

Licence Application Decision

ICB –Simplified Process

Application #	2819-18	Applicant	Merritt Shuttle Holdings Ltd
Trade Name (s)	Merritt Shuttle Bus Services		
Principals	Gene Field	David Brule	
Address	2388 Coldwater Ave., Merritt, BC, V1K 1B8		
Current Licence	None		
Application Summary	<p>New Special Authorization—ICB Simplified ICB Process</p> <p>New Special Authorization to operate ICBs on a reservation-only basis on the following routes:</p> <ul style="list-style-type: none"> A. Lower Nicola – Merritt – Kamloops B. Kamloops – Highland Valley Copper Mine C. Merritt – Highland Valley Copper Mine D. Merritt – Spences Bridge – Langley E. Merritt – Spences Bridge – Prince George F. Merritt – Kelowna 		
Publication Date	September 19, 2018		
Submissions Received	None		
Board Decision	<p>The special authorization is approved. Terms and conditions of licence are approved as set out in this decision.</p>		
Decision Date	October 19, 2018		
Panel Chair	Spence Mikituk	Panel Member	William Bell

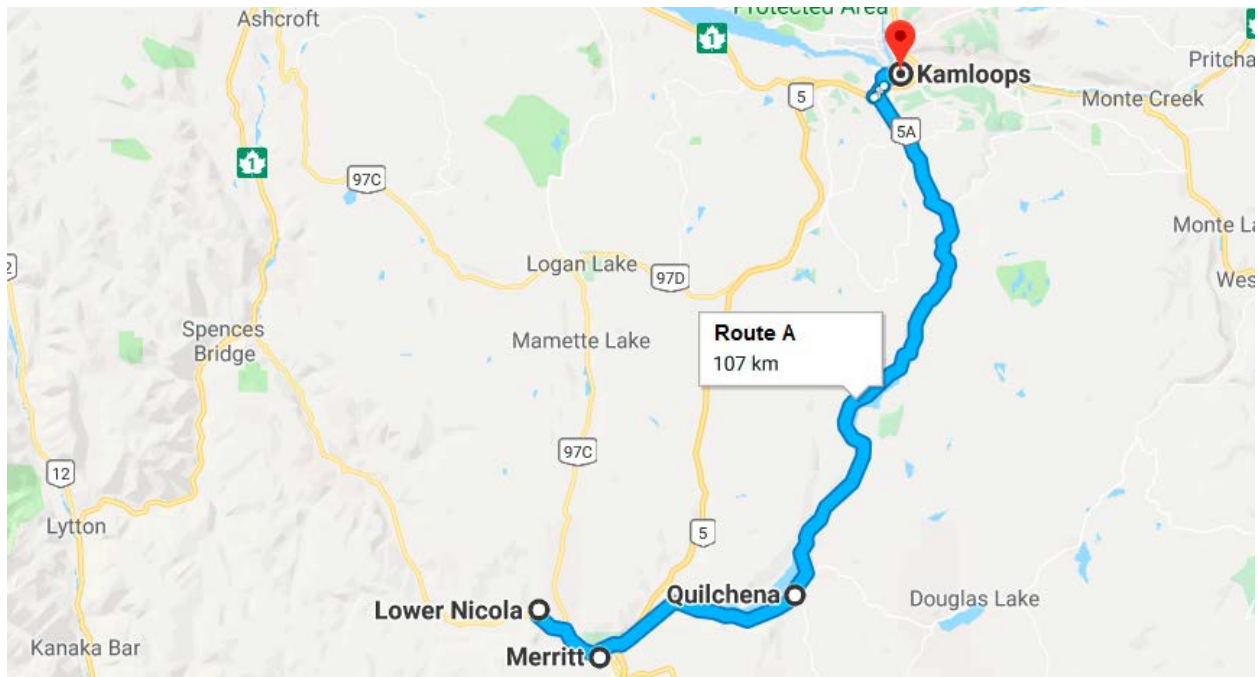
I. Introduction

Merritt Shuttle Holdings Ltd. doing business as Merritt Shuttle Bus Service (“Merritt Shuttle”) is applying under the Board’s simplified ICB process to operate ICBs on six routes:

