

What is the current state of the bus manufacturing industry in the US?

*Buses provide more rides annually than all other public transit modes combined:
What can we learn?*

San Jose, CA – October 19, 2016 – The US transit bus manufacturing industry has changed considerably over the past two decades. Bus quality has improved and new technologies have resulted in increased reliability and a wider range of alternative fuel strategies, including battery-electric transit buses. Yet, this is a fragile industry due to low volume, changing regulations, and unstable federal funding. Researchers at the [Mineta Transportation Institute](#) conducted a comprehensive state of the industry analysis to better understand the challenges and opportunities facing bus manufacturers and to provide policy makers with recommendations to help move the industry forward while best serving the transit-riding public.

As noted in the report, [The US Transit Bus Manufacturing Industry](#), manufacturing buses for the US transit market is a small market with volatile demand. Over the past two decades, annual spending on buses by US transit agencies has fluctuated between extremes of \$1.4 billion and \$3.1 billion (in 2014 dollars). According to Dr. David Czerwinski, principal investigator for this research, “Many manufacturers have gone bankrupt, left the market, or been acquired by competitors.”

Interviews conducted with industry stakeholders identified a number of challenges facing the industry. Notably, and despite increases for annual public transit funding under the new [FAST Act](#), interviewees still felt that there was not enough funding to allow transit agencies to retire and upgrade their bus fleet in a timely fashion.

To ensure a thriving transit bus manufacturing industry that continues to improve the quality of buses, invests in R&D, and best serves the riding public, policy makers should:

- Work to ensure long-term, stable funding that builds on the FAST Act to allow transit agencies to make long-term purchasing plans for buses.
- Continue to support research & development related to alternative fuels.
- Facilitate an industry-wide conversation around standardization of battery-electric charging infrastructure and implement policies so that transit agencies aren't penalized financially for adopting battery-electric technology.
- Think carefully about whether this industry, due to its small size, is well positioned to take the lead on clean-air regulations that advance the nation's environmental quality.

The report is available for free download from <http://transweb.sjsu.edu/project/1234.html>

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ABOUT THE RESEARCH TEAM

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ABOUT THE MINETA TRANSPORTATION INSTITUTE

The Mineta Transportation Institute (MTI) conducts research, education, and information transfer programs regarding surface transportation policy and management issues, especially related to transit. Congress established MTI in 1991 as part of the Intermodal Surface Transportation Efficiency Act. MTI won national re-designation competitions in 2002, 2006 and 2012. The Institute is funded through the US Department of Transportation, the US Department of Homeland Security, the California Department of Transportation, and public and private grants. The internationally respected members of the MTI Board of Trustees represent all major surface transportation modes. MTI, the lead institute for the nine-university Mineta National Transit Research Consortium, is affiliated with San Jose (CA) State University's Lucas College and Graduate School of Business. Visit transweb.sjsu.edu

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