



COLORADO

Department of Transportation

Division of Transit & Rail

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DATE: July 20, 2016

TO: Transportation Commission/Transit & Intermodal Committee

FROM: Mark Imhoff, Director, Division of Transit & Rail

SUBJECT: White Paper: Bustang Expansion/Rural Regional Bus Restructuring Plan

Purpose

This White Paper supplements the July 20 Transit & Intermodal memo, and gives a more comprehensive overview and project summaries for the FY2016/17 (Phase 1) and FY2017/18 (Phase 2) Bustang Expansion/Rural Regional Bus Restructuring Plan; and a preview of possibilities for Phase 3.

Background

CDOT manages limited federal funds which are available for rural regional bus connections, and the first task was to evaluate the current service and expenditures, and determine if improvements could be made to better serve the rural communities and maximize productivity. CDOT receives approximately \$1.6M/year in FTA Section 5311(f) funds dedicated to providing rural connections to the intercity transit network, including national commercial bus operators, such as Greyhound and some passenger rail services provided by Amtrak. The Office of Policy and Government Affairs has estimated that the new FAST Act will grow the Colorado 5311(f) apportionment to \$1.8M in calendar 2018.

CDOT, utilizing the annual 5311(f) funds, currently allows public and private providers to apply by route for subsidies/funding to operate rural connection routes, shown in Figure 1. The current practice has benefits, but it is not coordinated into a state network, includes amortized capital in the reimbursed operating costs, and is not branded as an integrated product. The Intercity and Regional Bus Network Study (2014) and the Statewide Transit Plan (2015) identified the rural regional needs and began to develop a framework for a statewide rural regional system. After close evaluation of the current 5311(f) routes and stakeholder outreach, a reconfiguration of the current 5311(f) network routes has been developed. A reconfiguration will better serve the rural communities, increase productivity, and remain financially constrained. The reconfiguration will utilize SB 228 funds to provide the capital needs, i.e. buses and Park & Rides. Smaller buses, sized to rural demand levels, will be procured and utilized for the rural regional routes. The plan optimizes the usage of limited operating funds by leveraging other available sources of capital funding.

