

Application Decision

Application:	0297-09
Applicant:	Tofino Bus Services Inc.
Trade Names:	Tofino Bus
Address:	PO Box 207, Tofino, BC, V0R 2Z0 364D Campbell Street, Tofino, BC, V0R 2Z0
Principals:	GREEN, Dylan Douglas
Current Authorization:	Passenger Transportation Licence 71008. The special authorization of Tofino Bus Services Inc. ("TBSI") can be viewed in the PT Board Bulletin of September 29, 2004 at www.th.gov.bc.ca/ptb/bulletins.htm .
Type of Application:	Amendment of Licence (ICB) (Section 31 of the Passenger Transportation Act)
Application "in brief":	Tofino Bus is applying to the Passenger Transportation Board to amend its passenger transportation licence respecting inter-city bus routes by reducing its minimum route frequency on route 1 between Nanaimo and Port Alberni. The application was made in response to reduced service by BC Ferries and Greyhound Canada Transportation ULC between Horseshoe Bay and Departure Bay effective October 14, 2009, and reduced service by Greyhound Canada Transportation ULC between Victoria and Campbell River effective November 9, 2009.
Board Considerations:	The Board may approve an application forwarded to it by the Registrar of Passenger Transportation if the Board considers, as set out in section 28(1) of the Passenger Transportation Act, that: (a) there is a public need for the service the applicant proposed to provide under any special authorization. (b) the applicant is a fit and proper person to provide that service and is capable of providing that service, and (c) the application, if granted, would promote sound economic conditions in the passenger transportation business in British Columbia.
Public Notice & Comment:	Inter-city bus licensees applying to reduce routes or minimum route frequency must send notice of the application to local governments of communities that are affected by proposed changes as well as place notice of applications, with details, in community newspapers. The Board accepts comments from the public with regard to these applications. Tofino Bus Services Inc. (TBSI) met this condition and published its application in the newspapers of the affected communities (Port Alberni, Parksville and Nanaimo). It also sent letters to the Cities of Nanaimo, Parksville and Port Alberni, the Regional Districts of Nanaimo and Alberni-Clayquot and posted notices in the bus depots of Port Alberni, Parksville and Nanaimo. With this application, the Board received 3 submissions. Two were from the City of Port Alberni dated October 27 and November 26, 2009 and another came via email dated November 11, 2009 from a Nanaimo resident.

Board Decisions: The minimum route frequency reductions sought by the applicant are approved.

Background: TBSI took over Route V (Nanaimo-Tofino) of Greyhound Canada Transportation ULC (GCTU) in 2006 as part of an interline agreement and as an agent for GCTU using highway coaches. TBSI is requesting to reduce the minimum service frequency between Port Alberni and Nanaimo, a portion of its Route 1 services between Nanaimo and Tofino as set out below:

Route Points	Daily Minimum (each direction)	Total Weekly Minimum
City of Nanaimo	From 3 to 2	From 42 to 32
Wellington	1 fd	28 fd
Nanoose	1 fd	28 fd
Craig's Crossing	1 fd	28 fd
City of Parksville	2	From 35 to 32
Coombs	From 3 fd to 2 fd	From 42 fd to 32 fd
Hilliers	From 3 fd to 2 fd	From 42 fd to 32 fd
Cameron Lake	From 3 fd to 2 fd	From 42 fd to 32 fd
City of Port Alberni	From 3 to 2	From 42 to 32
District of Ucluelet	1	14
District of Tofino	1	14

The applicant proposes a minimum route frequency of 2 trips in each direction and an additional trip in each direction on Fridays and Sundays.

The applicant, with its application, supplied ridership data for 2008 and 2009 (estimated in part) on the affected schedules. It included this information with its public explanatory paper published on the Board website. It also included financial statements for 2008 comprised of a Balance Sheet, Statement of Income and Retained Earnings, Statement of Cash Flows and a 2009 Income Statement for January 1 to September 30. It further included current, interim and proposed schedules.

Reasons: *1. Is there a public need for the service that the applicant proposes to provide under special authorization?*

In minimum route frequency reduction (MRF) applications, the Board must decide what level of service meets the public need. If the Board determines that the proposed level of MRF will meet the public need, it may grant the application. If the Board determines that the proposed level of MRF will not meet the public need, then it may refuse the application or grant the application in part in a manner that meets the public need.