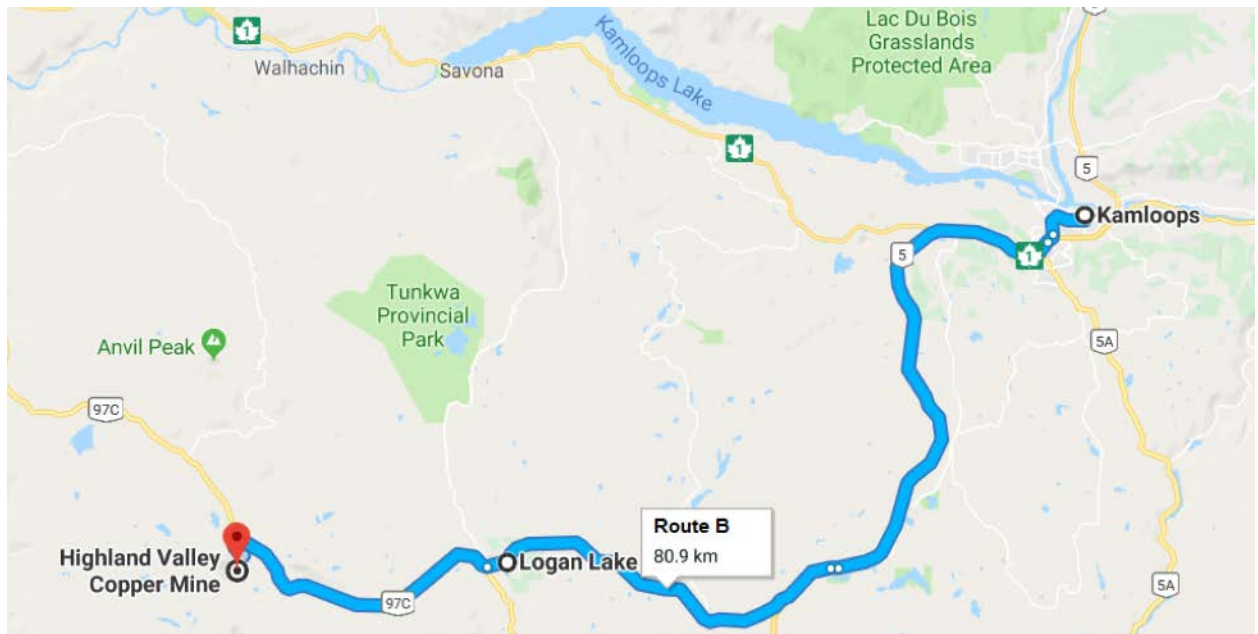
- A. Lower Nicola – Merritt – Kamloops
- B. Kamloops – Highland Valley Copper Mine
- C. Merritt – Highland Valley Copper Mine
- D. Merritt – Spences Bridge – Langley
- E. Merritt – Spences Bridge – Prince George
- F. Merritt – Kelowna

Routes are shown in individual maps on the next few pages below. Before the applicant can operate any vehicles approved in this decision, the Registrar of Passenger Transportation must issue the applicant a licence.