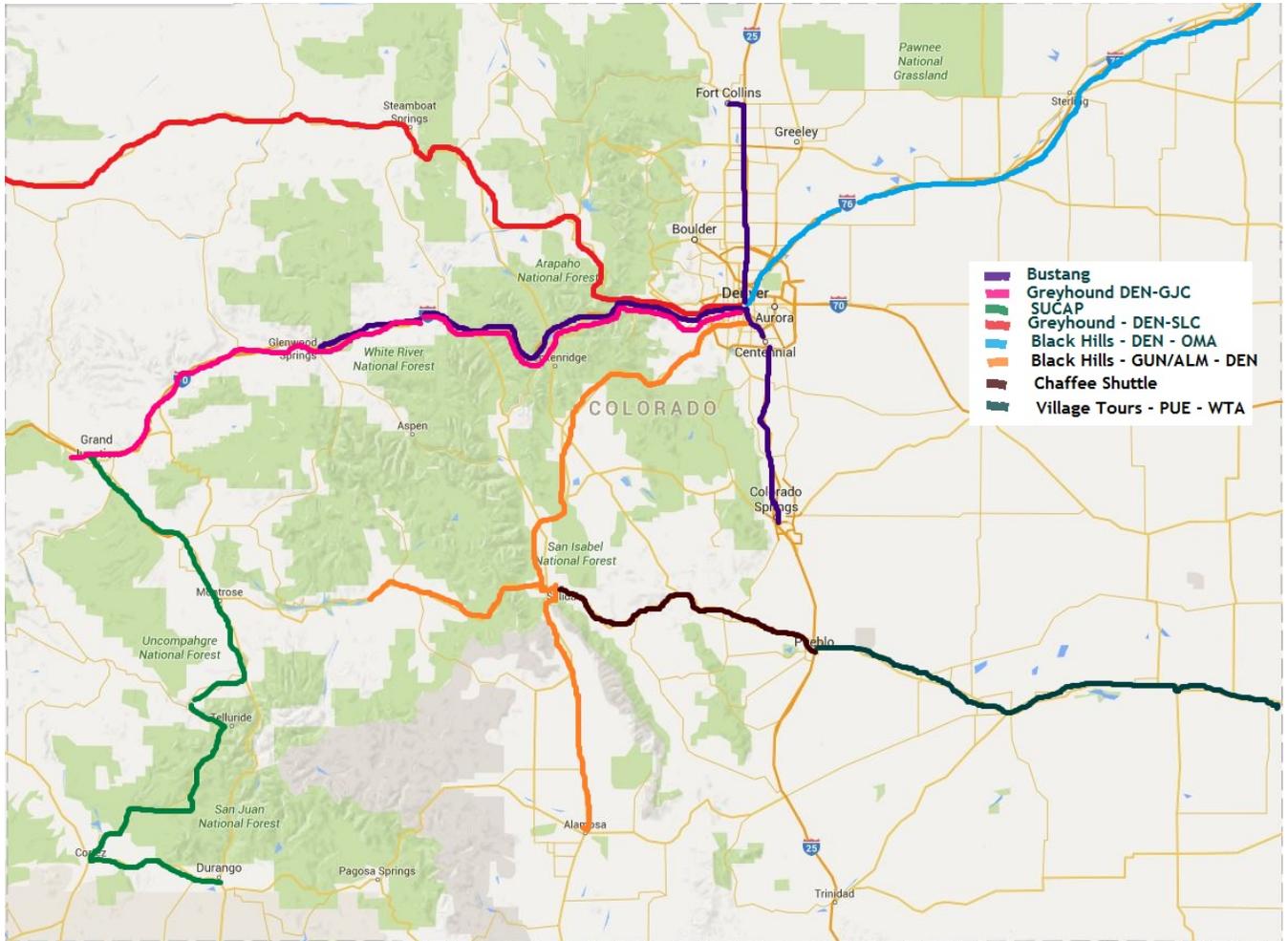
The Rural Regional concept has had significant stakeholder outreach:

- All local transit entities through the March Transit Town Hall meetings (four around the state).
- Presentations to all 10 rural TPRs and 5 urban MPOs during April, May and June.
- STAC updates throughout the winter and spring, and a full presentation at the June meeting.
- A TRAC sub-committee has been involved over the past year in the development of the Rural Regional plan.

The input received has generally been very supportive. Two TPRs voiced the opinion that the funds could be better spent on rural roads. Many wanted the plan to include additional routes beyond the financial constraints placed on the system.



Figure 1: Existing Intercity & Regional Services Using 5311(f) Funds



Although utilizing different funding sources, it is important to jointly view the statewide transit network concurrently; Bustang expansion (FASTER Statewide Bustang funds) and Rural Regional reconfiguration (5311(f) and SB228 funds). The plan is broken into two phases:

- Phase 1, FY2016/17. Deploy three new Bustang coaches and begin the reconfiguration of the current 5311(f) routes into a branded integrated service network.
- Phase 2, FY2017/18. Package the remainder of the current 5311(f) routes into a service package to be competitively procured and awarded to a private contract operator (similar to Bustang), with operation to begin in 2018.

It is important to stress that Phases 1 and 2 are reconfiguring the existing 5311(f) rural regional network, and redefining the delivery methods, all with current available funding. They are NOT adding routes to the current system. While Phases 1 and 2 are being implemented, a Phase 3 will be further developed. Phase 3 will consist of partnerships with local transit entities to operate and expand the rural regional branded network. Phase 3 will utilize any residual 5311(f) funds (limited amounts, if any), the remaining unused FASTER Statewide Operating funds (\$450K of the \$1M/year allocation), and SB228 for bus purchases.

