PRONTO'S RESPONSE TO THE CITY OF LINCOLN

The rate we offered, the law that was triggered, and the decision we need by Tuesday

Responding to Mayor Gaylor Baird's letter of October 23, 2026

To: The Honorable Leirion Gaylor Baird, Mayor of Lincoln
cc: Lincoln City Council · Lincoln Transportation and Utilities · StarTran Division
From: Kumar Shah, President & Chief Executive Officer, Pronto Corporation
Date: October 25, 2026

StarTran is a division of the City, so the Mayor and the Council answer for the agency and for the residents at the same time. We are writing to the City because the City has an unmet need: more Husker fans want a seat on a game-day shuttle than the private operators in this market and within a 100-mile radius of Lincoln can carry. Pronto will keep building that private supply — we have already added to it — but a market takes seasons to build and the next game is days away. In the meantime, Lincoln residents and Husker fans are riding school buses, on seats with legroom designed for school children, and that discomfort has itself dampened the demand. The remedy is clear, it is permissible under federal law, and it costs the City nothing. **We ask the Mayor and the Council, as the representatives of those residents and those fans, to approve the use of LTU equipment to supplement the capacity we can secure from private operators.**

THE SHORT VERSION

- **We have never proposed $118 per hour.** What we offered, in writing on September 15 and again on October 22, is LTU's **fully burdened rate** — whatever the City sets it at. We have asked for LTU's equipment and driver lease rate schedule since September 15 and have never received it. *(Section 1)*
- **We have asked for the operating record too, and for the City's quarterly charter filings — and received neither.** On the detail we have been told the records are not maintained; § 604.12 requires them to be kept for three years and posted quarterly. *(Section 8)*
- **The Charter Service Rule was not triggered by Pronto.** It was triggered by the service itself, and FTA told the City so in **Advisory Opinion 10-01**, issued in May 2010 **on the City's own request.** The City has filed the charter notice every year since to comply with FTA's ruling. *(Section 2)*
- **We are asking for LTU to provide supplemental capacity to Pronto and our affiliates for the same service LTU ran for forty-five years, at lower burden.** Pronto fills demand first to the limit of what it can secure; and only when the private supply is exhausted the balance is requested from LTU in full compliance with the federal laws. *(Section 3)*
- **A ridership total is not and has never been a criterion under § 604.8**, and the constraint has never been riders. Five home games: **5,246 reserved seats across 127 published departures, 82.7% of every seat offered**, and we operated on every one. *(Section 4)*
- **Saturday is a transit agency's quietest day and a charter operator's busiest.** That asymmetry is the whole reason § 604.8 exists. *(Section 5)*
- **Both remaining games — October 31 and November 21 — are still live and open for the inclusion of StarTran buses.** We add capacity to individual departures as supply is

confirmed; a StarTran bus enters a schedule the same way a motorcoach or a school bus does. *(Section 7)*

- **What we are asking for is a conversation and a rate, not a reversal** — and an agreement by no later than **10:00 AM Central on Tuesday, October 27.** *(Section 8)*

Mayor Gaylor Baird,

Thank you for your letter of October 23. **We are publishing it in full, unedited, alongside this response**, including the paragraphs that are hard on us. We said we would hold nothing back and we meant it.

We accept that the decision is the City's to make. Section 604.8 makes a lease permissible, not mandatory. We have filed nothing against the City and we do not intend to.

But the letter declines a proposal we did not make, at a rate we did not offer, on a reading of federal law that is the reverse of the record. Those are correctable, and we would rather correct them than argue.

1. WE HAVE NEVER PROPOSED $118 PER HOUR

Your letter states that "iPronto's offer to pay StarTran costs at the National Transit Database cost of $118 per hour does not solve the problem."

That figure did not come from us. At no point, in any communication, have we proposed a rate. What we wrote to StarTran on **September 15, 2026**, in the request itself, was this:

> *"We would pay StarTran's fully allocated rate for both vehicles and operators, StarTran personnel would drive throughout, and we would carry the insurance, the reservations, the fares and all passenger communication."*

We have held to that in every communication since. On **October 22 at 12:19 PM** we wrote again to Director Elliott and Ms. Cosier:

> *"We have not yet received the hourly vehicle and staff rate filed with the City and FTA as part of your transit service operation. For our planning purposes, we need these rates asap. We looked for your filing online but were unable to find them. Kindly respond at the earliest as this has been pending for quite some time."*

We have proposed no ceiling, no counteroffer and no preferred figure, because the figure is not ours to propose. **The rate schedule has still not been provided.** We first requested it on September 15.

