

## Licence Amendment Decision: Inter-city Bus

<b>Application:</b>	<b>233-17</b>	<b>Applicant:</b>	<b>Tofino Bus Services Inc.</b>
<b>Trade Names:</b>	Tofino Bus		
<b>Address:</b>	Box 207, 346 Campbell Street, Tofino BC V0R 2Z0		
<b>Principals:</b>	GREEN, Dylan		
<b>Special Authorization:</b>	Passenger Transportation Licence 71008		
<b>Type of Application:</b>	Amendment of Licence (Section 31 of the Passenger Transportation Act)		
<b>Application Summary:</b>	Amend terms and conditions of licence: Route 1: Nanaimo – Tofino <ul style="list-style-type: none"> <li>Change all Flag Drop (fd) to Reserve Drop (rd)</li> </ul> Route 2: Victoria – Tofino <ul style="list-style-type: none"> <li>Increase minimum frequency from 2 to 3 trips daily (each direction) for some points between Victoria and Nanaimo; add route points; and eliminate seasonal minimums and weekly minimums</li> </ul> Route 4: Nanaimo – Campbell River <ul style="list-style-type: none"> <li>Change all Flag Drop (fd) to Reserve Drop (rd)</li> </ul> Route 5: Campbell River – Port Hardy <ul style="list-style-type: none"> <li>Change all Flag Drop (fd) to Reserve Drop (rd)</li> </ul>		
<b>Date Published in Weekly Bulletin</b>	August 30, 2017		
<b>Related Application:</b>	<a href="#">Application #256-17</a> by Greyhound Canada Transportation ULC includes proposals to eliminate Route T: Victoria - Nanaimo		
<b>Board Decision</b>	The Board approves the application as set out in the application summary.		
<b>Decision Date</b>	October 31, 2017		
<b>Panel Chair</b>	Roger Leclerc		

### I. Application & Background

Tofino Bus Services Inc. (TBSI) is a commercial enterprise that holds a Passenger Transportation (PT) Licence with a General Authorization and a Special Authorization;

inter-city Bus (ICB). The Special Authorization allows TBSI to operate inter-city buses on Vancouver Island. The application pertains to the Special Authorization portion of the licence.

The applicant is applying to change “flag drops” to “reserve drops” which means passengers wishing to be picked up these spots will need to reserve in advance. It is also applying to make changes to route 2, Victoria to Tofino, to add route points, increase daily requirement in some routes and eliminate weekly minimums.

TBSI is authorized to operate 5 routes on Vancouver Island: (1) Nanaimo to Tofino; (2) Victoria to Tofino and (3) Tofino to Ucluelet (only operated from March – October); (4) Nanaimo to Campbell River; (5) Campbell River to Port Hardy.

The terms and conditions of TBSI’s licence specify routes. Each route is comprised of 2 terminating points as well as intermediate points, which are usually stated as municipalities. The terms and conditions of licence also set minimum route frequency, which is the minimal service level that TBSI must provide on each route and to each route point.

Tofino Bus Services Inc. was incorporated in June 2003 and presently has one director.

## **II. Public Notice**

This application was published in the Board’s *Weekly Bulletin* on August 30, 2017. It was also posted on the Board’s bus route application web page ([www.th.gov.bc.ca/ptb/bus.htm](http://www.th.gov.bc.ca/ptb/bus.htm)) along with an “Explanatory Paper” prepared by TBSI.

In addition to the notices and information posted on the Board website, the Board required TBSI to provide written notice to municipal and regional district governments that are affected by the proposed change.

Public notice requirements were met and no negative comments were received.

### **III. Procedural Matters**

#### *(a) Related Applications*

Greyhound Canada Transportation ULC has submitted application 256-17 which was published September 13, 2017. Part of this application is requesting the elimination its scheduled service from Victoria to Nanaimo.

### **IV. Relevant 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. Applicant’s Rationale**

The applicant stated in its public explanatory paper that:

Tofino Bus Services Inc. (TBSI) has been a licenced inter-city bus operator on Vancouver Island since 2002. In 2015, TBSI expanded its routes to include Courtenay, Campbell River, Port Hardy, and many small communities in between. TBSI provides daily, year-round service to more island communities than any other scheduled bus operator. At present, some TBSI buses travel the slower Old Island Highway (19A), in case any riders are waiting for pick-up at smaller communities (flag-drop locations) along that highway. However, less than 2% of our riders request such a pick-up, whereas over 98% of riders

are travelling inter-city between the larger centres on Vancouver Island.