Details



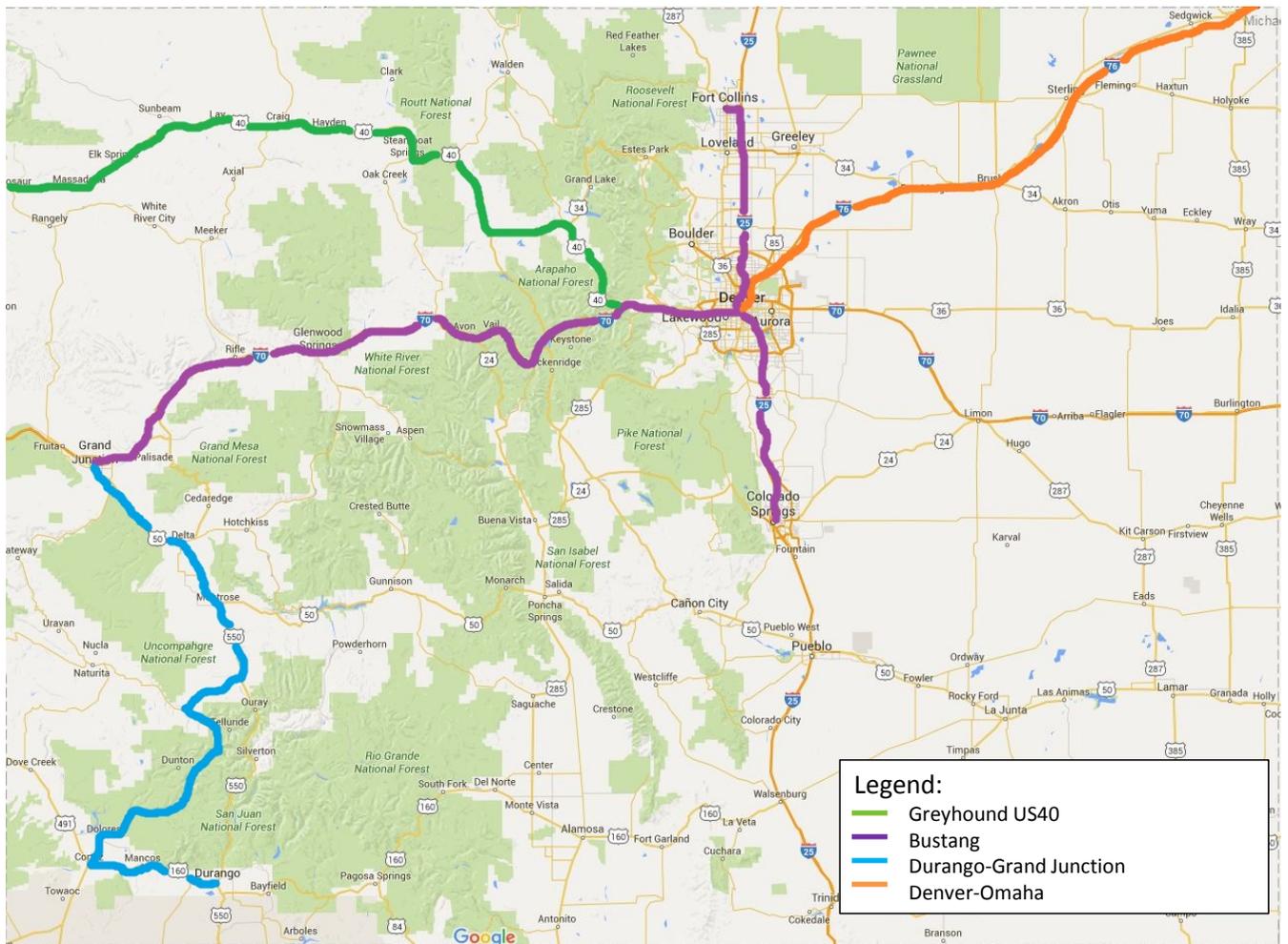
The current bus routes that are awarded by CDOT and funded through the FTA Section 5311(f) program are shown above in Figure 1. The restructuring of the 5311(f) program into a branded statewide system integrated with Bustang is broken into two implementation phases described below, and corresponds to state fiscal year.

