

August 10, 2017

**Greyhound Canada Transportation ULC**

**2017 Application**

**To Eliminate Permanently Route I1 – City of Dawson Creek/Town of Fort Nelson, Route I2 – Town of Fort Nelson/Yukon Border & Highway 97, Route J – City of Dawson Creek/City of Prince George, Route K – City of Prince George/District of Fort St James, Route L1 – City of Prince Rupert/City of Prince George, Route L2 – City of Prince George/Alberta Border & Highway 16, Route S2 – University Endowment Lands (UBC)/Resort Municipality of Whistler, Route T – City of Victoria/City of Nanaimo and Route Y – City of Victoria/City of Vancouver**

**AND**

**To Eliminate Route Points on Route A – Alberta Border & Highway 1/City of Vancouver, Route B1 – City of Kamloops/City of Kelowna, Route C – City of Vancouver/Town of Osoyoos, Route D – City of Kelowna/Alberta Border & Highway 3, Route E – City of Prince George/City of Vancouver, Route N Alberta Border and Highway 16 City of Vancouver, Route P – City of Kelowna/City of Vancouver and Route S1 – City of Vancouver/Mount Currie which becomes City of Vancouver/Pemberton**

**AND**

**To Reduce Minimum Service Frequency on all retained routes**

**RATIONALE FOR ROUTE REDUCTION, ROUTE POINT REDUCTION AND  
MINIMUM FREQUENCY REDUCTION**

**1. Introduction**

In the process of a License Amendment Application to permanently eliminate routes and route points and to reduce minimum frequencies in British Columbia before the BC Passenger Transportation Board ("PT Board"), the Applicant, Greyhound Canada Transportation ULC ("Greyhound") wishes to set out the Rationale for this application in the following explanatory paper to the PT Board. This paper is available to the public for consultation and comments.

Bus passenger transport has been challenged by many factors: declining ridership in rural communities and shrinking populations in some rural areas; increased competition from subsidized national and inter-regional passenger transportation services and commercial ride-sharing businesses; regulatory constraints and reductions in oil prices which have prompted more people to travel by car.

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Greyhound has been losing considerable amounts of money in an unsustainable manner from its intercity passenger bus operations in British Columbia over the past eight (8) years and is now forced to file an application with the PT Board for authorization to proceed with the permanent elimination of nine (9) routes from its network as well as the further elimination of 27 route points and one (1) alternative route point on existing intercity routes. Finally, Greyhound will request that the PT Board authorize minimum route frequency reductions on the ten (10) remaining routes to gain the operational flexibility needed to adjust the service based on market demand.

Greyhound has operated intercity bus service in BC since 1929. It has a huge geographical network serving communities on Vancouver Island and those in Northern, Central, Southern and Eastern BC with connections to various cities in the Yukon and Alberta. Over the past five (5) years, Greyhound has seen its ridership in BC decline each year as follows:

- 2013: 1,216,332
- 2014: 1,033,143
- 2015: 1,001,482
- 2016: 900,633
- 2017 : 853,733

During that same period, passenger transportation revenues have also decreased and costs have risen. The company's operating deficit in BC from passenger transportation in the year ending March 2017 was \$12,923,230.

## 2. Background

Since Greyhound's license was written pursuant to the new PTA in 2004, the company has applied on 6 occasions to reduce or eliminate service in low ridership lanes and route points. It has done so always in the hope that each application will allow it to turn the corner and return to profitability. On every occasion, the reverse has occurred, the operating revenues have further declined, causing ongoing sustained operating losses. A review of recent applications shows the following:

On January 16, 2013, the PT Board issued a decision approving Greyhound's application #305-12. Based on the fact that Greyhound had established that it had lost \$14.1 million on its scheduled passenger operations in BC in its 2011/12 fiscal year, it was permitted to reduce service on fifteen (15) of its BC routes, including on Route U – Nanaimo/Campbell River, and to eliminate one (1) route.

On September 3, 2013, Greyhound's application #142-13 was also approved by the PT Board and it permitted the elimination of 30 route points on 11 routes in BC and the reduction of service on one (1) route point. The PT Board was of the opinion that those changes would allow Greyhound to streamline and improve its services and this should help improve further the financial viability.

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On September 16, 2015, the PT Board issued another decision approving Greyhound's application #197-15. It was permitted this time to eliminate three (3) of its BC routes based on the fact that Greyhound continued, despite schedule reductions allowed in 2013, to experience significant passenger operating losses in BC.

In its 2013/14 fiscal year (ending March 31) Greyhound lost \$10.6 million, in 2015, it lost \$11.6 million, in 2016 it lost \$14.1 million, and in 2017 as of March 31st it lost \$12,923,230 all from its BC passenger operations.

