

21. SECTION 5311 PROGRAM REQUIREMENTS

PURPOSE OF THIS REVIEW AREA

Recipients must expend funds on eligible projects to support rural public transportation services and intercity bus transportation.

QUESTIONS TO BE EXAMINED

1. Are all Section 5311 funds used for public transportation projects, including job access and reverse commute projects, in rural areas?
2. Does the state allow Indian tribes, even those that participate in the Tribal Transit Program, to participate in its Section 5311 program?
3. Has the state programmed at least 15 percent of its apportionment on eligible intercity bus projects?

INFORMATION NEEDED FROM RECIPIENT

Recipient Information Request

- Governor's certification for intercity bus for the review period, if applicable
- Intercity bus studies
- Documentation of consultation for intercity bus
- List of intercity bus projects awarded since the last review with amount and description of the project
- List of the amounts and description of in-kind match used for intercity bus

5311:1 Are all Section 5311 funds used for public transportation projects, including job access and reverse commute projects, in rural areas?

BASIC REQUIREMENT

Section 5311 funds must be used to support rural public transportation services.

APPLICABILITY

States

DETAILED EXPLANATION FOR REVIEWER

Section 5311 funds are available for expenditure for public transportation projects (including Job Access Reverse Commute) and intercity bus projects for people living in any area outside urbanized areas. Public transportation is defined as mass transportation by bus (or rail or other surface conveyance) either publicly or privately owned, which provides, to the public, general or special service on a regular and continuing basis. Section 5311 projects may include transportation to and from urbanized areas. Charter or sightseeing service is not eligible.

Section 5311 service may be designed to maximize use by members of the public who are transportation disadvantaged, including seniors and individuals with disabilities. Coordinated human service transportation that primarily serves seniors and individuals with disabilities, but that is not restricted from carrying other members of the public, is considered open to the general public if it is promoted as public transportation service.

States are responsible for ensuring that Section 5311 funds are being used to support eligible services. Applications generally request a description of the proposed service, including service area, eligible customers, days and hours of operation, and route information. The state must enter into an agreement with subrecipients prior to expending funds on a project that specifies the project to be funded under the

award. Some states require Section 5311 applicants to provide information on marketing. States typically require subrecipients to report information on the services provided (e.g., populations served - general public, seniors, individuals with disabilities) on a periodic basis. States can observe subrecipients' service during site visits. States might also assist subrecipients in developing marketing plans and a public transportation "brand."

Transit service providers receiving assistance under Section 5311 may coordinate and assist in providing meal delivery service for homebound persons on a regular basis if this service does not conflict with the provision of mass transit service or result in a reduction of service to transit passengers. The Federal Transit Administration (FTA) expects the nutrition program to pay operating costs attributable to meal delivery. Section 5311 capital assistance may not be used to purchase special vehicles used solely for meal delivery or to purchase specialized equipment related to meal delivery.

Similarly, incidental use of a vehicle for non-passenger transportation on an occasional or regular basis is also permitted, as long as it does not result in a reduction of service quality or availability for public transportation.

The state must ensure that incidental service provided by subrecipients does not interfere with the provision of transit service. The state may request information on incidental service in the subrecipient application process. Along with the number of passengers, miles and other statistics, some states require subrecipients to report periodically on meal delivery and other incidental service. Some states observe subrecipients' service during site visits.

INDICATORS OF COMPLIANCE

a. *For states with Section 5311 subrecipients:*

- i. *How are Section 5311 program services monitored to ensure that they are provided within a rural area or to and from a rural area?*
- ii. *How are services monitored to ensure that they are open and promoted to the general public?*
- iii. *How are meal delivery and other incidental services monitored to ensure that they do not conflict with the provision of transit service or result in a reduction of service to transit passengers, and the nutrition program pays the operating costs attributable to meal delivery?*

b. *For states that provide Section 5311 service directly:*

- i. *Are Section 5311 program services provided within a rural area or to and from a rural area?*
- ii. *Are services open and promoted to the general public?*
- iii. *Do meal delivery and other incidental services conflict with the provision of transit service or result in a reduction of service to transit passengers? Does the nutrition program pay the operating costs attributable to meal delivery?*

INSTRUCTIONS FOR REVIEWER

Review the Section 5311 state management plan, subrecipient application, and subrecipient agreement for a discussion of the direction given to subrecipients on general public, rural versus urban, and incidental service. Ascertain the requirements the state imposes on the subrecipients regarding the provision of general public service and incidental services in subrecipient agreements. Review monitoring materials, such as program reports and site visit checklists, for data and how the recipient monitors compliance relating to general public service and incidental services.

