

Licence Application Decision

Inter-City Bus (ICB)

Application #	2413-18	Applicant	Blue Cactus Coach Lines Ltd.
Trade Name (s)	Snowbus		
Principals	Joktan Elbert		
Address	310-318 Homer Street, Vancouver, BC, V6B 2V2		
Current Licence	Passenger Transportation Licence # 71298: <ul style="list-style-type: none"> • Special Authorization: Inter-city bus (ICB) • General Authorization 		
Application Summary	<p>Amendment of Licence—ICB</p> <p>Amend the Special Authorization to:</p> <ol style="list-style-type: none"> 1. change Route 1 (Richmond – Whistler) as follows: <ol style="list-style-type: none"> a. reduce minimum frequency on the route from 2 round trips per day to 4 round trips per week b. change route points Richmond and West Vancouver to reservation only service. c. add a “summer season” operation with a minimum frequency of 1 round trip per week d. add UBC and Squamish as route points with reservation only service e. add Squamish as a passenger drop off location on northbound trips and as a pick-up location on southbound trips. 2. change Route 2 (Burnaby - Whistler) as follows: <ol style="list-style-type: none"> a. reduce minimum frequency on the route from 3 round trips per week to 1 round trip per week. b. add Squamish as a route point with reservation only service c. add Squamish as a passenger drop off location on northbound trips and as a pick-up location on southbound trips. 		
Publication Date	September 26, 2018		
Submissions Received	Universal Coach Line Ltd.		
Board Decision	The application is refused		
Decision Date	November 27, 2018		
Panel Chair	Spencer Mikituk	Panel Member	William H. Bell

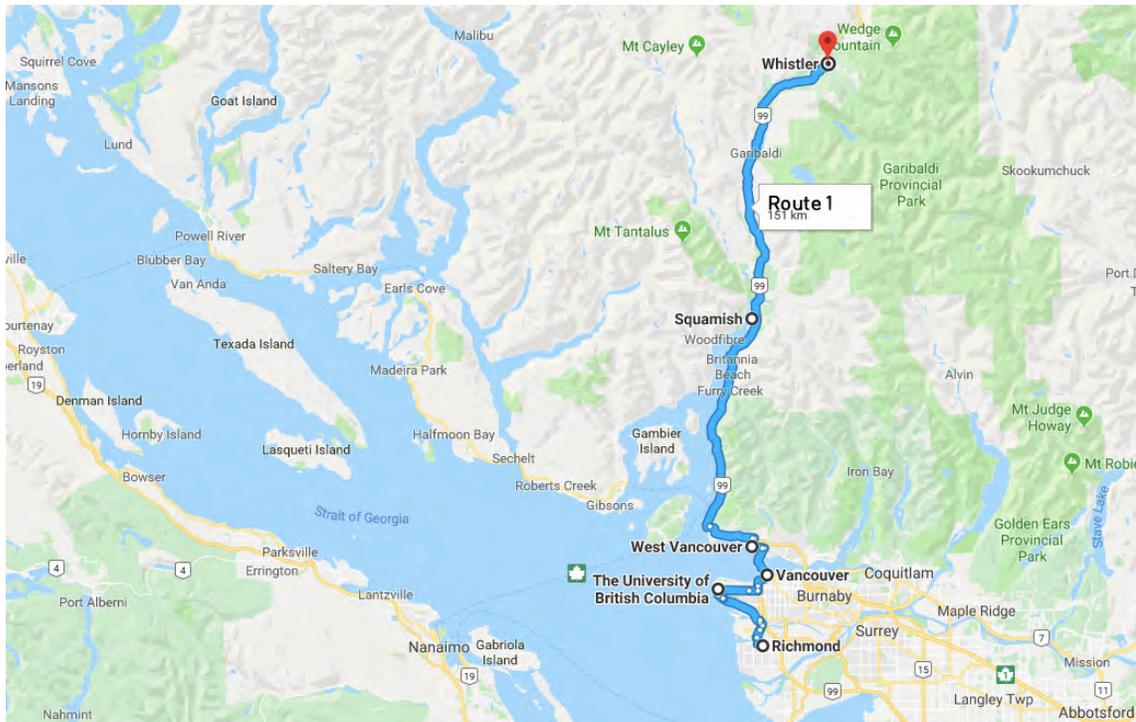
I. Introduction

This is an application from Blue Cactus Coach Lines Ltd., doing business as “Snowbus”. Its passenger transportation licence number is 71298. Snowbus holds a General Authorization (GA) and Special Authorization (SA): Intercity-bus (ICB). The applicant seeks Board approval to amend its Special Authorization to make changes to Routes 1 and 2, as summarized below.