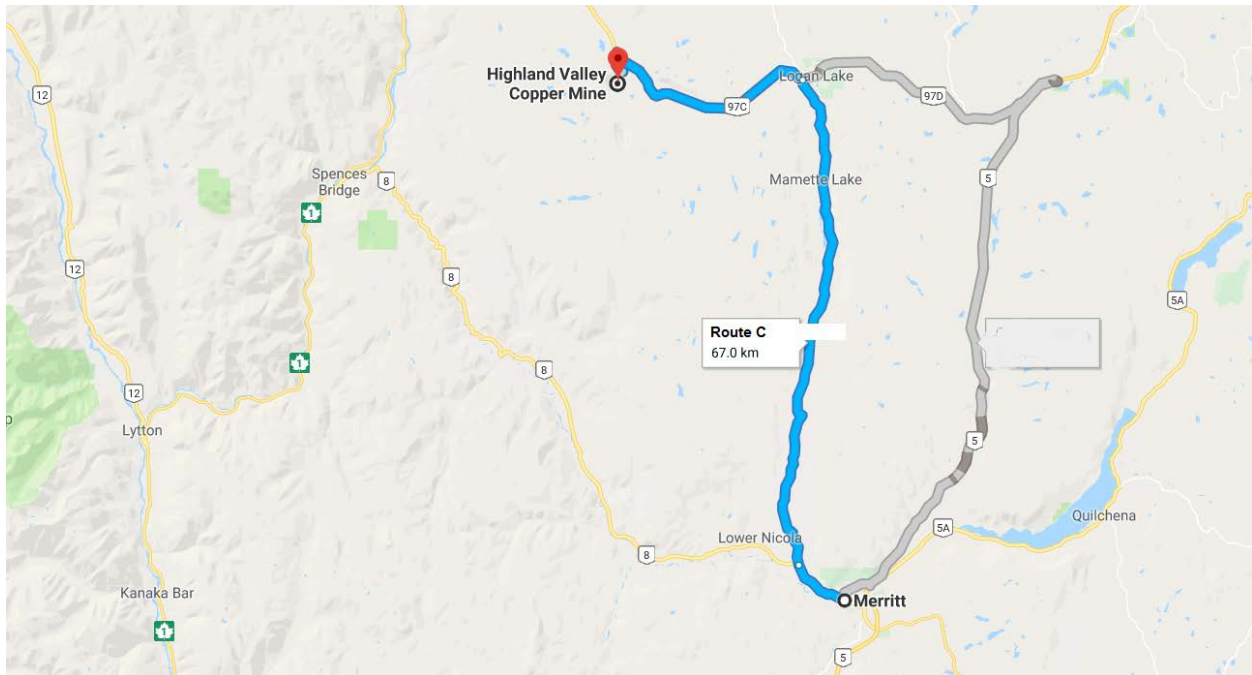
Route A: Lower Nicola – Merritt – Kamloops



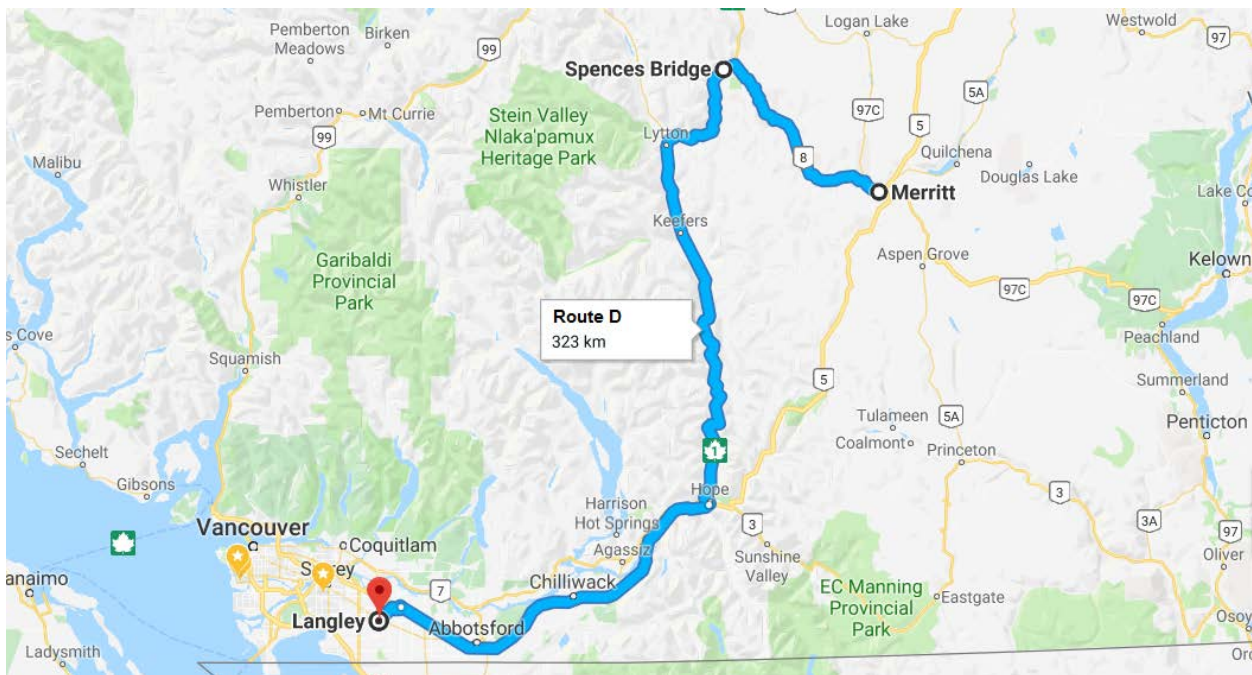
Route B: Kamloops – Highland Valley Copper Mine