For some time now, Greyhound's courier package express business (GPX), which is unregulated, has offset losses in passenger operations. In fact, for the year ending March 31, 2017, Greyhound operated over 1 million truck miles in BC for the servicing of its GPX customer requirements. Even factoring in the GPX revenues, much of which are generated by truck service, the total operating loss in BC for 2017 is \$4,572,466. These ongoing losses are unsustainable.

It is anticipated that the changes, and eliminations described herein will reduce operating losses by \$2.6 million in the first year following implementation.

Please note that Greyhound's breakeven passenger revenue per mile currently stands at \$7.09. The average actual passenger revenue per mile for the years 2014-2015 over the company's entire B.C. intercity bus network was no more than \$4.89 and this key metric declined to \$4.66 in 2015-16 and is currently tracking to \$4.94 in 2016-2017. This figure is much lower on many of the routes being proposed for elimination.

The intercity bus industry in Canada is facing huge challenges in every jurisdiction. The economic regulatory regimes, of which BC is one of the most extensive, have remained essentially unchanged for over sixty (60) years and present huge challenges to Greyhound's attempts to return to profitability. In BC the regulation is intended to act as a barrier to entry into the market such that incumbent carriers have historically benefited from a certain market protection, in exchange for a vigorous series of regulatory controls and requirements imposed upon their operations. These controls and requirements have not only prevented Greyhound from adjusting its transportation offering to respond to economic market variations in a timely way, they have not provided market protection. Over the last 8 years, BC has allowed unregulated and often government subsidized competitors to implement services on Greyhound authorized routes without the constraint of regulatory oversight or filing, and often without offering Greyhound the opportunity to object. Essentially while Greyhound's market protection has eroded completely, the regulatory constraints, requirements and controls continue to be vigorously applied. Thus all the drawbacks of economic regulation remain intact while Greyhound no longer benefits from any of the advantages.

Previously, by judiciously apportioning route authorities, regulators were able to assure intercity bus service coverage across large, sparsely populated rural areas at no cost to the government, by applying the cross subsidy model.

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It is important to point out that this model of cross-subsidization, long the stalwart economic and pricing model of the intercity bus industry, can no longer be applied to assist Greyhound in its current situation. Cross-subsidization refers to a strategy in the Canadian intercity bus industry where financial support for a "less popular rural routes" comes from the profits generated by other "high traffic intercity routes". This strategy often results in route fares being priced above what could otherwise be offered in order to subsidize the losses generated on rural routes. Cross-subsidization may have worked in the past for Greyhound, but for some years now it has been impossible to subsidize the ongoing losses by increasing rates on high-traffic routes given the extent of the losses across the entire network combined with the presence of unregulated competitors on two (2) high volume routes. In other words, it is not possible for Greyhound to maintain market share with a cross-subsidization strategy since the few remaining profitable routes cannot, on their own, support an entire provincial intercity bus service that generates such high losses.

Greyhound attributes these losses to a number of factors, including higher costs for fuel and maintenance; reduced ridership; competition from other intercity bus operators, urbanization; changes that have made cars ubiquitous (i.e. "car-sharing" and "carpooling"); an inflexible provincial regulatory regime that does not allow the Company to respond quickly to market and economic changes; and unregulated, government subsidized connector bus operators (Northern Health Connections, BC Transit, Interior Health Connections). Greyhound's situation is not a result of deficiencies in the management of the Company, but rather is the result of social, economic and financial factors, including legacy labour collective bargaining agreements and inflexible work rules.

The regulatory regime imposes minimum route frequencies, independent of passenger count volume or revenues, and route points and routes that are already far from being profitable. Add to this the erosion of passenger volumes on productive routes by unregulated commercial rideshare operations and other subsidized or non-regulated carriers, and Greyhound is denied key revenues required to preserve the financial integrity of its network.

Many commercial ride-sharing businesses are already operating in the province and are in direct competition with Greyhound. One of them is Kootenay Rideshare which provides regular service through the Kootenay region and beyond, and which is actively targeting senior customers by encouraging its members to provide the elderly with transportation services as part of their medical appointments, for example. HitchPlanet is also providing regular ride-sharing service through cities such as Vancouver, Squamish, Kelowna, Whistler, Salmon Arm, Revelstoke, Hope, Golden, Merrit, Kamloops, Burnaby and others. Trips arranged through HitchPlanet, which boasts 10,000 members, must cover a minimum distance of 50 kilometres.

Moreover, the former BC Liberal government announced the arrival of the ride-sharing businesses UBER and LYFT by December 2017. Many are under the impression that the only concern with the internet platform ride-sharing business is with its impact on the existing taxi industry but this is not the case. Internet commercial rideshare services

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have a significant negative impact on intercity bus services in BC. These services take business not only from Greyhound's passenger operations, but also from its delivery and courier services.

Despite carrying an iconic brand recognized around the world, and despite being part of an innovative and successful large multinational passenger carrier corporation with access to the most sophisticated of logistical, economic and capital resources to enhance its operating model, Greyhound finds itself in the situation of having to shut down several northern routes in BC in order to restructure its operations to be able to survive on its remaining routes in the province.

