the cutaway crisis, including issuing temporary Buy America Waivers, encouraging chassis manufacturers to set aside units for vital public transportation, streamlining procurement regulations and offering clear guidance to FTA grantees on how to amend bus procurements or reprogram funds when vehicles cannot be delivered under the terms of a procurement agreement.

Department of Energy Coordination with FTA

FTA Recommendation: We support close coordination between DOE and FTA to ensure transit systems have a voice in how critical and complimentary DOE grid resiliency grants are deployed in communities across the country.

The significant investment in zero emission buses will require utilities to upgrade grid capacity nationwide. Charging a fleet of buses requires a significant amount of power and many communities simply do not have the grid infrastructure to handle surges necessary to charge dozens of buses at once. The Department of Energy was provided more than \$5 billion for grid modernization within BIL and we need to ensure transit systems are considered a key stakeholder as the agency establishes this new program.

Spare Ratio Flexibility

FTA Recommendation: FTA issue a new rule with input from the public transportation industry to create more flexibility in spare-ratio requirements. Additional spare-ratio flexibility is important, especially as transit fleets all over the United States begin transitioning their buses to zero emission vehicles.

With the transition to a new technology, there is bound to be growing pains. It's already apparent from transit systems that have entered the EV space, there will be challenges to fleet performance and management. This includes impacts of different climates (cold/hot), terrain, long rural routes and other factors that impact EV buses differently than traditional gas-powered vehicles. In addition, transitioning to electric buses requires additional training for drivers and maintenance crew which also impacts the spare ratio. Under current regulations, the number of spare buses in the active fleet for recipients operating 50 or more fixed-route revenue vehicles cannot exceed 20 percent of the number of vehicles operated in maximum fixed-route service.

We propose that, at the end of 49 U.S.C. § 5339, a new section be added as follows: (d): "The Federal Transit Administration shall amend the Grant Management Requirements Circular 5010.1 (a) to not consider vehicles operating beyond the minimum useful life in the spare ratio calculation; and (b) to not consider low- or no emission vehicles in the spare ratio calculation for the next five years." The spare ratio rule could penalize transit systems that transition to zero-emission buses.

Local Match Concerns

FTA Recommendation: We encourage FTA to provide greater flexibility and relax local match requirements where possible, especially as transit systems continue to be negatively impacted by the pandemic.

Especially for mid-size and small transit systems, coming up with a local match can be challenging. Zero emission buses provide significant benefits, but they are more expensive and require significant infrastructure upgrades adding to the cost of transition. The transit industry is already seeing cost escalations upwards of 20% because of workforce and supply chain shortages. These cost increases are not isolated to transit, so many cities will have to come up with more local funds to take advantage of many elements of the infrastructure package that also require a local match.



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