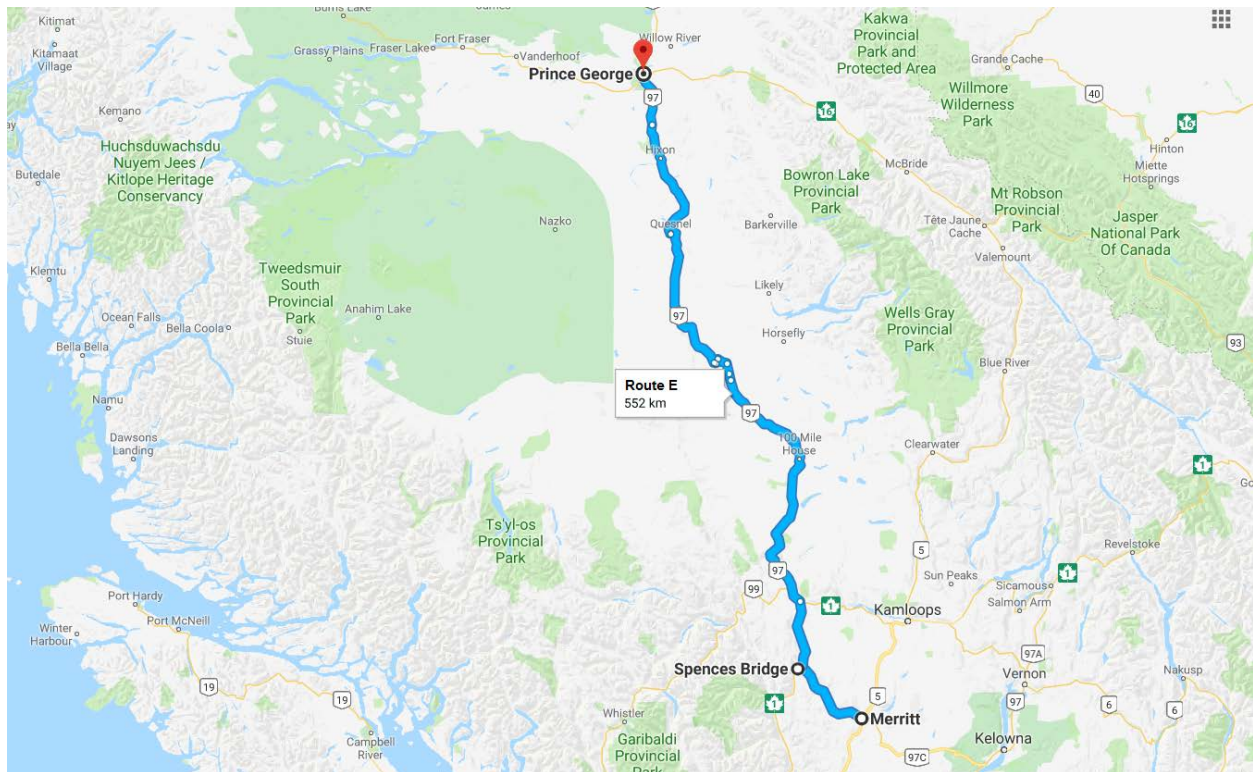
Route C: Merritt – Highland Valley Copper Mine