Phase 1 - FY 2016/17 (Figure P1)

- CDOT has taken delivery of three new Bustang coaches in June 2016, ready for deployment in the fall. **Bustang funded.**
- Order six smaller (30-35 foot) over-the-road coaches for deployment in Phase 2 of the implementation plan; four for the contract operator package, and two for the SUCAP Durango - Grand Junction route (below). **SB228 funded.**
- Brand the Rural Regional Bus service as a unique statewide system, integrated with Bustang.
- Deploy one new Bustang coach to the West Route, adding a second daily scheduled run from Vail to Denver Union Station (DUS); service to begin in the fall 2016; **Bustang funded.**
- Eliminate the annual 5311(f) subsidy to Black Hills Stage Lines for the daily service between Denver and Omaha, Nebraska. This route is becoming profitable and there is another profitable route in the corridor. It is hoped that Black Hills Stage Lines will continue the route without subsidy. **The 5311(f) savings will be applied to Phase 2.**
- Continue the annual 5311(f) subsidy to Greyhound for the daily (7 days/week) service between Denver and Salt Lake City; joint subsidy partnership with Utah. This route has been successful over the years, carries substantial ridership across the state line, and provides a convenient schedule to northwest Colorado residents. **Status quo 5311(f) funding.**
- Convert the I-70 daily service between Denver and Grand Junction to a Bustang branded route. This route is currently operated by Greyhound and subsidized through 5311(f). It will continue to be subsidized/funded by 5311(f) with the Bustang brand. To emphasize the Bustang brand, one of the new Bustang coaches will be deployed for this route. Two service options are being explored with Greyhound and a proposal has been submitted to Greyhound to begin the negotiations:
 - Eliminate the Greyhound contract and incorporate the daily round-trip between Denver and Grand Junction into the Bustang service plan; **Joint 5311(f)/Bustang funded.** This route/service is part of the national intercity bus network and has timed transfer interface with the Durango - Grand Junction route (below) and the Greyhound hub at DUS, therefore the route schedule and structure would need to remain consistent with the current Greyhound service.
 - Continue the Greyhound service contract, and provide a Bustang coach (**Bustang funded**) to be co-branded with Greyhound. The route operation would continue to be **5311(f) subsidized**, but savings is expected by not having amortized capital for a bus in the subsidized operating costs. In addition, a user side subsidy (**5311(f) funded**) is being evaluated for in-state Colorado travel to be consistent with the Bustang fare structure instead of the Greyhound tariff rate.
- Provide additional support and oversight of the **5311(f) funded** daily route between Durango and Grand Junction operated by the Southern Ute Community Action Program (SUCAP); this route makes a scheduled time transfer in Grand Junction with the I-70 Greyhound route (above). Currently SUCAP has branded this route the Road Runner. They utilize two high mileage, used over-the-road-coaches that have been plagued with maintenance issues forcing frequent cancellation of service, and significantly increased operating costs. In spite of this, ridership has shown steady growth. Phase 1 will loan SUCAP a Bustang coach to utilize and keep service operating every day; the used Road Runner coaches will be held as spares. Once CDOT takes delivery of the smaller Rural Regional over-the-road coaches, two will be deployed to SUCAP and the loaned Bustang coach will go back into the Bustang fleet and be deployed for a new run on the North Route. **5311(f) savings is expected** with a reliable Bustang coach and reduced maintenance costs.