Following a thorough evaluation in 2015 and 2016 of its entire BC intercity bus operations, Greyhound identified ten (10) routes that will be retained and nine (9) that must be eliminated. All retained routes will be the object of a minimum service frequency reduction and a total of twenty-eight (28) route points will be eliminated from them.

With the approval of these reductions by the BC PT Board, Greyhound will be able to eliminate approximately 1,641,640 schedule miles in BC and generate significant yearly operating savings. Greyhound will retain approximately 3,726,112 million schedule miles in BC.

This application is submitted in light of the ongoing and unsustainable passenger operating losses that are being incurred by Greyhound in BC as outlined above. It is imperative to understand that the scale of these losses renders the preservation of the current level of service impossible. As mentioned above, to survive as a private company and to remain financially viable and competitive in the market, Greyhound has no choice but to operate only when there is a real and sufficient public need, meaning that it will operate where there are high levels of demand, viable ridership, and meaningful passenger counts and operating revenue.

Moreover, the proposed route point eliminations by Greyhound on all retained routes will allow the Company to reduce the duration of rides with the intention of attracting increased ridership. It is recognized that ride time is a key factor in whether or not passengers choose to use intercity bus services. It is calculated and hoped that by eliminating time consuming stops where very few passengers embark or disembark over the year, Greyhound will deliver shorter ride times to more of its customers and hence increase ridership throughout the remaining network. Today's reality is that every second counts and people do not want to make any compromises with respect to the time they are willing to spend travelling. In order to survive as a private company and to remain competitive in the market, Greyhound must meet public demand. The current situation does not allow it to do so.

Indeed, for several years now, public need has become unstable and unpredictable due to constant, rapid and significant changes in passengers' patterns of travel and to the entry of new carriers. Under these circumstances, Greyhound must be able to "right size", at the right time – all the time, its scheduled intercity bus operations with regard to

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these changes and new competition to ensure the continuity of its operations. The only way that this can happen is if the Company acquires flexibility by operating through a licence that allows it to quickly respond to market, seasonal and socio-economic changes. Greyhound's current licence does not allow it to do so.

Considering the low ridership on many of Greyhound's routes in BC, the minimum frequencies currently imposed on the Company are no longer aligned with public demand and therefore generate huge losses. Greyhound must be able to operate in a way that matches the continually evolving needs of passengers. Although Greyhound is requesting a Minimum Route Frequency of two (2) per week on all retained routes, it will continue to operate its current schedules on all routes that are not subject to elimination hereunder. Of course, it also means that if demand were to increase, Greyhound would increase its service offering to meet this demand. This approach is already used by several intercity bus carriers benefiting from flexible schedules as a result of low threshold for minimum frequency requirements identified by the PT Board. Indeed, many companies which have recently applied for new special authorizations or amendments to their licences by the Board in order to operate new routes have been granted low minimum frequency requirements. This confers flexibility, allowing them to adjust their schedules based on market conditions, thereby enabling them to anticipate risk and react quickly in order to prevent financial losses.

For example, Epic Rides Ltd. (Epic) applied in 2015 for new special authorization for service between Vancouver and Whistler in direct competition with Greyhound and the Board approved it and granted License 71843 (Please See Licence attached as Schedule A) providing a minimum frequency of 2 trips per week. In fact, Epic currently offers up to 7 trips per day in each direction (Please See Attached Schedule B). This shows that having low minimum frequency does not prevent a carrier from providing more service if necessary.

The adjustments that Greyhound is applying for in this application are the only realistic option for the Company to continue its intercity bus passenger operations in BC and to ensure its viability. As mentioned in the decision approving Greyhound's application #197-15, the Company cannot reasonably be expected to redesign its inter-provincial network to accommodate a limited number of passengers. Requiring it to do so would not promote sound economic conditions in the transportation industry in BC. In other words, it is not financially feasible for Greyhound to preserve the current level of service when there are so few passengers as the level of ridership is insufficient to sustain the service.

The granting of this application by the Board will allow Greyhound to rightsize its business based on passenger demand and competition, and reduce financial losses in BC.

Greyhound deeply regrets that the public may be negatively impacted by the proposed changes, but it is in the broader public interest to maintain services with fewer options than to have Greyhound abandon its BC operations altogether in order to stem its severe operating losses. It is important that the Board keep in mind its comments made

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in its decision on the application #305-12: "the term *sound economic conditions* in the legislation is directed towards the *transportation business*. It does not relate to the broader social and economic consequences that might result from a frequency reduction".

In summary, the financial situation of Greyhound is critical and urgent. Immediate steps must be taken to ensure the long-term financial health of the Company and to ensure the future of the viable portion of the company's existing intercity bus network while reducing the minimum service frequency, and the number of unprofitable lines and intermediate route points. This is required in order to allow Greyhound to rightsize its business based on passenger demand and competition and reduce financial losses in BC.

