

# Preliminary Licence Application Decision ICB –Simplified Process

<b>Application #</b>	3035-18	<b>Applicant</b>	Wilson’s Transportation Ltd.
<b>Trade Name (s)</b>	Island Connector, BC Connector		
<b>Principals</b>	John Murray WILSON	Valerie L. WILSON	
<b>Address</b>	4196 Glanford Avenue, Victoria, BC V8Z 4B6		
<b>Current Licence</b>	Passenger Transportation Licence # 70583: <ul style="list-style-type: none"> <li>• Special Authorization: Inter-city bus (ICB)</li> <li>• General Authorization</li> </ul>		
<b>Application Summary</b>	<p><b>Amendment of Licence—ICB</b></p> <p><i>Simplified ICB Process</i></p> <p>Amend the Special Authorization to add the following ICB routes:</p> <ol style="list-style-type: none"> <li>2. Vancouver – Kamloops</li> <li>3. Vancouver – Kelowna</li> </ol> <p><i>Regular ICB Process</i></p> <p>Amend the Special Authorization to add the following ICB route:</p> <ol style="list-style-type: none"> <li>4. Vancouver – Whistler</li> </ol>		
<b>Publication Date</b>	September 26, 2018		
<b>Submissions Received</b>	None received for proposed routes 2 & 3		
<b>Preliminary Board Decision</b>	Routes 2 and 3 are approved as set out in the decision.		
<b>Decision Date</b>	October 16, 2018		
<b>Panel Chair</b>	William H. Bell	<b>Panel Member</b>	Spencer Mikituk

