



**DEPARTMENTAL  
INFORMATION  
EXCHANGE**

## **A LOOK AT THE INTERCITY BUS INDUSTRY IN TEXAS**

### **PROBLEM STATEMENT**

Since intercity bus operations peaked during World War II, the industry has experienced ridership losses, higher operating costs, and in many cases, declining profits. Automobiles became affordable, airplanes popular, and rural populations less, all contributing to the industry's decline.

In response, the federal government now requires that states spend a certain portion of their rural transit funds on a program for the development and support of intercity bus transportation. This mandate can only be waived and the funds released to rural public transit providers if the state's governor certifies that intercity bus needs are being adequately met. In order to determine whether this is the case in Texas, information on the current status of the bus industry is needed.

### **OBJECTIVES**

The Texas Transportation Institute (TTI) conducted study 0-1337, *Intercity Public Transportation in Texas*, in cooperation with the Texas Department of Transportation (TxDOT) and the Federal Highway Administration (FHWA) to develop information and data that provides a clear status of Texas' current intercity bus industry. Specific objectives included:

- Update the historical trends in Texas' intercity bus industry since the last study in 1981;
- Define the characteristics of existing intercity bus service in Texas; and
- Document current and proposed efforts being made by federal and state governments to address intercity transportation needs.

Researchers conducted surveys of other states with programs assisting intercity buslines, of the Texas general public, and of Texas intercity bus riders. In addition, researchers elicited comments from representatives of Texas bus companies.

### **FINDINGS**

The exit of Texas bus companies from unprofitable routes (allowed by the 1982 Bus Regulatory Reform Act) has not made Texas bus companies more profitable. In fact, annual reports from the Railroad Commission of Texas have shown that companies operating bus service in Texas have become less profitable since the regulatory reform. However, while the number of cities receiving intercity bus service in Texas has reduced by nearly half in the last twenty years, study reveals that only twenty-one Texas cities and towns with populations over 5,000



In cooperation with  
Texas Department of Transportation  
and the FHWA

## **Summary Report**



Office of Research and  
Technology Transfer

P.O. Box 5080 Austin, Texas 78763-5080

Phone 512-465-7644

FAX 512-465-7486

#### LEGEND

-  Service Areas
-  No Rural Transit System Service

1. De Soto
2. Lancaster
3. Cedar Hill
4. Rockwall
5. Graham
6. Azle
7. Frisco
8. Iowa Park

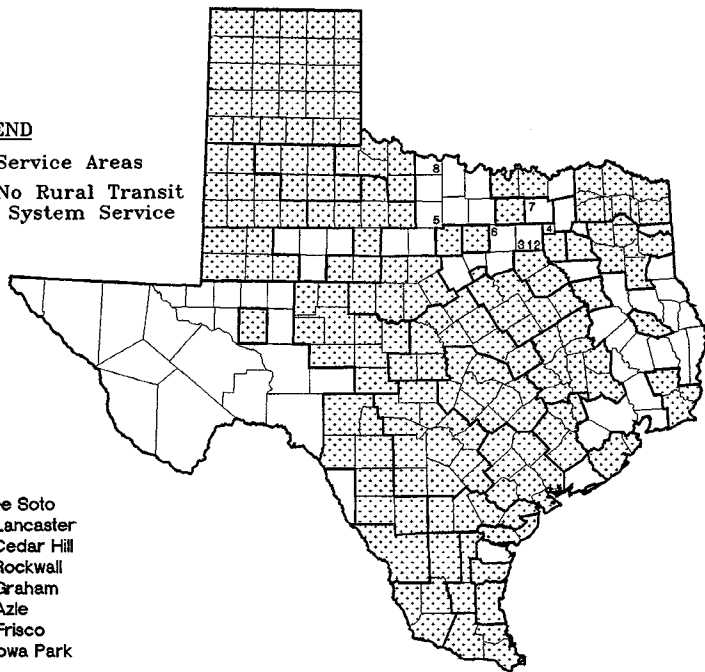


Figure 1. Cities with populations greater than 5,000, further than 10 miles (16km) from intercity bus service, and without access to a rural transit system service

were further than ten miles (16 km) from the nearest intercity bus stop. All but eight of these cities and towns have access to a bus stop via a rural transit service (see Figure 1).

A 1992 United States General Accounting Office Survey revealed that twenty of the fifty states had intercity bus support programs offering aid such as terminal, vehicle, or operating assistance. Of nine states informally surveyed by telephone, their programs included a variety of planned activities:

- instituting vehicle loan programs,
- providing route operating subsidies,
- helping with capital costs,
- placing highway signs,
- printing intercity bus brochures, and

- making terminal improvements.

Demographic and opinion surveys of the Texas general public and intercity bus riders showed that respondents were riding the bus less often. Bus riders were generally a lower-income group than most of the Texas and U.S. population; were most often taking the bus to visit a friend or relative; and, in most situations, were dropped off and picked up at the bus station.

Another goal of the surveys was to determine what would make a non-bus rider more likely to ride the bus and a current bus rider ride more often. Household survey respondents said that more express bus service, bus stations located in better places, and increased air and train fares would influence them to ride more often. Bus riders cited safety at the bus station and on the bus, leg room and comfortable seats, adherence to schedules, and

low bus fares as the most influential factors.

Representatives from seven bus companies offered suggestions on what could be done to help boost the bus industry. A frequently cited improvement was the government-owned multimodal transportation facility. These facilities would streamline the transfer from one mode of transportation to another. They would also eliminate the reliance smaller bus companies have on terminal facilities owned or operated by larger companies. Bus company representatives also suggested operating subsidies for rural routes and advertising intercity bus service through billboards or highway signs. In general, the bus companies indicated that their industry was indeed in decline.

## IMPLEMENTATION

The findings of this study have been released to the department for use in determining the adequacy of intercity bus transportation in Texas. For more information, contact Bill Strawn, 512-483-3660.

*Prepared by Kelly West, Science and Technology Writer, Texas Transportation Institute.*

The contents of this summary are reported in detail in TTI Research Report 1337-1F, "Intercity Bus Industry in Texas," by Kay Fitzpatrick, Karen Kuenzer, Torsten Lienau, and Tom Urbanik II, November 1993. This summary does not necessarily reflect the official views or policies of TxDOT or the FHWA.