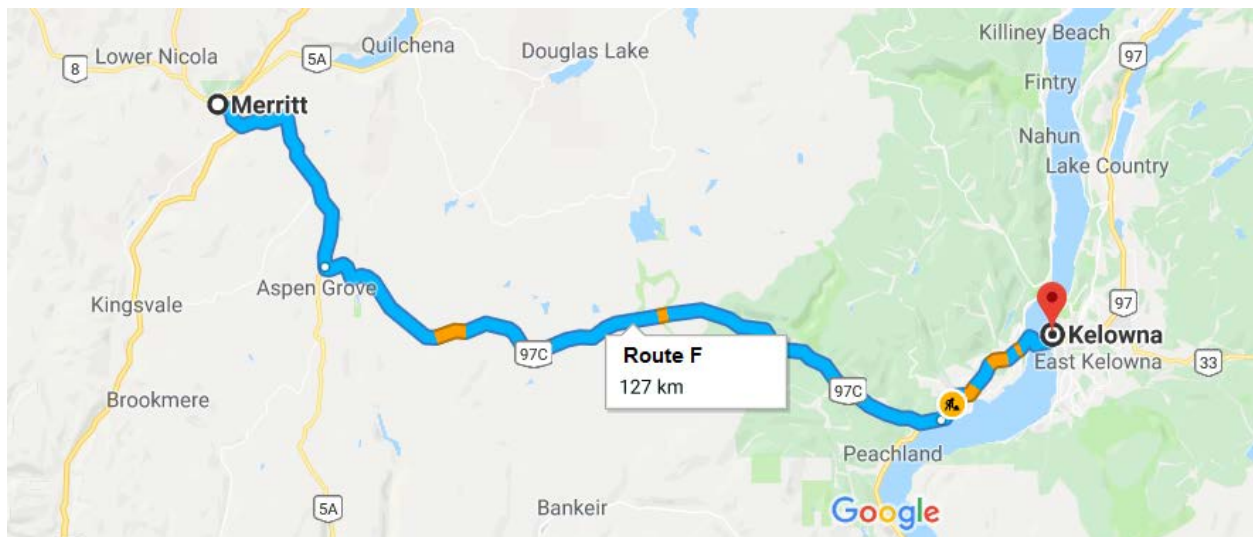
Route D: Merritt – Spences Bridge – Langley



Route E: Merritt – Spences Bridge – Prince George



Route F: Merritt – Kelowna



Merritt Shuttle states that it intends to purchase eight wheelchair accessible 22 passenger buses to service its Merritt Shuttle Bus routes (Merritt to Kamloops) and its Merritt Express routes, and four non wheelchair accessible 48 passenger buses which will service its Copper Mine route.

The proposed service would operate as a reservation-based service. Tickets for the Merritt Shuttle Bus routes will be sold at several locations in the Nicola Valley and Kamloops. The locations will be the same as the pick-up locations. Merritt Express tickets will be sold online through its website. The website will be launched if Merritt Shuttle gets the Board's approval. Copper Mine tickets will be a point of purchase at the bus.

II. Jurisdiction and Proceedings

This application is made under the *Passenger Transportation Act* (the "PT Act"). The PT Act regulates the licensing and operation of commercial passenger transportation vehicles in B.C.

Under the Act, the Passenger Transportation Board (the "Board") makes decisions on applications inter-city buses. The Board has the authority to consider and approve applications for new licences as well as applications from existing licencees to change routes and decrease service levels.

In July 2018, Greyhound Transportation Canada ULC issued a news release stating that as of October 31, 2018, it will stop providing bus service in British Columbia. Greyhound's departure from B.C. will leave many areas of the province without inter-city bus service and access to essential services, such as work and education, and safe transportation.

