



January 15, 2026

The Honorable Marcus J. Molinaro
Administrator
Federal Transit Administration
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Administrator Molinaro:

On December 3, 2025, you kindly provided an opportunity for Randy Clarke, Chair of the American Public Transportation Association's (APTA) Bus Manufacturing Task Force 2.0, and me to detail the final Task Force recommendations, which focus on reducing customization in bus procurements to reduce the cost of bus purchases and encourage competition in the industry. Our work is consistent with and supports the Federal Transit Administration's (FTA) important efforts to reduce bus customization and encourage procurement of more standardized buses.

At that meeting, we generally discussed possible changes to FTA's Notice of Funding Opportunity (NOFO) for the FTA Low or No Emission Grant Program and Buses and Bus Facilities Competitive Program to directly encourage public transit agencies to procure standardized buses by following the Task Force recommendations. We respectfully offer the two specific recommendations outlined below.

BACKGROUND

In 2023, to address procurement practices that constrained cash flow at major bus manufacturers and were contributing to bankruptcies and market exits, APTA created the Bus Manufacturing Task Force. The Task Force, consisting of representatives from bus manufacturers, suppliers, and transit agencies, recommended revisions to transit agency procurement and payment practices to stabilize manufacturer cash flow. These recommendations were endorsed by FTA in February 2024 through a "Dear Colleague" letter and accompanying clarifications to Federal procurement regulations and guidance. APTA incorporated these changes into its Standard Bus Procurement Guidelines ("White Book"), a consensus-developed template for bus procurement Requests for Proposals, commercial terms, and technical specifications used, in whole or in part, by most U.S. public transit agencies. The APTA White Book is regularly updated to reflect industry consensus changes in vehicle technology and address contractual issues.

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Given the 2023-2024 Bus Manufacturing Task Force's focus on cash flow issues, its recommendations did not directly address the impact of bus customization on pricing and production timelines. The APTA White Book specifies standard commercial terms and technical specifications, with options to meet specific climate and operating requirements. While most public transit agencies develop procurement documents based on these standard White Book provisions, agencies often customize the contract terms and technical specifications to reflect highly individualized branding preferences, interior layout variations, unique window or door configurations, and specialized components. These changes can substantially increase cost and production complexity. FTA has consistently encouraged greater standardization of bus designs across agencies to improve cost stability, reduce production time, and strengthen supply-chain efficiency.

In 2025, APTA initiated the Bus Manufacturing Task Force 2.0 to specifically address bus customization issues. Through use of working groups consisting of manufacturers, transit agencies, and suppliers, the Task Force focused on both contractual terms and technical specifications. In December 2025, the Task Force issued its [report](#), which recommended numerous important changes, including:

- **Commercial Terms and Conditions:** Encouraging/incentivizing use of the White Book as the default commercial and technical framework for price validity/escalation, fleet defects, excusable delays/liquidated damages, changes in law, warranty, performance guarantees, stop work, insurance, terms, and intellectual property/data rights and minimizing deviations to only those required by safety, law, or essential operations.
- **Inspections and Acceptance:** Incorporating into the White Book minimum inspector qualifications, using standardized inspection/acceptance checklists, conducting pre-award plant tours, and requiring use of a pilot bus on larger orders.
- **Cybersecurity:** Adding a comprehensive White Book section aligning with industry best practices, including threat/risk assessment, program governance, segmentation of passenger convenience networks, testing, and selection guidance.
- **Vehicle Component Customization:** Reducing procurement alternatives to encourage use of common, volume-supported designs. The Task Force has made specific recommendations for changes to the White Book to further standardize the selection of windows, doors, and floor layouts.

APTA expects to fully incorporate these recommendations into the White Book by March 1, 2026. We are also planning extensive outreach to our public transit agency members to encourage them to adopt these recommendations through use of the White Book for future procurements.

APTA RECOMMENDATIONS FOR FTA BUSES AND BUS FACILITIES NOFO

Under current law, FTA annually provides more than \$1.5 billion to public transit agencies for buses and bus facilities through its Low or No Emission Grant Program and Buses and Bus Facilities Competitive Program. FTA's [FY 2025 NOFO for the Low or No Emission Grant Program and the Grants for Buses and Bus Facilities Competitive Program](#) requires all applicants for funding to meet specific program criteria. In addition, under the "Review and Selection Process" section, applicants can receive additional scoring credit by meeting other goals stipulated by FTA, such as Opportunity Zones, Cost-Effective Vehicle Procurements, and Strengthening the U.S. Vehicle Manufacturing Industry.

To directly encourage public transit agencies to procure more standardized buses, APTA strongly recommends that FTA's NOFO for these competitive grant programs for FY 2026 and subsequent years provide additional scoring credit if a public transit agency commits that the contractual terms and technical specifications for the buses will be developed exclusively from the APTA White Book. APTA recommends adding this criterion (outlined in *bold italics*) to FTA's NOFO as follows:

Cost-Effective Vehicle Procurements

For vehicle projects only. To receive credit, you must:

- ***Commit to procuring vehicles using technical specifications prepared exclusively from the APTA Standard Bus Procurement Guidelines; or***
- Commit to procuring vehicles from a state schedule without selecting customization options; or
- Commit to participating in a joint procurement with at least three total transit agencies using a common specification; or
- For low- or zero-emission projects that identify a partnership with a vehicle manufacturer, commit to buying a standard vehicle model without customizations. Include a letter from the manufacturer that confirms this.

Strengthen U.S. Vehicle Manufacturing Industry

For vehicle projects only. To receive credit, you must:

- ***Commit to using contracting terms (other than those imposed by state or local law) prepared exclusively from the APTA Standard Bus Procurement Guidelines; and***
- Commit to using advance payments or progress payments; and
- Describe how contracting terms will expedite payments to vehicle original equipment manufacturers.

Incentivizing the use of the White Book would directly support both APTA's and FTA's common objective to reduce the cost of buses and enhance competition.

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On behalf of the public transportation industry, we thank you and FTA for your strong support, advocacy, and administrative actions for improving public transportation across the United States.

Thank you for your consideration.

Sincerely,



Paul P. Skoutelas
President and CEO

Encl.

cc: Randy Clarke, Chair, APTA Bus Manufacturing Task Force 2.0
Michelle Allison, Vice Chair, APTA Bus Manufacturing Task Force 2.0
Members, APTA Bus Manufacturing Task Force 2.0