Before the United States House of Representatives

Transportation and Infrastructure Committee

A Review of Amtrak Operations, Part III: Examining 41 Years of Taxpayer Subsidies

September 20, 2012

Testimony of Peter J. Pantuso, President and CEO

American Bus Association

Chairman Mica, ranking member Rahall, members of the Committee, my name is Peter J. Pantuso and I am the President and the CEO of the American Bus Association. The American Bus Association (ABA) is the trade association for the bus and motorcoach industry. The ABA represents some 800 bus operator companies. Our members provide all manner of transportation services to the public.

In addition to scheduled service operations provided by companies such as, Coach USA and Academy Bus Lines in New Jersey; Concord Coach Lines in New Hampshire; Greyhound Lines in Texas; Orange Belt Stages in California; ABA bus operator members like Turner Coaches in Indiana; Destinations Unlimited in Florida and hundreds of others providing charter and tour services, airport shuttle services and commuter services throughout the United States and Canada. Moreover, ABA members include destination focused organizations like the NY Yankees, the International Spy Museum in Washington, D.C. and the Kennedy Space Complex in Florida. ABA members also include an additional 3000 companies that provide motorcoach passengers with services. These members include tour operators, tourist attractions, convention and visitors' bureaus, hotels, restaurants, bus manufacturers, equipment suppliers and others that serve bus manufacturers and bus companies.

In total, the private motorcoach industry provided nearly 700 million passenger trips in 2010. This number is comparable to the domestic airlines and many times more than those provided by Amtrak.

Mr. Chairman, on behalf of ABA's membership I would like to thank you for holding this hearing. I hope to provide the committee with some appreciation of the capabilities of the motorcoach industry in offering quality, efficient, safe and cost effective transportation to the people of the United States. My testimony will focus on the capabilities of scheduled service operations. Included in this part of the motorcoach industry are commuter services, airport connections, curbside and station operations. Today I will focus on curbside and station intercity operations.

As you might know the intercity bus industry, led by ABA members providing curbside and station service, are in the midst of a remarkable surge in ridership. Moreover, according to a paper presented at the 2011 meeting of the Transportation Research Board (TRB) curbside intercity bus travel has more than doubled on the "Northeastern Corridor" (generally thought of as the route between Boston, Massachusetts and Washington, D.C.) growing to over 7 million annual trips[1]. We have also seen growth in ridership across America with primarily station carriers like Greyhound Lines, an ABA member, increasing annual passenger volume to some twenty million. Megabus, another ABA member, providing mainly curbside service has grown to over 8 million passengers a year.

The services provided by the private bus and motorcoach industry yield more than transportation options to the traveling public. The economic impact of the motorcoach tour and travel industry is significant. The ABA's research arm, ABA Foundation, has calculated that the industry has an annual impact of $112 billion dollars, a figure which includes the industry's support of one million jobs and over $40 billion in wages. In addition, the total amount of taxes (state and federal) paid by the industry amounts to just under sixteen and a half billion dollars. (A copy of the ABA Foundation summary is attached to my testimony). Our industry is also the most fuel and carbon efficient mode of mass transportation, in 2010 the motorcoach fleet averaged 207.3 passenger miles per gallon. In fact the Union of Concerned Scientists published a report in

[1] Klein, Nicholas: "More than Just a Bus Ride: Curbside Intercity Buses" TRB 2011 Annual Meeting, Page 3.

2008 which found that if you had to travel anywhere from 100 to 1000 miles the most efficient mode was motorcoach[2].

What is even more remarkable is that these services are provided by an industry of 90 percent small businesses that receives almost no subsidy. I include as a part of my testimony a study prepared for the ABA by Nathan and Associates, Inc. In this study *Federal Subsidies for Passenger Transportation from 1960-2009* were examined. The conclusion: subsidies per passenger trip for Amtrak averaged $57.04 per trip, the most of any mode of transportation. From 2002-2009 private commercial bus was the least subsidized mode of transportation, including private automobile, Amtrak, private sector commercial air passenger carriers and publicly funded mass transit. If looked at as subsidies per passenger mile Amtrak received $0.254 and private sector commercial buses received a subsidy of $0.001 per passenger mile. Even with this subsidy Amtrak is not able to provide cost effective and in some cases time efficient transportation.

A round trip from D.C. to New York City will cost between $36 and $58 dollars and remain time competitive with Amtrak[3]. The current Amtrak schedule prices the same round trip fare between $98 and $306[4]. Of course, that is the standard fare. For the newer and slightly faster Amtrak Acela train a D.C. to New York City fare will cost the passenger from $290 to $460. On other routes like Durham, NC to Richmond, VA Amtrak takes 4 hours and 23 minutes while costing $35 each way, whereas a direct route by Megabus only takes 2 hours and 45 minutes, while costing as little as $9 each way and offering more schedule options.

We know the American public is hungry for more transportation options. A study released last week, the Natural Resources Defense Council (NRDC) found that three out of four Americans are frustrated with the

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[2] Union of Concerned Scientists: "Getting There Greener" http://www.ucsusa.org/clean_vehicles/what_you_can_do/greentravel/getting-there-greener.html

[3] Ticket prices are for two weeks advance travel leaving on September 28 and returning September 30. All pricing information was taken from http://us.megabus.com/

[4] Ticket prices are for two weeks advance travel leaving on September 28 and retuning September 30. All pricing information was taken from http://www.amtrak.com/home

lack of transportation options that forces them to drive more than they would prefer[5]. In our view the major barrier to offering real passenger choice is a combination of an uneven playing field and modal stovepipes. While the intercity bus industry must compete in the free market its major intercity competition including Amtrak is heavily subsidized. As the subsidy gap between our industry and Amtrak continues to grow bus operators will start to lose the price and time competition, not as a function of the free market but because of government spending. This is because Amtrak is not required to operate like a business covering both operational and capital costs. Even on corridors that are "profitable" they are still not covering the costs of capital replacement for their fleet as a bus operator must do. While this hurts competition in densely populated areas it is a disaster for the industry and more importantly Americans living in more sparsely populated regions.

As the Klein study makes clear the private bus industry provides the amenities wanted by the travelling public. The presence of Wi-Fi on each motorcoach, DVD players, plug-ins available to all with laptops is a normal part of any bus ride on the Northeast corridor. While the industry's bus fleets do not have galley kitchens in the fifty-five passenger buses, we have noticed that passengers appreciate the opportunity to bring food on board for the trip. Moreover, today there are bus companies that offer smaller vehicles with a higher level of amenities, like fewer passengers, more generous passenger seating and more flexible scheduling. The private bus industry's advantages in cost, efficiencies and flexibility argue for our complete inclusion in the nation's transportation system.

If it is Congress's decision that there are some areas where transportation needs to be subsidized we propose a different paradigm. Simply stated, ABA believes that the subsidy should be limited and that the transportation service be required to move to a point of operational self-sufficiency. One example of this new paradigm is the service offered by Boston Express, a division of an ABA member which provides service between Manchester, New Hampshire and Boston South Station providing up to 27 roundtrips daily. Boston

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[5] National Resources Defense Council news release September 12, 2012. NRDC poll findings at http://docs.nrdc.org/energy/files/ene_12090401a.pdf.

Express has carried over two million passengers while achieving a 94% fare box recovery in less than four years and while the economy staggered. What is also unique about this project is that in addition to creating fifty permanent jobs in New Hampshire it also pays terminal fees, highway tolls, taxes, fuel costs and other fees. New Hampshire had a choice of a rail option but instead chose intercity bus because of its cost effectiveness.

Our proposal is that where the population density does not warrant the massive capital investment required for rail operations buses should be considered the primary intercity option. States should be given funding flexibility to determine how best to serve the needs of the traveling public. Granting criteria should include cost effectiveness and frequency of service. Modal options should be selected based on how effective they will be at reducing tax payer burden while serving passengers and not based on modal funding stovepipes.

Our goal should be to create a seamless transportation network that enables passenger choice. Transportation facilities should be designed and open to all modes and not exclusive to one. We should do away with the concept of rail stations, airports and mass transit centers and replace them with multimodal facilities. If a facility is being constructed or supported using federal dollars it should be required to grant unfettered access to intercity bus operators and other modes of transportation.

All of the above brings me to the main point of my testimony. It is not that Amtrak doesn't serve a need or is not part of the nation's transportation system. My point is that there must be room for other transportation modes in the system. The intercity bus industry provided nearly 700 million passenger trips in 2010. The two large bus operators I mentioned previously (Greyhound and Megabus) provide service to almost the same number of people who ride Amtrak (in a record breaking year) and do so with more schedules, less money and in some cases more amenities than our national intercity rail carrier. They, like the rest of our industry, accomplish this without massive government spending. Imagine what we could do if the barriers to competition were removed or if states were given flexibility in using their transportation dollars.

Again, thank you for the opportunity to testify today and I am happy to answer any questions you have for me.

Peter J. Pantuso, CTIS
President & CEO
American Bus Association
111 K Street, NE 9th Floor
Washington, DC 20002
Office Direct 202.218.7229
ppantuso@buses.org

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Federal Subsidies for Passenger Transportation, 1960-2009

Economic Impact of the Motorcoach, Tour and Travel Industry

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Federal Subsidies for Passenger Transportation, 1960-2009

Focus on Post 9/11 2002-2009

NATHAN
ASSOCIATES INC.

Robert Damuth
Economist and Principal Consultant
Nathan Associates Inc.

March 2, 2011

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Glossary

AATF	Airport and Airway Trust Fund
ACE	Army Corps of Engineers
ADAP	Airport Development Aid Program
ARRA	American Recovery and Reinvestment Act of 2009
BIA	Bureau of Indian Affairs
BLM	Bureau of Land Management
BR	Bureau of Reclamation
BTS	Bureau of Transportation Statistics
CAB	Civil Aeronautics Board
DHS	Department of Homeland Security
DOA	Department of Agriculture
DOD	Department of Defense
DOI	Department of the Interior
DOT	Department of Transportation
FAA	Federal Aviation Administration
FEMA	Federal Emergency Management Agency
FHWA	Federal Highway Administration
FMCSA	Federal Motor Carrier Safety Administration
FRA	Federal Railroad Administration
FTA	Federal Transit Administration
HTF	Highway Trust Fund
HUD	Department of Housing and Urban Development

1. Introduction

The U.S. passenger transportation infrastructure consists of airports, highways,[1] intercity rail,[2] and public transportation or mass transit systems. Federal legislation during the second half of the 20th century spurred development of the infrastructure.

- *Airports.* Federal government involvement in the development of private sector commercial air transportation can be traced back to the Air Mail Act of 1925, which authorized the postmaster general to contract for domestic airmail service with commercial air carriers. By doing so, the Federal government helped create the private sector commercial aviation industry.[3] However, Federal support for airport development began in earnest in 1970 with passage of the Airport and Airway Development Act, which established the Airport Development Aid Program (ADAP) and the Airport and Airway Trust Fund (AATF).[4] AATF provides Federal funding for development of the U.S. aviation system through aviation-related excise taxes, including airline passenger ticket taxes, head taxes on international passenger arrivals and departures, aviation fuel taxes, and air freight taxes.
- *Highways.* The Federal-Aid Highway Act of 1956 created the interstate highway system, the largest public works program in U.S. history.[5] The Act authorized $25 billion for fiscal years 1957 through 1969 for the construction of 41,000 miles of highway.[6] The Highway Revenue Act of 1956 created the Highway Trust Fund (HTF) to be the source of funding for the program. Prior to the HTF, the general fund of the U.S. Treasury was the source of federal funding for highway construction. Proceeds from motor fuel and vehicle taxes were credited to the general fund. There was no direct relationship between these tax revenues

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[1] Bus terminals are considered part of the highway transportation infrastructure.
[2] Rail stations are considered part of the intercity rail transportation infrastructure.
[3] "Airmail: The Airmail Act of 1925 through 1929," U.S. Centennial of Flight Commission, July 2009, available at http://www.centennialofflight.gov/essay/Government_Role/1925-29_airmail/POL5.htm.
[4] *Airport System Development*, Office of Technology Assessment, U.S. Congress, Washington, DC, OTA-STI-231, August 1984, available at http://www.princeton.edu/~ota/disk3/1984/8403/8403.PDF.
[5] Wendell Cox and Jean Love, "The Best Investment a Nation Every Made, A Tribute to the Dwight D. Eisenhower System of Interstate and Defense Highways," American Highway Users Alliance, June 1996, available at http://www.publicpurpose.com/freeway1.htm.
[6] Richard F. Weingroff, "Federal-Aid Highway Act of 1956: Creating the Interstate System," Federal Highway Administration, U.S. Department of Transportation, 1996, available at http://www.fhwa.dot.gov/infrastructure/rw96e.cfm.

revenue totaled $90 million, the aviation industry would have received a Federal subsidy of $10 million.

It is important to note that our definition of a subsidy does not take into account all economic and social costs of the use of a particular mode of transportation. More specifically, we do not attempt to account for externalities, such as environmental or congestion costs of using one mode of transportation versus another. We consider only Federal outlays and Federal excise tax revenues.

This study comes at an important time. The existing authorization for Federal surface transportation programs expired on September 30, 2009. Enacted on August 10, 2005, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A legacy for Users (SAFETEA-LU), has survived via continuing resolutions. Surface transportation funding and spending authority were extended through December 31, 2010 at levels set in the fiscal 2010 Transportation Appropriations Act.

Our study reminds policymakers of inequities found in Federal support for passenger transportation that have effects on industry development and growth. Just as the Airmail Act of 1925 promoted the private aviation industry at the expense of railroads, uneven Federal support creates advantage for some industries and disadvantage for others.

This is not our first subsidy study. Our initial study was released in 1989.[14] Until then, no one had provided subsidy estimates for all modes in a single study at the level of detail we provided. Since then, we have updated our estimates, beginning with a July 1995 report, then an April 2003 report, and, most recently, a September 20, 2007 report. Along the way, the Bureau of Transportation Statistics (BTS) of the U.S. Department of Transportation (DOT) released a December 2004 report "Federal Subsidies to Passenger Transportation."[15] The BTS study was similar to those we had been producing since 1989. More important, the BTS study found subsidy disparities similar to those we had been estimating and documenting since 1989.