Review the website for the Section 5311 subrecipient(s) to be visited to determine if the service is promoted to the general public. On site, review the oversight file(s) for the subrecipient(s) to be visited for evidence that the state's oversight program is implemented. During subrecipient site visits, follow up with the subrecipient on areas where the recipient's oversight files do not confirm compliance.

For states that provide service directly, review the website for information on rural service. Review schedules, system maps, and other information for Section 5311-funded service to determine if the service operates in rural areas or operates to and from a rural and urban area. Discuss the methodology for allocating costs to the rural service. Onsite, discuss with the recipient.

POTENTIAL DEFICIENCY DETERMINATIONS

The state is deficient if it does not ensure that service operates within or to/from a rural area.

DEFICIENCY CODE 5311:1-1: Ineligible Section 5311 services

SUGGESTED CORRECTIVE ACTION: The state must submit to the FTA regional office evidence that it has ceased providing/using Section 5311 funds for ineligible service and return funds plus any applicable interest FTA determines are required to appropriately recover funds already expended

NOTE: FTA will determine if any additional corrective action is necessary.

The state is deficient if it does not ensure that service is open and promoted to the general public.

DEFICIENCY CODE 5311:1-2: Insufficient monitoring of general public service

SUGGESTED CORRECTIVE ACTION: The state must submit to the FTA regional office procedures for ensuring that Section 5311-funded services provided by itself or subrecipients are open and promoted to the general public.

The state is deficient if it does not ensure that costs are allocated between rural and urban service.

DEFICIENCY CODE 5311:1-3: Insufficient monitoring of rural vs urban service

SUGGESTED CORRECTIVE ACTION: The state must submit to the FTA regional office a methodology for allocating costs between rural and urban service.

The state is deficient if it does not ensure that incidental services do not interfere with the provision of public transportation service or nutrition programs cover the cost of meal delivery.

DEFICIENCY CODE 5311:1-4: Insufficient monitoring of incidental service

SUGGESTED CORRECTIVE ACTION 1: The state must submit to the FTA regional office procedures for ensuring that incidental service provided by itself or subrecipients does not detract from the provision of public transportation services.

SUGGESTED CORRECTIVE ACTION 2: The state must submit to the FTA regional office procedures for ensuring that nutrition programs pay the cost of meal delivery.

GOVERNING DIRECTIVE

FTA Circular 9040.1G, Chapter. III, Section 2 Eligibility

- a. Eligible Recipients and Subrecipients. ...The purpose of the Section 5311 program is to support public transportation for people living in any area outside of a UZA as designated by the Bureau of the Census. A UZA consists of a core area and the surrounding densely populated area with a

total population of fifty thousand or more, with boundaries fixed by the Bureau of the Census. Areas not within a UZA as of the 2010 Census are eligible for Section 5311 funding even if they are included within the metropolitan area planning boundary, which includes the surrounding area expected to be urbanized within twenty years and/or the air quality nonattainment boundary.

Since the goal of Section 5311 is to enhance the overall mobility of people living in rural areas, Section 5311 projects may include transportation to or from rural areas. The service area may include destinations across a state line. Operators of interstate service are required to comply with the Federal Motor Carrier Safety Administration (FMCSA) regulations...

- b. Eligible Service and Service Areas. States can use Section 5311 funds for public transportation projects, including job access and reverse commute projects, and intercity bus transportation projects in rural area.
- c. Incidental Use. The purpose of Section 5311 assistance is the provision of public transportation services and FTA encourages maximum feasible coordination with other rural transportation services. FTA policy and the Federal Interagency Coordinating Council on Access and Mobility (CCAM) policy on vehicle resource sharing allow vehicles to be used for purposes other than that specified in the original award on an incidental basis.

