



# **Greyhound in British Columbia**

Presentation to the Passenger  
Transportation Board

December 2017

# Agenda

- Why are we here?
- The market in B.C.
- Steps taken to adjust
- Proposed solution
- Responses to PTB questions

# Why Are We Here?

- Greyhound values our more than 85 years of service to Canada, particularly our service to rural communities.
- We regret having to request that certain high-cost routes be discontinued to stem losses in B.C.
- Greyhound's passenger business in British Columbia has been unprofitable for many years due to market conditions and publicly subsidized competition.
- Working within current government regulations is complex and time consuming.
- Greyhound has taken many steps to adapt our business but this has not been enough to fix the problem, and discussions with the provincial and federal governments have not yet been successful in finding a solution.



# Current Status & Market Conditions

- Market conditions for intercity transportation services have become increasingly challenging.
- Intercity passenger transportation is more competitive: rideshare, airlines, government funded bus / rail and personal car.
- Government-subsidized public transportation offers tax payer subsidized fares 75-80% lower than Greyhound's fares.
- Competitors such as ride-sharing services, do not have to meet the same high regulatory standards as Greyhound.
- Increased urbanization has left rural routes with fewer passengers.

The impact on Greyhound's business:

- 46% decline in ridership since 2010
- \$35,000 loss per day (passenger business) in B.C.
- \$70 million loss over the last 6 years



# Steps to Adjust (2012-2016):

Over the past 5 years Greyhound has thoroughly explored every avenue to re-engineer its business:

- Regulatory applications
  - Between 2013-2015, Greyhound applied to the PTB multiple times for minor route changes to provide financial relief.
- Internal business decisions
  - Greyhound has instituted numerous internal cost-saving measures including refurbishing rather than purchasing new buses.
- Frequent discussions with government
  - Since 2012, Greyhound has engaged with the Federal and BC Ministries of Transportation on an ongoing basis. Essential regulatory reforms and other potentially helpful measures have not yet occurred.

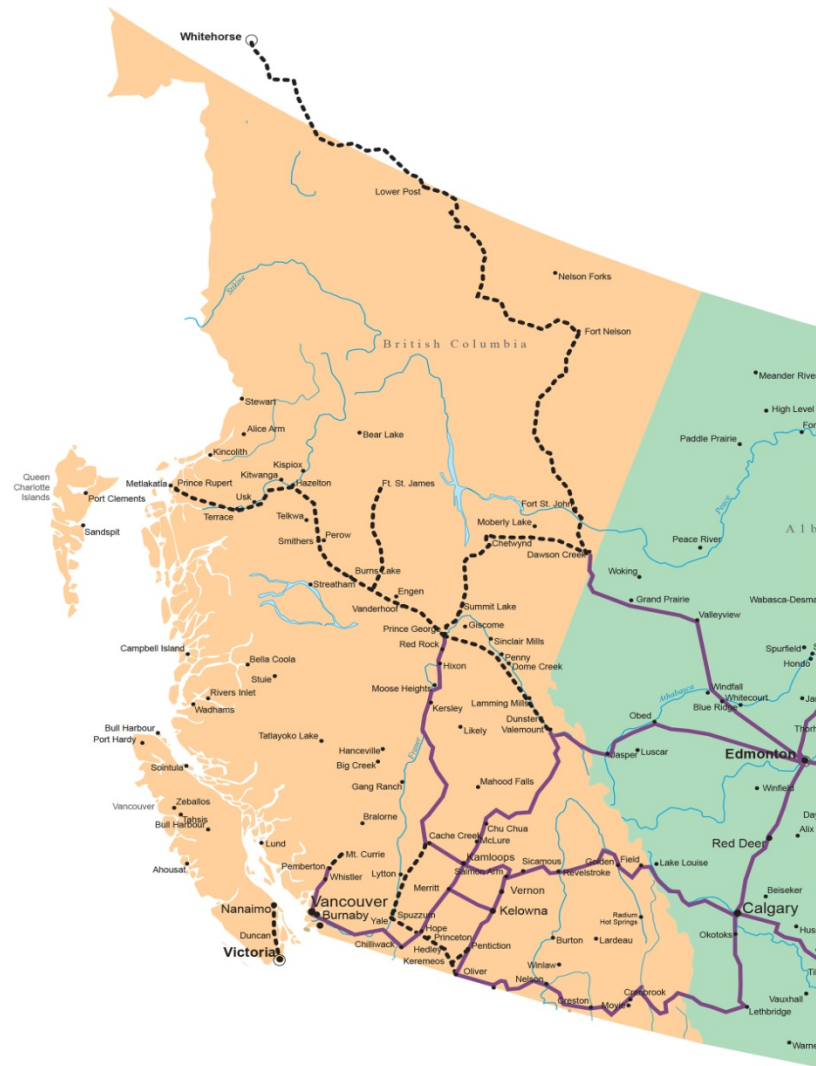


# Map of the Proposed Changes

## Map of Greyhound's proposed route changes:

• Proposed discontinued routes: -----

• Retained routes: \_\_\_\_\_



# Importance of Connecting Communities

- Greyhound recognizes that the proposed route reductions will be difficult for affected passengers and communities, and we deeply regret having to issue this filing.
- Accessible transportation between rural communities and urban destinations is important.
- Greyhound can simply no longer provide the service on its own.