Our past studies have all reached a common conclusion: the private sector commercial bus industry has been disadvantaged by inequities in the distribution of Federal subsidies. Regardless of how the subsidy is expressed—total amount, amount per passenger trip, or amount per passenger mile—the bus subsidy is a minute fraction of the subsidy received by each of the other passenger transportation modes. In absolute terms and relative to other commercial modes of passenger transportation, the private sector commercial bus industry pays its fair share of the Federal cost of highways and related services.

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[14] "Federal Subsidies for Passenger Transportation, 1960-1988: Winners, Losers, and Implications for the Future," Robert R. Nathan Associates, Inc., Washington, DC, May 1989.

[15] Available at http://www.bts.gov/programs/federal_subsidies_to_passenger_transportation/pdf/entire.pdf.

2. Data

Data required for estimating subsidies include:

- Annual Federal government outlays on airports and related services, highways and related services, intercity rail, and mass transit;
- Cost responsibilities of each airport and highway mode; and
- Trust fund contributions (excise tax revenues) of each airport and highway mode.

We also collected data on passenger trips and passenger miles. Subsidies per passenger trip, as well as per passenger mile are useful ways to normalize estimates for the purpose of making intermodal comparisons. More important, subsidies per passenger trip can be measured against ticket prices or, with respect to travel by automobile, fuel costs of auto trips for better understanding of the significance of the subsidy to travelers.

Federal Outlays

Outlays are reported in the budget of the U.S. government. More specifically, the Appendix to the budget presents outlays by agency, program, and account.[16] All budget accounts are either Federal funds or trust funds. Federal funds are for all transactions not required by law to pass through trust funds. The largest of the Federal funds group is the general fund, but special and revolving funds, both of which can be earmarked for spending on specific purposes, are also part of the Federal funds group. The trust funds group consists of funds designated for spending on specific purposes, such as the HTF and the AATF.

Although most data we rely on are reported in the DOT budget, data for earlier years were sometimes found in budgets of entities no longer in existence, for example, air transportation system outlays that were made by the now defunct Civil Aeronautics Board (CAB). Moreover, other departments such as the newly created Department of Homeland Security (DHS) and

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[16] See http://www.whitehouse.gov/omb/budget/Appendix for the fiscal 2011 budget.

Table 1

U.S. Federal Outlays on Airports and Related Services, 1960-2009 ($ million)

Fiscal Year	DOT, FAA	DOT, OS /a	NASA	CAB	DHS /e	Total
1960	508.0	-	-	67.2	-	575.2
1961	638.5	-	-	85.5	-	724.0
1962	698.4	-	-	90.8	-	789.2
1963	726.3	-	-	91.2	-	817.5
1964	750.6	-	-	94.1	-	844.7
1965	794.6	-	-	91.6	-	886.2
1966	803.9	-	-	85.5	-	889.4
1967	882.9	-	-	73.8	-	956.7
1968	895.8	-	-	64.0	-	959.8
1969	998.0	-	168.5 /b	53.6	-	1,220.1
1970	1,075.1	-	187.9 /b	47.6	-	1,310.6
1971	2,167.6	-	209.6 /b	67.4	-	2,444.6
1972	2,523.5	-	226.9 /b	76.1	-	2,826.5
1973	1,921.5	-	241.6 /b	86.4	-	2,249.5
1974	1,855.1	-	291.9 /b	88.5	-	2,235.5
1975	2,011.6	-	315.9 /b	80.9	-	2,408.4
1976	2,132.8	-	332.8 /b	90.9	-	2,556.5
1977	2,368.9	-	350.4 /b	102.7	-	2,822.0
1978	2,778.0	-	397.6 /b	101.4	-	3,277.0
1979	2,849.6	-	443.3 /b	99.3	-	3,392.2
1980	3,136.3	-	505.5 /b	116.7	-	3,758.5
1981	3,158.4	-	544.2 /b	147.2	-	3,849.8
1982	2,891.3	-	562.5 /b	110.0	-	3,563.8
1983	3,403.7	-	563.0 /b	77.5	-	4,044.2
1984	3,818.5	-	586.3 /b	21.4	-	4,426.3
1985	4,267.0	-	643.3 /b	3.5	-	4,913.8
1986	4,672.9	-	647.7 /b	-	-	5,320.6
1987	4,894.8	-	634.9 /b	-	-	5,529.6
1988	5,191.7	-	678.6 /b	-	-	5,870.2
1989	5,740.0	27.2	855.3 /b	-	-	6,622.5
1990	6,390.9	24.1	888.8 /b	-	-	7,303.8
1991	7,242.0	28.9	920.0 /b	-	-	8,190.9
1992	8,156.0	30.9	1,122.0 /b	-	-	9,308.9
1993	8,800.0	30.9	1,212.0 /b	-	-	10,042.9
1994	8,784.1	31.5	1,022.1 /b	-	-	9,837.7
1995	9,207.0	29.0	1,116.0 /b	-	-	10,352.0
1996	8,926.0	22.0	1,187.0 /c	-	-	10,135.0
1997	8,814.0	21.0	1,302.0 /c	-	-	10,137.0
1998	9,243.0	40.0	1,339.0 /c	-	-	10,622.0
1999	9,508.0	-5.0	1,217.0 /c	-	-	10,720.0
2000	9,562.0	-5.0	1,014.0 /c	-	-	10,571.0
2001	11,115.0	56.0	868.0 /c	-	-	12,039.0
2002	13,093.0	34.0	956.0 /c	-	58.0	14,141.0
2003	12,562.0	49.0	1,671.0 /c	-	8,684.0	22,966.0
2004	12,836.0	96.0	551.0 /d	-	3,221.0	16,704.0
2005	13,840.0	102.0	834.0 /d	-	4,048.0	18,824.0
2006	14,188.0	99.0	722.0 /d	-	3,894.0	18,905.0
2007	14,153.0	87.0	613.0 /d	-	3,598.0	18,451.0
2008	14,719.0	143.0	637.0 /d	-	4,455.0	19,955.0
2009	15,418.0 /f	123.0	492.0 /d	-	4,739.0	20,772.0

a. Outlays are for the Essential Air Service program, which was created in 1978 in the Airline Deregulation Act. Through 1997, program was funded from the Airport and Airway Trust Fund. Starting in 1998, FAA reauthorization funded it as a mandatory program supported by overflight fees. Outlay statistics were not available until 1989. 2008 also includes Compensation for General Aviation Operations from financial losses due to airport closures after 9/11/01.

b. Includes only air transportation R&D, construction of facilities, and research and program management.

c. Includes science, aeronautics, and technology, mission support, research and development, and construction of facilities.

d. Includes only spending on science, aeronautics, and exploration air transportation.

e. Outlays for aviation security, net of passenger and carrier security fee collections.

f. ARRA provided $200 million to FAA's Facilities & Equipment account and $1.1 billion for Grants-in-Aid for Airports.

SOURCE: Appendix, Budget of the United States Government, fiscal 1960-2011.

Table 3

U.S. Federal Outlays on Intercity Rail Passenger Transportation (Amtrak), 1960-2009 ($ million)

	DOT, FRA						
Fiscal Year	NCIP	High-speed Trainsets and Facilities	NRPC	Next Generation High-speed Rail	RRIP	ARRA	Total
1960	-	-	-		-	-	-
1961	-	-	-		-	-	-
1962	-	-	-		-	-	-
1963	-	-	-		-	-	-
1964	-	-	-		-	-	-
1965	-	-	-		-	-	-
1966	-	-	-		-	-	-
1967	-	-	-		-	-	-
1968	-	-	-		-	-	-
1969	-	-	-		-	-	-
1970	-	-	-		-	-	-
1971	-	-	24.3		-	-	24.3
1972	-	-	77.9		-	-	77.9
1973	-	-	105.8		-	-	105.8
1974	-	-	128.6		-	-	128.6
1975	-	-	299.0	-	-	-	299.0
1976	-	-	354.5	-	-	-	354.5
1977	82.5	-	730.1	-	-	-	812.6
1978	203.8	-	716.0	-	-	-	919.8
1979	198.8	-	779.0	-	-	-	977.8
1980	240.9	-	823.4	-	-	-	1,064.3
1981	218.2	-	851.4	-	-	-	1,069.6
1982	333.8	-	717.7	-	-	-	1,051.5
1983	296.0	-	665.4	-	-	-	961.4
1984	241.1	-	1,957.1	-	-	-	2,198.2
1985	153.3	-	763.8	-	-	-	917.1
1986	97.1	-	680.3	-	-	-	777.4
1987	95.1	-	297.3	-	-	-	392.4
1988	55.3	-	591.1	-	-	-	646.4
1989	41.5	-	574.4	-	-	-	615.9
1990	23.9	-	560.7	-	-	-	584.6
1991	39.0	-	680.0	-	-	-	719.0
1992	173.0	-	658.2	-	-	-	831.2
1993	121.0	-	611.0	-	-	-	732.0
1994	117.0	-	628.2	-	-	-	745.2
1995	127.0	-	806.0	-	-	-	933.0
1996	265.0	-	627.0	7.0	-	-	899.0
1997	390.0	50.0	613.0	9.0	-	-	1,062.0
1998	448.0	30.0	478.0	9.0	-	-	965.0
1999	26.0	-	243.0	18.0	-	-	287.0
2000	-	-	594.0	23.0	-	-	617.0
2001	1.0	-	553.0	20.0	-	-	574.0
2002	-	-	1,067.0	37.0	-	-	1,104.0
2003	-	-	1,001.0	23.0	-	-	1,024.0
2004	-	-	1,282.0	35.0	-	-	1,317.0
2005	12.0	-	1,227.4 /a	22.0	-	-	1,261.4
2006	-	-	1,257.0	28.0	-	-	1,285.0
2007	-	-	1,274.0	15.0	3.0	-	1,292.0
2008	-	-	1,309.0	4.0	21.0	-	1,334.0
2009	-	-	1,667.0 /b	3.0	17.0	100.0 /c	1,787.0

a. Includes $6.4 million of DHS funding for Intercity Passenger Rail Security Grant Program. See "Fiscal Year 2006 Infrastructure Protection Program," September 25, 2006, U.S. Department of Homeland Security, p. 27.

b. Includes $2 million outlay on capital assistance for high speed rail corridors and intercity passenger rail service.

c. In 2009, ARRA authorized $1.3 billion to Amtrak for capital grants ($450 million for capital security grants and $850 million for projects that remediate vulnerabilities). Outlays under this authority totaled $100 million in fiscal 2009.

SOURCE: Appendix, Budget of the United States Government, fiscal 1960-2011.

Table 5
Additional Outlays Earmarked for Intercity Buses ($ million)

Fiscal Year	DOT FTA Grants for Non-urban Intercity Buses /a	DOT Access for Disabled Passengers /e	DHS for Bus Safety and Security /g	Total
1992	3.8	-	-	3.8
1993	6.7	-	-	6.7
1994	3.1 /b	-	-	3.1
1995	14.9 /b	-	-	14.9
1996	11.6 /b	-	-	11.6
1997	8.5 /b	-	-	8.5
1998	12.6	-	-	12.6
1999	16.3	1.1	-	17.4
2000	19.4	0.8	-	20.2
2001	14.9	2.9	-	17.8
2002	18.5 /c	5.1	9.9 /h	23.6
2003	19.8 /c	6.6	9.9 /h	36.3
2004	17.7 /c	6.9	9.9	34.5
2005	20.4 /c	6.6	9.7	36.7
2006	44.4 /c	5.7	9.5	59.6
2007	35.9 /c	8.0 /f	11.6	55.5
2008	43.4 /c	8.0 /f	11.2	62.5
2009	43.4 /d	8.0 /d	11.7	63.0

a. Under ISTEA-LU and ISTEA-21, states are obligated to spend a percentage of non-urban transit grants on intercity bus service (see U.S. Code Title 49, 5311(f)). The percentage has varied over time, beginning with five percent in 1992, 10 percent in 1993, and 15 percent thereafter. See http://www.fta.dot.gov/funding/data/grants_financing_1090.html.

b. Estimated from available data on obligations after state certification.

c. See Appendix A.

d. Datum not available, so fiscal 2009 value assumed equal to fiscal 2008 value.

e. ISTEA-21, Section 3038 created the over-the-road bus accessibility program to encourage compliance with the Americans with Disabilities Act. Data provided by the American Bus Association.

f. Reported data are for 2007 and 2008 combined. We allocated the sum to each year equally.

g. Provided by the American Bus Association.

h. Reported data are for 2002 and 2003 combined. We allocated the sum to each year equally.

SOURCE: Appendix, Budget of the United States Government, fiscal 1960-2011, unless otherwise noted above.

Cost Responsibilities of Airport and Highway Modes

Airports and highways are used to move freight and people. Moreover, people travel by air in scheduled commercial airlines, military and other government aircraft, and general aviation aircraft. People travel by highway in autos, buses, trucks, and other vehicles.

Costs imposed on the air and highway transportation systems vary by mode and intensity of use. For example, a single trip by a heavy truck hauling freight will impose more wear and tear on a highway than a single auto trip. But the cost difference might be evened out as auto

Trust Fund Contributions of Airport and Highway Modes

Excise taxes are the source of revenue for the AATF and HTF. AATF tax receipts are reported for private sector commercial passenger transportation service. However, HTF tax receipts are not reported separately for automobiles and commercial bus service. Instead, HTF receipts must be estimated by mode. Again, fortunately, DOT periodically estimates contribution shares.

AATF EXCISE TAX RECEIPTS FROM PRIVATE SECTOR COMMERCIAL PASSENGER AIR TRANSPORTATION SERVICES

Listed below are the AATF excise taxes relevant to private sector commercial passenger transportation service, as well as a brief history of tax rates.

- The domestic commercial air transportation passenger ticket tax began at five percent in fiscal 1970, rose to eight percent in 1971, fell back to five percent in 1981, rose again to eight percent in 1983, and rose again to 10 percent in 1990 before declining to nine percent in 1998, eight percent in 1999, and 7.5 percent in 2000. Today's tax remains at 7.5 percent.
- The passenger segment fee began on October 1, 1997 and was set at a rate of $1.00 per domestic flight segment. The fee rose to $2.00 beginning October 1, 1998; $2.25 beginning October 1999; $2.50 beginning January 1, 2000; $2.75 beginning in 2001; and $3.00 beginning in 2003. Thereafter, the fee was adjusted by changes in the cost-of-living as determined under IRC Section 1(f)(3). In 2009, the fee was $3.60.
- A rural airports tax is levied at 7.5 percent of domestic ticket prices at qualified rural airports exempt from the segment tax.
- International passenger departure/arrival taxes began in fiscal 1971 at a rate of $3.00 per international departure only, doubled to $6.00 per international departure and arrival in 1990, doubled again to $12.00 in 1998, and has steadily increased since to reach $16.10 in fiscal 2009.
- An arrival/departure tax on flights between the continental United States and Hawaii or Alaska was levied at $8.00 in 2009 and lesser amounts in earlier years.
- Aviation fuel tax on commercial aviation.