To encourage other operators to fill the gap left by Greyhound's exit, the Board is "fast-tracking" applications and using a simplified application process. This package is available for operators applying to operate inter-city buses (ICBs) on corridors in B.C. that:

1. have no commercial ICB service, or
2. will not have a commercial ICB service when Greyhound Canada withdraws its bus service from BC on October 31, 2018.

The PT Act requires the Board to consider public need, applicant fitness and sound economic conditions in the passenger transportation industry before deciding whether to approve an application, in whole or in part, or to refuse an application. For applications proceeding through the simplified ICB process, much of the Board's focus is on applicant fitness.

The PT Act also allows the Board to, among other things,:

- accept evidence and information that it considers relevant, necessary, and appropriate, whether or not the information would be admissible in a court of law. (Section 15)
- conduct written, electronic or oral hearings, or any combination of them, as the Board, in its sole discretion, considers appropriate (Section 17)
- require further information from an applicant (Section 27(1)(b))
- conduct an investigation into any matter related to an application (Section 27(3)(b))

Section 26 (2) of the Act requires the Board to publish the fact and nature of applications and section 27(3) requires the Board to consider applications and any written submissions it receives as result of publication. Section 27(5) says that people who make submissions are not entitled to disclosure of further information, unless the Board orders otherwise.

(a) Procedural Matters

On October 12, 2018, the Board sent Merritt Shuttle a letter requesting further information. The results of this-investigation will be outlined below in our decision. We are conducting this application by way of a written hearing.

III. Background

Merritt Shuttle is located in Merritt, British Columbia. The two principals are Gene Field and David Brule. Merritt Shuttle was incorporated on June 8, 2018.

The applicant submitted requisite forms and material.

IV. Applicant's Rationale, Submissions and Responses

(a) Applicant's Rationale

To provide an inter-city bus service for the residents of the Nicola Valley and surrounding areas. This would serve remote areas where bus service is currently not available or very limited to residents.

(b) *Submissions & Applicant's Response*

The Board did not receive any submissions on this application.

V. Board Mandate

Section 28(1) of the *Passenger Transportation Act* says that the Board may approve the application, if the Board considers 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.

VI. Reasons for the Board's Decision

Merritt Shuttle was incorporated in British Columbia on June 8, 2018. The Director of Operations of Merritt Shuttle Bus/Coppermine is Gene Field who has previous military service in the Military Police and 20 years security and special care and services experience. The Director of Marketing of Merritt Shuttle Bus is David Brule who has previous military service in the airforce as a helicopter mechanic and customer service experience. The Unlawful Activity and Bankruptcy forms indicate no negative concerns about the principals.

There has not been any information brought to our attention to prove the applicant is not fit and proper.

The applicant has applied for and has received a NSC Safety Certificate. Merritt Shuttle's required drivers' qualifications are: Everyone authorized to operate a Merritt Shuttle vehicle must hold at minimum a valid class 4 British Columbia's driver's licence. Some drivers may also be required to upgrade to a Class 1 or 2 Commercial licence and/or obtain an air brake endorsement. Merritt Shuttle has sought out drivers who have had previous experience in winter mountain driving operating commercial equipment. These include truckers and ex Greyhound/Shuttle drivers. The applicant has submitted its Safety Plan

which addresses its vehicle maintenance requirements. The applicant has also submitted its policies and procedures manual which will be used as part of Merritt Shuttle's new driver training.

The applicant signed the Board's Declarations declaring, among other things, that it will operate its vehicles in accordance with the *Passenger Transportation Act* and the *Liquor Control and Licensing Act*.

The financial information included two three-year financial projections which showed startup and operating costs. One of the projections shows breakeven and the other is a worst case scenario projection. Acquisition of the required vehicles will be financed through a lending plan with a financial institution, through investors, to pre sell tickets, and offer advertising on its buses.

It would appear that the applicant has the requisite knowledge and transferable skills and experience that would indicate that they are capable of managing and providing the service.

We find the applicant to be a fit and proper person and capable of managing and providing the proposed service.

Merritt Shuttle proposes routes with multiple stops linking various communities in the Merritt area with surrounding communities as far as Langley, Prince George, Kamloops and Kelowna.

