

Licence Application Decision

ICB –Simplified Process

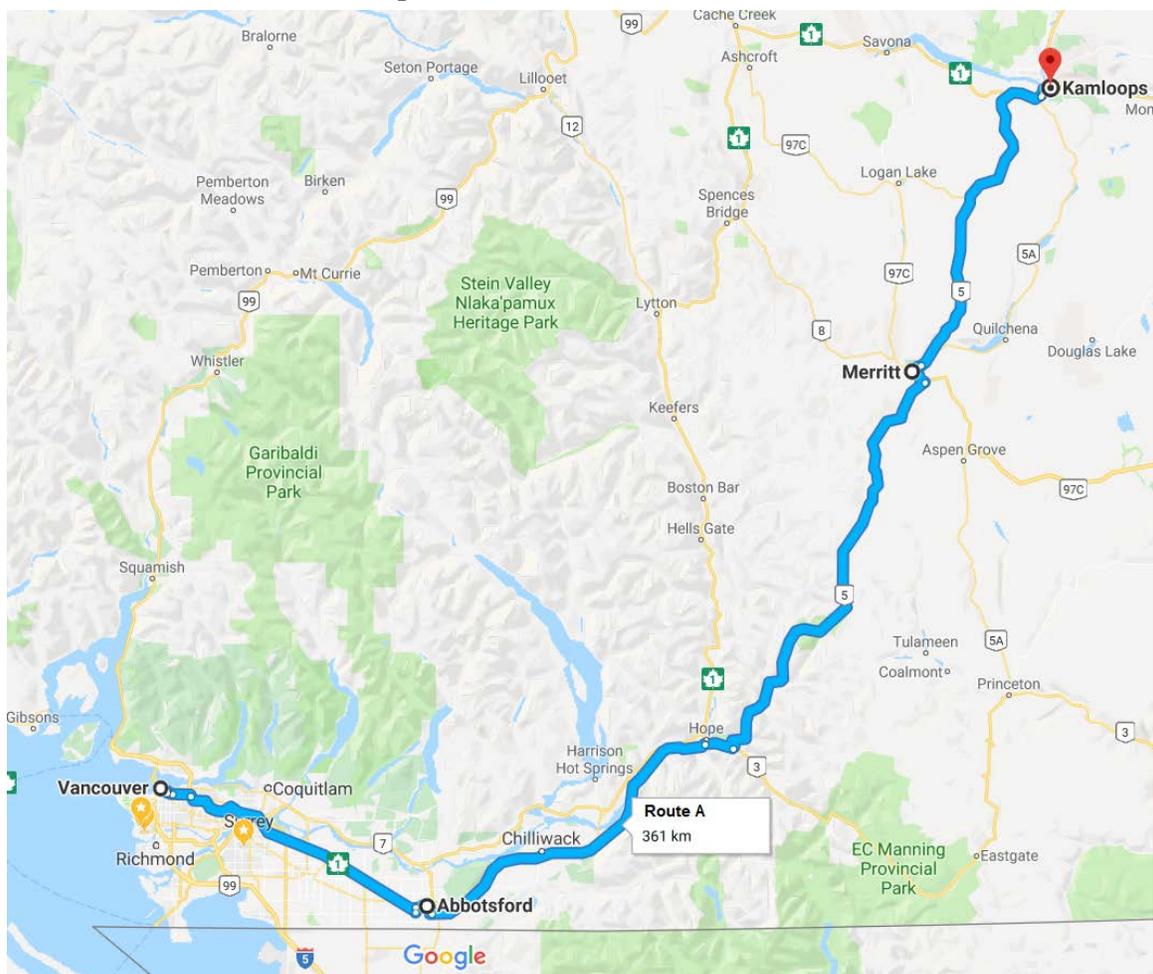
Application #	2857-18	Applicant	Diversified Transportation Ltd.
Trade Name (s)	Ebus		
Principals	Michael J. Colborne Thomas Jezersek	Salvatore Secreti	
Address	8351 McIntyre Road Edmonton Alberta T6E 5J7		
Current Licence	Passenger Transportation Licence #70459 <ul style="list-style-type: none"> • General Authorization 		
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> <ol style="list-style-type: none"> 1. Vancouver – Kamloops 2. Kamloops – Kelowna 3. Kelowna – Vancouver <p>Route details and other proposed terms and conditions of licence are set out in the Appendix.</p>		
Publication Date	September 19, 2018		
Submissions Received	Merritt Shuttle Bus Services Ltd.		
X-reference	Application 3035-18 (Wilson’s Transportation Ltd.)		
Board Decision	<p>The special authorization is approved.</p> <p>Terms and conditions of licence are approved as set out in the decision.</p>		
Decision Date	October 16, 2018		
Panel Chair	Spencer Mikituk	Panel Member	William H. Bell