Although there are other aviation related excise taxes, such as the tax on non-commercial fuel, tires, *etc.*, we do not include them in our analysis of excise tax revenue from private sector commercial passenger transportation. Total annual AATF excise tax revenues are presented in Table 7.

HTF EXCISE TAX RECEIPTS FROM AUTOS AND COMMERCIAL BUS SERVICE

Since 1960, HTF receipts (Table 8) have been generated from Federal excise taxes on gasoline, gasohol, diesel fuel, special motor fuels, lubricating oil, tires, and tubes, as well as a federal use tax. However, from 1996-2005, receipts have been generated mostly by motor fuel excise taxes.[17] The gasoline tax has risen from 18.3¢ per gallon to 18.4¢. The gasohol tax has risen from 12.9¢ per gallon to 18.4¢. The diesel fuel tax has risen from 24.3¢ per gallon to 24.4¢. The excise tax on special fuels declined from 18.3¢ per gallon to 13.6¢.

Table 8

HTF Total Receipts, Highway Account, 1960-2009 ($ million)

Fiscal Year	Receipts	Fiscal Year	Receipts
1960	2,539.0	1985	12,906.4
1961	2,798.0	1986	13,305.6
1962	2,949.0	1987	12,727.4
1963	3,279.0	1988	13,645.4
1964	3,519.0	1989	15,134.4
1965	3,658.0	1990	13,453.1
1966	3,917.0	1991	15,303.5
1967	4,441.0	1992	16,572.0
1968	4,379.0	1993	16,863.8
1969	4,637.0	1994	17,004.9
1970	5,469.0	1995	19,376.6
1971	5,725.4	1996	22,691.7
1972	5,528.1	1997	21,314.1
1973	5,912.2	1998	24,306.6
1974	6,675.0	1999	33,823.2
1975	6,773.8	2000	30,347.1
1976	5,999.9	2001	26,916.5
1977	7,302.3	2002	27,982.9
1978	7,566.6	2003	28,964.0
1979	8,046.1	2004	29,785.0
1980	7,647.3	2005	32,908.6
1981	7,433.7	2006	33,701.6
1982	7,822.2	2007	34,899.3
1983	8,852.8	2008	31,341.7
1984	11,533.1	2009	32,171.3

SOURCE: Highway account from Federal Highway Administration, U.S. Department of Transportation. Data presented here for 1960-1969 are available at http://www.fhwa.dot.gov/ohim/onh00/chart3.htm. Data for 1970-2008 are available at http://www.fhwa.dot.gov/policyinformation/pubs/pl10023/fig6_2.cfm. Datum for 2009 is at http://www.fhwa.dot.gov/policyinformation/statistics/2008/fe10_2009.cfm.

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[17] *Highway Statistics 2005 Federal Tax Rates on Motor Fuels and Lubricating Oil*, FHWA, DOT, September 2006.

Throughout our period of analysis, intercity buses have been exempt from the diesel fuel tax, initially fully and later only partly.[18] Beginning December 1, 1978, school buses and intercity and local buses used to transport the general public for compensation on scheduled routes were entirely exempt from the motor fuel tax. Effective August 1, 1984, intercity buses were only partly exempt.

The diesel fuel tax, which is currently 24.4¢ per gallon, consists of 24.3¢ per gallon for the fuel tax itself and an additional 0.1¢ per gallon for the leaking underground storage tax (LUST). After refunds, intercity bus operators pay 7.4¢ per gallon of diesel fuel.[19]

Passenger Trips and Miles Data

Normalizing subsidy estimates for comparisons across modes requires data on passenger trips (Table 10) and passenger miles (Table 11). Although one might think such measurements are straightforward and reported data are consistent across modes, in fact, they are not.

- *U.S. Commercial Air Carrier Service.* Passenger trips are counted as enplaned passengers by flight segment. Passenger miles are counted by summing the products of aircraft miles flown on each inter-airport flight stage and the number of enplaned passengers on that flight stage.[20]
- *Private Sector Commercial Bus Service.* The industry counts passengers and passenger trips on regularly scheduled service as ticket sales. A one-way ticket is counted as one passenger trip. A round trip ticket is counted as two passenger trips. Passenger trips are not counted as boardings on multi-segment trips, unless passengers use different carriers requiring separate ticketing for different segments. Charter service operators do not sell individual tickets. Instead, they sell the service of a bus, often not knowing how many passengers are on the bus that has been chartered.
- *Amtrak.* Amtrak passenger data are more straightforward than data for buses, but still not clearly consistent with commercial air carriers and mass transit. Passenger trips are counted as revenue passengers carried, which is apparently based on ticket sales. Passenger miles are computed as train miles and revenue passengers carried. It is not clear whether Amtrak counts revenue passengers carried by trip segment.

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[18] See *Highway Statistics 2005 Federal Tax Rates on Motor Fuels and Lubricating Oil.*

[19] See Title 26, Internal Revenue Code, Subtitle D, Miscellaneous Excise Taxes, Chapter 31, Retail Excise Taxes, Subchapter B, Special fuels, Section 4041 (a) (1) (C) (iii) (I) and Section 4081 (a) (2) (A) (iii) (B), as well as Subtitle F, Procedure and Administration, Chapter 65, Abatements, Credits, and Refunds, Subchapter B, Rules of Special Application, Section 6427 (b) (2) (A).

[20] See the Research and Innovative Technology Administration (RITA) at the Bureau of Transportation Statistics (BTS), U.S. Department of Transportaion T-100 Market (domestic and international) database which includes flights by all U.S. commercial airlines but for those with origins and destinations in a foreign country. Data are available at http://www.transtats.bts.gov/DL_SelectFields.asp?Table_ID=308&DB_Short_Name=Air Carriers .

Table 11

Passenger Miles by Mode, 1960-2009 (millions)

Fiscal Year	U.S. Commercial Air Carriers /a	Passenger Cars	Commercial Buses	Amtrak	Mass Transit
1960	31,099	1,144,673	na	-	na
1961	35,524 /b	1,194,699 /b	na	-	na
1962	39,950 /b	1,244,725 /b	na	-	na
1963	44,375 /b	1,294,751 /b	na	-	na
1964	48,801 /b	1,344,777 /b	na	-	na
1965	53,226	1,394,803	na	-	na
1966	64,269 /b	1,466,022 /b	na	-	na
1967	75,312 /b	1,537,241 /b	na	-	na
1968	86,356 /b	1,608,460 /b	na	-	na
1969	97,399 /b	1,679,678 /b	na	-	na
1970	108,442	1,750,897	na	-	na
1971	113,954 /b	1,791,551 /b	na	na	na
1972	119,465 /b	1,832,204 /b	na	na	na
1973	124,977 /b	1,872,858 /b	na	na	na
1974	130,488 /b	1,913,512 /b	na	na	na
1975	136,000	1,954,166	na	3,931	na
1976	149,674 /b	1,965,730 /b	na	4,045 /b	na
1977	163,347 /b	1,977,295 /b	na	4,160 /b	na
1978	177,021 /b	1,988,859 /b	na	4,274 /b	na
1979	190,694 /b	2,000,424 /b	na	4,389 /b	na
1980	204,368	2,011,989	na	4,503	39,854
1981	219,062 /b	2,028,515 /b	na	4,567 /b	39,799 /b
1982	233,755 /b	2,045,042 /b	na	4,632 /b	39,745 /b
1983	248,449 /b	2,061,568 /b	na	4,696 /b	39,690 /b
1984	263,142 /b	2,078,094 /b	na	4,761 /b	39,636 /b
1985	277,836	2,094,621	73,400	4,825	39,581
1986	291,443 /b	2,131,975 /b	78,717 /b	5,071 /b	39,893 /b
1987	305,051 /b	2,169,329 /b	84,034 /b	5,318 /b	40,206 /b
1988	318,658 /b	2,206,683 /b	89,352 /b	5,564 /b	40,518 /b
1989	332,266 /b	2,244,037 /b	94,669 /b	5,811 /b	40,831 /b
1990	345,873	2,281,391	99,986	6,057	41,143
1991	338,085	2,200,260	100,362	6,273	40,703
1992	354,764	2,208,226	101,665	6,091	40,241
1993	362,230	2,213,281	109,043	6,199	39,384
1994	388,399	2,249,742	116,462	5,921	39,585
1995	403,888	2,286,887	116,679	5,545	39,808
1996	434,652	2,337,068	121,943	5,050	38,984
1997	450,612	2,389,065	127,020	5,166	40,180
1998	463,262	2,463,828	130,171	5,304	41,605
1999	488,357	2,494,870	143,202	5,330	43,279
2000	516,129	2,544,457	141,524	5,498	45,100
2001	486,506	2,556,481	129,833	5,559	46,508
2002	483,409	2,620,389	124,794	5,468	46,096
2003	505,226	2,641,885	123,934	5,680	45,677
2004	557,892	2,685,827	124,563	5,511	46,546
2005	583,758	2,699,305	127,829	5,381	47,125
2006	588,455	2,671,044	122,673	5,381	49,504
2007	607,546	2,642,498	126,819	5,784	51,873
2008	583,506	2,553,043	128,785	6,179	53,712
2009	553,451 /c	2,569,050 /d	130,781 /e	6,600 /e	55,616 /e

Note: na means not available.

a. Certificated, domestic, all services.

b. Data not reported. Values are estimated using linear interpolation.

c. Estimated using the 2009:2008 ratio of domestic passenger, revenue-passenger miles reported at https://1bts.rita.dot.gov/xml/air_traffic/src/datadisp.xml. Data for all other years were reported at the source cited below.

d. Estimated using compound annual growth rate between 1990 and 2008.

e. Estimated using percentage change from 2007 to 2008.

SOURCE: Bureau of Transportation Statistics, U.S. Department of Transportation, Table 1-37: U.S. Passenger Miles available at http://www.bts.gov/publications/national_transportation_statistics/html/table_01_37.html.

3. Methodology

The methodology of our study rests on a few basic concepts implicit in the data requirements and development of data presented in the previous section. The two most important of these are the notions of mode-specific responsibilities for costs of airports and related services and highways and related services and user fees. Users of airports and highways contribute to system costs by paying aviation and highway related excise taxes.

With the databases of Section 2, annual subsidies can be calculated using the following simple mathematical equations:

- *Private Sector Commercial Passenger Air Carriers*
  Subsidy = (Outlays on airports and related services x Percentage of system cost attributable to private sector commercial air passenger service) – AATF receipts from private sector commercial air passenger service
- *Automobiles*
  Subsidy = (Outlays on highways and related services x Percentage of cost attributable to passenger cars) – (Total HTF receipts x Contribution share of passenger cars)
- *Private Sector Commercial Buses*
  Subsidy = (Outlay on highways and related services x Percentage of cost attributable to buses) + Outlays earmarked for the private sector commercial bus industry – (Total HTF receipts x Contribution share of buses)
- *Amtrak*
  Subsidy = Federal outlays for Amtrak capital and operating costs
- *Mass Transit*
  Subsidy = Federal outlays for mass transit

4. Results

Little has changed since release of our first subsidy study. From 2002-2009, private sector commercial air passenger carriers, Amtrak, and mass transit combined received 98.6 percent of the total federal subsidy. Automobiles and private sector commercial buses each received less than one percent (see Table 12 for a summary of estimated subsidies and Appendix B for estimated annual subsidies).

From 2002-2009, subsidies per passenger trip were significantly different across modes, with Amtrak and private sector commercial air passengers receiving subsidies as much as 400 times greater than passengers of less subsidized modes (Figure 1).

- Amtrak passengers received $57.04 per trip.
- Private sector commercial air passengers received $6.35 per trip.
- Mass transit riders received $0.95 per trip.
- Private sector commercial bus passengers received $0.10 per trip.

When considering subsidies per passenger mile, again Amtrak received most. However, because of the relatively short distances traveled by mass transit riders, on a per passenger mile basis, mass transit is the second most highly subsidized mode (Figure 2).

- Amtrak received a subsidy of $0.254 per passenger mile.
- Mass transit received a subsidy of $0.193 per passenger mile.
- Private sector commercial air passenger carriers received a subsidy of $0.008 per passenger mile.
- Private sector commercial buses received a subsidy of less than $0.001 per passenger mile.