A rural transit provider may use a Section 5311 vehicle for nonpassenger transportation on an occasional or regular basis, such as package delivery, if this incidental use does not result in a reduction of service quality or availability of public transportation service. The incidental use policy does not preclude the recipient's use of Section 5311 assistance to support the transportation of passengers by a private provider that is not primarily engaged in passenger transportation. For example, a recipient may use Section 5311 funds to support a contract mail carrier that incidentally provides intercity passenger transportation, if the carrier has appropriate regulatory authority to carry passengers. Section 5311 funds may only be used to subsidize the passenger transportation services of the mail carrier.

A rural transit provider may design its Section 5311 funded services to maximize use by members of the general public who are transportation-disadvantaged. Transportation disadvantaged people include seniors, people with disabilities, and low-income individuals. Transit service providers receiving assistance under Section 5310 or Section 5311 may coordinate and assist in providing meal delivery service for homebound people on a regular basis, if the meal delivery services do not conflict with the provision of transit services or result in a reduction of service to transit passengers. FTA expects that the nutrition program will pay the operating costs attributable to meal delivery. Section 5311 capital assistance may not be used to purchase vehicles used solely for meal delivery or to purchase specialized equipment such as racks or heating or refrigeration units related to meal delivery.

- d. Joint Urbanized and Rural Projects. In some localities, a subrecipient receives both Section 5307 and 5311 funding to provide public transportation to urbanized and surrounding rural areas. These subrecipients should use Section 5311 funds only to assist the rural portion of those localities.

Because of the wide range of circumstances under which an operator may provide services in both urbanized and rural areas, FTA expects the subrecipient to develop a reasonable basis related to the service provided, for allocating operating costs between the two FTA funding sources. The subrecipient should also apply this procedure to "joint" capital projects. Similarly, a subrecipient that purchases vehicles under either the Section 5307 or 5311 program for use in any part of a combined urbanized and rural service area should ensure that it has capital replacement policies in place to ensure that it is using program funds according to federal eligibility requirements. When there is a question as to the reasonableness of the subrecipient's cost allocation methodology, FTA looks to the state to make a determination.

5311:2 Does the state allow Indian tribes, even those that participate in the Tribal Transit Program, to participate in its Section 5311 program?

BASIC REQUIREMENT

Recipients must allow Indian tribes, even those that participate in the Tribal Transit Program, to participate in a state's Section 5311 program.

APPLICABILITY

States, excluding insular areas

DETAILED EXPLANATION FOR REVIEWER

The annual Section 5311 program of projects must provide for fair and equitable distribution of funds within the state, including Indian tribes. Tribal Transit Program funds are not meant to replace or reduce funds that Indian tribes receive from states through Section 5311 but are used to enhance public transportation on Indian reservations and other tribal transit services.

For many states, demand exceeds the availability of funding. The state may restrict Section 5311 funding by increasing the local match requirement, by limiting the use of funds (e.g., operating assistance only), or by imposing other limitations. Some states, for example, give priority to maintenance of effort over service expansion. Doing so may prevent new providers, including Indian tribes, from participating in the Federal assistance program. FTA has determined that giving priority to maintenance of effort provides for the fair and equitable distribution of funds.

INDICATOR OF COMPLIANCE

- a. *Are Indian tribes, even those that participate in the Tribal Transit Program, eligible to participate in the state's Section 5311 program?*

List of Indian Tribes in the State	List of Tribal Section 5311 Subrecipients	Comments

INSTRUCTIONS FOR REVIEWER

Review the Section 5311 state management plan for the process for selecting projects and subrecipient applications for project eligibility to determine if the receipt of Tribal Transit Program funds restricts eligibility. Review the process for selecting applicants to confirm it is consistent with the state management plan. Review program of projects in TrAMS to determine if any Indian tribes are subrecipients. Compare the list of tribal subrecipients with the most recent Federal Register Notice "Indian Entities Recognized and Eligible to Receive Services from the United States Bureau of Indian Affairs" to determine how many listed tribes in the state do not receive Section 5311 assistance. As of the publication of this guide, the most recent notice was published January 30, 2018.

Review the record of requests received that the state is required to maintain to meet its Title VI requirements for Indian tribes that were rejected and accepted for funding. Onsite, discuss tribal eligibility with the state and any applications from tribes that were denied. Note: The state's program of projects will not include tribal projects awarded directly to tribes by FTA.