I. Introduction

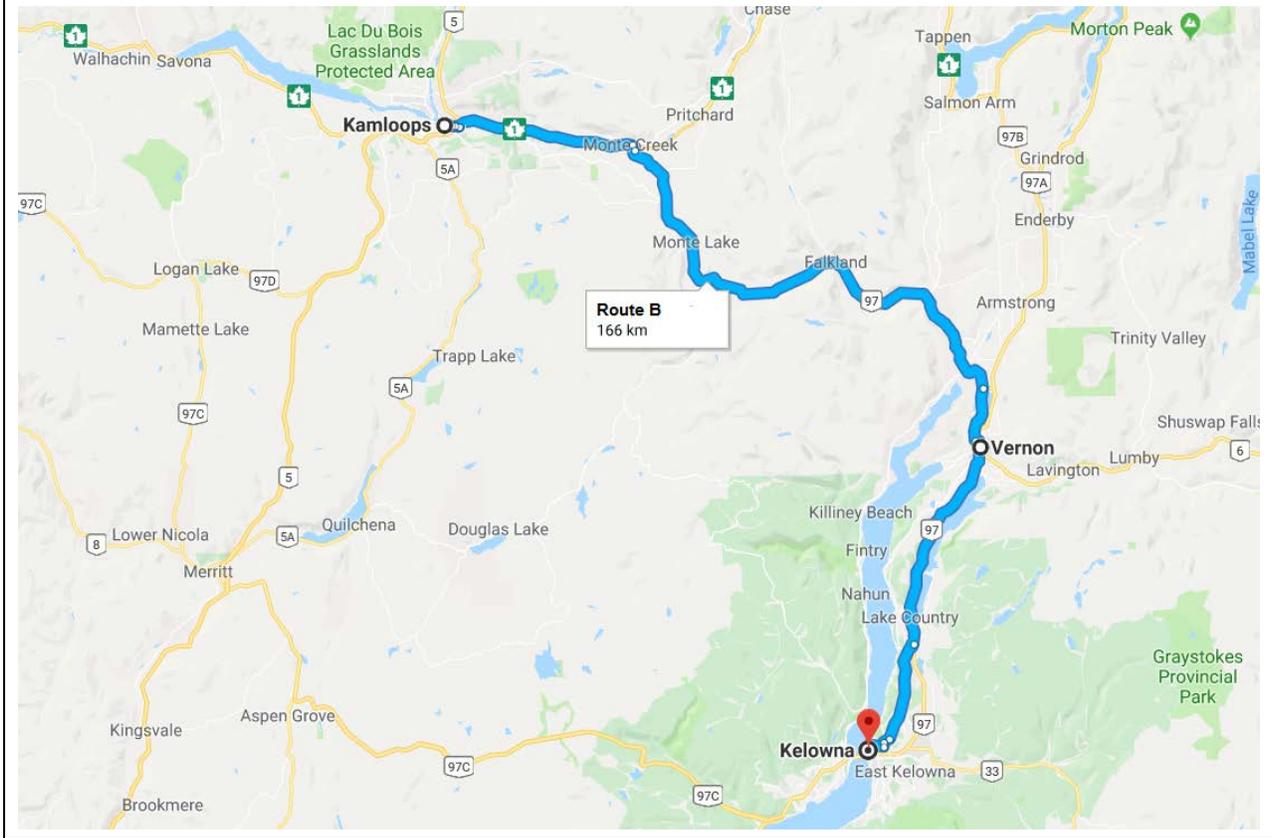
Diversified Transportation Ltd., doing business as “Ebus” is applying under the Board’s simplified ICB process to amend its General Authorization licence to add a Special Authorization: Inter-city Bus. It proposed to operate the following ICB routes:

- Vancouver <-> Kamloops (Route A)
Ebus is proposing to add 2 daily semi-express departures from Vancouver and Kamloops. One in the morning and one in the afternoon or evening. The route would allow for additional stops at Abbotsford, Chilliwack, Hope, and Merritt.
- Kamloops/Kelowna <-> Vancouver (Routes B & C)
Ebus is proposing to add 2 daily express departures from both Vancouver and Kamloops via Kelowna following the morning and afternoon pattern. Ebus would operate this schedule via Kelowna to allow for connectivity between Kamloops, Vernon and Kelowna. The schedule would continue from Kelowna to Vancouver. This route would operate two separate and distinctive legs. The first leg of the trip would be Kamloops/Kelowna and the second leg of the trip would be Kelowna/Vancouver.

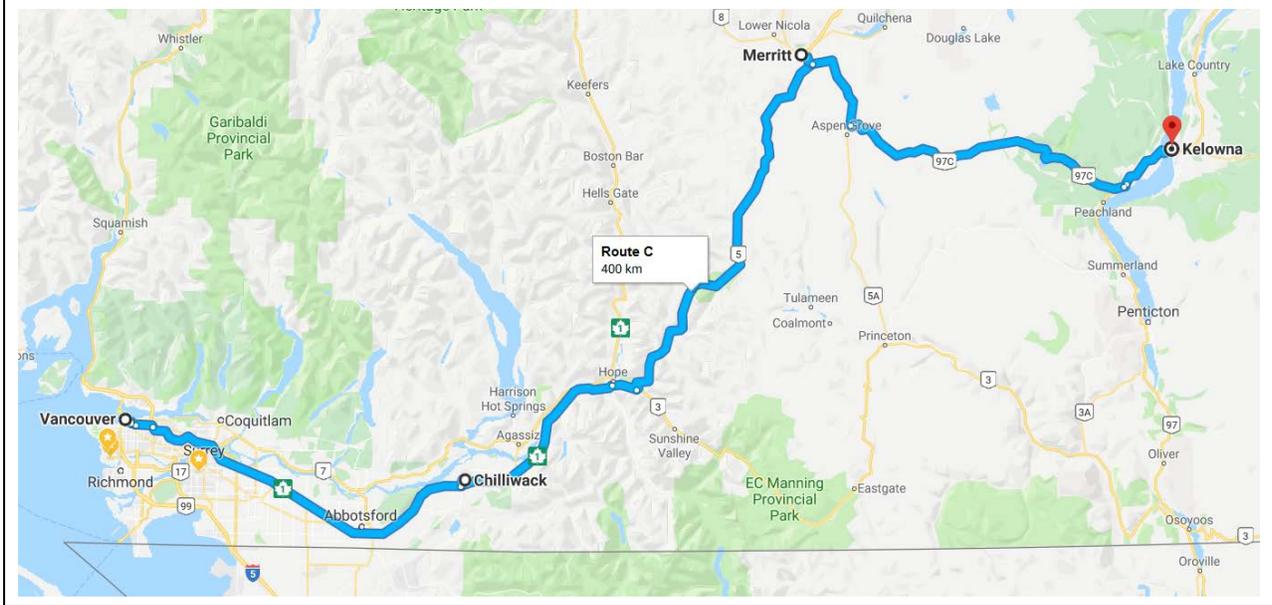
Route A: Vancouver – Kamloops



Route B: Kamloops - Kelowna



Route C: Kelowna - Vancouver



Bookings will be available on a reservation only process via website, over the phone and in person in various locations.