Route 1 (Richmond – Whistler):

- a. reduce minimum frequency on the route from 2 round trips per day to 4 round trips per week
- b. change route points Richmond and West Vancouver to reservation only service.
- c. add a “summer season” operation (May 1 to November 14) with a minimum frequency of 1 round trip per week; thus, making the service year-round with a “winter season” from November 1 to April 30.
- d. add UBC and Squamish as route points with reservation only service
- e. add Squamish as a passenger drop off location on northbound trips and as a pick-up location on southbound trips.

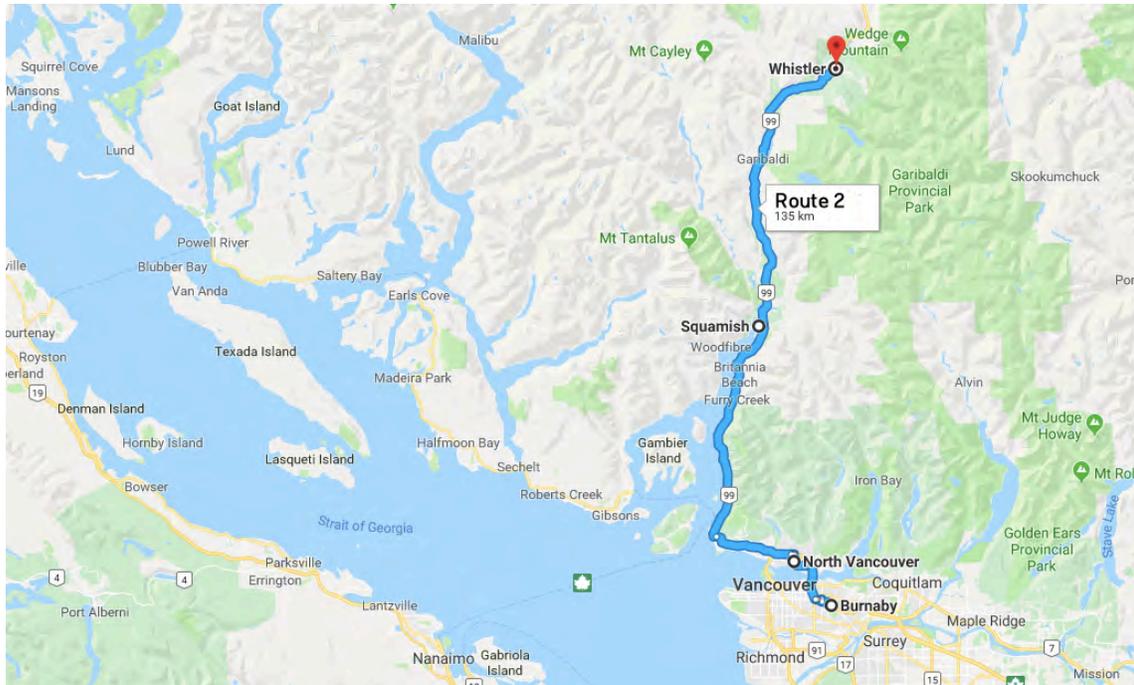
The map below combines existing and proposed points on Route 1:



Route 2 (Burnaby - Whistler):

- a. reduce minimum frequency on the route from 3 round trips per week to 1 round trip per week.
- b. add Squamish as a route point with reservation only service
- c. add Squamish as a passenger drop off location on northbound trips and as a pick-up location on southbound trips.

The map below combines existing and proposed points on Route 2:



II. Publication of Application

The applicant was required to provide public notice of the proposed reductions in minimum route frequency on its website (snowbus.com) and to notify affected local governments. The Board received draft copies and confirmed publication on the website.

The Board published the application summary in its Weekly Bulletin on September 26, 2018, with a copy also posted on the Board’s webpage for bus applications.

III. Background

Snowbus caters and provides niche services to a targeted “youth” demographic travelling to Whistler during the ski season for recreational purposes.

Application materials do not include cash flow projections, a balance sheet, income statements, and relevant ridership information as required. In response to the Board's follow up request, an explanation was received that the principal for the applicant could not provide the materials because he was not involved with the company from 2009 to 2017, and that the operator for that period consolidated the books with its other business operations which could not be separated from routes pertaining to this application.

IV. Legislation

Division 3 of the *Passenger Transportation Act* (the "Act") applies to this application. The Act requires the Registrar of Passenger Transportation to forward applications for Special Authorization licences to the Passenger Transportation Board (Board). Section 28(1) of the 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.