As part of its application, Merritt Shuttle submitted a letter of support from the District of Logan Lake Chief Administrative Officer. The letter describes the issues with a half-hour driving time to the regional Hospital and other important services and amenities and the lack of availability of transportation. Logan Lake is identified as a route point on Route B, and situated on Route C.

Routes A, B and C do not have inter-city bus at present. Merritt Shuttle proposes a minimum route frequency of 1 daily round trip on Route A, and 2 daily round trips on Routes B and C.

Proposing a minimum route frequency of 3 weekly round trips, Routes D and E introduce ICB service for the first time on Highway 8 between Merritt and Spence Bridge. Further, Route D provides an ICB service on Highway 1 that Greyhound Canada withdrew earlier this year on the southern segment of the Fraser Canyon area (Spences Bridge – Hope) with service as far west as Langley in Metro Vancouver. Route E provides an ICB service that Greyhound Canada withdrew on the northern segment of the Fraser Canyon (Spences Bridge – Cache Creek). As well Route E continues service north to Prince George on a part of Highway 97 that Greyhound Canada will exit on October 31, 2018.

The proposed Routes A through E either introduce ICB service on, or replace segments of the networks that Greyhound Canada exited earlier in 2018, or will exit at the end of this month. No other ICB operator has proposed routes that overlap with Merritt Shuttle Routes A through E.

Route F proposes to extend ICB services based in Merritt and the Nicola Valley to Kelowna via the Highway 97C Connector. It proposes service on this corridor with a minimum route frequency of 3 weekly round trips. The proposal replaces service on Route P in the Greyhound Canada Passenger Transportation Licence between Merritt and Kelowna that will stop on October 31, 2018. Also, the Merritt-Kelowna proposal overlaps with segments of ICB services the Board recently approved with Application 3035-18 (Wilson's Transportation Ltd.) and with Application 2857-18 (Diversified Transportation Ltd.).

Merritt Shuttle's Route F continues service that Greyhound will soon stop providing, and it overlaps with parts of route approved for two other applicants. In each case, minimum frequencies are low on the Merritt-Kelowna corridor, and each is part of a wider yet different set of services that the applicants sought to introduce as Greyhound ceases to operate its larger network.

Therefore, we find that there is a public need for the six routes that the applicant proposes, and approving the application would promote sound economic conditions in the transportation industry in B.C.

The terms and conditions of licence specify required stops and minimum frequencies. The applicant may, however, at some point want to expand its service to other communities

along its routes or highway corridors. We have, therefore, included a term and condition of licence to provide this flexibility.

The applicant has proposed inter-city bus services with wheelchair accessible vehicles to be used on Routes A, D, E and F and we set this as requirement in the terms and conditions of licence. Buses serving Copper Mine routes are not required to be accessible.

With respect to Route A (Lower Nicola – Kamloops), the published application summary identifies Highways 5, 5A and 8 as the corridor with three intermediate route points: Merritt, Quilchena and Upper Nicola. However, application materials and confirmation by the applicant clarified that Route A operations will be along Highways 8 and 5A only, and that the route stop planned for Upper Nicola is located in the unincorporated community of Quilchena. Thus, we eliminated references to Highway 5 and Upper Nicola from the terms and conditions for Route A.

VII. Conclusion

For the reasons above, this application is approved as set out in this decision. We establish notice and activation requirements, and the terms and conditions of licence, that are attached to this decision as Appendices I and II respectively. These form an integral part of the decision.

Appendix 1: Public Notice Requirements

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.

A. Direction to the Applicant Regarding Notice and Implementation

- Unless otherwise ordered by the Passenger Transportation Board, Merritt Shuttle Holdings Ltd. must post time schedules on line and make available to the public on line its reservation system no later than **November 7, 2018** to enable advance bookings.

B. Direction to the Registrar of Passenger Transportation Regarding Issuance

- The Registrar of Passenger Transportation (Registrar) may only issue a licence to Merritt Shuttle Holdings Ltd. that reflects the terms and conditions of licence approved in this decision and as set out in Appendix II after the Registrar is satisfied that Merritt Shuttle Holdings Ltd. has posted time schedules on line and made available to the public on line its reservation.