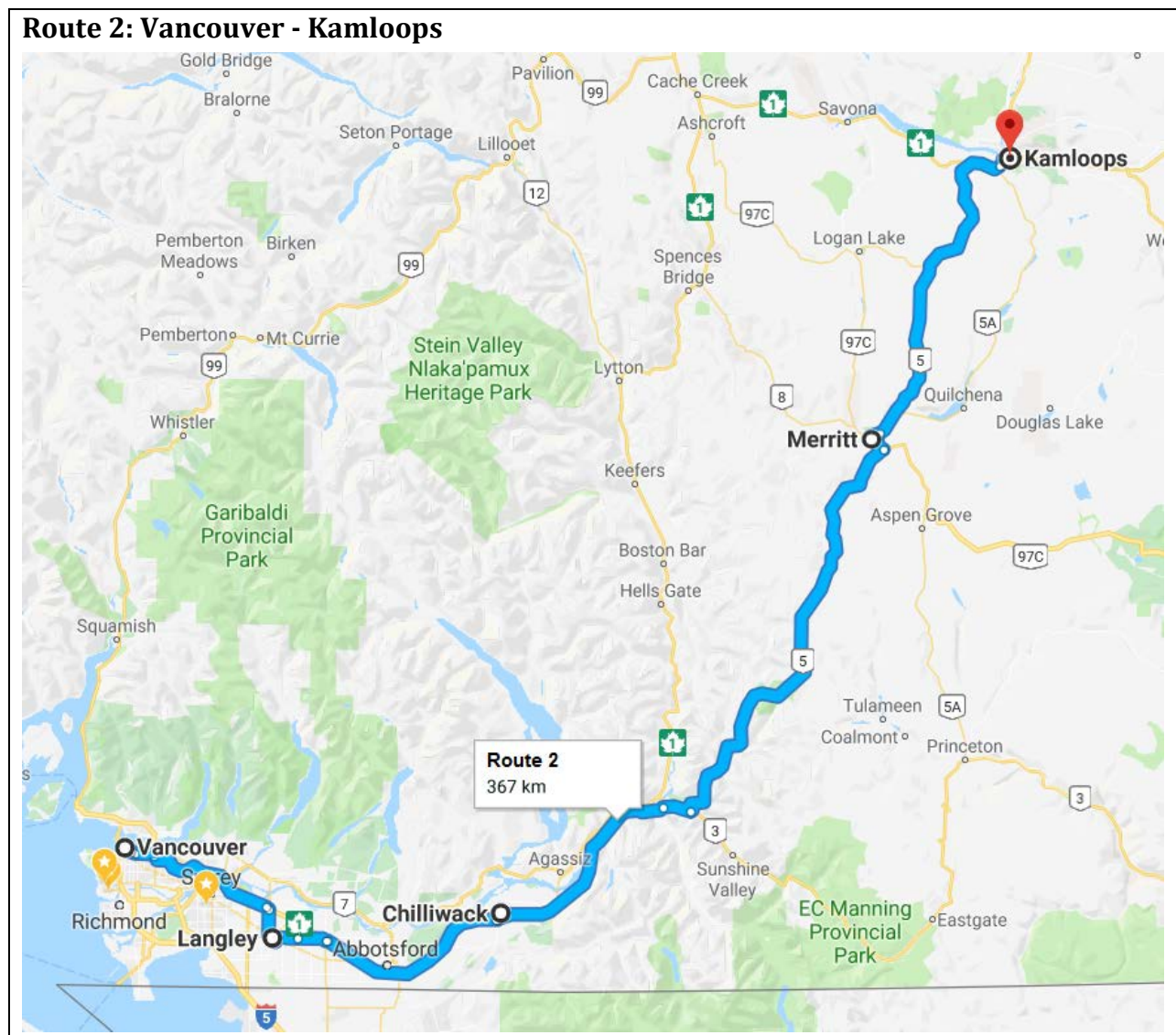
## I. Introduction

Wilson's Transportation Ltd. (WTL) is applying under the Board's simplified ICB process to amend its special authorization licence to add the following two ICB routes:

Route 2: Vancouver-Kamloops

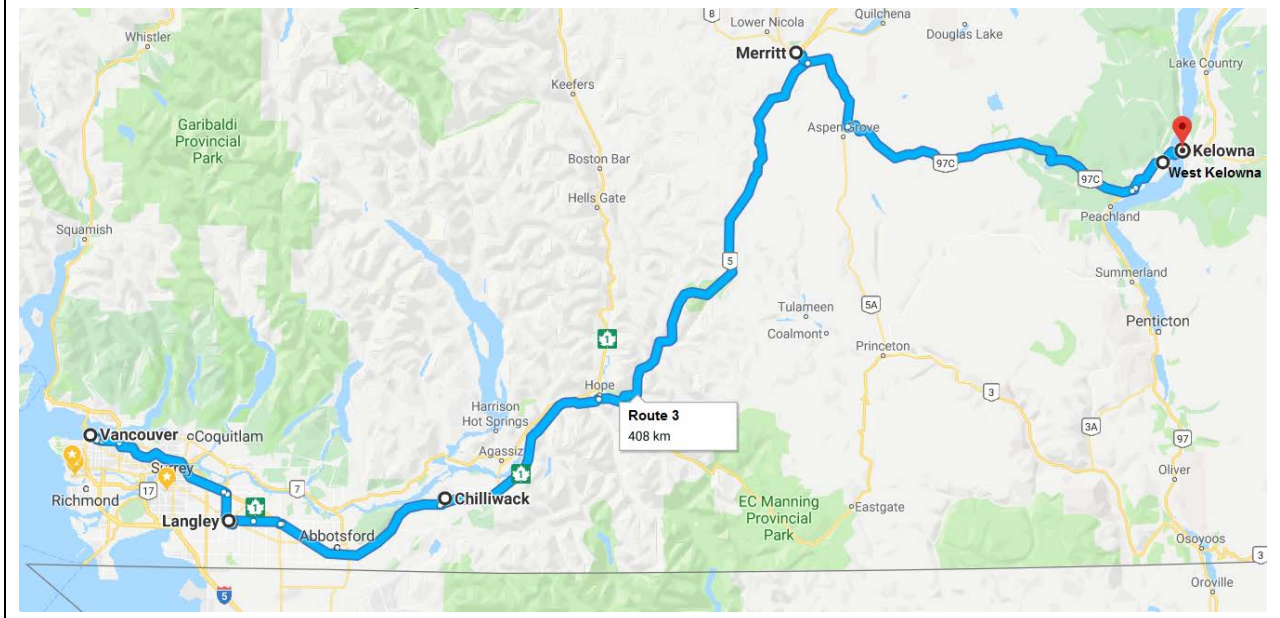
Route 3: Vancouver-Kelowna

The maps that follow show the route and route points, highlighted in bold text, for routes 2 and 3.



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### Route 3: Vancouver - Kelowna



WTL is proposing to operate one trip per day in each direction on the proposed routes based on a specific schedule dictated by the service requirements. The emphasis is a commuter, express style service between the lower mainland and the interior B.C. markets noted.

The service would operate on a reservation only basis via phone, email or directly on its website the day prior to travel. Tickets would also be available to purchase directly through the driver at on call pickup points or at a ticket counter at Pacific Central Station.

WTL currently has a PT licence with a Special Authorization: Inter-city bus. Under this authority, WTL is providing cross ferry transportation between Victoria and Vancouver. WTL is also applying to provide service between Vancouver and Whistler; however that route, #4, is not the subject of this preliminary decision.

### Procedural matters

#### (a) Preliminary Decision

The Board may issue a preliminary decision on parts of the application pending a final determination on the application. We are issuing a preliminary decision on routes 2 and 3. This is a preliminary decision only and will not become final until we issue a decision on application 3035-18 *in toto*. The outcome for route 4 has not yet been decided.