POTENTIAL DEFICIENCY DETERMINATION

The state is deficient if Indian tribes are not allowed to participate in the state's Section 5311 program or if receipt of Tribal Transit Program funds restricts the ability to participate in the program.

DEFICIENCY CODE 5311:2-1: Indian tribes excluded from Section 5311 program

SUGGESTED CORRECTIVE ACTION: The state must submit to the FTA regional office a revised state management plan that incorporates a process for distributing funding that enables Indian tribes, including those participating in the Tribal Transit Program, to participate in the state's Section 5311 program and evidence that it was implemented in the next application cycle. The state must submit evidence that it obtained public comment on the plan revisions.

GOVERNING DIRECTIVE

FTA Circular 9040.1G, Chapter IV Program Development

1. **FAIR AND EQUITABLE DISTRIBUTION.** The program of projects the state submits to FTA for approval must provide for fair and equitable distribution of the apportionment in the state, including Indian reservations, as well as maximum feasible coordination with other public transportation services assisted by other federal sources. The state should document its process for selecting applicants consistent with the state management plan as outlined in Chapter VI. The Tribal Transit Program funds set aside for Indian tribes are not meant to replace or reduce funds that Indian tribes receive from states through the Section 5311 program but should be used to enhance public transportation on Indian reservations and other tribal transit services. FTA encourages states to use the increase in funding for rural transit under MAP-21 to support expansion of transit service to areas without service and to improve the level of service or coverage in areas that have minimal service.

5311:3 Has the state programmed at least 15 percent of its apportionment on eligible intercity bus projects?

BASIC REQUIREMENT

The state is required to expend at least 15 percent of its Section 5311 apportionment to carry out a program to develop and support intercity bus transportation, unless the governor certifies that the intercity bus service needs of the state are being met adequately.

APPLICABILITY

States excluding insular areas

DETAILED EXPLANATION FOR REVIEWER

Connection to the national network of intercity bus service is an important goal of Section 5311(f) and services funded must make meaningful connections wherever feasible. Intercity bus projects may include package express service, if it is incidental to passenger transportation. The definition of intercity bus does not include commuter service (service designed primarily to provide daily work trips within the local commuting area). Commuter service is excluded because it is considered a local public transportation service, eligible for assistance under Section 5311, but not counting toward the required percentage for Section 5311(f).

Intercity service is not limited by the size of the vehicle used or by the identity of the carrier. Intercity bus does not include air, water, or rail service. While much of the public transportation service assisted under Section 5311 covers large distances because of the nature of the areas served, not all long-distance trips are included in the definition of intercity service. For example, service that provides extensive circulation within a region (in contrast to regular but infrequent service from limited points in the community of origin to limited points in the destination community) is not considered intercity service, although it may be an eligible public transportation service. Similarly, service that only incidentally stops at an intercity bus

facility among other destinations within the city at either end of a route that covers a long distance, without regard to scheduled connections, is eligible for Section 5311 assistance as public transportation, but is not an intercity feeder service. The statute identifies eligible intercity bus activities, including:

- Planning and marketing for intercity bus transportation
- Capital awards for intercity bus shelters, joint-use stops and depots
- Operating awards through purchase-of-service agreements, user-side subsidies and demonstration projects
- Coordination of rural connections between small transit operations and intercity bus carriers

This listing does not preclude other capital and operating projects for the support of rural intercity bus service.

Service that acts as a feeder to intercity bus service and makes meaningful connections with scheduled intercity bus service to more distant points is eligible. The feeder service is not required to have the same characteristics as the intercity bus service to which it connects. For example, it can be demand responsive. Where feasible, intercity bus feeder service may also provide access to intercity connections with rail or air service.

The state is required to expend no less than 15 percent of its Section 5311 apportionment on a program to develop and support intercity bus transportation in rural areas. The requirement applies only to the funds FTA apportions to the state; it does not apply to any funds the state transfers to its 5311 program. It also does not apply to Rural Transportation Assistance Program (RTAP) or Appalachian Development Public Transportation Assistance Program funds. Note that since insular areas (American Samoa, Guam, and Northern Mariana Islands) can use their consolidated awards for any purpose or program authorized under the programs, they are not required to spend 15 percent of their Section 5311 apportionments on intercity bus service.