Figure 1

Subsidies per Passenger Trip, 1960-2001 and 2002-2009 (constant 2009 $)

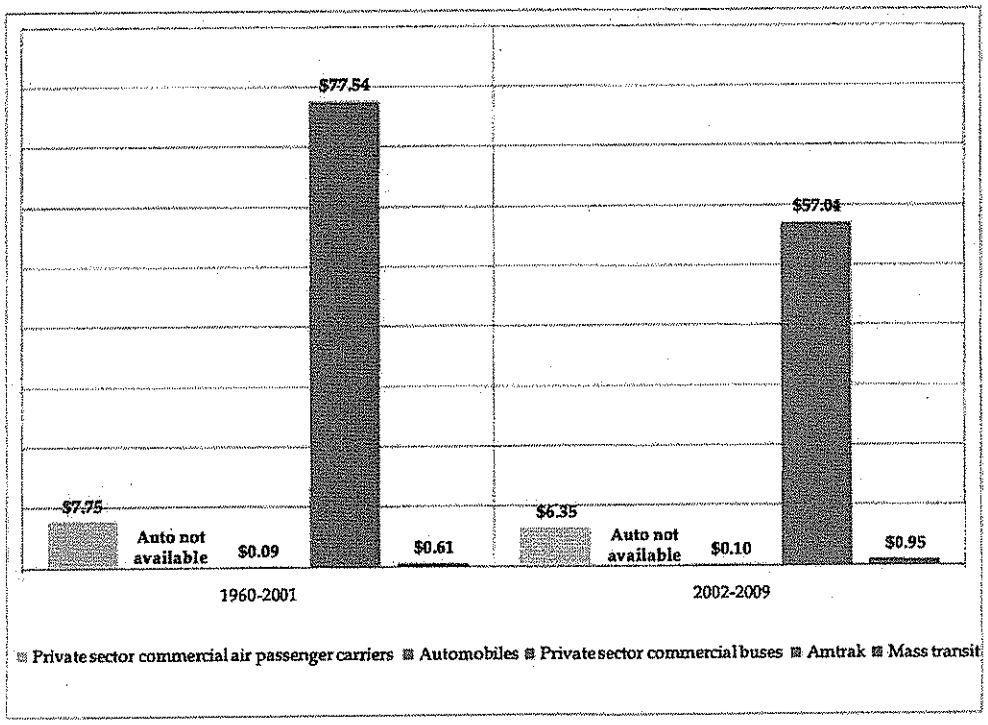


Figure 2

Subsidies per Passenger Mile, 1960-2001 and 2002-2009 (constant 2009 $)

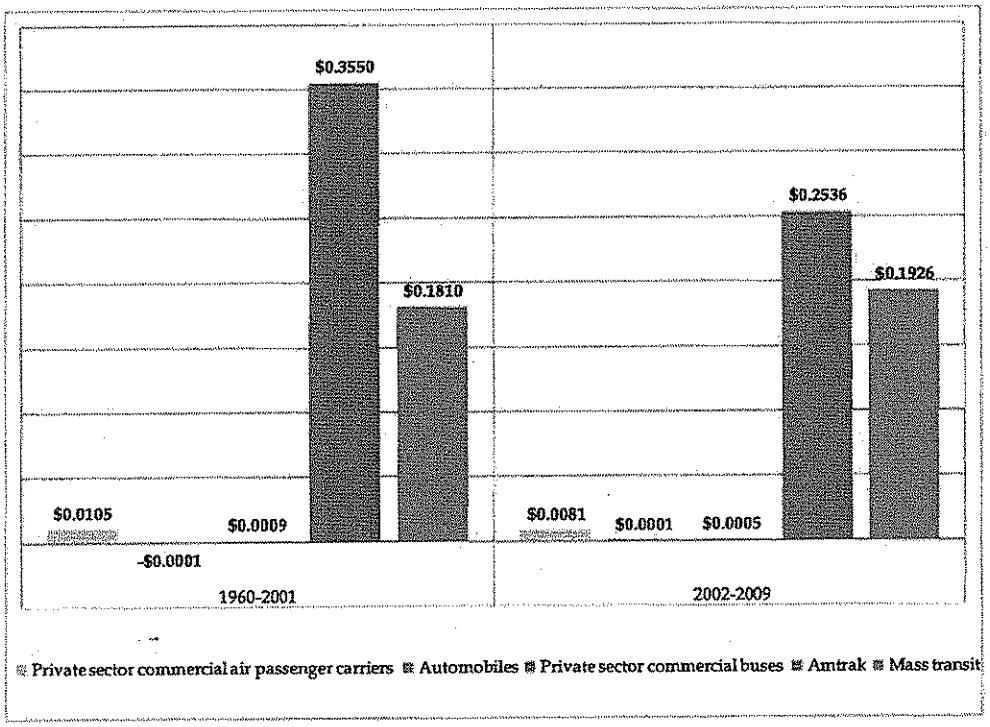
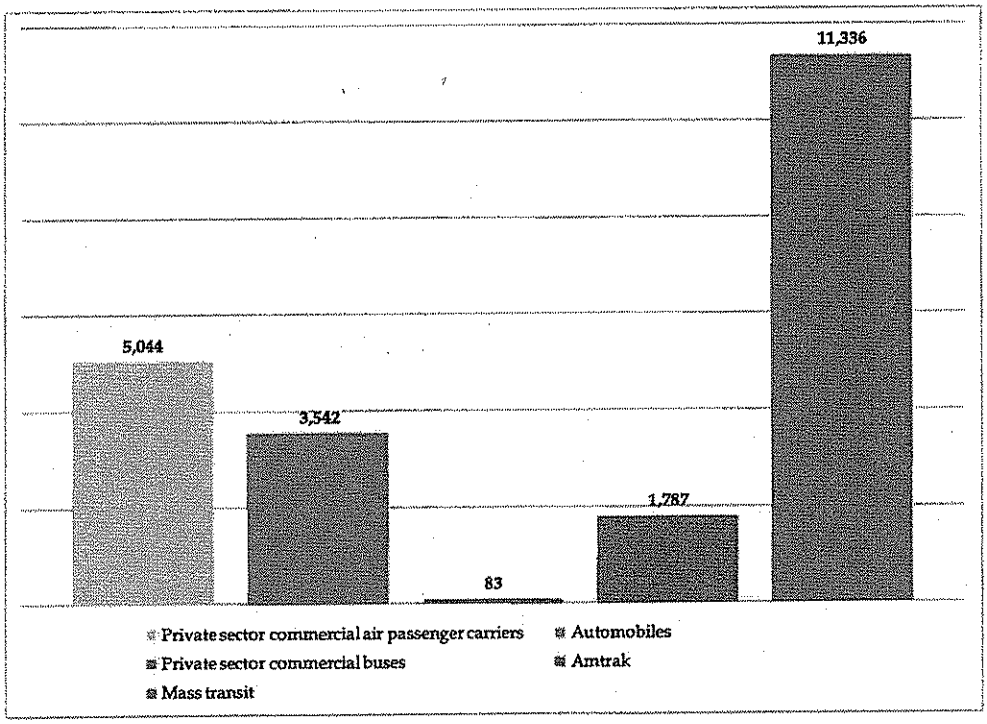


Figure 4
Subsidy by Mode in Fiscal 2009 ($ million)



The private sector commercial bus industry subsidy is nearly fully accounted for by its partial exemption from the diesel fuel tax. Even with the exemption, when taking into account the Federal costs buses impose on highways and related services and the excise tax revenues paid by the industry, the industry receives virtually no subsidy. Unlike the other modes of passenger transportation, bus industry tax revenue nearly offsets total Federal outlays on behalf of the industry.

Without the partial exemption, which is worth 17¢ per gallon of diesel fuel purchased by the industry, private sector commercial bus service would have contributed an additional $56.3 million to the HTF in 2009.[23] This additional amount would have cut the industry's already negligible subsidy of $83 million in 2009 by two-thirds. Considering the private sector commercial air passenger industry's subsidy of $5 billion, Amtrak's subsidy of $1.8 billion, and mass transit's subsidy of $11.3 billion in 2009, loss of the partial exemption would have insignificant effect on Federal outlays, but significant effect on the private sector commercial bus industry.

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[23] According to the American Bus Association, the industry consumes approximately 331 million gallons of diesel fuel in a year. See "Motorcoach Census 2008: A Benchmarking Study of the Size and Activity of the Motorcoach Industry in the United States and Canada in 2007," Table 2-5, p. 10, available at http://www.buses.org/files/Motorcoach%20Census%202008%2012-18-2008.pdf.

Appendix A

Outlays under U.S. Code Title 49, Section 5311(f): FTA Grants for Non-urban Intercity Buses

Nathan Associates Inc. contacted state Departments of Transportation to request data on FTA Section 5311(f) amounts actually spent. Each state was provided annual obligated amounts for 2002 through 2008. They were asked to submit annual amounts spent.

From 2002 through 2008, $247.6 million were obligated under FTA Section 5311(f). No funds were obligated during the period in six states (Alabama, Connecticut, Hawaii, Oklahoma, Rhode Island, and South Carolina).

States that responded to our request by providing amounts spent accounted for 57.3 percent of the total obligated amount. For these states, when aggregating actual spending across states and years, spending equaled 81.3 percent of the aggregate obligated amount. For states with obligated amounts that did not respond (19), we estimated actual spending to equal 81.3 percent of their obligated amounts.

Table A-1

FTA Section 5311(f) Amounts Spent by State and Year, 2002-2008 ($)

State	2002	2003	2004	2005	2006	2007	2008
Alabama	0	0	0	0	0	0	0
Alaska /a	98,291	113,475	85,005	0	615,404	683,715	1,486,461
Arizona	267,628	311,292	422,054	526,281	724,098	1,130,187	1,379,079
Arkansas	19,615	93,053	70,000	469,289	355,166	798,822	128,680
California	1,582,891	1,540,314	1,537,391	1,609,162	2,890,933	2,999,801	3,228,472
Colorado /a	0	0	0	0	691,443	92,549	0
Connecticut	0	0	0	0	0	0	0
Delaware /a	81,305	462,037	153,140	249,689	128,177	0	345,702
Florida	1,017,552	1,004,593	1,002,686	1,049,495	1,710,305	1,802,662	1,939,252
Georgia	1,162,859	0	958,942	639,294	2,167,267	2,167,267	2,067,010
Hawaii	0	0	0	0	0	0	0
Idaho	555,295	312,269	275,447	288,306	598,673	769,536	829,948
Illinois /a	884,160	871,324	434,835	1,632,973	1,439,806	1,516,792	1,634,815
Indiana	381,188	468,143	841,404	489,267	139,747	207,333	227,227
Iowa /a	549,352	588,567	587,450	614,875	1,026,146	1,083,381	1,168,460
Kansas /a	436,992	481,043	171,505	232,443	-129,518	237,389	951,700
Kentucky /a	721,378	804,130	802,605	825,570	1,300,752	1,372,327	1,481,729
Louisiana /a	596,631	596,741	0	656,226	1,044,517	1,080,656	1,168,457
Maine	354,333	384,267	383,538	0	1,083,652	716,256	770,793
Maryland /a	0	0	0	0	0	533,408	573,995
Massachusetts /a	696,604	231,968	231,528	242,336	353,783	372,735	402,169
Michigan	1,283,898	1,314,652	961,474	1,387,208	1,833,160	1,889,214	0
Minnesota	786,856	738,811	882,813	889,669	922,272	1,461,763	1,793,157
Mississippi /a	585,804	1,087,982	0	734,758	1,172,361	2,405,252	1,329,881
Missouri	0	493,661	593,955	580,919	1,323,842	451,091	1,219,304
Montana	217,563	267,116	233,602	279,055	765,734	990,460	1,068,791
Nebraska /b	123,824	120,653	0	140,026	141,172	140,500	137,590
Nevada /a	0	261,374	111,976	110,177	474,400	0	1,726,600
New Hampshire	20,934	101,018	5,376	0	0	0	0
New Jersey /a	0	0	212,178	0	0	0	0
New Mexico /a	487,119	402,329	718,795	0	0	905,521	1,135,660
New York /a	1,350,593	1,128,000	0	1,125,860	1,178,418	0	3,655,145
North Carolina /a	203,127	0	0	0	812,506	609,380	2,550,947
North Dakota /b	155,250	147,362	155,486	198,264	500,935	566,000	582,661
Ohio	0	40,239	96,734	96,734	101,570	105,000	125,000
Oklahoma	0	0	0	0	0	0	0
Oregon /a	386,627	425,997	938,249	203,127	10,009,480	1,045,834	1,128,238
Pennsylvania	1,723,068	1,627,508	1,624,419	1,700,255	2,526,139	2,661,200	2,869,085
Rhode Island	0	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0	0
South Dakota	0	0	0	0	93,911	158,528	110,937
Tennessee	0	0	0	0	93,911	1,821,183	276,018
Texas	1,069,631	2,421,619	2,417,023	2,529,858	4,214,390	1,189,898	1,933,094
Utah	0	0	0	0	0	285,150	0
Vermont	0	0	0	0	0	0	0
Virginia				110,276	128,914	139,224	136,905
Washington /a	494,794	516,695	515,714	539,789	968,420	1,022,808	1,103,080
West Virginia					484,178	166,384	190,000
Wisconsin	208,582	211,892	177,653	74,043	71,531	87,588	49,244
Wyoming /a	0	196,815	119,291	124,860	471,687	239,829	536,699
Total	18,503,742	19,766,939	17,722,266	20,350,083	44,429,283	35,906,624	43,441,986

a. Estimated from reported obligation and actual amounts spent as a share of obligation for those states that reported amounts spent. See Table A-2 for estimates and Table A-3 for reported amounts.

b. Estimated for 2002 through 2004 and reported for 2005 through 2008.

Table A-2

Estimated FTA Section 5311(f) Amounts Spent by State and Year for States that Did Not Report Amounts Spent, 2002-2008 ($)

State	2002		2003		2004		2005	
	Obligated	Estimated Spent /a	Obligated	Estimated Spent /a	Obligated	Estimated Spent /a	Obligated	Estimated Spent /a
Alabama	0	0	0	0	0	0	0	0
Alaska	120,972	98,291	139,661	113,475	104,621	85,005	0	0
Colorado	0	0	0	0	0	0	0	0
Connecticut	0	0	0	0	0	0	0	0
Delaware	100,067	81,305	568,657	462,037	188,479	153,140	307,307	249,689
Hawaii	0	0	0	0	0	0	0	0
Illinois	1,088,188	884,160	1,072,390	871,324	535,177	434,835	2,009,798	1,632,973
Iowa	676,120	549,352	724,385	588,567	723,010	587,450	756,763	614,875
Kansas	537,832	436,992	592,048	481,043	211,081	171,505	286,082	232,443
Kentucky	887,843	721,378	989,691	804,130	987,814	802,605	1,016,078	825,570
Louisiana	734,310	596,631	734,445	596,741	0	0	807,656	656,226
Maryland	0	0	0	0	0	0	0	0
Massachusetts	857,352	696,604	285,497	231,968	284,955	231,528	298,258	242,336
Mississippi	720,984	585,804	1,339,044	1,087,982	0	0	904,310	734,758
Nebraska /b	152,397	123,824	148,495	120,653	0	0		
Nevada	0	0	321,689	261,374	137,815	111,976	135,601	110,177
New Jersey	0	0	0	0	261,140	212,178	0	0
New Mexico	599,526	487,119	495,170	402,329	884,664	718,795	0	0
New York	1,662,256	1,350,593	1,388,297	1,128,000	0	0	1,385,663	1,125,860
North Carolina	250,000	203,127	0	0	0	0	0	0
North Dakota /b	191,075	155,250	181,367	147,362	191,366	155,486		
Oklahoma	0	0	0	0	0	0	0	0
Oregon	475,845	386,627	524,300	425,997	1,154,759	938,249	250,000	203,127
Rhode Island	0	0	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0	0	0
Washington	608,973	494,794	635,927	516,695	634,720	515,714	664,351	539,789
Wyoming	0	0	242,232	196,815	146,818	119,291	153,673	124,860
Total	9,663,740	7,851,849	10,383,295	8,436,492	6,446,419	5,237,756	8,975,540	7,292,682