V. Rationale and Submissions

(a) Submissions & Applicant's Response

A submission was received from Universal Coach Line Ltd. (Universal) that recently acquired the YVR concession currently held by Pacific Coach Lines (PCL) to operate an ICB service between YVR and Whistler with intermediate route points that include Squamish and the Vancouver Hotel District. The Board approved the inclusion of this route in the Universal licence in its decision of November 15, 2018, on application 3391-18 which was processed on the basis of "Urgent Public Need".

Universal objects to the Snowbus application for the following reasons:

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- There is no public need for the proposed service. The licence amendment proposed by Snowbus does not address any vacancy left by Greyhound or add new benefit to the public. The Whistler corridor is saturated with many licensed and unlicensed carriers.
 - There is considerable under-utilized or idle capacity in the ICB market during the shoulder and summer seasons. Any ridership no longer served by Greyhound between Richmond, Vancouver, Squamish, and Whistler will be served at similar or lower cost by existing ICB operators that need the incremental business.

The applicant responded to the submission as follows:

- Snowbus is not requesting a new licence but amending its existing service in response to changes in both the consumer and business marketplace. Snowbus is currently the longest standing schedule operator on the Whistler Corridor and as a result has a keen understanding of the marketplace and its requirements.
- Existing ICB operators such as Snowbus need the incremental business that Greyhound will leave behind.

VI. Reasons for the Board's Decision

(a) *Is there a public need for the service that the applicant proposes to provide under special authorization?*

The Board expects applicants to show that there is an “unmet” public need for an inter-city bus service on the corridor where you want to provide service. Applicants should give the Board information that is **factual** and **objective**. The applicants should not rely on their opinion or general statements to show public need.

The applicant has shown ridership data for 2005-2008 which is outdated and of no value. The applicant also provided ridership data from 2014 to 2018 for the period of time Snowbus was managed by Granville Entertainment and West Coast Sightseeing. I have assigned little weight to this operational data as it is from a third party and not clearly specific to the routes now operated by the applicant. Snowbus has not provided any significant information or analysis regarding its planned revisions to schedules and affected route points. No other public need data was received to support the application.

I find the applicant's information and evidence to be insufficient to demonstrate a public need for the proposed licence amendment.

(b) Would the application, if granted, promote sound economic conditions in the passenger transportation business in British Columbia?

The Board looks at the state of inter-city bus services in the area where the applicant is applying to operate. The Board considers how the service could benefit the market and whether the market has the capacity to absorb additional services. The Board may consider such things as:

- Will the service fill a gap in the market?
- Has an inter-city bus company recently left the market?
- Will the service give the public additional transportation options?
- Has the applicant shown that current service levels are unsatisfactory?
- Does the market place have the capacity to absorb another service?
- Are there inter-city bus providers in the target market area?
- Will the services supplement another non-transportation business?

Reviewing this particular application, the applicant has not demonstrated public need to expand the service. As a result, we are unable to find that the application, if granted, would promote sound economic conditions in the passenger transportation business in British Columbia.

(c) Is the applicant a fit and proper person to provide that service and is the applicant capable of providing that service?

The Board looks at fitness in two parts:

- (i) is the applicant a “fit and proper person” to provide the proposed service; and
- (ii) is the applicant capable of providing that service?

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.

Snowbus was incorporated on March 13, 2001. The principal is Elbert Joktan. The disclosure form of Unlawful Activity and Bankruptcy indicated no negative concerns about the principal. There has not been any information brought to my attention to prove the applicant is not fit and proper.

We find the applicant to be a fit and proper person.

Snowbus's National Safety Code (NSC) safety performance rating is satisfactory.

The applicant signed the Liquor control and Licencing Act declaring, among other things, that it will operate its vehicle in accordance with the Act.

Snowbus has submitted two business plans for review. The original business brief is dated September 2005 which we have disregarded. The current business update/direction dated October 15, 2018 is focused mainly on marketing and sales of the Snowbus Transport brand. It mentions the use of 2017 buses without providing details respecting the vehicle acquisition. The business plan update provides no information regarding the care and control of its vehicle and drivers.

In considering the applicant's information about its business plan and operations, we are unable to determine if the applicant has the overall resources, infrastructure, and management to carry out the proposed amendments to its Special Authorization.

With the information available, we are unable to make a finding of whether the applicant is capable of providing the proposed new service.

VII. Conclusion

For the reasons above, this application is refused.