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Should any matter arise in our review of the whole application that relates to any of the orders in this preliminary decision, we may reconsider any or all of the preliminary decisions. The applicant may act on this preliminary decision but should be aware of this caveat. The Board will not be accepting any further submissions with respect to the routes that are the subject of the preliminary decision.

*(b) Similar Applications*

The Board received one other application, from Diversified Transportation Ltd, to serve routes 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 intercity 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 8 & 1).

*(c) Process*

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

## **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

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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]
- 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.

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### **III. Background**

WTL has been in operation since 1962. It currently serves Victoria and Vancouver Island. It is Vancouver Island's largest charter bus company and is one of the top three in B.C. In addition, to its core business of bus charters and rentals, it operates several scheduled services which include Gray Line Sightseeing, YYJ Airport Shuttle and a BC Ferries Connector Service.

The applicant was initially approved for a Special Authorization: Inter-City Bus in January 2016. That application, 473-15, was submitted and approved as an Urgent Public Need (UPN) application. This service is under contract to BC Ferries and provides bus transportation from Victoria to Vancouver (includes Delta, City of Richmond, YVR and City of Vancouver) in each direction with a minimum of three times.

The applicant was refused an application 317-17 to amend its terms and conditions of licence to add an express service with an additional Victoria – Vancouver route (one trip monthly in each direction) and Victoria – Nanaimo route (one trip daily in each direction) as the applicant did not meet the requirement of demonstrating a public need for either addition.

More recently, in October 2018 the Board approved an “engaged carrier authorization” for WTL to provide service for Tofino Bus Lines Inc. (TBSI) based on a request for this authorization from TBSI as proof of need for the service. TBSI offers a daily return ICB service between Vancouver, Victoria, Duncan, Nanaimo, Parksville, Port Alberni, Ucluelet and Tofino.

The applicant submitted the requisite material and forms.

### **IV. Applicant's Rationale, Submissions and Responses**

#### *(a) Applicant's Rationale*

With the pending closure of Greyhound Canada services, there is an immediate demand for transportation services to these three hubs: Vancouver, Kelowna and Kamloops. Wilson's Transportation would like to provide a solution to this need. With Wilson's Transportation's current infrastructure, this would be a good fit for the people and the province.

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*(b) Submissions & Applicant's Response*

The Board did not receive any submissions on routes 2 and 3.

## **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.

WTL was incorporated on December 4, 1980. The applicant's National Safety Code certificate is in good standing. The disclosure form of Unlawful Activity and Bankruptcy form indicates no negative concerns about the principal.

The applicant's fleet includes 150 vehicles. The company's website indicates these consist of highway coaches, mini coaches, school buses and vans. Wheelchair accessible buses are available. The company also operates an eight-bay mechanical and body shop facility where

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its contracts include retrofitting BC Transit buses. This is an extensive government certified inspection facility responsible for maintenance of their fleet. All buses operated out of the lower mainland will follow a structured maintenance routine to ensure their upkeep and proper maintenance. Under the Wilson's group of companies, it also operates the Capital City Station, the Capital City Café and a new Wilson's Customer Experience Call Centre.

The company has a strong management organization with both Victoria and Vancouver based operating divisions. Through WTL's BC Ferries Connector service the Vancouver division has the infrastructure in place to manage the two proposed routes. WTL has also been connected to Greyhound operations through its operation of the Capital City Station which is the current Victoria bus terminal. The company sold tickets for all Greyhound routes, during which time it interacted with the clientele that has provided insight into the consumer demand for its proposed routes.

The marketing plan includes various media and a fully functional website that will instruct customers how to use the service and collaboration with Greyhound to assist the changeover. It notes a main marketing opportunity includes the ability to cross-market its new proposed services as a connection option to its BC Ferries Connector service.

The applicant outlined its extensive hiring and training process for drivers which includes a comprehensive driver's manual.

There has not been any information brought to our attention to prove that the applicant is not fit and proper. The financial information included a balance sheet and income statements for the year ending December 31, 2017. Also included were three-year financial projections for the two routes proposed in this decision. The forecasts appear reasonable and realistic given the assumptions outlined. The infrastructure and vehicles for startup of this ICB service out of Vancouver are in place by the applicant and associated costs are avoided.

There has not been any information brought to our attention to prove that the applicant is not fit and proper. Further, WTL has the experience, operational knowledge and 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 proposed services.



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The applicant is to operate from Vancouver to Kamloops and from Vancouver to Kelowna. As of October 31, 2018, the two routes will be without inter-city bus service, unless a new service or services are approved. The routes proposed by WTL give the public added service options along segments of five routes in Greyhound's current Passenger Transportation Licence. They provide a continuation of some of the Greyhound services when Greyhound stops operating. As a result, we find that there is a public need for the service the applicant proposes.