(continued)

Table A-2 (continued)

State	2006		2007		2008		2002-2008	
	Obligated	Estimated Spent /a	Obligated	Estimated Spent /a	Obligated	Estimated Spent /a	Obligated	Estimated Spent /a
Alabama	0	0	0	0	0	0	0	0
Alaska	757,414	615,404	841,489	683,715	1,829,476	1,486,461	3,793,633	3,082,350
Colorado	851,000	691,443	113,906	92,549	0	0	964,906	783,992
Connecticut	0	0	0	0	0	0	0	0
Delaware	157,755	128,177	0	0	425,476	345,702	1,747,741	1,420,050
Hawaii	0	0	0	0	0	0	0	0
Illinois	1,772,055	1,439,806	1,866,807	1,516,792	2,012,064	1,634,815	10,356,479	8,414,704
Iowa	1,262,939	1,026,146	1,333,382	1,083,381	1,438,093	1,168,460	6,914,692	5,618,230
Kansas	-159,405	-129,518	292,169	237,389	1,171,314	951,700	2,931,121	2,381,554
Kentucky	1,600,913	1,300,752	1,689,005	1,372,327	1,823,653	1,481,729	8,994,997	7,308,491
Louisiana	1,285,550	1,044,517	1,330,028	1,080,656	1,438,090	1,168,457	6,330,079	5,143,229
Maryland	0	0	656,497	533,408	706,450	573,995	1,362,947	1,107,403
Massachusetts	435,422	353,783	458,747	372,735	494,974	402,169	3,115,205	2,531,123
Mississippi	1,442,895	1,172,361	2,960,288	2,405,252	1,636,764	1,329,881	9,004,285	7,316,038
Nebraska /b							300,892	244,477
Nevada	583,872	474,400	0	0	2,125,030	1,726,600	3,304,007	2,684,526
New Jersey	0	0	0	0	0	0	261,140	212,178
New Mexico	0	0	1,114,479	905,521	1,397,725	1,135,660	4,491,564	3,649,424
New York	1,450,350	1,178,418	0	0	4,498,606	3,655,145	10,385,172	8,438,017
North Carolina	1,000,000	812,506	750,000	609,380	3,139,603	2,550,947	5,139,603	4,175,959
North Dakota /b							563,808	458,098
Oklahoma	0	0	0	0	0	0	0	0
Oregon	12,319,266	10,009,480	1,287,170	1,045,834	1,388,590	1,128,238	17,399,930	14,137,552
Rhode Island	0	0	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0	0	0
Washington	1,191,892	968,420	1,258,831	1,022,808	1,357,627	1,103,080	6,352,321	5,161,300
Wyoming	580,534	471,687	295,172	239,829	660,548	536,699	2,078,977	1,689,182
Total	26,532,452	21,557,783	16,247,970	13,201,577	27,544,083	22,379,739	105,793,499	85,957,878

a. Estimated amount spent is based on cumulative amounts spent across states and years for states that reported amounts spent as a share of obligations for those states and years (spending was 81.3% of obligated amount).

b. Reported amounts spent beginning in 2005, but not for earlier years. Hence, here we estimated amounts spent for 2002 through 2004.

SOURCE: Obligated amounts are available at http://www.fta.dot.gov/funding/data/grants_financing_1090.html.

Table A-3

Reported FTA Section 5311(f) Amounts Spent by State and Year, 2002-2008 ($)

State	2002		2003		2004		2005	
	Obligated	Reported Spent	Obligated	Reported Spent	Obligated	Reported Spent	Obligated	Reported Spent
Arizona	319,623	267,628	481,156	311,292	470,363	422,054	663,055	526,281
Arkansas	46,001	19,615	158,710	93,053	70,000	70,000	469,289	469,289
California	1,582,891	1,582,891	1,540,314	1,540,314	1,537,391	1,537,391	1,609,162	1,609,162
Florida	1,017,552	1,017,552	1,004,593	1,004,593	1,002,686	1,002,686	1,049,495	1,049,495
Georgia	1,993,384	1,162,859	1,186,108	0	1,016,107	958,942	0	639,294
Idaho	268,571	555,295	275,970	312,269	275,447	275,447	288,306	288,306
Indiana	392,005	381,188	468,996	468,143	844,957	841,404	0	489,267
Maine	354,333	354,333	384,267	384,267	383,538	383,538	0	0
Michigan	1,283,901	1,283,898	1,343,523	1,314,652	1,340,973	961,474	1,403,575	1,387,208
Minnesota	785,994	786,856	738,811	738,811	882,813	882,813	881,138	889,669
Missouri	0	0	0	493,661	551,577	593,955	631,971	580,919
Montana	217,563	217,563	267,116	267,116	233,602	233,602	312,061	279,055
Nebraska /a							143,495	140,026
New Hampshire	69,142	20,934	99,526	101,018	32,805	5,376	21,344	0
North Dakota /a							130,577	198,264
Ohio	1,544,645	0	1,450,666	40,239	1,613,162	96,734	1,688,470	96,734
Pennsylvania	1,723,068	1,723,068	1,627,508	1,627,508	1,624,419	1,624,419	1,700,255	1,700,255
South Dakota	0	0	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0	0	0
Texas	1,878,362	1,069,631	-77,204	2,421,619	4,605,724	2,417,023	2,529,858	2,529,858
Utah	0	0	0	0	0	0	0	0
Vermont	0	0	0	0	0	0	0	0
Virginia	0	0	0	0	0	0	110,276	110,276
West Virginia	0	0	0	0	0	0	0	0
Wisconsin	225,694	208,582	229,610	211,892	232,100	177,653	87,731	74,043
Total	13,702,729	10,651,893	11,179,670	11,330,447	16,717,664	12,484,511	13,720,058	13,057,401

(continued)

Table A-3 (continued)

State	2006		2007		2008		2002-2008		
	Obligated	Reported Spent	Obligated	Reported Spent	Obligated	Reported Spent	Obligated	Reported Spent	Proportion
Arizona	-103,179	724,098	2,229,847	1,130,187	1,472,904	1,379,079	5,533,769	4,760,619	86.0%
Arkansas	576,395	355,166	900,888	798,822	647,693	128,680	2,868,976	1,934,625	67.4%
California	2,890,933	2,890,933	2,999,801	2,999,801	3,228,472	3,228,472	15,388,964	15,388,964	100.0%
Florida	1,710,305	1,710,305	1,802,662	1,802,662	1,939,252	1,939,252	9,526,545	9,526,545	100.0%
Georgia	1,326,905	2,167,267	4,218,693	2,167,267	2,441,514	2,067,010	12,182,711	9,162,639	75.2%
Idaho	726,855	598,673	769,017	769,536	829,948	829,948	3,434,114	3,629,474	105.7%
Indiana	0	139,747	0	207,333	0	227,227	1,705,958	2,754,309	161.5%
Maine	1,083,652	1,083,652	716,256	716,256	770,793	770,793	3,692,839	3,692,839	100.0%
Michigan	2,168,220	1,833,160	2,277,715	1,889,214	0	0	9,817,907	8,669,606	88.3%
Minnesota	922,272	922,272	1,592,960	1,461,763	1,676,769	1,793,157	7,480,757	7,475,341	99.9%
Missouri	352,475	1,323,842	265,000	451,091	1,299,850	1,219,304	3,100,873	4,662,772	150.4%
Montana	0	765,734	1,756,194	990,460	1,068,791	1,068,791	3,855,327	3,822,321	99.1%
Nebraska /a	144,002	141,172	144,002	140,500	146,813	137,590	578,312	559,288	96.7%
New Hampshire	0	0	0	0	0	0	222,817	127,327	57.1%
North Dakota /a	570,565	500,935	0	566,000	1,273,973	582,661	1,975,115	1,847,860	93.6%
Ohio	2,295,170	101,570	2,627,939	105,000	2,608,210	125,000	13,828,262	565,277	4.1%
Pennsylvania	2,526,139	2,526,139	2,661,200	2,661,200	2,869,085	2,869,085	14,731,674	14,731,674	100.0%
South Dakota	0	93,911	0	158,528	370,036	110,937	370,036	363,376	98.2%
Tennessee	1,759,227	1,178,682	1,858,350	1,821,183	2,123,216	276,018	5,740,793	3,275,883	57.1%
Texas	3,581,349	4,214,390	5,266,611	1,189,898	4,490,972	1,933,094	22,275,672	15,775,513	70.8%
Utah	0	0	500,000	285,150	686,652	0	1,186,652	285,150	24.0%
Vermont	0	0	0	0	0	0	0	0	0.0%
Virginia	128,914	128,914	139,224	139,224	136,905	136,905	515,319	515,319	100.0%
West Virginia	150,000	484,178	140,000	166,384	177,963	190,000	467,963	840,562	179.6%
Wisconsin	71,531	71,531	438,634	87,588	75,723	49,244	1,361,023	880,533	64.7%
Total	22,881,730	23,956,271	33,304,993	22,705,047	30,335,534	21,062,247	141,842,378	115,247,817	81.3%

a. Reported amounts spent beginning in 2005, but not for earlier years. Hence, we exclude obligated amounts in 2002 through 2004 in our calculation of amounts spent as a share of obligated amounts.

SOURCE: Obligated amounts are available at http://www.fta.dot.gov/funding/data/grants_financing_1090.html.

Appendix B

Estimated Annual Subsidies

Table B-1

Federal Subsidies for Private Sector Commercial Air Passenger Service, 1960-2009 ($ million, unless noted)

Fiscal Year	Outlays on Airports and Related Services	System Cost Attributable to Private Sector Commercial Air Passenger Transportation	AATF Receipts from Private Sector Commercial Air Passenger Transportation	Subsidy			
				Current Dollars	Constant 2009 Dollars	Constant 2009 Dollars	
						Per Passenger Trip ($)	Per Passenger Mile ($)
1960	575	321	-	321	2,869	50.52	0.0923
1961	724	403	-	403	3,541	55.35	0.0997
1962	789	440	-	440	3,764	52.90	0.0942
1963	818	456	-	456	3,816	48.71	0.0860
1964	845	471	-	471	3,836	44.86	0.0786
1965	886	494	-	494	3,921	42.29	0.0737
1966	889	496	-	496	3,778	35.93	0.0588
1967	957	533	-	533	3,901	33.17	0.0518
1968	960	535	-	535	3,712	28.54	0.0430
1969	1,220	680	-	680	4,451	31.22	0.0457
1970	1,311	730	-	730	4,421	28.52	0.0408
1971	2,445	1,362	479	883	4,960	31.37	0.0435
1972	2,827	1,575	562	1,013	5,283	30.29	0.0442
1973	2,250	1,254	656	598	2,904	15.67	0.0232
1974	2,236	1,246	712	534	2,356	12.29	0.0181
1975	2,408	1,342	834	508	2,038	10.67	0.0150
1976	2,557	1,425	945	480	1,807	8.62	0.0121
1977	2,822	1,573	1,185	388	1,366	6.05	0.0084
1978	3,277	1,826	1,186	640	2,118	8.24	0.0120
1979	3,392	1,890	1,356	534	1,631	5.52	0.0086
1980	3,759	2,106	1,693	413	1,136	4.13	0.0056
1981	3,850	2,168	1,141	1,027	2,573	9.63	0.0117
1982	3,564	2,018	1,111	907	2,132	7.70	0.0091
1983	4,044	2,302	1,951	351	793	2.64	0.0032
1984	4,426	2,532	2,261	271	582	1.79	0.0022
1985	4,914	2,825	2,617	208	435	1.20	0.0016
1986	5,321	3,097	2,495	602	1,232	3.09	0.0042
1987	5,530	3,180	2,791	388	774	1.84	0.0025
1988	5,870	3,395	2,910	485	941	2.22	0.0030
1989	6,623	3,869	3,307	562	1,058	2.51	0.0032
1990	7,304	4,310	3,400	911	1,647	3.58	0.0048
1991	8,191	4,883	4,558	325	568	1.27	0.0017
1992	9,309	5,842	4,243	1,599	2,726	5.77	0.0077
1993	10,043	6,619	4,695	1,924	3,200	6.58	0.0088
1994	9,838	6,794	4,746	2,048	3,316	6.29	0.0085
1995	10,352	7,475	5,001	2,474	3,899	7.13	0.0097
1996	10,135	7,297	2,251	5,046	7,767	13.39	0.0179
1997	10,137	7,276	3,583	3,693	5,582	9.33	0.0124
1998	10,622	7,602	7,639	-37	-56	-0.09	-0.0001
1999	10,720	7,649	9,697	-2,048	-2,960	-4.64	-0.0061
2000	10,571	7,520	9,003	-1,483	-2,061	-3.07	-0.0040
2001	12,039	8,538	8,570	-32	-43	-0.07	-0.0001
2002	14,141	9,998	8,416	1,582	2,085	3.37	0.0043
2003	22,966	16,189	7,924	8,265	10,452	16.03	0.0207
2004	16,704	11,739	8,391	3,348	4,060	5.73	0.0073
2005	18,824	13,188	9,337	3,851	4,415	5.95	0.0076
2006	18,905	13,245	9,461	3,784	4,137	5.55	0.0070
2007	18,451	12,927	10,318	2,609	2,722	3.53	0.0045
2008	19,955	13,980	10,789	3,191	3,181	4.28	0.0055
2009	20,772	14,553	9,509	5,044	5,044	7.16	0.0091
Total					137,812	7.33	0.0097
Subtotals							
1960-2001					101,715	7.75	0.0105
2002-2009					36,097	6.35	0.0081

SOURCE: Nathan Associates Inc.