The state may spend less than 15 percent of its Section 5311 apportionment if the governor (or designee) certifies that the intercity bus service needs of the state are adequately met in relation to other rural transportation needs. The governor can certify that intercity bus needs are partially met and, therefore, program an amount less than the specified percentage for an intercity bus program in that year. The governor must certify in each apportionment year that the state does not program the required percentage of funds. The state may include more than one apportionment year in a certification.

Before the governor certifies that intercity bus needs are adequately met, the state must consult with affected intercity bus service providers. FTA has established minimum requirements for the intercity bus consultative process. The process must:

- Identify intercity bus providers in the state
- Consult with identified providers and the intercity bus industry
- Provide an opportunity for intercity bus providers to submit proposals for funding annually
- Demonstrate a direct correlation between the results of the consultation process and a determination that the state's intercity bus needs are adequately met

The state management plan must document the procedure to be implemented for the consultative process.

A state may have obligated and assigned funds to intercity bus projects in prior years or reserved funds for intercity bus projects not yet selected. A state may also have withheld prior year funds from obligation pending a decision on intercity bus needs. In either case, if the funds committed or reserved for intercity bus projects are later determined to not be needed for intercity bus service, the state may submit a retroactive certification within the period of availability of funds. This action will permit the use of the prior year funds for other rural transit projects.

INDICATORS OF COMPLIANCE

- a. *Are the intercity bus activities that the state is pursuing eligible?*
- b. *If the state programmed less than 15 percent of its apportionment on intercity bus projects, did the governor certify that intercity bus needs are adequately met during the period of availability of the funds?*

Intercity Bus Projects			
Federal fiscal year:	201X	201X	201X
Apportionment:			
Award number			
Award number			
Award number			
Total projects			
Percentage of apportionment			

- c. *Did the state consult with intercity bus providers before seeking the governor’s certification?*

Consultative Process Minimum Requirements	Comment
Identification of intercity bus providers in the state.	
Activities the state will perform as part of consultation with identified providers and intercity bus organizations.	
An opportunity for intercity bus providers to submit proposals for funding as part of the state’s distribution of its annual apportionment.	

INSTRUCTIONS FOR REVIEWER

Review the state management plan for a discussion of the state’s intercity bus program and a description of eligible projects.

Review the Section 5311 program of projects in TrAMS for:

- i. Descriptions of the state's intercity bus projects.

- ii. The amount and percentage of funds the State has programmed for its intercity bus program for the three most recent apportionment years. To determine the percentage, compare the amount programmed for intercity bus projects to the annual apportionment, not the total amount of the award.

On site, discuss the nature of the projects.

Go to the FTA website and pull apportionments for the years of the three most recent Section 5311 awards. Note: The requirement applies to the apportionment, not the award. An award may have multiple years of funding. The account classification code will indicate the year of the funds. For awards with multiple years of funds, check with the state for the year of funds used for intercity bus projects.

If the state did not spend at least 15 percent of its funds on intercity bus projects:

- i. Review any statewide assessment of intercity bus needs to determine if assessments support that intercity bus needs are being met.
- ii. Review the Section 5311 state management plan for documentation of how the state implements its consultative process with intercity bus operators. On site, review documentation of the consultative process. Ensure that the consultative process met minimum requirements and that the state can identify a direct correlation between the results of the process and a determination that the state's intercity bus needs are adequately met.
- iii. Confer with the FTA regional office regarding the governor's certification and review certifications and supporting documentation on site. Ensure that certifications occurred within the period of availability of funds.

POTENTIAL DEFICIENCY DETERMINATIONS

The recipient is deficient if projects selected or funded do not meet the definition of intercity bus service or are not consistent with eligible activities.

DEFICIENCY CODE 5311:3-1: Ineligible intercity bus projects

SUGGESTED CORRECTIVE ACTION 1: The state must cease counting ineligible service towards the 15 percent requirement in future awards.

SUGGESTED CORRECTIVE ACTION 2: The state must submit to the FTA regional office documentation that the subrecipient has modified the service to make it eligible for intercity bus funding or identified new projects that are eligible.