Figure P1: FY 2016/17





Phase 2 - FY 2017/18 (Figure P2)

Phase 2 will include implementation of the remaining element from Phase 1 and two Bustang extensions:

- Deliver two new branded Rural Regional coaches to SUCAP for use on the Durango to Grand Junction route; **SB228 funded from Phase 1.**
- Add a weekday round trip to the North Route schedule; once the Bustang coach on loan to SUCAP is returned; **Bustang funded.**
- Extend a weekday round-trip on the South Route to Pueblo for commuter demand; **Bustang funded.**

The primary element of Phase 2 will be a three route contracted service package (similar to the Bustang operating contract) based out of Pueblo, all reconfigured existing 5311(f) routes; **5311(f) funds.** Any 5311(f) savings from Phase 1 will be applied to Phase 2. The three routes will all operate one round trip/day, and utilize four (one/route plus one spare) new branded Rural Regional coaches; **SB228 funds from Phase 1.** The three reconfigured routes in the Phase 2 contracted package are as follows:

1. Eliminate the annual 5311(f) subsidy to Village Tours for the daily (7 days/week) service between Pueblo and Wichita, Kansas. This route has very low ridership, carries very few Colorado residents across the state line, and stops in Lamar and La Junta at very inconvenient times. A trip from Lamar to Pueblo for a doctor appointment, for example, would require a two-night stay. Replace the Pueblo to Wichita service with a 5311(f) branded Rural Regional weekday route from Lamar to Pueblo to Colorado Springs, operating at convenient times; **5311(f) funds.**
2. Convert the 5311(f) Chaffee Shuttle daily (7 days/week) service between Gunnison and Pueblo to 5311(f) branded Rural Regional daily (7 days/week) service; same schedule with timed transfer in Salida with the Alamosa to Denver route (below). **5311(f) funds.**



- Convert the 5311(f) Black Hills Stage Lines subsidized daily (7 days/week) route between Alamosa and Denver to a 5311(f) branded Rural Regional daily (7 days/week) route; same schedule with a timed transfer in Salida with the Gunnison to Pueblo route (above). 5311(f) funds.

Figure P2: FY 2017/18



Phase 3 - FY 2017/18 and FY 2018/19 (Figure P3)

Phase 3 will comprise partnerships between CDOT and local transit agencies to operate branded Rural Regional routes. The annual FASTER Transit Statewide program includes up to \$1.0M/year available for rural regional transit operations, of which approximately \$550K/year are currently granted to three local transit agencies; RFTA, Steamboat Springs and TransFort. The remaining \$450K/year of operating funds will be utilized to add branded Rural Regional service in partnership with, and operated by, local transit agencies; branded Rural Regional coaches will be provided. No commitments have been secured, and FY2016/17 will be spent reaching out to further local transit entities and identifying those interested in operating additional Rural Regional routes; opportunities include:

- Steamboat Springs to Frisco
- Fort Morgan to Greeley
- Greeley to Ft Collins
- Gunnison to Montrose
- Dove Creek to Durango
- Limon to Colorado Springs
- Craig to Rifle to Grand Junction
- Pagosa Springs to Durango



- Montrose to Grand Junction

There currently are other rural regional routes being operated by local transit agencies around the state. Phase 3 would also include discussion with these entities to see if they would entertain utilizing branded Rural Regional coaches for these routes:

- Fort Collins to Boulder (Trans Fort/FLEX); currently receive \$200K/year of FASTER operating funds.
- Trinidad to Pueblo (South Central COG)
- Craig to Steamboat Springs (Steamboat Transit); currently receiving \$150K/year of FASTER operating funds.
- Leadville to Vail (ECO Transit)
- Leadville to Frisco (Summit Stage)
- Rifle to Glenwood Springs (RFTA); currently receiving \$200K/year of FASTER operating funds.

Figure P3: FY 2017/18 and 2018/19



Figure 2 below shows how the three phases of the Rural Regional reconfiguration effort integrates into a statewide branded service plan. The individual components provide access to/from rural areas of the state into nearby urban centers. With Bustang, they also combine to provide longer-distance connections among all the urban centers and regions of the state.

Figure 2: Phases 1, 2, and 3 Combined