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 licensees 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 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]

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- 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

1. *Similar Applications*

The Board received one other application, from Wilson's Transportation Ltd. (Wilson`s), to serve Kamloops, Kelowna and Vancouver. Pursuant to section 14 of the Passenger Transportation Act, we have considered these applications together.

We also received an application from Rider Express Transportation Corporation to provide an inter-city bus service from the Alberta border. Although there is some overlap on the Kamloops to Vancouver corridor via Highway 5 & Highway 1, we considered this application separately as a distinct inter-city bus service with connections to Calgary and beyond. Similarly, we are treating the application from Merritt Shuttle Bus Service independently from the Wilson`s and Ebus applications. Although there is some potential overlap, Merritt Shuttle is also proposing to serve Prince George and Spences Bridge (via highways Nos. 8 & 1).

We are conducting this application by way of a written hearing.

III. Background

Diversified Transportation Ltd., doing business as Ebus, is part of the Pacific Western Group of Companies. It is a family owned and operated people transportation company incorporated in Alberta on June 6, 1956 and registered as an extra provincial company in British Columbia on September 19, 1968. Its head office is located in Calgary Alberta. It has over 60 years of experience in providing transportation solutions in five provinces and one territory. The company is Canada's largest privately-owned people transportation

company employing over 4,800 employees and operating 3,800 revenue producing vehicles which carry 175,000 passengers per day. Its business is split into four categories which are motorcoach, student transportation, transit services, and employee transportation.

The applicant submitted requisite forms and materials.

IV. Applicant's Rationale, Submissions and Responses

(a) Applicant's Rationale

Greyhound Canada announced on July 9, 2018, that it will be discontinuing all scheduled services in Western Canada effective October 31, 2018. The change will allow the Ebus brand to expand current scheduled services in Alberta as well as add routes in British Columbia between Vancouver, Kamloops and Kelowna. Goals are to capture ridership and accelerate the opportunity to integrate with traditional and disruptive service providers.

(b) Submissions & Applicant's Response

A submission was received from Merritt Shuttle Bus Services Ltd. (Merritt Shuttle).

The submission noted this area of concern: *Ebus has included in their application to service Merritt twice daily to take passengers to Vancouver or Kelowna. Merritt Shuttle has an issue with Ebus coming into Merritt and is requesting Ebus to bypass Merritt on their way to Vancouver or Kelowna.*

The applicant responded to the submission as follows: *The Ebus application includes a very different product offering, service level, and price point. While Merritt Shuttle is proposing mini buses and school buses in their application, Ebus is proposing new Prevost H3 45 highway coaches equipped with a washroom, Wi-Fi, coach seating, and entertainment options for its services. All buses will be equipped with a wheelchair lift to ensure that all customers regardless of mobility are able to use Ebus to meet their travel needs. Ebus has included Merritt on its routes for connectivity, passenger breaks, and driver switches, which is why it is important for Ebus to stop in Merritt.*

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

As we noted earlier, applicant fitness is the focus of the streamline applications. The Board reviews the conduct of an applicant and the structure of its operations. Does the applicant seem to understand passenger transportation laws and policies? Is the business set up to follow these laws? Is there something in the applicant's background that shows it disregards the law?

Applicants must show that they have the resources and skills to manage the service that they want to operate. The Board gets much of this information from business plans and financial statements.

Diversified Transportation Ltd. was incorporated in Alberta on June 6, 1956. The president and Chief Operating officer is Thomas Jezersek who has 26 years of transportation management experience. The key people responsible for the success of the company are: Dean Wright, Vice President, Motorcoach, with 25 years of passenger transportation experience in roles of operations supervisor, manager, and general manager and vice president; Sven Lisson with ten years of passenger transportation experience in the role of operations manager Red Arrow and Ebus; and John Stepovy with ten years of experience in the roles of director of sales and business development, operations manager, general manager, and business development.

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.