### 3. Route Elimination

The routes Greyhound proposes to eliminate in BC are the following:

#### 1) Route I1 – City of Dawson Creek/Town of Fort Nelson

Greyhound proposes to eliminate Route I1 on its intercity bus service between City of Dawson Creek and Town of Fort Nelson. The following table shows the declining statistics for this route over the past five years. (FY ending Mar 31<sup>st</sup>):

Route I1	2017	2016	2015	2014	2013
Average Passenger Load	7.3	7.76	10.1	11.4	15.0
Passenger Revenue per Mile	\$ 1.76	\$ 1.75	\$ 2.38	\$ 2.73	\$ 3.51
Total Passenger Counts	9647	10908	14040	15479	18307

#### 2) Route I2 – Town of Fort Nelson/Yukon Border & Highway 97

Greyhound proposes to eliminate Route I2 on its intercity bus service between Town of Fort Nelson and Yukon Border & Highway 97. The following table shows the declining statistics for this route over the past five years. (FY ending Mar 31<sup>st</sup>):

Route I2	2017	2016	2015	2014	2013
Average Passenger Load	5.4	7.69	7.6	9.1	11.1
Passenger Revenue per	\$ 1.14	\$ 1.46	\$ 1.46	\$ 1.62	\$ 1.95

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<b>Mile</b>					
<b>Total Passenger Counts</b>	4187	4798	4809	4753	5719

### 3) Route J – City of Dawson Creek/City of Prince George

Greyhound proposes to eliminate Route J on its intercity bus service between City of Dawson Creek and City of Prince George. The following table shows the declining statistics for this route over the past five years. (FY ending Mar 31<sup>st</sup>):

<b>Route J</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Average Passenger Load</b>	8.3	8.73	12.8	14.8	14.6
<b>Passenger Revenue per Mile</b>	\$ 2.12	\$ 2.24	\$ 3.34	\$ 3.81	\$ 3.74
<b>Total Passenger Count</b>	9993	9967	13392	14377	20827

### 4) Route K – City of Prince George/District of Fort St James

Greyhound proposes to eliminate Route K on its intercity bus service between City of Prince George and District of Fort St James. The following table shows the declining statistics for this route over the past five years. (FY ending Mar 31<sup>st</sup>):

<b>Route K</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Average Passenger Load</b>	1.3	1.32	1.6	3.4	3.9
<b>Passenger Revenue per Mile</b>	\$ 0.45	\$ 0.45	\$ 0.55	\$ 1.32	\$ 1.42
<b>Total Passenger Count</b>	269	286	342	366	1976

### 5) Route L1 – City of Prince Rupert/City of Prince George

Greyhound proposes to eliminate Route L1 on its intercity bus service between City of Prince Rupert and City of Prince George. The following table shows the declining statistics for this route over the past five years: (FY ending Mar 31<sup>st</sup>):

<b>Route L1</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>

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<b>Average Passenger Load</b>	10	10.08	10.8	13.2	11.9
<b>Passenger Revenue per Mile</b>	\$ 2.42	\$ 2.44	\$ 2.75	\$ 3.40	\$ 2.93
<b>Total Passenger Count</b>	23378	24131	26358	29125	41107

**6) Route L2 – City of Prince George/Alberta Border & Highway 16**

Greyhound proposes to eliminate Route L2 on its intercity bus service between City of Prince George and Alberta Border & Highway 16. The following table shows the declining statistics for this route over the past five years. (FY ending Mar 31<sup>st</sup>):

<b>Route L2</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Average Passenger Load</b>	5.1	7.58	12.1	14.3	15.6
<b>Passenger Revenue per Mile</b>	\$ 0.98	\$ 1.47	\$ 2.43	\$ 2.81	\$ 3.03
<b>Total Passenger Count</b>	1705	2122	2153	2040	3092

**7) Route S2 – University Endowment Lands (UBC)/Resort Municipality of Whistler**

Greyhound proposes to eliminate Route S2 on its intercity bus service between University Endowment Lands (UBC) and Resort Municipality of Whistler. It will however continue and improve service on the Vancouver-Whistler Pemberton corridor by way of its Route S1. This elimination will allow skiers to arrive on a timely manner on the hills at Whistler Black Comb.

**8) Route T – City of Victoria/City of Nanaimo**

Greyhound proposes to eliminate Route T on its intercity bus service between City of Victoria and City of Nanaimo. The following table shows the declining statistics for this route over the past five years. (FY ending Mar 31<sup>st</sup>):

<b>Route T</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Average Passenger Load</b>	9.6	13.42	16.2	18.1	16.3

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<b>Passenger Revenue per Mile</b>	\$ 3.60	\$ 4.75	\$ 5.84	\$ 6.66	\$ 5.87
<b>Total Passenger Count</b>	85323	99759	106549	101422	131777

**9) Route Y – City of Victoria/City of Vancouver**

Greyhound proposes to eliminate Route Y on its intercity bus service between City of Victoria and City of Vancouver (statistic not available).