Licence Required to Operate Vehicles	The Registrar of Passenger Transportation must issue the applicant a licence before the applicant can operate any vehicles approved in this decision.
Approval of application may expire	<ol style="list-style-type: none"> 1. The applicant must activate at least 2 vehicles by November 21, 2018. 2. If the applicant does not meet the requirements set out in 1 above, this Special Authorization expires. 3. The Passenger Transportation Board may vary the requirements set out in 1 above, if circumstances warrant it. 4. If an applicant needs more time to activate its vehicles, then the applicant must make a request to the Board before November 21, 2018. <p>(Note: “activate” means that the applicant has submitted the documents required to obtain a Special Authorization Vehicle Identifier to the Registrar of Passenger Transportation.)</p>
Notice to Registrar	<p>The Registrar must not, without direction from the Board, issue the applicant a licence or any Special Authorization Vehicle Identifiers if the applicant has not activated at least 2 vehicles by November 21, 2018.</p> <p>(Note: activated means that the applicant has submitted to the Registrar of Passenger Transportation the documents required to obtain a Special Authorization Vehicle Identifier.)</p>

Special Authorization	Inter-City Bus (ICB)
Terms & Conditions	
Vehicles	All buses operated on Routes A, D, E and F must be accessible to persons with mobility aids.
Services	
Service	Transportation of passengers must be provided: <ol style="list-style-type: none"> a) on a scheduled basis, and b) in accordance with minimum frequencies and other terms and conditions of licence that apply to the routes and route points.
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.
Service Exception	<p>Routes may be operated on a “pre-booked” or “reservation required” basis provided that:</p> <p>a) applicable routes are identified as a “pre-booked” or “reservation required” service in all current, published schedule information, and</p> <p>b) these routes are available at all times for pre-booking or reservation on the licensee’s website.</p> <p>When these conditions are met and when no reservations have been received for pickup or drop off at one or more points on the route by the time service is scheduled to be provided, the licence holder has the option of not providing service to those points that would otherwise be required.</p>
Alternative Route Points	The licence holder may pick up or drop off passengers at any location, municipality or unincorporated area that is between the terminating points and on highway corridors approved for routes in this licence.
Route A	
Terminating Point 1:	Lower Nicola
Terminating Point 2:	City of Kamloops
Corridors:	Highways 5A & 97C
Route Points	Daily Minimum (round trips)
Lower Nicola	1
City of Merritt	1
Quilchena	1
City of Kamloops	1
Route B	
Terminating Point 1:	City of Kamloops
Terminating Point 2:	Highland Valley Copper Mine
Corridor:	Highways 5, 97C & 97D
Route Points	Daily Minimum (round trips)
City of Kamloops	2
District of Logan Lake	2
Highland Valley Copper Mine	2

Route C	
Terminating Point 1:	City of Merritt
Terminating Point 2:	Highland Valley Copper Mine
Corridor:	Highway 8 & 97C
Route Points	Daily Minimum (round trips)
City of Merritt	2
Highland Valley Copper Mine	2
Route D	
Terminating Point 1:	City of Merritt
Terminating Point 2:	City or Township of Langley
Corridor:	Highways 1 & 8
Route Points	Weekly Minimum (round trips)
City of Merritt	3
Spences Bridge	3
City or Township of Langley	3
Route E	
Terminating Point 1:	City of Merritt
Terminating Point 2:	City of Prince George
Corridor:	Highways 1, 8 & 97
Route Points	Weekly Minimum (round trips)
City of Merritt	3
Spences Bridge	3
City of Prince George	3
Route F	
Terminating Point 1:	City of Merritt
Terminating Point 2:	City of Kelowna
Corridor:	Highway 97C
Route Points	Weekly Minimum (round trips)
City of Merritt	3
City of Kelowna	3
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 <i>Passenger Transportation Act</i> .