Ebus's National Safety Code rating is satisfactory unaudited. Ebus' required driver's qualifications are: Class 1 or Class 2 licence, with previous commercial driving and highway experience and motorcoach experience; and clean commercial driver abstracts and clear criminal records.

The applicant has signed the Liquor Control and Licensing Act Declaration declaring, among other things, that it will operate its vehicles in accordance with the Act.

The financial information included a three-year financial projection and startup costs, statement of cash flows, balance sheet, and statement of earnings and retained earnings for 2016 and 2017. Ebus appears to be in sound fiscal condition. Ebus has ordered four new 2019 Prevost H3-45 wheelchair accessible motor coaches for its scheduled operations, leasing details were supplied with the financial information.

It would appear that Ebus has the experience, operational knowledge, and has the financing in place to acquire the required capacity to service its proposed new route safely and effectively.

We find the applicant to be a fit and proper person who has the necessary skills and infrastructure in place that would indicate that they are capable of managing and providing the additional service.

The Board received two user support statements. Both stated that they have a requirement for Ebus to commence service specifically from Kamloops to Kelowna.

Ebus service offers amenities not available on other types of equipment that the opposing submitter is proposing to offer. Given the nature of Ebus's business, it would appear that Ebus would not encroach, to any significant extent, if at all, on business from other proposed service providers in the area, if the applications were to be approved.

The applicant is to operate from Vancouver to Kamloops and from Vancouver/to Kamloops/Kelowna. The routes proposed by Ebus give the public added service options on segments of six routes in Greyhound's current Passenger Transportation Licence. They provide a continuation of some of the Greyhound services when Greyhound stops operating. Therefore, we find that there is a public need for the service the applicant proposes.

We are also approving the application from Wilson`s, which has a minimum frequency level of one round trip per day. We have also approved the application from Rider Express which stops in Merritt and Kamloops and has a minimum frequency level of one round trip per day. We are therefore setting the minimum frequency level for Ebus at one round trip per day. These minimum frequencies are similar to those of Greyhound`s service levels prior to February, 2018. Ebus, as well as other approved providers, may increase its service levels at any time, without PT Board approval.

With the departure of Greyhound, it is important that the public receive bus service immediately and regain confidence in ICB services. Such confidence is critical for the long term benefit of the industry. We are of the view that demand combined with the low minimum frequency of operations and increased flexibility, as noted below, will encourage healthy competition and promote sound economic conditions in the passenger 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 stops along its routes or highway corridors. We have, therefore, included a term and condition of licence to provide this flexibility.

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, Diversified Transportation Ltd. must post time schedules on line and make available to the public on line its reservation system no later than **October 31, 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 Diversified Transportation Ltd. that reflects the terms and conditions approved in this decision and set out in Appendix 2 after the Registrar is satisfied that Diversified Transportation Ltd. has posted time schedules on line and made available to the public on line its reservation system.

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 15, 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 October 31, 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 15, 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	
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>
Route A	
Terminating Point 1:	City of Vancouver
Terminating Point 2:	City of Kamloops
Corridors:	Highway 1: Vancouver – Hope Highway 5: Hope - Kamloops
Route Points	Daily Minimum (round trips)
City of Vancouver	1
City of Abbotsford	1
City of Merritt	1
City of Kamloops	1
Alternative 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 this route.
Route B	
Terminating Point 1:	City of Kamloops
Terminating Point 2:	City of Kelowna
Corridors:	Highway 1: Kamloops – Monte Creek Highway 97: Monte Creek - Kelowna
Route Points	Daily Minimum (round trips)
City of Kamloops	1
City of Vernon	1
City of Kelowna	1
Alternative 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 this route.

Route C	
Terminating Point 1:	City of Kelowna
Terminating Point 2:	City of Vancouver
Corridors:	Highway 97C: Kelowna – Merritt Highway 5: Merritt – Hope Highway 1: Hope - Vancouver
Route Points	Daily Minimum (round trips)
City of Kelowna	1
City of Merritt	1
City of Chilliwack	1
City of Vancouver	1
Alternative 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 this route.
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> .