**4. Minimum Service Frequency Reduction**

Greyhound requests that minimum frequency be reduced to two (2) trips week in each direction on all retained routes. It will maintain current schedules on these route initially and adjust as required going forward.

**5. Route Points Elimination**

The routes on which Greyhound proposes to eliminate route points in BC are the following:

**1) Route A – Alberta Border & Highway 1/City of Vancouver**

Greyhound proposes to eliminate six (6) route points on its intercity bus service between Alberta Border & Highway 1 and City of Vancouver.

Below is a table that sets out the eliminated route points and the passenger loads for the route points in questions for the last four (4) fiscal years.

<b>Route Point</b>	<b>Total Passenger Count (arrivals and departures combined)</b>			
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>West Louise Lodge</b>	2	2	5	2
<b>Field Junction</b>	194	190	324	338
<b>Glacier Park East Gate</b>	0	0	4	3
<b>Roger Pass (Glacier Pass Summit)</b>	52	22	31	55
<b>Oyama</b>	65	57	84	92

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Agassiz (ALT)	0	0	0	0
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As appears from the above chart, the volume of passenger counts for these route points are very small and do not justify the time taken to make the stop on each schedule.

### 2) Route B1 – City of Kamloops/City of Kelowna

Greyhound proposes to eliminate four (4) route points on its intercity bus service between City of Kamloops and City of Kelowna.

Below is a table that sets out the eliminated route points and the passenger loads for the route points in questions for the last four (4) fiscal years.

Route Point	Total Passenger Load (arrivals and departures combined)			
	2017	2016	2015	2014
Monte Lake	42	96	66	81
Westwold	1	5	1	0
Falkland	107	145	153	218
Oyama	65	57	84	92

### 3) Route C – City of Vancouver/Osoyoos

Greyhound proposes to eliminate five (5) route points on its intercity bus service between the City of Vancouver and Osoyoos. Greyhound will also be rerouting the service through Kelowna.

Below is a table that sets out the eliminated route points and the passenger loads for the route points in questions for the last four (4) fiscal years.

Route Point	Total Passenger Load (arrivals and departures combined)			
	2017	2016	2015	2014
Manning Park	1007	1099	909	688
Eastgate	3	13	7	12
Town of Princeton	1247	2043	2105	2069
Hedley	88	103	111	129
Village of	1634	2730	2573	2863

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#### 4) Route D Kelowna/Alberta Border Highway 3

Greyhound proposes to eliminate one (1) route point on its intercity bus service between the Kelowna and the Alberta Border (Highway 3). Greyhound will also be rerouting the service through Osoyoos.

Below is a table that sets out the eliminated route points and the passenger loads for the route point in questions for the last four (4) fiscal years.

Route Point	Total Passenger Load (arrivals and departures combined)			
	2017	2016	2015	2014
Beaverdell	27	22	29	65

#### 5) Route E City of Prince-George/City of Vancouver

Greyhound proposes to eliminate ten (10) route points on its intercity bus service between the City of Vancouver and the City of Prince George.

Below is a table that sets out the eliminated route points and the passenger loads for the route points in questions for the last four (4) fiscal years.

Route Point	Total Passenger Load (arrivals and departures combined)			
	2017	2016	2015	2014
McLeese Lake	20	41	41	48
Spences Bridge	37	51	52	43
Shaw Springs	1	0	0	0
Village of Lytton	1080	1174	1321	1262
North Bend	1	0	0	0
Boston Bar	388	344	274	369
Spuzzum	2	5	1	4
Yale	16	26	21	32
Laidlaw	2	0	0	0

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Bridal Falls	10	10	3	2
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#### 6) Route P – City of Kelowna/City of Vancouver

Greyhound proposes to eliminate one (1) alternative route point on this intercity bus service between City of Kelowna and City of Vancouver. In addition, the route point "Westbank" shall be renamed "West Kelowna", and the route point "District of Hope" shall be renamed "Hope".

Route Point	Total Passenger Load (arrivals and departures combined)			
	2017	2016	2015	2014
Agassiz	Alternative route point. no data available			

#### 7) Route S1 – City of Vancouver/Pemberton (Pemberton replaces Mount Currie as terminating point)

Greyhound proposes to eliminate five (5) route points on its intercity bus service between City of Vancouver and Pemberton.

Below is a table that sets out the eliminated route points and the passenger loads for the route points in questions for the last four (4) fiscal years.

Route Point	Total Passenger Load (arrivals and departures combined)			
	2017	2016	2015	2014
City of West Vancouver	356	296	397	305
Britannia Beach	118	115	229	166
Pinecrest	168	225	214	237
Mount Currie	108	37	32	23

All these route point eliminations will allow Greyhound to provide a more efficient service by reducing ride time and thereby increase ridership.