TBSI is applying to the Passenger Transportation Board to change all our small flag-drop locations to reserve-drop locations, for which reservations can easily be made by telephone, smartphone, computer or at any Island bus station (Of the 2% flag-drop passengers, 90+% already pre-reserve their pick-up). This will enable TBSI buses to travel the faster Inland Island Highway (19), dropping down to the Old Island Highway only for reserved pick-ups. In this way, travel times for all passengers will improve, with no loss of service to any small community. For example, travel times between Campbell River and Victoria will shorten by up to 30 minutes, simply by changing our flag-drop locations to reserve-drop.

TBSI is also applying to specify reserve-drop locations along the Victoria–Nanaimo corridor and to specifically designate Duncan as a route point. This will be consistent with the licence design of our other routes, and better enable us to clearly communicate these route points to the public. TBSI is already authorized for pick-ups at any route points between Victoria–Nanaimo.

TBSI is also applying to update the licenced route frequency to match the schedule that has been in operation since 2015, by removing the seasonal minimum and increasing the minimum frequency to 3 per day. Duncan will also be added as a route point, a location we have been servicing for over 2 years.

This licence modernization better reflects the way bus travellers use the inter-city bus service.

Tofino Bus Services Inc. (TBSI) has been a licenced inter-city bus operator since 2002. In 2006, TBSI started an interline relationship with Greyhound allowing cross-selling of passenger tickets, cross-promotion on tofinobus.com and greyhound.ca, network connections allowing each other's schedules to be connected and sold as one ticket across both route networks, and cooperative route scheduling for better connections between each carrier. In early 2014 TBSI negotiated a contract to maintain and service all Vancouver Island Greyhound motor coaches at our Nanaimo facility. TBSI has learned that Greyhound is applying to the Passenger Transportation Board to abandon service on its Nanaimo–Courtenay–Campbell River and Campbell River–Port Hardy routes. Given TBSI's existing position in the market, with its operational hub in Nanaimo, TBSI is perfectly positioned to expand its routes into those that Greyhound intends to abandon. Passenger data indicates a strong public need for inter-city bus service on these routes, and TBSI is excited to apply for the opportunity to expand its service.

## **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 they want to provide service. They should give the Board

information that is factual and objective and not rely on their own opinion or general statements to show public need.

The Board finds comments written by potential passengers more useful than form letters or petitions. Individually written letters of support show the Board that the writer has thought about the matter and is interested enough to take the time to tell you why he or she supports your application. Generally, the Board does not give as much weight to petitions and form letters as indicators of public need. Often, petitions and form letters do not give the Board specific information about when and how often the people who signed the petition would use a new inter-city bus service.

TBSI has been a licenced inter-city bus operator on Vancouver Island since 2002 and in 2015 it expanded its routes to include Courtenay, Campbell River, Port Hardy, and communities in between. TBSI is currently the largest schedule bus operator on Vancouver Island. At the present time, TBSI travels the slower “Old Island Highway” (19A) to pick up riders that are waiting at various designated stops. The percentage of riders that are waiting are less than 2% and the remaining 98% are travelling inter-city between larger centers on Vancouver Island.

TBSI is applying to change all their rural flag-drop locations to reserve-drop locations. As noted above, 98% of flag-drop passengers already pre-reserve their pickup and traveling longer distances. In 2016 there was over 70,000 passengers that used TBSI and of those only 1,150 passengers used their flag-drop locations.

With this change, TBSI will be able to travel the faster Island Highway (19) improving travel times with no loss to small communities on the way. Travel times between Campbell River and Victoria will be shortened by 30 minutes.

Reservations can be made by telephone, smartphone or computer. 30% of tickets are sold online at [tofinobus.com](http://tofinobus.com).

TBSI is also applying to update its minimum route frequency to match the schedule that has been in operation since 2015 by removing the seasonal minimum and increasing the minimum frequency to 2 per day and adding Duncan as a route point.

The Mt. Waddington Regional District, Cowichan Valley Regional District and City of Langford supported the application. The Cowichan Valley Regional District also included some questions, on behalf of communities regarding bus stops, route stop locations which were answered by the applicant. We received no submissions opposing the application.

### **Board Analysis and Findings**

TBSI has grown its business from 2002 to present to 70, 000 passengers annually, 98% of flag-drop passengers are pre-reserved and less than 2% are waiting along the slower Old Island Highway. I give some weight to the business growth and passenger pickup information.

I also give some weight to information from the local governments who supported the application.