TBSI notes that it is a small company that serves one corridor year round; the Nanaimo-Port Alberni-Tofino corridor. It also has a seasonal operation that links Tofino and Victoria. TBSI does not operate any services with route points beyond Vancouver Island. It relies on GCTU interline connections from Vancouver and Victoria for about half of the passengers who use the TBSI service.

As a result of BC Ferries cancelling its 7pm sailing from Departure Bay to Horseshoe

Bay effective October 14, 2009, GCTU cancelled 1 schedule in each direction for its Vancouver to Nanaimo service. These trips provided connecting schedules for TBSI. The company predicts higher losses in ridership and revenue by year end.

Further, GCTU is believed to have reduced service between Victoria and Campbell River effective November 9, 2009, as permitted by a preliminary decision of the Board respecting application X71-09. As a result, TBSI will lose 1 connection in each direction from and to Victoria.

Cumulatively, TBSI will no longer have connections from Vancouver or Victoria on 1 of its 3 Nanaimo to Port Alberni routes. It will no longer have connections to Vancouver or Victoria on 2 of its 3 Port Alberni to Nanaimo routes. The public explanatory paper by TBSI includes 2008 and estimated 2009 passenger count data to show an approximate 14% decline in passenger counts comparatively for October, November and December and similarly, an approximate 50% decline for the months November and December.

TBSI requests a reduction in MRF which will provide 2 daily trips in each direction between Nanaimo and Tofino and an additional trip on Friday and Sunday evenings. These additional weekly trips coincide with a GCTU expansion of service between Victoria and Nanaimo on these days. The schedule submitted with this application would give the public convenient connections from Vancouver and Victoria 2 times daily in each direction and 3 times daily on Fridays and Sundays.

Two submissions from the City of Port Alberni expressed both support and disappointment for the proposed reductions, but noted the factors were beyond the control of TBSI. The city also noted the importance of the company's viability in continuing to provide the community with an effective alternative.

A third submission from a Nanaimo resident neither supported nor challenged the application, but questioned why patronage for TBSI bus services has not increased by the travelling public because of rising fuel prices and concerns with pollution. The submission also questioned whether TBSI is doing an adequate job of advertising and with business partnerships to provide value-added services to increase its revenues. In response, TBSI notes its strategic alliances with BC Ferries and GCTU who have both reduced service and its attendance at travel trade marketplaces to stimulate sales.

I find the passenger count data and financial information provided by the applicant support the ridership and corresponding revenue decline of TBSI. Also in the absence of submissions that oppose the application or in any manner discuss impacts, I am satisfied that the proposed minimum route frequency schedule will continue to meet the public need.

II. Is the applicant a fit and proper person to provide that service and is the applicant capable of providing that service?

In dealing with an application for MRF reduction, the Board will presume that a licensee seeking a reduction is a fit and proper person to provide the service proposed unless there is compelling evidence to the contrary.

TBSI has operated a reliable scheduled bus service and I have no reason to believe it is not fit, proper and capable of continuing to deliver services at the levels proposed.

III. Would the application, if granted, promote sound economic conditions in the passenger transportation business in British Columbia?

The Board must consider the promotion of sound economic conditions in the passenger transportation business in British Columbia. This includes, but is not limited to, the financial health of the applicant seeking a reduction in MRF. This could include the overall financial health of the applicant or the financial health of specific routes.

The application does not appear to negatively impact any other inter-city operator or route points. The proposed changes will continue to provide appropriate and reasonable connecting services for the travelling public that are starting or ending their trip in Vancouver or Victoria. Fundamentally, the reductions help the applicant to prevent an increasing loss in revenues and achieve continued viability in providing an important inter-city bus service on the specific route. I find the approval of this application would promote sound economic conditions for the passenger transportation business in British Columbia.

Special Authorization:

Inter-City Bus (ICB)

Terms & Conditions: *Previously-approved terms and conditions and proposed amendments are set out together, with changes highlighted in green.*

Service: Transportation of passengers must be provided to and from each *route point* on a scheduled basis according to the minimum frequency that is set for the *authorized route*.