This matters because the whole of your letter's financial reasoning rests on it. Driver overtime, bus maintenance, liability and long-term wear and tear are precisely the costs a **fully burdened** rate exists to recover. That is what the term means. A rate that fails to cover them is not a fully burdened rate, and we have never asked for one.

> **So, the question we would put back, respectfully, is the one that settles this: what is LTU's fully burdened hourly rate for a bus and an operator? Name it and we will pay it.** If the City's position is that no rate is acceptable, that is a different answer from the one the letter gives, and we would rather know.

We would add that we agree with you on the principle. **Since 2010 we have argued publicly that transit agencies should not be operating special-event shuttle service, and that**

special-event shuttle service should not be subsidized by taxpayers. We are not asking Lincoln to abandon that position. We are asking the City to be paid in full for an asset that currently earns nothing on a Saturday.

2. ON WHICH DECISION TRIGGERED FEDERAL LAW

Your letter states that "iPronto's decision to provide game day service triggered a federal law that requires the City to step aside if a private sector provider is capable and willing to provide the service."

The Charter Service Rule was not triggered by anything Pronto did. It was triggered by the service itself, and the City has known this for sixteen years, because **the City asked the question and received the answer in writing.**

On **March 2, 2010**, Lincoln's Assistant City Attorney, Christopher J. Connolly, filed a request for an advisory opinion with the Federal Transit Administration on the City's behalf, asking whether the City's $8 all-day pass could be the exclusive fare for the football express routes. In **Advisory Opinion 10-01**, Docket FTA-2007-0023, signed by Chief Counsel Dorval R. Carter, Jr., FTA concluded:

> *"FTA advises the City that it is engaging in unauthorized charter service by providing the Big Red Express routes for football games."*

The City was given **thirty days** and two lawful options: charge the regular fixed-route fare of $1.75, **or** provide notice to the list of registered charter providers and allow them to bid. FTA also recorded that the City had not, to that point, given any such notice.

The City chose the second option. It has filed the charter notice each year since, and it has continued to charge a premium fare. **An agency does not issue a charter notice for service it regards as ordinary fixed-route transit.** Having elected that path in 2010, the City has operated the Big Red Express under the Charter Service Rule by its own election ever since.

For fifteen years no registered charter provider responded to that notice. This year one did. **Pronto exercised a right the rule has conferred on private operators since 2008 — we did not create the obligation, and we are not the reason it exists.**

The City has itself described the mechanism in exactly these terms. Writing to us on September 15, StarTran's Assistant Director of Transit put it this way:

> *"We put the charter notification out as per the charter rules with all of the pertinent information and you responded with your ability to handle the service."*

We agree entirely. That is what happened, and it is why the obligation does not originate with Pronto.

We understand entirely why it feels as though something was taken away from LTU. The City built this service over forty-five years and did it well, and it is natural to experience its transfer as a loss. But the service was reserved for private operators the moment the City elected the notice route, and Lincoln continued to operate it only because, year after year, no private operator came forward.

3. ON LTU'S OPERATIONAL RESPONSIBILITIES

The service we are requesting is **not different from what LTU has operated for the past forty-five years.** The routes, the boarding points, the day of the week and the passenger profile are the same.

If anything, the burden is **lower**. Under our proposal, demand is met first by Pronto and its affiliates to the full extent of what we can secure. **Only the balance is requested from LTU,** and only from whatever remains after StarTran's regular service, maintenance, workforce and contingency obligations are met. We carry the insurance, the reservations, fare collection, passenger communication and the staff on the ground. StarTran's own operators drive throughout.

We accept without reservation that LTU is not obliged to lease. What we have not been able to understand is how the equipment and operators that LTU used — and, until August, planned to use again — to run this exact service on these exact Saturdays are now said to be beyond reach for the same work paid for in full.

4. ON THE RIDERSHIP COMPARISON

Your letter sets our season against the Big Red Express and observes that we are serving roughly 1,000 of about 2,400 boardings a game day. We do not dispute the City's figure.