The applicant also referred to the large population and customer base including the annual influx of tourists that require the maintenance of an ICB service to these markets. Many rely and choose bus transportation, as their desired form of travel. It further notes in relation to business partnerships and alliances that it will continue working with Greyhound Lines, Inc., the US based company, as the new service will be an interline service that can seamlessly connect with Greyhound Lines' Vancouver-Seattle route. Also, WTL's partnership with BC Ferries and the new proposed Island Ferries (Nanaimo) can connect Vancouver Island passengers to the mainland, as will their current daily BC Ferries Connector bus from Victoria to Vancouver. The latter, for example, could connect a passenger seamlessly and represents a great opportunity to streamline services and attract a different traveling customer to the commuter bus service.

As noted, we have considered this application and the application of Diversified Transportation Ltd. together. We had 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 minimum route frequencies of one round trip per day. These minimum frequencies are similar to those of Greyhound's service levels prior to February, 2018. WTL, 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 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.

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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, Wilson's 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 Wilson's Transportation Ltd. that reflects the amendments approved in this decision and set out in Appendix 2 after the Registrar is satisfied that Wilson's Transportation Ltd. has posted time schedules on line and made available to the public on line its reservation system.

<p><b>Licence Required to Operate Vehicles</b></p>	<p>The Registrar of Passenger Transportation must issue the applicant a licence before the applicant can operate any vehicles approved in this decision.</p>
<p><b>Approval of application may expire</b></p>	<ol style="list-style-type: none"> <li>1. The applicant must activate at least 2 vehicles by <b>November 15, 2018</b>.</li> <li>2. If the applicant does not meet the requirements set out in 1 above, this Special Authorization expires.</li> <li>3. The Passenger Transportation Board may vary the requirements set out in 1 above, if circumstances warrant it.</li> <li>4. If an applicant needs more time to activate its vehicles, then the applicant must make a request to the Board before <b>October 31, 2018</b>.</li> </ol> <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>
<p><b>Notice to Registrar</b></p>	<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 <b>by November 15, 2018</b>.</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>
<p><b>Special Authorization:</b></p>	<p><b>Inter-City Bus (ICB)</b></p>
<p><b>Terms &amp; Conditions:</b></p>	
<p>Service:</p>	<p>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>.</p>
<p>Schedule:</p>	<p>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.</p>
<p>Abbreviation:</p>	<p>The following abbreviation is used to describe terms and conditions of this special authorization.</p>

	alt "alternate" route point 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.
<b>Route Number: 1</b>	
Terminating Point 1:	<b>Victoria</b>
Terminating Point 2:	<b>Vancouver</b>
Route Points	Daily Minimum (round trips)
City of Victoria	3
Town of Sidney <sup>1</sup>	alt
Swartz Bay Ferry Terminal	3
Tsawwassen Ferry Terminal	3
Corporation of Delta	alt
City of Richmond <sup>2</sup>	alt
Vancouver International Airport	alt
City of Vancouver	3
Footnotes:	<p><sup>1</sup>The "alt" authorization for the Town of Sidney is for Victoria bound trips only.</p> <p><sup>2</sup>The Vancouver International Airport is excluded from the City of Richmond for the purposes of this special authorization.</p>
Limited Pick Up & Drop Off:	<p><i>Victoria Bound Trips:</i> From the City of Vancouver through until the Vancouver International Airport, passengers may be picked up only. After departing from the Vancouver International Airport, passengers may be picked up or dropped off.</p> <p><i>Vancouver Bound Trips:</i> From the City of Victoria through until any point reached before arriving at the Vancouver International Airport, passengers may be picked up or dropped off. From the Vancouver International Airport through until the City of Vancouver, passengers may be dropped off only.</p> <p><i>Pick up and Drop off in Richmond<sup>1</sup>:</i> Despite the limitations set out above, passengers may be picked up and dropped off in either direction within the City of Richmond<sup>1</sup>.</p>
Service Limitation:	Service may only be provided when the licensee has a written transportation service agreement with BC Ferries to provide inter-city bus service on this cross water route.

<b>Route Number: 2</b>	
Terminating Point 1:	<b>Vancouver</b>
Terminating Point 2:	<b>Kamloops</b>
Corridors:	Highway 1: Vancouver – Hope Highway 5: Hope - Kamloops
Route Points	Daily Minimum (round trips)
City of Vancouver	1
City or Township of Langley	1
City of Chilliwack	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.
<b>Route Number: 3</b>	
Terminating Point 1:	<b>Vancouver</b>
Terminating Point 2:	<b>Kelowna</b>
Corridors:	Highway 1: Vancouver – Hope Highway 5: Hope – Merritt Highway 97C: Merritt - Kelowna
Route Points	Daily Minimum (round trips)
City of Vancouver	1
City or Township of Langley	1
City of Chilliwack	1
City of Merritt	1
District of West Kelowna	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.
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>