

Intercity Bus Industry and State Updates Questions and Answers

June 26, 2026

National RTAP hosted a webinar on Intercity Bus Industry and State Updates: Where Things Are Now on June 26, 2026. Participants learned about the current intercity bus landscape and how to provide access to intercity transportation facilities from experts Lisa Ballard, TRB Transit Facilities and Infrastructure Committee; Fred Fravel, KFH Group; Carrie Kissel, National Association of Development Organizations (NADO); and Kai Monast, North Carolina State University. Kari Banta, Texas DOT, moderated and discussed the need for state inclusion of regional needs in plans.

Access the webinar [recording](#) and [presentation slides](#).

Q: In low population density areas, bus service is normally low frequency or non-existent. Additionally, school bus services face the same problems faced by intercity bus operators. School bus services can be more comprehensive than the public bus service. Has any work been done evaluating the possibility of combining these services - what regulatory obstacles exist? how to address security concerns? How to address parental concerns, etc.?

A: Currently, by definition, the intercity bus mode excludes commuter service, which is defined as 50% or more of the trips returning on the same day. School transportation will make meeting this requirement difficult. It is possible to use regular 5311 funds for routes that happen to serve schools, but dedicated school routes cannot use 5311 funds at this time. There are many examples, especially in older cities, of school children riding public transportation. I am not aware of any rural areas that use public transportation instead of dedicated school buses. But creative thinking is required to address funding shortfalls.

Q. In rural areas that have seen little development, rail corridors often do a good job connecting communities and often run right through the center of those communities. Given that a large percentage of the cost of bus service is driver labor and that automated service on a railbed is much easier than automated service on roadways, is anybody looking at automated rail service as a supplement or replacement for intercity bus service?

A: All options should be on the table. If rail service can meet the intercity travel needs in a more cost-effective manner, then it should be implemented. The 15% of 5311 requirement for intercity bus would still be in effect, but the Governor could certify all needs are met if the rail services are in fact meeting the needs. Often the issue with intercity bus service in rural areas is that demand is not high enough to support more service provision. Rail service often requires even higher ridership to be economically viable. There are separate federal subsidies from 5311f, specifically for intercity commuter rail that support services like Amtrak.

Q: What are some ways other than private waivers to generate in-kind match?

A: Unsubsidized portions of private carrier routes are the only option for intercity bus in-kind match. Private carriers are permitted to transfer their unsubsidized service miles to another carrier to meet in-kind match requirements.

We also reached out to FTA after the webinar, and they provided the following resources about in-kind match:

For all FTA grant programs:

[Award Management Requirements Circular C5010.1F](#)

Chapter 4 covers FTA requirements on in-kind contributions. Chapter 6 covers using in-kind contributions for local match.

[Recipient Award Toolkit](#)

Section F Application Finalization covers how to document in-kind contributions in grant applications.

For Section 5311 grants

[Rural Areas Formula Grant Program Guidance C9040.1H](#)

Chapter 3 covers the use of in-kind contributions as local match. Chapter 9 covers in-kind match for intercity bus projects.

For Section 5310 grants

[Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance C9070.1H](#)

Chapter 3 covers the use of in-kind contributions as local match.

For questions not addressed in the guidance, grantees can contact their [Regional Office](#) for help with their specific projects and situations.

Q: What about changing the definition or what defines intercity bus? We always hear what it isn't. Thoughts as we think more regionally in highly rural and frontier regions?

A: There is certainly a need for regional, long-distance travel that may also involve more than 50% of the riders returning on the same day. These are typically considered commuter services and ineligible for the 15% intercity bus requirement. These commuter routes can be funded with traditional 5311. If rural intercity bus needs are met outside of the 5311(f) program, states could certify that all needs are met and then they could roll the 5311(f) funds into the general 5311 program.