### 6. Unregulated BC Government Competition

#### 1) BC Transit

BC Transit operates the heavily subsidized and unregulated Health Connections Bus Service under contract to the Interior Health Authority throughout that Health Authority's

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vast operating area, south of Prince George and east of Hope. A link showing all such services operated by BC Transit is found on BC Transit's website at [www.busonline.ca/health\\_connections](http://www.busonline.ca/health_connections). No doctor's referral of any kind is required to access these heavily subsidized and unregulated services.

On Vancouver Island, BC Transit operates the heavily subsidized and unregulated intercity bus service north of Victoria to Duncan and Chemainus. It also operates intercity bus service north of Nanaimo as far as Qualicum Beach. Further, BC Transit operates scheduled bus service between Campbell River and Courtenay/Comox and south from Courtenay as far as Fanny Bay.

## 2) NH Connections

NH Connections provides Bus Service for patients needing to travel for out-of-town medical appointments in northern BC and Vancouver. The service is also heavily subsidized and unregulated. Bus connections are provided from City of Prince George, Dawson Creek, Fort St. John, Fort Nelson, Kitimat, Prince Rupert, Vancouver, Quesnel, Valemount, Mc Bride, Kamloops, Burns Lake, Terrace and Mackenzie serving a large number of intermediate points as shown in NH Connections' schedule attached as Schedule D. A link detailing the NH Connections bus services is found at [www.northernhealth.ca/YourHealth/NHConnectionsmedicaltravelservice.aspx](http://www.northernhealth.ca/YourHealth/NHConnectionsmedicaltravelservice.aspx).

## 3) Interior Health

IH Health Connections has developed heavily subsidized and unregulated bus services to link small communities with the regional/tertiary hospitals in all four health service areas. These are: Okanagan (links to Kelowna and Penticton), Thompson Cariboo Shuswap (links to Kamloops and Vernon), Kootenay Boundary (links to Trail) and East Kootenay (links to Cranbrook).

IH partners with regional districts and BC Transit to offer services to medical riders within health service areas, but routes don't currently cross health service area boundaries. A link detailing the IH Health Connection bus services is found at <https://www.interiorhealth.ca/YourStay/GettingThere/Pages/default.aspx>.

## 7. Applications from other Intercity Bus Carriers

Greyhound believes that it is very likely that other carriers capable of operating with a lower cost structure will, on its exit, step in and apply to provide scheduled daily intercity bus services on many of the routes slated for elimination under this application. Indeed, local carriers will see Greyhound's application as a great business opportunity to expand their own intercity bus service in the BC market owing to the fact that those carriers have lower operating costs. Greyhound's labour costs are significantly higher than those of many local carriers.

In Greyhound's experience, local carriers often have lower costs because of lower labour costs combined with the fact that their overhead does not include regional and national administrative expenses, which allows them to be profitable on routes where Greyhound is not. Greyhound thus expects that local carriers will step in and supply a

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comparable service. As an example, Tofino Bus Lines has twice stepped in to replace identical service to the public on routes on Vancouver Island that Greyhound had eliminated with Board approval.

## **8. SASKATCHEWAN**

On March 22, 2017, the government of Saskatchewan announced the total shut down of all operations of the Saskatchewan Transportation Company ("STC") effective May 31, 2017. This provincially funded intercity carrier servicing 253 communities in the province of Saskatchewan is winding down all operations after 71 years of servicing the regional and intercity passenger transportation needs of Saskatchewan. In the last fiscal period, ending March 31, 2016, having run 3.5 million miles and carried 214,185 passengers, the company reported \$18.5 million in operating revenue and \$35.2 million in expenses. Thus, the people of Saskatchewan funded the operating deficit in the amount of \$13.15 million and added a further \$ 0.45 million in capital expenditure subsidies.

The company cited declining ridership and ever-increasing operating expenses as the principal causes for this significant decision.

Saskatchewan was the only province in Canada to subsidize its intercity bus passenger industry in this way. The fact that the government announced a complete shutdown with a very brief delay between the announcement and the implementation is testimony to the dire circumstances of this industry. Despite a series of route reductions and route point eliminations, over the past number of years, Greyhound has been unable to reduce the flow of red ink on its operations in BC. Since 2012 and earlier Greyhound has conducted a series of meetings with the incumbent BC Ministers of Transportation as well as with mayors of municipalities and other government officials to discuss the ongoing operating losses, the unregulated competitors on many of its routes and the inability of the company to adjust its service offering to respond to market variations as a result of the regulatory regime.

Meetings with the BC Ministers by senior Greyhound executives occurred on July 23, 2012, May 6, 2014, July 10 and December 9, 2015 and March 6, 2016.

The BC government has not considered contributing financially in the past to allow Greyhound to continue operating on money losing routes in the interest of its shareholders and employees, and with the decision of the government of Saskatchewan to shut down STC completely, Greyhound cannot do other than proceed with the reductions in service outlined in this application.