The state is deficient if it has not spent 15 percent of its Section 5311 funding on eligible intercity bus projects and has not certified that intercity bus needs are adequately met.

DEFICIENCY CODE 5311:3-2: Lacking intercity bus projects

SUGGESTED CORRECTIVE ACTION: The state must submit to the FTA regional office certification from the governor that the state's intercity bus needs are adequately met and evidence of consultation with affected intercity bus service providers.

SUGGESTED CORRECTIVE ACTION 2: The state must submit to the FTA regional office a revised program of projects demonstrating how the state will spend at least 15 percent of Section 5311 funds on intercity bus projects.

The recipient is deficient if the governor did not certify within the period of availability of funds.

DEFICIENCY CODE 5311:3-3: Intercity bus certification lacking

SUGGESTED CORRECTIVE ACTION: Consult with the FTA regional office regarding the corrective action.

The state is deficient if it did not follow a consultative process before certifying that intercity bus needs were adequately met.

DEFICIENCY CODE: 5311:3-4: No intercity bus consultative process

SUGGESTED CORRECTIVE ACTION: The state must submit to the FTA regional office a revised state management plan that includes a consultative process and evidence that it obtained public comment on the revised plan.

GOVERNING DIRECTIVE

FTA Circular 9040.1G, Chapter VIII Intercity Bus

3. **GOVERNOR'S CERTIFICATION.** A state is required to expend at least 15 percent of its apportionment for an intercity bus program, unless "the Governor of the State certifies to the Secretary, after consultation with affected intercity bus service providers, that the intercity bus service needs of the State are being met adequately."

The statutory provision for certification by the governor implies a statewide assessment of intercity bus service currently available and of any existing needs. The legislative history indicates that the assessment of intercity bus needs may be made relative to other rural needs in the state. A state certifying that its needs are adequately met must demonstrate that it has assessed statewide intercity mobility needs no more than four years before the date of the certification. The state must document in the state management plan (SMP) its consultation process and any process that it develops for periodically assessing statewide needs. FTA will evaluate evidence that the state has followed its process in state management reviews approximately every three years.

A state must certify that the intercity bus service needs of the state are being met adequately for each fiscal year that it does not intend to use 15 percent of its Section 5311 apportionment for intercity bus service. The state may include more than one year in a single signed certification. If the state determines that expenditure of some amount of funds less than the full 15 percent will result in needs being met adequately, it may submit a "partial" certification for the remainder of the 15 percent and spend only the portion needed to ensure that the intercity bus needs are met adequately.

In some cases, a state may have obligated and assigned funds to intercity bus projects in prior years, or reserved funds for intercity bus projects not yet selected. A state may also have withheld prior year funds from obligation pending a decision on intercity bus needs. In either of those cases, if the funds committed or reserved for intercity bus projects are later determined not to be needed for intercity bus service, the state may submit a retroactive certification within the period of availability of the funds. This action will permit the use of the prior year funds for other rural transit projects, subject to the notification and approval conditions described in Chapter IV of this circular and consultation with intercity bus providers before certification.

The governor of the state or his or her duly authorized designee must sign a certification letter addressed to the federal transit administrator, with a copy to the FTA regional office. The letter should include sufficient information regarding the consultation process and needs assessments for FTA to make an initial determination that the certification is supported by the results of the process. In addition, in its oversight activities, FTA will examine the basis for a governor's certification. The assurance the state makes as part of the annual certifications and assurances

that it will meet the requirements of Section 5311(f) does not substitute for a certification by the governor that the needs are met adequately. Appendix F provides a sample certification letter.

4. CONSULTATION PROCESS REQUIREMENTS.

a. The state's intercity consultation process must include the following elements:

- (1) identification of intercity bus providers in the state;
- (2) activities the state will perform as part of consultation with identified providers and intercity bus organizations;
- (3) an opportunity for intercity bus providers to submit proposals for funding as part of the state's distribution of its annual apportionment; and
- (4) a direct correlation between the results of the consultation process and a determination that the state's intercity service needs are being met adequately.