Table B-2

Federal Subsidies for Automobiles, 1960-2009 ($ million, unless noted)

Fiscal Year	Outlays on Highways and Related Services	System Cost Attributable to Passenger Automobile Transportation	HTF Receipts Attributable to Auto Passenger Transportation	Subsidy			
				Current Dollars	Constant 2009 Dollars	Constant 2009 Dollars	
						Per Passenger Trip ($)	Per Passenger Mile ($)
1960	3,176	2,036	1,545	490	4,389	na	0.0038
1961	2,859	1,833	1,703	129	1,136	na	0.0010
1962	3,050	1,955	1,795	160	1,369	na	0.0011
1963	3,324	2,131	1,996	135	1,129	na	0.0009
1964	3,963	2,540	2,142	398	3,246	na	0.0024
1965	4,317	2,768	2,223	545	4,324	na	0.0031
1966	4,435	2,844	2,376	467	3,563	na	0.0024
1967	4,487	2,878	2,690	188	1,375	na	0.0009
1968	4,693	3,010	2,648	362	2,516	na	0.0016
1969	4,725	3,031	2,799	232	1,520	na	0.0009
1970	5,075	3,255	3,380	-126	-760	na	-0.0004
1971	5,432	3,483	3,622	-139	-781	na	-0.0004
1972	5,388	3,453	3,577	-123	-644	na	-0.0004
1973	5,842	3,743	3,911	-168	-815	na	-0.0004
1974	5,832	3,736	4,512	-776	-3,427	na	-0.0018
1975	6,225	3,986	4,677	-691	-2,770	na	-0.0014
1976	9,758	6,247	4,229	2,017	7,592	na	0.0039
1977	7,875	5,040	5,253	-213	-751	na	-0.0004
1978	8,069	5,100	5,439	-339	-1,121	na	-0.0006
1979	9,724	6,068	5,778	290	884	na	0.0004
1980	11,563	7,123	5,487	1,636	4,501	na	0.0022
1981	11,977	7,282	5,329	1,953	4,892	na	0.0024
1982	10,433	6,260	5,603	657	1,545	na	0.0008
1983	11,043	6,537	6,335	202	457	na	0.0002
1984	12,654	7,390	8,246	-856	-1,841	na	-0.0009
1985	14,820	8,536	8,646	-110	-229	na	-0.0001
1986	16,075	9,274	8,555	719	1,472	na	0.0007
1987	14,439	8,344	8,006	338	674	na	0.0003
1988	15,529	8,988	8,515	473	919	na	0.0004
1989	14,600	8,464	9,757	-1,293	-2,434	na	-0.0011
1990	15,587	9,051	9,026	25	45	na	0.0000
1991	15,850	9,218	10,627	-1,408	-2,461	na	-0.0011
1992	16,909	9,850	11,230	-1,380	-2,351	na	-0.0011
1993	17,743	10,352	11,145	-792	-1,318	na	-0.0006
1994	19,975	11,673	10,953	721	1,167	na	0.0005
1995	20,100	11,765	12,561	-796	-1,254	na	-0.0005
1996	20,637	12,098	14,804	-2,706	-4,165	na	-0.0018
1997	21,324	12,521	13,994	-1,472	-2,225	na	-0.0009
1998	20,670	12,157	16,059	-3,903	-5,820	na	-0.0024
1999	23,457	13,818	22,487	-8,670	-12,528	na	-0.0050
2000	27,758	16,377	20,302	-3,925	-5,454	na	-0.0021
2001	29,940	17,664	18,007	-343	-464	na	-0.0002
2002	32,921	19,423	18,721	703	926	na	0.0004
2003	33,108	19,534	19,377	157	198	na	0.0001
2004	33,238	19,610	19,926	-316	-383	na	-0.0001
2005	33,371	19,689	22,016	-2,327	-2,668	na	-0.0010
2006	35,965	21,219	22,546	-1,327	-1,451	na	-0.0005
2007	36,981	21,819	23,348	-1,529	-1,595	na	-0.0006
2008	40,065	23,638	20,968	2,671	2,662	na	0.0010
2009	42,482	25,064	21,523	3,542	3,542	na	0.0014
Total					-3,666	na	-0.00004
Subtotals							
1960-2001					-4,897	na	-0.0001
2002-2009					1,231	na	0.0001

Note: na means not available.

SOURCE: Nathan Associates Inc.

Table B-3

Federal Subsidies for Private Sector Commercial Buses, 1960-2009 ($ million, unless noted)

Fiscal Year	Outlays on Highways and Related Services	System Cost Attributable to Private Sector Commercial Bus Transportation Plus Outlays Earmarked for Commercial Buses	HTF Receipts Attributable to Private Sector Commercial Bus Transportation	Subsidy			
				Current Dollars	Constant 2009 Dollars	Constant 2009 Dollars	
						Per Passenger Trip ($)	Per Passenger Mile ($)
1960	3,176	18	11	6	57	0.16	na
1961	2,859	16	13	3	30	0.08	na
1962	3,050	17	13	4	33	0.09	na
1963	3,324	19	15	4	32	0.09	na
1964	3,963	22	16	6	52	0.14	na
1965	4,317	23	16	7	56	0.15	na
1966	4,435	23	17	6	45	0.12	na
1967	4,487	22	18	3	24	0.06	na
1968	4,693	21	18	4	26	0.07	na
1969	4,725	20	18	2	15	0.04	na
1970	5,075	21	21	0	0	0.00	na
1971	5,432	21	21	0	-1	0.00	na
1972	5,388	20	20	0	-1	0.00	na
1973	5,842	20	21	-1	-3	-0.01	na
1974	5,832	19	23	-4	-17	-0.04	na
1975	6,225	19	22	-4	-14	-0.04	na
1976	9,758	27	19	8	31	0.09	na
1977	7,875	20	23	-2	-8	-0.02	na
1978	8,069	21	23	-2	-8	-0.02	na
1979	9,724	25	0	25	77	0.21	na
1980	11,563	30	0	30	83	0.22	na
1981	11,977	31	0	31	78	0.21	na
1982	10,433	27	0	27	64	0.17	na
1983	11,043	29	0	29	65	0.18	na
1984	12,654	33	0	33	71	0.20	na
1985	14,820	39	8	31	64	0.18	0.0009
1986	16,075	41	8	33	67	0.20	0.0009
1987	14,439	36	8	28	56	0.17	0.0007
1988	15,529	37	8	29	56	0.17	0.0006
1989	14,600	34	17	17	33	0.10	0.0003
1990	15,587	35	12	23	42	0.10	0.0004
1991	15,850	35	12	23	40	0.08	0.0004
1992	16,909	40	14	26	43	0.09	0.0004
1993	17,743	43	16	28	46	0.09	0.0004
1994	19,975	43	17	26	42	0.08	0.0004
1995	20,108	54	21	33	52	0.10	0.0004
1996	20,637	50	26	24	36	0.07	0.0003
1997	21,324	47	27	20	31	0.05	0.0002
1998	20,670	48	32	16	24	0.04	0.0002
1999	23,457	57	48	9	12	0.02	0.0001
2000	27,758	65	46	19	27	0.04	0.0002
2001	29,940	66	40	25	34	0.06	0.0003
2002	32,921	76	42	34	45	0.08	0.0004
2003	33,108	89	43	46	58	0.11	0.0005
2004	33,238	88	45	43	52	0.10	0.0004
2005	33,371	90	49	41	47	0.08	0.0004
2006	35,965	117	51	67	73	0.11	0.0006
2007	36,981	115	52	62	65	0.09	0.0005
2008	40,065	127	47	80	79	0.10	0.0006
2009	42,482	131	48	83	83	0.11	0.0006
Total /a					1,993	0.09	0.0004
Subtotals /a							
1960-2001					1,491	0.09	0.0009
2002-2009					502	0.10	0.0005

Note: na means not available.

a. Subsidy per passenger mile total and subtotal considers only the period for which we have passenger mile data (1985-2009).

SOURCE: Nathan Associates Inc.

Table B-4

Federal Subsidies for Intercity Rail (Amtrak), 1960-2009 ($ million, unless noted)

Fiscal Year	Federal Outlays (Subsidy)			
	Current Dollars	Constant 2009 Dollars	Constant 2009 Dollars	
			Per Passenger Trip ($)	Per Passenger Mile ($)
1960	-	-	-	-
1961	-	-	-	-
1962	-	-	-	-
1963	-	-	-	-
1964	-	-	-	-
1965	-	-	-	-
1966	-	-	-	-
1967	-	-	-	-
1968	-	-	-	-
1969	-	-	-	-
1970	-	-	-	-
1971	24	136	na	na
1972	78	406	na	na
1973	106	514	na	na
1974	129	568	na	na
1975	299	1,199	na	0.3051
1976	355	1,334	na	0.3298
1977	813	2,860	na	0.6874
1978	920	3,042	na	0.7117
1979	978	2,984	na	0.6799
1980	1,064	2,929	140.80	0.6504
1981	1,070	2,680	130.08	0.5867
1982	1,052	2,472	127.42	0.5337
1983	961	2,174	115.00	0.4628
1984	2,198	4,727	237.55	0.9930
1985	917	1,913	95.17	0.3964
1986	777	1,592	78.83	0.3140
1987	392	782	37.77	0.1470
1988	646	1,255	58.36	0.2255
1989	616	1,159	54.18	0.1995
1990	585	1,057	47.62	0.1745
1991	719	1,257	57.12	0.2003
1992	831	1,417	66.51	0.2326
1993	732	1,217	55.08	0.1964
1994	745	1,206	56.91	0.2038
1995	933	1,470	71.04	0.2652
1996	899	1,384	70.25	0.2740
1997	1,062	1,605	79.46	0.3107
1998	965	1,439	68.20	0.2713
1999	287	415	19.29	0.0778
2000	617	857	38.10	0.1559
2001	574	776	33.04	0.1397
2002	1,104	1,455	62.17	0.2660
2003	1,024	1,295	53.96	0.2280
2004	1,317	1,597	63.89	0.2898
2005	1,261	1,446	57.67	0.2687
2006	1,285	1,405	57.24	0.2611
2007	1,292	1,348	50.78	0.2331
2008	1,334	1,330	46.33	0.2152
2009	1,787	1,787	65.70	0.2708
Total /a		60,489	71.24	0.3190
Subtotals /a				
1960-2001		48,826	77.54	0.3550
2002-2009		11,663	57.04	0.2536

Note: na means not available.

a. Subsidy totals per passenger trip and mile pertain only to the years for which we have passenger trip and mile data.

SOURCE: Nathan Associates Inc.

Table 8-5

Federal Subsidies for Mass Transit, 1960-2009 ($ million, unless noted)

Fiscal Year	Federal Outlays (Subsidy)			
	Current Dollars	Constant 2009 Dollars	Constant 2009 Dollars	
			Per Passenger Trip ($)	Per Passenger Mile ($)
1960	-	-	-	-
1961	0	1	0.00	na
1962	1	7	0.00	na
1963	2	19	0.00	na
1964	1	10	0.00	na
1965	12	93	0.01	na
1966	21	158	0.02	na
1967	46	336	0.04	na
1968	68	468	0.06	na
1969	148	970	0.12	na
1970	124	751	0.10	na
1971	212	1,193	0.17	na
1972	316	1,650	0.25	na
1973	491	2,388	0.36	na
1974	591	2,606	0.38	na
1975	929	3,726	0.53	na
1976	1,492	5,616	0.79	na
1977	2,000	7,039	0.97	na
1978	2,177	7,199	0.95	na
1979	2,542	7,758	0.95	na
1980	3,307	9,098	1.06	0.2283
1981	3,917	9,812	1.18	0.2465
1982	3,930	9,237	1.15	0.2324
1983	3,759	8,498	1.04	0.2141
1984	3,811	8,196	0.93	0.2068
1985	3,427	7,148	0.83	0.1806
1986	3,399	6,963	0.79	0.1745
1987	3,351	6,678	0.76	0.1661
1988	3,315	6,435	0.74	0.1588
1989	3,593	6,763	0.76	0.1656
1990	3,830	6,926	0.79	0.1683
1991	3,912	6,837	0.80	0.1680
1992	3,668	6,252	0.74	0.1554
1993	3,510	5,837	0.71	0.1482
1994	3,902	6,318	0.79	0.1596
1995	5,138	8,098	1.04	0.2034
1996	4,373	6,731	0.85	0.1727
1997	4,581	6,924	0.83	0.1723
1998	4,297	6,408	0.73	0.1540
1999	4,260	6,156	0.67	0.1422
2000	5,331	7,407	0.79	0.1642
2001	7,049	9,534	0.99	0.2050
2002	7,694	10,138	1.05	0.2199
2003	5,006	6,331	0.67	0.1386
2004	8,096	9,819	1.03	0.2109
2005	8,438	9,674	0.99	0.2053
2006	8,637	9,444	0.94	0.1908
2007	9,199	9,599	0.94	0.1851
2008	10,006	9,974	0.95	0.1857
2009	11,336	11,336	1.05	0.2038
Total /a		280,558	0.68	0.1846
Subtotals /a				
1960-2001		204,243	0.61	0.1810
2002-2009		76,316	0.95	0.1926

Note: na means not available.

a. Subsidy totals per passenger trip and mile pertain only to the years for which we have passenger trip and mile data.

SOURCE: Nathan Associates Inc.

American Bus Association Foundation
Economic Impact of the Motorcoach Tour and Travel Industry

The Motorcoach Tour and Travel Industry Creates Jobs in America

United States companies that provide motorcoach services to intercity travelers and group tours are a critical part of the country's economy. Motorcoach operators, along with the companies that supply services and materials to them, provide well paying jobs in America and pay significant amounts in tax to local, state and federal governments.

Economic Impact of Motorcoach Based Travel in the United States

	Direct	Supplier	Induced	Total
Jobs (FTE)	608,200	147,400	301,200	1,056,800
Wages	$ 19,010,656,500	$ 7,808,208,800	$ 13,768,603,500	$ 40,587,468,800
Economic Impact	$ 42,281,666,900	$ 24,527,578,500	$ 45,858,287,600	$ 112,667,533,000

The Motorcoach Industry is a Crucial Part of America's Economy

- Companies in the United States that provide motorcoach services to tourists, travelers and commuters employ as many as 127,600 people in the country. In addition, companies that supply services to motorcoach passengers, such as hotels, restaurants and entertainment venues employ as many as 480,600 additional people in the United States. [1]
- These are good jobs, paying an average of $31,260 in wages and benefits. And today, every job is important In fact, in the United States the unemployment rate has reached 8.2 percent. This means that there are already 12,749,000 people trying to find jobs in the country, and collecting unemployment benefits. [2]

The Economic Benefit of The Motorcoach Tour and Travel Industry is Felt Throughout the Country

- Not only does the motorcoach travel industry create good jobs in the United States, but the industry also contributes to the economy as a whole. In 2009, about 147,400 people worked for firms that supplied goods and services to companies working with motorcoach passengers. These include a wide range of companies from wholesalers, to accountants, to fueling stations. All told, nearly $ 112.7 billion in total economic activity in the United States can be attributed to the motorcoach tour and travel industry.
- In addition to providing good paying jobs for thousands of workers in the United States motorcoaches are the most fuel- and carbon-efficient mode of passenger transportation. Motorcoach travel averages 206 passenger miles per gallon compared to commuter rail at 92, transit bus at 31, personal automobiles at 27 and hybrid cars at 46 passenger miles per gallon.
- Motorcoach travel also alleviates congestion on local roads, city streets and major arteries by removing cars from travel lanes; adds productivity to the workforce, and reduces pavement wear. In America, motorcoach travel saves 44.2 million gallons of fuel, 63 million hours of wasted time and $1.2 billion annually. [3]
- Motorcoaches bring millions of tourists who support local economies, and provide efficient, flexible and cost effective transportation, linking commuters to employment, and airports and rail stations to the surface transportation network. Motorcoaches provide the only form of public intercity transportation to millions of rural residents. This is all accomplished by an industry of small businesses with little to no taxpayer subsidies.