## **9. Implementation Date**

In these circumstances Greyhound is respectfully requesting that the decision resulting from this application be implemented on January 7<sup>th</sup>, 2018. In as much as it would be desirable to set a certain date in order to organize an orderly shutdown on discontinued routes and in as much as affected employees need to be provided with clear notification

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of dates of termination and reassignments and in as much as it is in the public interest that the effective date of the implementation of the route eliminations, route point eliminations and minimum frequency reductions be known as early as possible, it is respectfully requested that the Board envisage implementation of these changes for January 7<sup>th</sup>, 2018.

#### 10. Conclusion

The proposed routes and route point eliminations and minimum service frequency reductions by Greyhound will provide the necessary flexibility to the company in order to justify its continued operation of scheduled intercity bus service in BC.

Despite the fact that some affected Route Points have had year-over-year increases in ridership numbers, the overarching routes fail to cover operating costs. Greyhound's predominate consideration must be the overall financial health of the entire network and preservation of year-round scheduled bus service. We ask that the Board place considerable focus on overall financial viability and ridership for the entirety of the routes affected by this application.

At the same time, as mentioned, Greyhound believes that other intercity bus operators will apply to replace Greyhound or BC Transit may expand its existing intercity bus operations on most of these routes. In any event, it is important to bear in mind our previous comments about public interest: although the term *sound economic conditions* does not relate to the broader social and economic consequences that might result from Greyhound's schedule reduction, the consequences arising from such a reduction are considerably less significant for the public than those that would arise by the complete exit of Greyhound in BC.

Greyhound realises that the consequence of this decision and the approval of this application by the board will have far reaching and important consequences for the public who currently benefit from the existing service offering across BC, as well as to all the employees that will necessarily be made redundant, and on their families, by the implementation of these reductions. Greyhound makes this application with a heavy heart but with the knowledge that it will be preserving jobs in the long run in the province and finally be on the road to financial viability.

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**Greyhound Canada Transportation ULC**  
*Elimination of Inter-City Bus Routes and  
Route Points*

**British Columbia**

**Passenger Transportation Board Application**

**2017**

**Schedule A - Rationale**

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- COQUITLAM, B.C.

## Application Summary ICB - New

<b>Application #</b>	252-15	<b>Applicant</b>	Epic Rides Ltd.
<b>Trade Name(s)</b>	Epic Rides		
<b>Address</b>	701 - 1260 Harwood Street, Vancouver BC V6E 1S4		
<b>Principals</b>	SEELEY, Scott Andrew		
<b>Current Licence</b>	71843 (GA - exclusion)		
<b>Summary:</b>	<p><b>New Special Authorization (ICB)</b> (Section 26 of the Passenger Transportation Act)</p> <ul style="list-style-type: none"> <li>Proposed new special authorization to operate inter-city buses with 1 route between Whistler and Vancouver.</li> </ul>		
<b>Special Authorization Sought:</b>	Inter-City Bus (ICB)		
<b>Proposed Terms &amp; Conditions:</b>			
<b>Services:</b>			
<b>Service:</b>	Transportation of passengers must be provided to and from each route point on a scheduled basis according to the frequency that is set for the authorized route.		
<b>Schedule:</b>	The licence holder must publish, in a manner accessible to the general public, a schedule for each route with the time and location of each stop, and must carry in each vehicle a copy of the schedule that the vehicle is following.		
<b>Seasonal Operation:</b>	<p>Each year, service must:</p> <ol style="list-style-type: none"> <li>start on a day in the month of June,</li> <li>cease operation on a day in the month of October,</li> <li>start on a day in the month of November</li> <li>cease operation on a day in the month of April</li> <li>from the start date required under #1 and 3 (above), continue to operate according to the weekly minimum for this route until the cessation date required under #2 and 4 (above)</li> </ol>		

Epic Rides Ltd.  
Appendix I

<b>Licence Required to Operate Vehicles</b>	The Registrar of Passenger Transportation must issue the applicant a licence before the applicant can operate any vehicles approved in this decision.
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<b>Special Authorization Sought:</b>	<b>Inter-City Bus (ICB)</b>	
<b>Proposed Terms &amp; Conditions:</b>		
<b>Services:</b>		
<b>Service:</b>	Transportation of passengers must be provided to and from each <i>route point</i> on a scheduled basis according to the frequency that is set for the <i>authorized route</i> .	
<b>Schedule:</b>	The licence holder must publish, in a manner accessible to the general public, a schedule for each route with the time and location of each stop, and must carry in each vehicle a copy of the schedule that the vehicle is following.	
<b>Seasonal Operation:</b>	<p>Each year, service must:</p> <ol style="list-style-type: none"> <li>1. start on a day in the month of June,</li> <li>2. cease operation on a day in the month of October,</li> <li>3. start on a day in the month of November</li> <li>4. cease operation on a day in the month of April</li> <li>5. from the start date required under #1 and 3 (above), continue to operate according to the weekly minimum for this route until the cessation date required under #2 and 4 (above)</li> </ol>	
<b>Route Number:</b>	<b>1 of 1</b>	
<b>Terminating Point 1:</b>	City of Vancouver	
<b>Terminating Point 2:</b>	Resort Municipality of Whistler	
<b>Authorized Route:</b>	<b>Route Points</b>	<b>Weekly Minimum (each direction)</b>
	City of Vancouver	2
	UBC (December to April only)	1
	Resort Municipality of Whistler	2

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**Transfer of a licence:**

This special authorization may not be assigned or transferred except with the approval of the Board pursuant to section 30 of the Passenger Transportation Act.