But **this is not a criterion under the Charter Service Rule.** Section 604.8 asks four questions: whether the provider is registered, whether it owns and operates buses or vans in a charter business, whether it has received a request exceeding its available capacity, and whether it has exhausted the available vehicles of registered providers in the agency's service area. It does not ask a private operator to guarantee a ridership total, and it gives a recipient no authority to set one as a test. Our affirmative response to the notice was a statement that we are a registered provider ready, willing and able to operate — which we were, and which we have been on every game day since.

The gap the City has identified is real, and it is the reason we wrote in the first place. Through five home games we have sold **5,246 reserved seats across 127 published departures — 82.7% of every seat we put on sale** — and we have operated on every home game, in a service we stood up in under thirty days.

> **We were not short of riders. We were short of vehicles.** The distance between 1,000 and 2,400 is not a measure of willingness or of capability. It is a measure of how many buses exist in this market on a football Saturday — which is precisely the condition § 604.8 was written to address.

5. WHY AVAILABILITY IS A DIFFERENT QUESTION FOR A PRIVATE OPERATOR

There is a reason this constraint never bound StarTran and binds us severely, and we think it explains most of the distance between our two letters.

Saturday is the trough of a transit agency's week. LTU could run the Big Red Express with equipment that was not needed for weekday service, which is why capacity was never the issue. Had these games fallen midweek, LTU would have faced exactly the constraint we face now.

For a private operator the opposite is true. Saturday is the peak of the charter week — weddings, tours, team travel, corporate work — and event demand sits directly on top of commitments made months earlier. The Charter Service Rule anticipates this. **It is precisely why § 604.8 exists**: private operators do not keep fleets unencumbered against charter work that may or may not materialize, so the rule permits them to lease from the recipient when demand exceeds what the private market can supply.

The accompanying outreach record sets out every operator we approached in and around Lincoln and what each one said. In summary: the largest motorcoach fleet in the region is committed to

Nebraska Athletics on football Saturdays; the independent Omaha operator that does work with us is already giving this program everything it can allocate; the operator with a Lincoln terminal runs scheduled service only; and nothing else within fifty miles is motorcoach-scale. We brought equipment in from **Omaha, Council Bluffs and Kansas City**, and where no motorcoach could be secured, we used school buses — which kept the service running, and which is the part our riders write to us about.

6. WHO WE ARE, SINCE THE LETTER RAISES CAPABILITY

Pronto has operated special-event shuttle service for more than fifteen years. We began with the **San Francisco 49ers under a four-year contract**: within two weeks of signing we launched the booking portal and ran service from more than ten cities across the Bay Area, some a hundred miles from the stadium, partly with our own fleet and partly with the help of affiliates best positioned to serve each city. We carried **more than 60,000 fans during that contract**, and more than 100,000 to various venues since. We have built an affiliate network of **6,775 operators** nationally.

What we have been building toward is a demand-responsive booking platform for last-mile event service: advance booking by location, a guaranteed seat, and equipment deployed against demand as it develops rather than against a guess. Booking capacity at each location is capped by the supply actually secured there, and raised as more supply becomes available and is added.

This matters because **fixed-route, fixed-schedule thinking does not transfer to special events.** Santa Clara Valley Transportation Authority learned that lesson at Super Bowl 60 this year: after spending approximately $3.8 million to increase carrying capacity by about 5,000, it is reported to have carried roughly 30,000 fans to Levi's Stadium and to have seen only an estimated 11,000 return with it. With no advance booking there was no way to know the demand in either direction. That is an extreme case, but it is the same problem in kind.

The Husker service was a natural candidate for our last-mile demand-responsive capability, which is why we responded to the notice. When we went to our network, we found what we had never found in fifteen years: **the supply was scarce and not sufficient to meet the demand.** We widened the search to fifty and then a hundred miles, and then to school buses.

In contrast, we are ramping up the shuttle service for a Division I basketball team in another city that has roughly the same population as Lincoln. Within a day of reaching out to our affiliates in that city, we were able to secure more than 50% of the requisite capacity, whereas in Lincoln the supply is so scarce that we have had to procure vehicles from other cities.