The Country Also Benefits from the Taxes Paid by the Industry

- Not only does the motorcoach travel and tourism industry create jobs, it also generates substantial revenues for state and local governments. In the United States, the industry and its employees pay over $7,498 million in taxes including property, income, and sales based levies. [4]

Taxes Generated in the United States	
	Tax Impact
Federal Taxes	$ 9,001,064,160
State Taxes	$ 7,498,049,137
Total Taxes	$ 16,499,113,297

[1] John Dunham and Associates, New York, July 2009.
[2] The Bureau of Labor Statistics. Available on-line at: www.bls.gov/lau/home.htm. Data for 41082.
[3] Schrank, David and Tim Lomax, Mobility Benefits from Motorcoach Service, Texas Transportation Institute, December 2009.
[4] op cit, John Dunham and Associates.

Source: John Dunham and Associates, Inc.

New York, New York 2009

Motorcoach Census 2011

A Benchmarking Study of the Size and Activity of the Motorcoach Industry in the United States and Canada in 2010

Prepared for the American Bus Association Foundation
by John Dunham & Associates
June 18, 2012

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Executive Summary

Motorcoach Census 2011 is a benchmarking study commissioned by the American Bus Association Foundation (ABAF) to measure the size and activity of the motorcoach transportation service industry in the United States and Canada in 2010. The study provides information on the scope and impact of the motorcoach industry that builds upon earlier census research.

In 2010, the motorcoach industry in the United States and Canada consisted of 4,478 companies that operated 42,895 motorcoaches. In the United States, 4,088 companies operated 39,259 motorcoaches and, in Canada, 390 companies operated 3,636 motorcoaches.

Passenger Trips – The motorcoach industry provided about 694 million passenger trips in 2010. About 28% of these trips were provided by large companies that operated 100 or more motorcoaches, 38% by mid-size companies operating 25 to 99 motorcoaches and 34% by small companies operating fewer than 25 motorcoaches. The industry moved individual passengers a total of 76.1 billion miles in 2010.

Services – Motorcoach companies offer a diverse variety of services. About 95% of motorcoach companies provided charter service in 2010, 52% provided tour service, 30% provided sightseeing, 29% provided airport shuttle, 20% provided scheduled service, 19% provided special operations, and 13% provided commuter services. Charter service accounted for about 44.4% of motorcoach service mileage, followed by scheduled service (29.6%), commuter (12.3%), packaged tour service (7.4%), airport service (3.4%), sightseeing (1.8%), and special operations (1.2%).

Companies – The majority (93%) of motorcoach operators were small and operated fewer than 25 motorcoaches. All told, these firms operated over 18,700 motorcoaches, provided about 232.3 million passenger trips, and accounted for about 32% of motorcoach mileage. Mid-sized companies, those that operated 25 to 99 motorcoaches, ran just under 12,800 motorcoaches, provided 266.7 million passenger trips, and accounted for just under 33% of the industry's motorcoach mileage. Large companies that operated over 100 motorcoaches accounted for over 26% of the industry's fleet, provided 27% of the industry's passenger trips, and 35% of the industry's motorcoach mileage.

Employment – The motorcoach industry provided jobs to 148,912 people in 2010; 79,500 full-time and 69,400 part-time. On average, a motorcoach company provided 33.3 jobs or 3.5 jobs per motorcoach. Over four in ten (43%) of the jobs were with small companies that operated less than 25 motorcoaches, just under 24% were with mid-sized companies that operated 25 to 99 motorcoaches, and 33% were with large companies that operated 100 or more motorcoaches.

Fuel Efficiency – Considering the amount of passengers served per bus, motorcoaches move people with remarkable fuel efficiency. In 2010, the average fuel efficiency of a motorcoach was 6.0 miles per gallon of fuel. With this fuel efficiency, a motorcoach carrying the industry average of 34.4 passengers achieved 207.3 passenger miles per gallon of fuel in 2010.

Motorcoach Use – On average, a motorcoach provided 16,200 passenger trips in 2010, moved individual passengers a total of 1.8 million miles, employed 3.5 people, used 9,100 gallons of fuel, and traveled 54,900 miles. About 54% of the average coach's service mileage was for charter, tour, and sightseeing services and 46% was for fixed-route services (airport shuttle, commuter, scheduled, and special operations).

1. Introduction

Motorcoach Census 2011 is a benchmarking study commissioned by the American Bus Association Foundation to measure the size and activity of the motorcoach transportation service industry in the United States and Canada in calendar year 2010. Industry size is measured by the number of motorcoach carriers and the number of motorcoaches they operated. Activity is measured by the number of passenger trips provided, passenger miles, services provided, motorcoach miles traveled, fuel consumed, and employment.

Definition of the Motorcoach Industry

The industry consists of private-sector organizations that lease/own and operate motorcoaches and offer motorcoach transportation services to the public, including to private-and public-sector organizations on a contract basis. The industry includes motorcoach transportation companies that are hired on a contract basis by state or city transit authorities to transport commuters. The industry excludes governments, transit agencies or other public-sector organizations that lease/own and operate motorcoaches and offer transportation services to the public. The industry also excludes private- and public-sector organizations that lease/own and operate motorcoaches just for their own use, such as businesses that operate motorcoaches to shuttle their employees.

Definition of a Motorcoach

For this study, a motorcoach, or over-the-road bus (OTRB), is defined as a vehicle designed for long-distance transportation of passengers, characterized by integral construction with an elevated passenger deck located over a baggage compartment. It is at least 35 feet in length with a capacity of more than 30 passengers. This definition closely matches the definition of an OTRB written into U.S. law, namely "a bus characterized by an elevated passenger deck located over a baggage compartment" (Section 3038 of Public Law 105-178, 49 USC 5310 note). This definition of a motorcoach excludes the typical city transit bus and city sightseeing buses, such as double-decker buses and trolleys.

Data Sources

Several sources of information were used to construct the estimates of industry size and activity in this study. Names of nearly 9,000 potential motorcoach carriers were assembled using information from prior censuses, the American Bus Association Foundation, Dun & Bradstreet Inc., the U.S. Department of Transportation, and the United Motorcoach Association. Information about the potential motorcoach carriers and the motorcoaches they operated was collected through a survey. The survey questionnaire was distributed to the potential motorcoach carriers from December 2011 through February 2012. A total of 335 usable survey responses from motorcoach carriers were returned to John Dunham & Associates.

John Dunham & Associates research efforts were supported by a number of industry groups, companies, and organizations, including the United Motorcoach Association, Motor Coach Canada, Trailways Transportation System, International Motorcoach Group, Ontario Motor Coach Association, the Quebec Bus Owners Association, ABC Companies, Motor Coach Industries, Prevost Car, and Daimler Commercial Buses North America. We acknowledge and thank them for their support. We are particularly grateful to the 335 motorcoach carriers that took the time to provide information about their firms on a confidential basis; their assistance was crucial to the completion of this study.

2. Size and Activity of the Motorcoach Industry in 2010

Motorcoach Census 2011 reports estimates of the size and activity of the motorcoach transportation services industry in the United States and Canada in calendar year 2010. Industry size is measured by the number of motorcoach carriers and the number of motorcoaches they operated. Activity is measured by the number of passenger trips provided, passenger miles, services provided, motorcoach miles traveled, fuel consumed, and employment.

Size of the Motorcoach Industry

In 2010, the motorcoach industry in the United States and Canada consisted of 4,478 carriers and 42,960 motorcoaches (Table 2-1). In the United States, 4,088 carriers operated 39,324 motorcoaches and, in Canada, 390 carriers operated 3,636 motorcoaches. The average carrier operated 10 motorcoaches.

Table 2-1
Total Carriers and Motorcoaches in 2010 by Fleet Size

Motorcoach Fleet Size	Carriers		Motorcoaches		Average Number of Motorcoaches
	Number	Percent	Number	Percent	
100 or more	31	0.7%	11,441	26.6%	369
50-99	67	1.5%	4,515	10.5%	67
25-49	210	4.7%	8,250	19.2%	39
10-24	459	10.3%	7,238	16.8%	16
Less than 10	3,711	82.9%	11,515	26.8%	3
Industry Total	4,478	100.0%	42,960	100.0%	10

Note: Percentages may not sum to 100% because of rounding.

Passenger Trips

The motorcoach industry in the United States and Canada provided over 694 million passenger trips in 2010 (Table 2-2). In 2010, the average carrier provided 155,000 passenger trips and an average motorcoach provided 16,200 passenger trips.

Table 2-2
Motorcoach Passenger Trips in 2010 by Fleet Size

Motorcoach Fleet Size	Passenger Trips		Average Passenger Trips per:	
	Total	Percent	Motorcoach	Carrier
100 or more	194,600,000	28.0%	17,000	6,277,000
50-99	82,500,000	11.9%	18,300	1,231,000
25-49	184,400,000	26.6%	22,300	878,000
10-24	120,000,000	17.3%	16,600	261,000
Less than 10	112,600,000	16.2%	9,800	30,000
Industry Total	694,100,000	100.0%	16,200	155,000

Note: Percentages may not sum to 100% because of rounding.

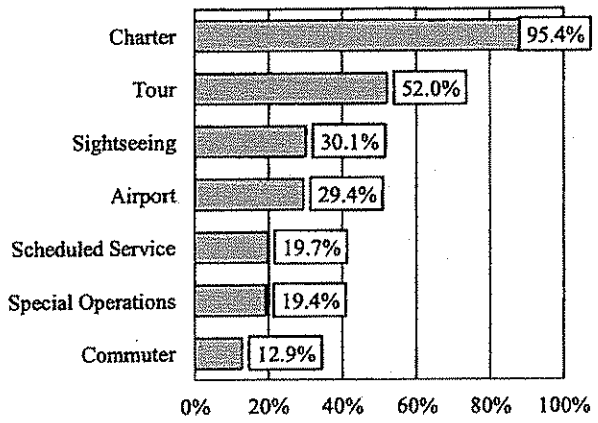
Almost 28% of passenger trips in 2010 were provided by the largest carriers, which accounted for almost 195

The smallest carriers, those with a fleet size of fewer than 10 motorcoaches, operated the smallest average number (1.1 million) of passenger miles per motorcoach. They had, on average, 3.4 million passenger miles per carrier for a total of 12.6 billion passenger miles, or 16.5% of industry passenger miles.

Services Provided

The services offered by the motorcoach industry are diverse. Nearly all carriers (95.4%) provided charter service in 2010, followed by tour (52.0%) sightseeing (30.1%), airport shuttle (29.4%) scheduled service (19.7%), special operations (19.4%), and commuter service (12.9%).

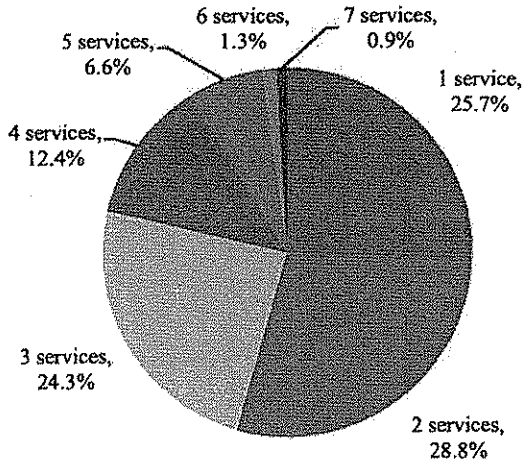
Figure 2-2
Percentage of Carriers Providing Types of Service in 2010



Almost three in four (74.3%) carriers provided more than one service in 2010. More than one in four (25.7%) carriers had mileage in 2010 for just one service, 28.8% offered two services, 24.3% offered three services, 12.4% offered four services, 6.6% offered five services, 1.3% offered six services, and 0.9% offered all seven services.

Figure 2-3

Percentage of Carriers by Number of Services Provided in 2007



Note: Percentages may not sum to 100% because of rounding.

Vehicle Mileage

Industry motorcoaches traveled 2.4 billion miles in 2010, averaging 527,000 miles per carrier and 55,000 miles per motorcoach. The largest carriers with over 100 motorcoaches averaged 73,000 miles per motorcoach, while the smallest carriers; those with fewer than 10 motorcoaches, averaged 34,000 miles per motorcoach. Service mileage (miles traveled with passengers) accounted for 2.23 billion (94.6%) of the 2.36 billion total miles that motorcoach vehicles traveled in 2010.

Table 2-4
Motorcoach Vehicle Mileage in 2010 by Fleet Size

Motorcoach Fleet Size	Vehicle Mileage		Average Vehicle Mileage per:	
	Number	Percent	Motorcoach	Carrier
100 or more	830,700,000	35.2%	81,300	26,796,000
50-99	292,100,000	12.4%	64,700	4,360,000
25-49	481,900,000	20.4%	54,600	2,295,000
10-24	357,300,000	15.2%	49,300	778,000
Less than 10	395,900,000	16.8%	34,400	107,000
Industry Total	2,359,500,000	100.0%	57,000	527,000

Note: Percentages may not sum to 100% because of rounding.

Fuel Consumption

Almost 391 million gallons of fuel was consumed by industry motorcoaches in 2010. Each carrier, on average, consumed 87,000 gallons of fuel, or 9,000 gallons per motorcoach. Motorcoach fuel efficiency averaged 6.0 miles per gallon. With this fuel efficiency, a motorcoach carrying the industry average of 34 passengers achieved 207.3 passenger miles per gallon in 2010.