I find that the applicant has presented sufficient evidence to demonstrate public need for the amendments requested to the terms and conditions of its licence.

*(b) 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.

The company has been in the ICB passenger transportation business since 2002 operating on Vancouver Island and incorporated in June 2003. TBSI has also provided school bus services for all schools in Tofino and Ucluelet since 2005 and provides charter bus service, employee shuttles, the seasonal Tofino Beach Bus, and other municipal bus contracts.

Financial information includes statement of income and retained earnings for 2015 – 2016. This financial information indicates a viable business.

The required disclosure forms were completed and indicated no discrepancies.

Based on the information provided, I find that the applicant is fit, proper and capable of providing an inter-city bus service on Vancouver Island.

*(c) 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 when considering the addition of new inter-city bus services or routes. The Board considers how the service could benefit the market and whether the market has the capacity to absorb additional services. Of relevance to this application, the Board may consider such things as:

- Will your service fill a gap in the market?
- Has an inter-city bus company recently left the market?

The Board considers all applications based on information provided. TBSI is requesting to amend their licence to incorporate increase its route frequency, add route points and change “flag drops” to “reserve drops”. The applicant is requesting to increase the route frequency on its Victoria to Nanaimo. Greyhound has an application (256-17) before the Board to discontinue this route.

Comments received were positive, indicating that communities would benefit from this amended ICB service. There were no opposing submitters to this applicant.

Approving changes to Route 2 (Victoria-Nanaimo) will increase service to the public at a time when a competing carrier is applying to eliminate service. The service change from a flag drop, to a reservation drop may inconvenience some passengers; however, it will enable TBSI to provide more efficient service in a timely manner.

I have set notification requirements in Appendix 1 that TBSI must meet before it may implement the new reserve drop service.

I find that approving this application will promote sound economic conditions in the ICB service on Vancouver Island.

## **VII. Conclusion**

This application is approved as set out in the application summary.

I establish the activation requirements attached as Appendix I and the terms and conditions of licence that are attached to this decision as Appendix II.



**Tofino Bus Service Inc. (TBSI)**  
**Appendix I: Activation**

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 of changes from “Flag Drop” to “Reserve Drop”**

1. Tofino Bus Service Inc. must post notification of schedule changes on affected routes:
  - a. in a prominent location on the Tofino Bus Service Inc. website; and
  - b. at its terminals, agent premises, and, where practicable, “flag drop points” along affected routes.
2. TBSI may only implement changes from flag drop to reserve drop 14 days after the date on the notices in A1 above were posted.
3. TBSI must provide copies of the notices of service changes referred to in A1 above to the Registrar, Passenger Transportation before an amended licence may be obtained.

**B. Direction to the Registrar of Passenger Transportation Regarding Issuance**

1. Subject to 2 below, the Registrar of Passenger Transportation may issue a licence to Tofino Bus Service Inc. that reflects the amendments approved in this decision and “Terms and Conditions of Licence”.
2. An amended licence may only be issued after Tofino Bus Service Inc. has given the Registrar copies of notices that were posted at terminals and agent premises along affected routes and on its website. The notices must meet the requirements set out under A above, “Direction to the Applicant Regarding Notice and Implementation.”

**Tofino Bus Service Inc.**  
**Appendix II: Terms and Conditions**

<b>Special Authorization:</b>	<b>Inter-City Bus (ICB)</b>
<b>Terms &amp; Conditions</b>	
Service:	Transportation of passengers must be provided to and from each <i>route point</i> on a scheduled basis according to the minimum frequency that is set for the <i>authorized route</i> .
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.
Engaged Carrier Authorization:	<p>The holder of this licence may only operate as an inter-city bus when engaged by another licensed operator in the following limited circumstances:</p> <ol style="list-style-type: none"> <li>1. The other licensed operator must have a special authorization to operate an inter-city bus under a licence issued pursuant to the <i>Passenger Transportation Act</i> (British Columbia) or the <i>Motor Vehicle Transport Act</i> (Canada),</li> <li>2. The holder of this licence must have signed written authorization from the other licensed operator specifying the terms by which the licence holder is engaged including the time period for which the written authorization is valid,</li> <li>3. The holder of this licence must operate its vehicles in accordance with all the applicable terms and conditions of the other licensed operator's licence, and</li> <li>4. The holder of this licence must carry in its vehicles a copy of the written authorization referred to in paragraph 2 and a copy of the terms and conditions of the other licensed operator's licence when operating under this <i>engaged carrier authorization</i>.</li> </ol>
Express Authorization:	<p>Transportation of standees is authorized only when all of the following conditions are met:</p> <ol style="list-style-type: none"> <li>1. The licence holder has current and proper insurance coverage for the transportation of standees</li> <li>2. Passengers are not permitted to stand for a period that is longer than 30 minutes or for a distance that exceeds 30 road kilometers, and</li> <li>3. Freight and passenger baggage is not carried in the passenger compartment when standees are being transported.</li> </ol>