7. ELIGIBLE SERVICES AND SERVICE AREAS. Connection to the national network of intercity bus service is an important goal of Section 5311(f) and services funded must make meaningful connections wherever feasible. Intercity bus projects may include package express service, if it is incidental to passenger transportation. The definition of intercity bus does not include commuter service (service designed primarily to provide daily work trips within the local commuting area). Commuter service is excluded because it is considered a local public transportation service, eligible for assistance under Section 5311 but not counting toward the required percentage for Section 5311(f).

Intercity service is not limited by the size of the vehicle used or by the identity of the carrier. Intercity bus does not include air, water, or rail service. While much of the public transportation service assisted under Section 5311 covers large distances because of the nature of the areas served, not all long distance trips are included in the definition of intercity service. For example, service that provides extensive circulation within a region (in contrast to regular but infrequent service from limited points in the community of origin to limited points in the destination community) is not considered intercity service, although it may be an eligible public transportation service. Similarly, service that only incidentally stops at an intercity bus facility among other destinations within the city at either end of a route that covers a long distance, without regard to scheduled connections, is eligible for Section 5311 assistance as public transportation, but is not an intercity feeder service.

8. ELIGIBLE ACTIVITIES. Eligible activities under Section 5311(f) must support intercity bus service in rural areas. Section 5311(f) specifies eligible intercity bus activities to include "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, and coordination of rural connections between small public transportation operations and intercity bus carriers." This listing does not preclude other capital and operating projects for the support of rural intercity bus service. For example, the state may provide operating assistance to a public or private nonprofit organization for the direct operation of intercity service after appropriate consideration of participation by private for-profit service providers. Capital assistance may be provided to purchase vehicles or vehicle-related equipment such as wheelchair lifts for use in intercity service. Charter and tour services are not eligible for FTA assistance. See 49 CFR part 604.

FTA encourages the participation of private companies that provide public transportation to the maximum extent feasible in this and other FTA programs. Among the various types of projects in which private intercity bus operators may wish to participate are improvements to existing intercity terminal facilities for rural passengers, modifications to transit facilities to facilitate shared use by intercity bus, intercity rail, and rural transit operators, operating assistance to support specific

intercity route segments, and applications of intelligent transportation systems (ITS) technology for coordinated information and scheduling.

FTA funds can be used for all aspects of intercity bus and rail facilities in facilities (such as intermodal terminals) that meet the criteria in Section 5302(3)(G) for joint development projects. FTA published final guidance for joint development projects in the *Federal Register* on February 7, 2007 (72 FR 5788).

9. **FEEDER SERVICE.** The “coordination of rural connections between small transit operations and intercity bus carriers” may include the provision of service that acts as a feeder to intercity bus service, and which makes meaningful connections with scheduled intercity bus service to more distant points. The feeder service is not required to have the same characteristics as the intercity service with which it connects. For example, feeder service may be demand-responsive, while intercity service is by definition fixed route. Examples of eligible costs include marketing and extended hours of service in order to connect with scheduled intercity service. Where feasible, intercity bus feeder service may also provide access to intercity connections with rail or air service. Rural transit providers operating feeder service with destinations across state lines are required to comply with the Federal Motor Carrier Safety Administration (FMCSA) regulations. Intrastate feeder service may also trigger compliance with FMCSA regulations if interlining is involved (issuing a single ticket for the feeder service and the trip provided by an interstate carrier). Section 5311(f) funds may be used for expenses incurred by a public transit operator as a result of FMCSA requirements triggered by the provision of feeder services.

ISSUES/AREAS OF CONCERN FOR FTA AWARENESS

1. Are there concerns about the State Management Plan for the Section 5311 program?
2. Are there concerns about the eligibility of any subrecipients?
3. Are there concerns about the project selection process and/or fair and equitable distribution of funds?
4. Did background research or site visit observations reveal any potential issues or concerns about the management or implementation of the Section 5311 program not covered previously in this section?

REFERENCES

1. 49 U.S.C. Chapter 53, Federal Transit Laws
2. FTA Circular 9040.1G, “Formula Grants for Rural Areas: Program Guidance and Application Instructions

USEFUL WEBLINKS

1. State Transit Program Manager’s Guide on Administration and Oversight of FTA Grant Programs
2. National Cooperative Highway Research Program (NCHRP) Research Results Digest 341: Compliance Monitoring Tools