7. OCTOBER 31 IS STILL LIVE

We want to correct one assumption before it hardens, because it may be the reason this has moved slowly.

Our schedules are built departure by departure, and capacity is added to individual departures as supply is confirmed. A StarTran bus would enter a schedule exactly the way a motorcoach or a school bus does — assigned to a specific route and boarding time, with the additional seats opening for reservation immediately afterwards. We have done this all season, often within hours of an operator confirming a vehicle.

> **That is why October 31 has not passed out of reach, and why a decision early next week still matters.** Whatever can be agreed by Tuesday morning can be on the road on Saturday, on the departures where the demand actually is.

Our request remains open for **both** remaining home games — **October 31 and November 21** — on unchanged terms.

8. WHAT THE LETTER DOES NOT ADDRESS, AND WHAT WE ARE ASKING FOR

Our open letter of October 20 made three points. The reply is silent on all three.

- **There is an acute shortage of buses and motorcoaches in Lincoln.** Pronto has already added supply to this market, and we would like to work with the City to build the market for private operators to establish a broader presence in Lincoln over the longer term.
- **The shortage has obliged us to use school buses**, which are not a comfortable option for adults, for older riders, or for anyone with limited mobility.
- **The remedy is available and costs the City nothing.** Deploy transit buses that are otherwise not in use on a Saturday, at a rate that recovers every penny of the cost the City incurs.

Because StarTran is a division of the City, the Mayor and the Council hold two responsibilities at once — to the agency, and to the residents. **Your letter answers from the agency's side only** and does so on an assumption about our offered rate that is not correct. We would ask that the three points above now be weighed from the residents' side as well.

There is one further matter we should put on the record, because it bears on how this has been decided.

Since August we have asked LTU for the operating record behind this service — ridership, boardings by hour, and hours logged by vehicle and by driver, for the past three years. We received a helpful summary, for which we are grateful. On the detail we were told the records do not exist: on **August 28** StarTran wrote that it does not "specifically track or have a boarding-per-hour figure for this service," and that it "did not keep time stamps for this service."

We raise it for two reasons. The first is that your letter's ridership comparison rests on that same record. The second is that **49 CFR § 604.12 requires a recipient providing charter service under an exception to retain those records for three years and to post them on the FTA charter registration website within thirty days of the end of each calendar quarter**, together with a statement of which exception it relied upon. Having elected the notice route in 2010, the City has been operating under that requirement ever since. We have asked for those filings, we have looked for them on the registration website, and we have not been able to find or obtain them.

We make no allegation and we draw no conclusion. We are asking for documents that should exist, and we would be glad to be shown that they do.

We are not asking for a reversal. We are asking for a conversation, a number, and a record.

> **We ask the Mayor and the Council to direct Lincoln Transportation and Utilities to meet with Pronto immediately and to provide three things: (1) its equipment and driver lease rate schedule, or the fully burdened hourly rate for a bus and a qualified operator; (2) the Big Red Express operating records for the past three seasons; and (3) the § 604.12 quarterly filings for that service — and to conclude an agreement, or tell us plainly that there will not be one, by 10:00 AM Central on Tuesday, October 27.**

That time is not arbitrary, and it is not the first time we have named one. On **October 22** we asked the Mayor and the Council for a decision by **Monday, October 26**, and explained why: riders were

already holding off on reserving seats for October 31 and November 21 pending clarity on whether transit buses would be added. The reply of October 23 does not address that request. **Tuesday morning is an extension of it, not a new demand** — and it is the last point at which vehicles can be assigned, boarding times published and additional seats opened for reservation in time for October 31.

We wrote on October 20 at 12:07 PM and received a reply late on Friday, October 23. A direct conversation at any point in that week would have surfaced the rate misunderstanding in ten minutes. We would rather not lose a second game to the same gap.

Our goal has not changed and will not: to make this service fan-responsive and demand-responsive, and to make it work for Lincoln residents and Husker fans. We are asking for the City's help in making it better for all of them.

We are standing by, at any hour that suits your team. You can reach me at 408.472.5662 (mobile).

Sincerely,



Kumar

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Enclosed: Private operator outreach record, August–October 2026. Mayor Gaylor Baird's letter of October 23, 2026, the open letter of October 20 and the complete 29-page supporting package are published together at iPronto.com/newsroom.