Schedule: 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.

Express Authorization: Transportation of standees is authorized only when all of the following conditions are met:

1. The licence holder has current and proper insurance coverage for the transportation of standees,
2. Passengers are not permitted to stand for a period that is longer than 30 minutes or for a distance that exceeds 30 road kilometres, and
3. Freight and passenger baggage is not carried in the passenger compartment when standees are being transported.

Route Overlap: The licence holder may publish schedules and operate vehicles in a way that consolidates the District of Tofino – City of Nanaimo portion of Routes 1 and 2 on the condition that:

(a) passengers traveling northbound via the consolidation point of Nanaimo are able to continue their trip to their destination north and west of Nanaimo, and

(b) the scheduled wait time at the consolidation point of Nanaimo does not exceed 30 minutes.

When inter-city bus routes are consolidated and the above “route overlap” conditions are met, the operation of one vehicle on the District of Tofino – City of Nanaimo corridor is deemed, with respect to route frequency determinations, to be a vehicle operating on both routes.

Activation: *Direction to the Applicant:*

At least 7 days before implementing schedule changes, TBSI must publish notice of the change and the effective date in newspapers of affected communities. Copies of such notices must be provided to the Registrar, Passenger Transportation before an amended licence may be obtained.

A Passenger Transportation Licence must be issued by the Registrar of Passenger Transportation under section 29 or renewed under section 34 of the Passenger Transportation Act before the special authorization approved in this decision may be exercised.

Direction to the Registrar of Passenger Transportation:

The Registrar may amend the TBSI licence to incorporate the changes in minimum route frequency as set out in the terms and conditions below. An amended licence may only be issued after TBSI has given the Registrar copies of newspaper notices that were published in affected communities. The newspaper notices must meet the requirements set out under "Direction to the Applicant."

Route Number: 1 of 3

Terminating Point 1: City of Nanaimo

Terminating Point 2: District of Tofino

Authorized Route:

Route Points	Daily Minimum (each direction)	Total Weekly Minimum
City of Nanaimo	2	32
Wellington	1 fd	28 fd
Nanoose	1 fd	28 fd
Craig's Crossing	1 fd	28 fd
City of Parksville	2	32
Coombs	2 fd	32 fd
Hilliers	2 fd	32 fd
Cameron Lake	2 fd	32 fd
City of Port Alberni	2	32
District of Ucluelet	1	14
District of Tofino	1	14

Route Number: 2 of 3

Terminating Point 1: City of Victoria

Terminating Point 2: District of Tofino

Authorized Route:

Route Points	Daily Minimum (each direction)	Total Weekly Minimum
City of Victoria	1	2
District of Saanich	1	2
City of Nanaimo	1	2
City of Port Alberni	1	2
Ucluelet / Tofino Junction	1	2
Pacific Rim National Park	1	2
Tofino Airport /	1	2

	Golf Course		
	District of Tofino	1	2
Seasonal Minimums:	<p>A. The Daily Minimum is in effect from March 1 through until October 31 each year.</p> <p>B. The Weekly Minimum is in effect from November 1 through until the last day of February each year.</p>		
Limited Pick Up & Drop Off:	<p>Northbound (City of Victoria to District of Tofino):</p> <p>After leaving the Capital Regional District, passengers may not be picked up until reaching the City of Nanaimo. Passengers originating in the Capital Regional District may not be dropped off in the Cities of Nanaimo and Parksville, or at the route points of Wellington, Craig's Crossing, Hilliers and Cameron Lake.</p> <p>Southbound (District of Tofino to City of Victoria):</p> <p>After leaving the City of Port Alberni, no passengers destined for the Capital Regional District may be picked up or dropped off except for passengers that boarded at the City of Port Alberni or points west thereof.</p>		
Route Number:	3 of 3		
Terminating Point 1:	District of Tofino		
Terminating Point 2:	District of Ucluelet		
Seasonal Operation:	Service must begin each year on March 1 and then cease on October 31.		
Authorized Route:	Route Points	Daily Minimum (each direction)	
	District of Tofino	1	
	Pacific Rim National Park	1	
	District of Ucluelet	1	
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.		
Board Panel Chair:		William Bell	
Determination Date:		December 17, 2009	