Route Overlap:	<p>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:</p> <p>(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</p> <p>(b) the scheduled wait time at the consolidation point of Nanaimo does not exceed 30 minutes.</p> <p>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.</p>
Abbreviations:	<p>The following abbreviations are used to describe terms and conditions of this special authorization:</p> <p>alt “alternate” Route Points that is not located directly enroute between other Route Points authorized by the Board; service may be provided to one or more alternate Route Points at the option and frequency of the licence holder on the condition that all minimum route frequencies approved or set by the Board are maintained.</p> <p>rd: “reserve drop” stops are made only to pick up or drop off passengers who have made an advance reservation with the licensee or agent of the licensee.</p>

<b>Route 1 of 5</b>		
Terminating Point 1: City of Nanaimo		
Terminating Point 2: District of Tofino		
<b>Route Points</b>	<b>Daily Minimum (each direction)</b>	<b>Total Weekly Minimum</b>
City of Nanaimo	2	32
Wellington	1 rd	28 rd
Nanoose	1 rd	28 rd
Craig’s Crossing	1 rd	28 rd
City of Parksville	2	32
Coombs	2 rd	32 rd
Hilliers	2 rd	32 rd
Cameron Lake	2 rd	32 rd
City of Port Alberni	2	32
District of Ucluelet	1	14

District of Tofino	1	14
<b>Route 2 of 5</b>		
Terminating Point 1: City of Victoria		
Terminating Point 2: District of Tofino		
<b>Route Points</b>	<b>Daily Minimum (each direction)</b>	
City of Victoria	3	
District of Saanich	3	
City of Langford	3 rd	
Mill Bay	1 rd	
Cobble Hill	1 rd	
Cowichan Bay	1 rd	
City of Duncan	3	
District of North Cowichan	1 rd	
Saltair	1 rd	
Town of Ladysmith	3 rd	
Cassidy	3 rd	
City of Nanaimo	3	
City of Parksville	2	
City of Port Alberni	2	
Ucluelet / Tofino Junction	1	
Pacific Rim National Park	1	
Tofino Airport / Golf Course	1	
District of Tofino	1	
Alternate Routing:	The route points set out above do not preclude the licence holder from, on any portion of Highways 1, 4, 4A, 19 and 19A that is situated between the terminating points, making scheduled time stops or unscheduled drop-offs or conveying passengers who hail or flag the motor vehicle from the street.	

<b>Route Number:3 of 5</b>	
<b>Terminating Point 1:District of Tofino</b>	
<b>Terminating Point 2:District of Ucluelet</b>	
Seasonal Operation:	Service must begin each year on March 1 and then cease on October 31.
<b>Route Points</b>	<b>Daily Minimum (each direction)</b>
<b>District of Tofino</b>	1
Pacific Rim National Park	1
District of Ucluelet	1
<b>Route 4 of 5</b>	
<b>Terminating Point 1: City of Nanaimo</b>	
<b>Terminating Point 2: City of Campbell River</b>	
<b>Route Points</b>	<b>Daily Minimum (each direction)</b>
City of Nanaimo	2
Nanoose	1 rd
City of Parksville	2
French Creek	1 rd
Town of Qualicum Beach	1 rd
Horne Lake Road	1 rd
Bowser	1 rd
Fanny Bay	1 rd
Buckley Bay	1 rd
Union Bay	1 rd
Village of Cumberland	alt
Royston	1 rd
City of Courtenay	2
Merville	1 rd
Black Creek	1 rd
Oyster River	1 rd
City of Campbell River	2

<b>Route 5 of 5</b>	
<b>Terminating Point 1: City of Campbell River</b>	
<b>Terminating Point 2: District of Port Hardy</b>	
<b>Route Points</b>	<b>Daily Minimum (each direction)</b>
City of Campbell River	1
Sayward & Highway 19	1 rd
Village of Sayward	alt
Woss Camp	1 rd
Town of Port McNeill	1
Port Alice Junction	1 rd
District of Port Hardy	1
Transfer of a licence:	<b>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.</b>