Table 2-5
Motorcoach Fuel Consumption in 2010 by Fleet Size

Motorcoach Fleet Size	Gallons of Fuel Consumed		Average Gallons of Fuel Consumed Per:		Miles Per Gallon
	Gallons	Percent	Motorcoach	Carrier	
100 or more	137,400,000	35.2%	12,000	4,433,000	6.0
50-99	49,600,000	12.7%	11,000	740,000	5.9
25-49	79,500,000	20.3%	9,600	378,000	6.1
10-24	58,300,000	14.9%	8,000	127,000	6.1
Less than 10	66,700,000	16.9%	5,700	18,000	6.0
Industry Total	390,800,000	100.0%	9,100	87,000	6.0

Note: Percentages may not sum to 100% because of rounding.

Employment

The motorcoach industry in the United States and Canada employed 149,000 people in 2010, averaging 33 employees per carrier and 3.5 employees per motorcoach (Table 2-6). The largest carriers with over 100

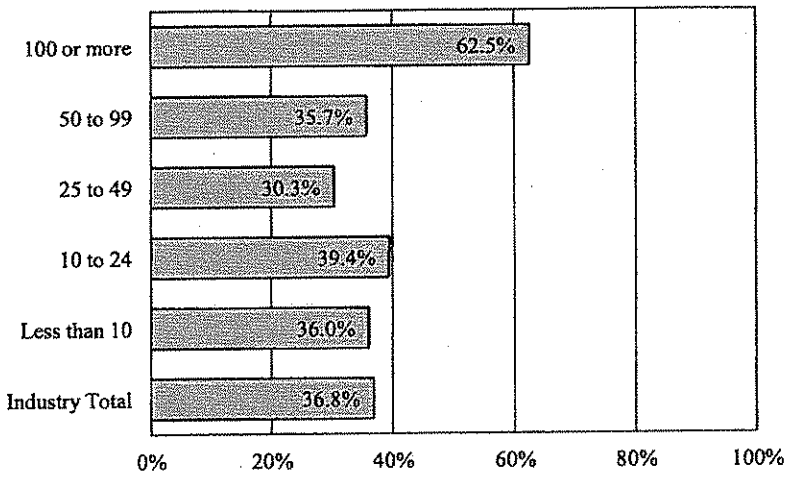
3. Motorcoach Carrier Characteristics

The Motorcoach Census 2011 survey of motorcoach carriers in the United States and Canada collected additional information on the operating characteristics of the carriers. This chapter presents summary statistics on this information. Included are industry estimates relating to competition from transit agencies, the average age of motorcoaches, and on how carriers acquired motorcoaches and fuel. Finally, summary statistics are presented on the data reported by carriers about their founding year and their other revenue-generating vehicles.

Competition from Transit Agencies

Almost four in ten (37.0%) motorcoach carriers in the United States and Canada have experienced competition from transit agencies. Two out of three (62.5%) of the largest carriers have encountered competition from transit agencies. Almost four in ten (36.0%) of the smallest carriers have competed with transit agencies for business. Over four in ten motorcoaches (42.5%) are operated by carriers that have experienced competition from transit agencies.

Figure 3-1
Percentage of Carriers that Have Competed with Transit Agencies for Business



Age of Motorcoaches

In 2010, the average motorcoach operated by carriers in the United States and Canada was nine years old (manufactured in 2001), and the median motorcoach was eight years old (manufactured in 2002). Among the fleet-size categories, the smallest carriers, those with less than 10 motorcoaches, had the oldest motorcoach fleet with an average age of ten years (manufactured in 2000). The average motorcoach for carriers with between 10 and 49 motorcoaches was 7 years old (manufactured in 2003), and the average motorcoach for carriers with over 50 motorcoaches was 6 years old (manufactured in 2004).

How Motorcoaches Were Acquired

In 2010, 4.9% of motorcoach carriers operated only leased motorcoaches in their fleet, while 72.0% only operated purchased motorcoaches, and 23.1% operated a mix of both (Table 3-1). Smaller carriers were more likely to have only purchased motorcoaches in their fleet.

Even though a majority of motorcoach carriers reported buying fuel only at retail, 60.1% of motorcoach fuel was actually purchased at wholesale in 2010 (Table 3-4). This was due to the fact carriers with over 25 motorcoaches reported buying much more fuel at wholesale than at retail. The smallest carriers with fewer than 10 motorcoaches purchased the smallest percentage of fuel (16.6%) at wholesale, and the largest carriers with over 100 motorcoaches purchased 77.2% of fuel at wholesale.

Table 3-4
Percentages of Motorcoach Fuel Gallons Purchased at Retail or Wholesale

Motorcoach Fleet Size	Retail Gallons	Wholesale Gallons	Total
100 or more	23.9%	76.1%	100.0%
50-99	30.6%	69.4%	100.0%
25-49	31.4%	68.6%	100.0%
10-24	47.9%	52.1%	100.0%
Less than 10	83.4%	16.6%	100.0%
Industry Total	39.9%	60.1%	100.0%

Founding Year of Carrier

The motorcoach industry in the United State and Canada is made up of a healthy mix of old and new companies. About 3.1% of reporting carriers were founded before 1920 and 9.0% of carriers were founded before 1940. About one out of every three (34.3%) carriers was founded after 1995, and about one in every ten (10.2%) carriers was founded after 2005. The average founding year of reporting carriers is 1981, and the median founding year of reporting carriers is 1989. By decade, almost one quarter of the carriers were founded in the 1990s (24.4%), closely followed by 2000-2009 (23.8%) and the 1980s (17.9%).

Table 3-5
Percentages of Motorcoach Carriers by Year Founded

Year Founded	Percent of Carriers
Pre-1920	3.1%
1920-1939	5.9%
1940-1959	10.8%
1960-1979	13.6%
1980s	17.9%
1990s	24.4%
2000-Present	24.4%

Note: Percentages may not sum to 100% because of rounding.

Other Revenue-Generating Passenger Vehicles

Four out of five (79.9%) of the carriers reported operating other revenue-generating passenger vehicles in addition to their motorcoaches. The largest fleet-size category, carriers operating 100 or more motorcoaches, all operated other passenger vehicles, while over half (69.1%) of the smallest fleet-size category, carriers operating fewer than 10 motorcoaches, reported operating other vehicles.

Appendix A. Study Methodology

The American Bus Association Foundation commissioned *Motorcoach Census 2011* to measure the size and activity of the motorcoach transportation service industry in the United States and Canada. The study estimates and reports total industry size and activity for the year 2010. This appendix describes the data sources and methodologies used in the study. The appendix describes the target population, the survey frame, the survey data collection and processing, the estimation of industry size, and the estimation of industry activity.

Target Population

The target population of the study is the motorcoach transportation service industry in the United States and Canada in 2010.

The industry consists of private-sector organizations that lease/own and operate motorcoaches and offer motorcoach transportation services to the public, including to private-and public-sector organizations on a contract basis. The industry includes, for example, motorcoach transportation companies that are hired on a contract basis by state or city transit authorities to transport commuters on motorcoaches. The industry excludes, however, governments, transit agencies or other public-sector organizations that lease/own and operate motorcoaches and offer motorcoach transportation services to the public. The industry also excludes private- and public-sector organizations that lease/own and operate motorcoaches just for their own use, such as businesses that operate motorcoaches to shuttle their employees.

Motorcoach transportation services include motorcoach charter services, tour and sightseeing services using motorcoaches, and motorcoach passenger transportation over regular routes and on regular schedules, such as airport shuttle services, commuter transportation services, and scheduled intercity and rural transportation services. The seven types of motorcoach transportation service that were used in this study are defined below:

- **Charter** – A preformed group (organization, association, tour company, shuttle service, church, school, etc.) who hires a motorcoach for exclusive use under a fixed contract.
- **Packaged/Retail Tour** – A planned or prearranged trip offered for sale by a motorcoach transportation company (including a tour company that leases/owns and operates motorcoaches) at fixed price to leisure travelers. Price usually includes lodging, meals, sightseeing, and transportation.
- **Sightseeing** – A service offered by motorcoach or tour companies to view points of interest within a specified area.
- **Airport Shuttle** – A private motorcoach service usually operating on a fixed route to transport passengers to and from airports.
- **Commuter** – A fixed-route bus service, characterized by service predominantly in one direction during peak periods, limited stops, use of multi-ride tickets, and routes of extended length, usually between the central business district and outlying suburbs.
- **Scheduled** – A specified, ticketed, predetermined regular-route service between cities or terminals.
- **Special Operations** – Published, regular-route service to special events, such as fairs, sporting events, or service for employees to work sites.

A motorcoach, or over-the-road bus (OTRB), is defined for this study as a vehicle designed for long-distance transportation of passengers, characterized by integral construction with an elevated passenger deck located over a baggage compartment. It is at least 35 feet in length with a capacity of more than 30 passengers. This definition

Foundation (ABAF) made follow-up solicitations to potential carriers by both e-mail and phone. The ABAF sent notices several times to its members by e-mail encouraging them to participate in the survey.

Submitted electronic and paper questionnaires were reviewed for completeness and validity. Additional contact was made selectively to resolve unclear responses and to prompt for response to questions left unanswered. JDA consolidated the information from all surveys collected into one database. The data were tabulated and evaluated for inconsistencies, irregularities and respondent-specific values that were significantly different from average reported values and survey respondents were contacted to clarify anomalous answers. The final survey database contained usable responses from 334 motorcoach carriers. Table A-1 presents the sample sizes realized from the returns to the *Motorcoach Census 2011* survey of motorcoach carriers. Missing values were filled in using respondent mean imputation. The survey is statistically significant with a margin of error of +/- 4 percent.

Estimating the Size of the Motorcoach Industry in 2010

Throughout the survey process, JDA identified companies that were no longer in business, did not operate motorcoaches, or had disconnected phone numbers and bad addresses. Out of the 7,039 unique motorcoach companies in the United States and Canada, JDA directly contacted 4,815 and determined that 423 did not operate motorcoaches and 851 had bad addresses and/or disconnected phone numbers. JDA assumed that the companies with bad addresses and/or disconnected phone numbers were out of business and did not count them as motorcoach operators. Through this process, JDA identified 3,541 motorcoach operators, leaving an additional 1,274 unverified potential motorcoach operators. By assuming that the unverified motorcoach operators would be out of business or would not operate motorcoaches at the same rate as the companies directly contacted, JDA estimated total motorcoach operators in Canada and the United States at 4,478.

To identify total operators in Canada, JDA used a similar process. Of the potential motorcoach operators list, 1,206 were Canadian. Of these potential carriers, 440 were subsidiaries of larger motorcoach companies. JDA directly contacted 453 of the Canadian potential carriers and identified 284 motorcoach companies, 89 companies that did not operate motorcoaches, and 80 with bad addresses and/or disconnected phone numbers; leaving 169 unverified potential operators. JDA assumed that the same proportion of unverified Canadian operators would be out of business or would not operate motorcoaches at the same rate as the companies contacted in order to conclude that 106 of the 169 unverified companies operated motorcoaches. Therefore, JDA estimates that of the 4,478 motorcoach operators in the United States and Canada in 2010, 390 were Canadian.

The Motorcoach Industry by Size of Fleet

In order to determine the size of the motorcoach industry by fleet size, JDA relied upon survey collection efforts and prior research conducted by the National Transportation Safety Board. In the October 12, 2011 "Report on Curbside Motorcoach Safety", researchers at the NTSB were able to estimate the size and scope of the motorcoach industry in the United States. The NTSB estimates the size of the U.S. motorcoach industry at 4,172 carriers, whereas JDA estimates the size of the U.S. motorcoach industry at 4,088 carriers. The NTSB conducted research over a four year time period from April 2007 to April 2011, so NTSB likely counted some companies that went out of business before 2010. JDA believes that because the motorcoach industry declined in terms of passenger miles between 2007 and 2009, it is reasonable to believe that the industry declined in terms of motorcoach operators.

The NTSB was able to access the Federal Motor Carrier Safety Administration's data portal in order to gauge not only the size of the motorcoach industry, but also the size of the industry by fleet size. The NTSB identified 31 motorcoach operators with over 100 motorcoaches and 585 companies with between 11 and 100 motorcoaches.

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Truth in Testimony Disclosure

Pursuant to clause 2(g)(5) of House Rule XI, in the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include: (1) a curriculum vitae; and (2) a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by an entity represented by the witness. Such statements, with appropriate redaction to protect the privacy of the witness, shall be made publicly available in electronic form not later than one day after the witness appears.

(1) Name: Peter Pantuso

(2) Other than yourself, name of entity you are representing:

American Bus Association

(3) Are you testifying on behalf of an entity other than a Government (federal, state, local) entity?

YES XX If yes, please provide the information requested below and attach your curriculum vitae.

NO

(4) Please list the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by you or by the entity you are representing:

$ 0.00

Peter Pantuso

Signature

9/18/2012

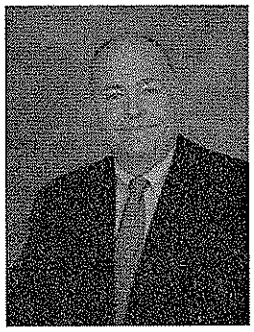
Date

AMERICAN BUS ASSOCIATION

Representing the motorcoach, tour and travel industry

Peter J. Pantuso

President and CEO, American Bus Association



Peter J. Pantuso is president and chief executive officer of the American Bus Association, North America's largest motorcoach, tour and travel association representing more than 65 percent of all motorcoaches on the highways, as well as private travel related businesses, state and local government travel and tourism offices, state associations and other entities involved in promoting travel throughout North America. Total membership in the ABA is 3,800 members. In addition, Pantuso is also president of the National Bus Traffic Association and the American Bus Association Foundation.

Pantuso oversees the association's daily operations, including government affairs; policy; communications; meetings and education programs; publications, including ABA's award winning magazine *Destinations*; membership programs and budgeting and personnel.

The ABA Foundation began under Pantuso's leadership, and in a few years it has grown to nearly $1 million in funds and awarded over $400,000 in scholarships and grants. Both the Foundation and NBTA are headquartered in ABA's offices.

Pantuso serves on the U.S. Chamber of Commerce's committee of 100 leading association executives and has previously served on the Policy Committee of the American Society of Association Executives and the Board of the Museum of Bus Transportation and the Board of the U.S. Travel Association.

A native of Bradford, Pennsylvania, Pantuso is a graduate of the University of Pittsburgh and earned his Masters of Association Management from George Washington University's School of Business and Government.

111 K Street NE • 9th Floor • Washington, DC 20002-8110
(202) 842-1645 • (800) 283-2877 • Fax: (202) 842-0850 • abainfo@buses.org • www.buses.org