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**Greyhound Canada Transportation ULC**  
*Elimination of Inter-City Bus Routes and  
Route Points*

**British Columbia**

**Passenger Transportation Board Application**

**2017**

**Schedule B - Rationale**

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**PASSENGER TRANSPORTATION BR  
COQUITLAM, B.C.**



Your Express Bus to Whistler

# \$35 Round Trip, \$24 One Way

Departing Vancouver or Whistler

**BOOK NOW!**

**Vancouver to Whistler**

**Whistler to Vancouver**



*The Epic Rides Vancouver to Whistler bus schedule is listed below.*

*Ensure you arrive 5 - 10 minutes early as the bus will not wait for late passengers*

## Spring Season

May 26th - June 29th // Departures from Vancouver

Pick up Location	Daily Departure Time	Approximate arrival times in Whistler
<b>Burrard Station</b>	8:00AM	10:00AM
	10:00AM	12:00PM
	1:00PM	3:00PM
	4:30PM	6:30PM

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## Summer Season

June 30th – September 4th // Departures from Vancouver

Pick up Location	Daily Departure Time	Approximate arrival times in Whistler
<b>Burrard Station</b>	8:00AM	10:00AM
	9:00AM	11:00AM
	10:00AM	12:00PM
	1:00PM	3:00PM
	3:00PM	5:00PM
	5:30PM	7:30PM

## Fall Season

September 5th – October 9th // Departures from Vancouver

Pick up Location	Daily Departure Time	Approximate arrival times in Whistler
<b>Burrard Station</b>	8:00AM	10:00AM
	10:00AM	12:00PM
	1:00PM	3:00PM
	4:30PM	6:30PM

## Winter Season

November 18 – April 23 // Departures from Vancouver

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Approximate arrival times in Whistler are 2 hours after departure from Burrard station.

Pick up locations	Departure Time
UBC Campus	5:30AM
Granville and Broadway	5:50AM
Burrard and Comox @ Sheraton Wall Centre	6:00AM
	6:10AM
	6:45AM
	9:00AM
Burrard Station	11:30AM
	2:30AM
	4:30PM
	6:45PM
	Friday and Sunday only

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Your Express Bus to Whistler

# \$35 Round Trip, \$24 One Way

Departing Vancouver or Whistler

**▶ BOOK NOW!**

**Vancouver to Whistler**

**Whistler to Vancouver**



The Epic Rides Whistler to Vancouver bus departs Whistler from the **Gateway Bus Loop**.

**Note: during the month of June, the Gateway Bus Loop is under construction. All pick up and drop offs in Whistler will be in day lot 3.**

*Ensure you arrive 5 - 10 minutes early as the bus will not wait for late passengers.*

## Spring Season

May 26th - June 29th // Departures from Whistler

Pick up Location	Daily Departure Time	Approximate Arrival Time in Vancouver	Drop off Location
Gateway Bus Loop	10:30AM	12:30PM	Burrard Station
	2:00PM	4:00PM	
	5:00PM	7:00PM	

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7:00PM

9:00PM

## Summer Season

June 30th - September 4th // Departures from Whistler

Pick up Location	Daily Departure Time	Approximate Arrival Time in Vancouver	Drop off Location
Gateway Bus Loop	10:30AM	12:30PM	Burrard Station
	12:30PM	2:30PM	
	3:00PM	5:00PM	
	5:00PM	7:00PM	
	6:30PM	8:30PM	
	8:00PM	10:00PM	

## Fall Season

September 5th - October 9th // Departures from Whistler

Pick up Location	Daily Departure Time	Approximate Arrival Time in Vancouver	Drop off Location
Gateway Bus Loop	10:30AM	12:30PM	Burrard Station
	2:00PM	4:00PM	
	5:00PM	7:00PM	

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COQUITLAM, B.C.

7:00PM

9:00PM

## Winter Season

November 18 – April 23 // Departures from Whistler

Approximate arrival times in Whistler are 2 hours after departure from Burrard station.

Pick up location	Departure Time
	9:00AM
	12:00PM
	2:00PM
<b>Gondola Transit Exchange</b>	4:00PM
	5:30PM
	7:00PM
	9:00PM (Friday and Sunday only)

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