# A Solution for the Provincial Government

Greyhound is proposing that the provincial government create a **Connecting Communities Fund** to:

- Provide funding for municipalities and First Nations to publicly tender private sector intercity transit operators.
- Ensure sustainable and cost-effective transportation.

**Provincial government funds urban transportation. Rural and small communities should have transportation too.**



# Response to PTB Questions

## Question 1.

A number of people suggested that smaller coach sizes may assist Greyhound in reducing costs. In its response to public comments, Greyhound states its fleet is based on larger coaches and smaller vehicles are not part of its business model. We note that the global website for Greyhound says its fleet has fifteen “Champion Challenger” buses that seat 24 passengers. Please demonstrate how Greyhound determined that smaller buses are not feasible in B.C. and provide the analysis that informed its decision.

# Response to PTB Question #1

- The Champion Challenger buses are operated by Greyhound Lines, the U.S. division.
- These “short buses” operate only for rural connector services, which are subsidized by U.S. Federal Operating grants.
- The rural connector service program grew because of the recognition that without government subsidized assistance to private carriers, there would be no “public” transportation option for some rural communities.

# Response to PTB Question #1

Greyhound has determined short buses have limited uses:

- The short bus has approximately 23% of the useful life of a standard vehicle.
- The short buses have not proven to last as long in actual service time as the large buses.
- The large bus is more suitable for the harsh weather conditions experienced in Canada.
- Short buses generally have 24 seats. To provide lavatories or expanded luggage storage requires removing seats.

# Response to PTB Questions

## Question 2.

Greyhound states that although it is seeking to reduce minimum route frequency (MRF) requirements on many routes, it will increase service if demand is there. How will Greyhound monitor service levels to identify demand increases and how quickly can it increase its service levels?

# Response to PTB Question #2

- Greyhound monitors its business on a near real-time basis. The company monitors:
  - Number of passengers on and off at each stop
  - Transfers and connections made by passengers
  - Passenger revenue per mile and average load at a schedule level within day, month, or year.
- Schedule changes can be made within 5 to 10 days.
- Greyhound has requested the ability to reduce schedules during slow travel periods to adapt quickly to changing market conditions.

# Response to PTB Questions

## Question 3.

A number of persons commented that present Greyhound schedules are inconvenient for passengers. Given that Greyhound is seeking to reduce its MRF requirements, will it also seek to provide schedules that are more user friendly and accessible (i.e. provide daytime service rather than late evening or early morning service). Are buses able to serve persons with mobility aids such as wheelchairs and scooters? If so, how is service provided?

# Response to PTB Question #3

Greyhound plans schedules to serve the city pairs and timeframes with the highest travel demands, and considers:

- Where drivers start and end their shifts.
- Compliance with safety regulations (i.e. driver hours of service)
- Preventative maintenance, fueling, and safety inspections
- Maximizing the total route miles per bus / day and minimizing the total number of buses required.
- Accommodating parcel services.

Greyhound has 31 buses equipped with wheelchair lifts (10% of fleet). Passengers can reserve a seat on a lift bus by calling (in Canada) 1.800-752-4841 for arrangements at least 48 hours before the desired trip.

# Response to PTB Questions

## Question 4.

Greyhound is requesting elimination of routes in most of north and central BC by January 7, 2018. Another means of efficiency could be achieved by reducing MRF requirements or eliminating route points to allow for a gradual phase of service. Please provide analysis on the potential for phased reduction of service on (a) the most highly traveled of the northern routes and (b) MRF reduction routes where PRMs are at breakeven or profitable levels.



# Response to PTB Question #4

Gradual reduction of service is not possible because experience has shown that:

- Reducing frequency on a route that will be discontinued results in extremely low ridership, causing even higher operating losses per mile.
- Once it has been announced that a route will be discontinued, most passengers find alternatives, believing that implementation of the change has already occurred.
- Within two months of the Government of Saskatchewan's announcement that its subsidized service was ending, the service had been closed down. There was no phased reduction.

# Response to PTB Question #4

- Greyhound requested a reduction in Minimum Route Frequency (MRF) on selected routes so that the company can respond to market demand.
- Should the Board choose to allow the reductions, there would be no immediate changes.
- If, at some point in the future, Greyhound reduced the number of runs on a particular route, it would be phased in gradually, and only in response to market conditions.

# Response to PTB Questions

## Question 5.

BC Transit's Public Engagement Report Highway:16 Inter-Community Transit Service October 2016 – FINAL presents results of its consultation on transportation options that BC Transit presented in communities along the route. Based on the regional travel patterns identified on page 27, please comment on how those patterns compare to passenger travel on Greyhounds Routes L1 (PG-PR) and K (PG-Fort St. James).

# Response to PTB Question #5

- Greyhound has reviewed the Regional Travel Patterns data; it is not comparable to the data tracked by Greyhound.
  - Greyhound has examined the Regional Travel Patterns data and based on that is not able to determine where departing passengers are headed nor where arriving passengers originate their trips, nor the number of times a passenger travels to a specific location as a percentage of total travel.
- Greyhound carefully tracks and monitors passenger arrival counts and passenger departure counts at route points on a given corridor.
- Greyhound's data is based on actual passenger counts and accurately reflects inbound and outbound passenger flow.
- The two sets of data are incomparable.