

Licence Application Decision

ICB –Simplified Process

Application #	3194-18	Applicant	Cantrail Coach Lines Ltd.
Trade Name	Cantrail Coach Lines		
Principals	Dennis Shikaze	Martin Yeh	
Address	220 – 1150 Station Street Vancouver BC V6A 4C7		
Current Licence	Passenger Transportation Licence # 70832: <ul style="list-style-type: none"> • Special Authorization: Inter-city bus (ICB) • General Authorization 		
Application Summary	Amendment of Licence—ICB <i>Regular ICB Process</i> <ul style="list-style-type: none"> • Amend the Special Authorization to add the following “Route 2” to operate ICBs: <ul style="list-style-type: none"> • Vancouver - Pemberton 		
Publication Date	October 24, 2018		
Submissions Received	<ul style="list-style-type: none"> • Universal Coach Line Ltd. • Blue Cactus Coach Lines Ltd. • Wilson’s Transportation Ltd. 		
Board Decision	The application is refused.		
Decision Date	December 12, 2018		
Panel Chair	William H. Bell	Panel Member	Spencer Mikituk

I. Introduction

Cantrail Coach Lines Ltd. (Cantrail) has a Passenger Transportation (PT) Licence 70832 with a Special Authorization; Inter-city bus (ICB) and a General Authorization. Under this Special Authorization, Cantrail provides bus schedule service between Vancouver and the Washington Border (crossing at 176 Street, Surrey, BC) with a minimum route frequency of two trips daily.

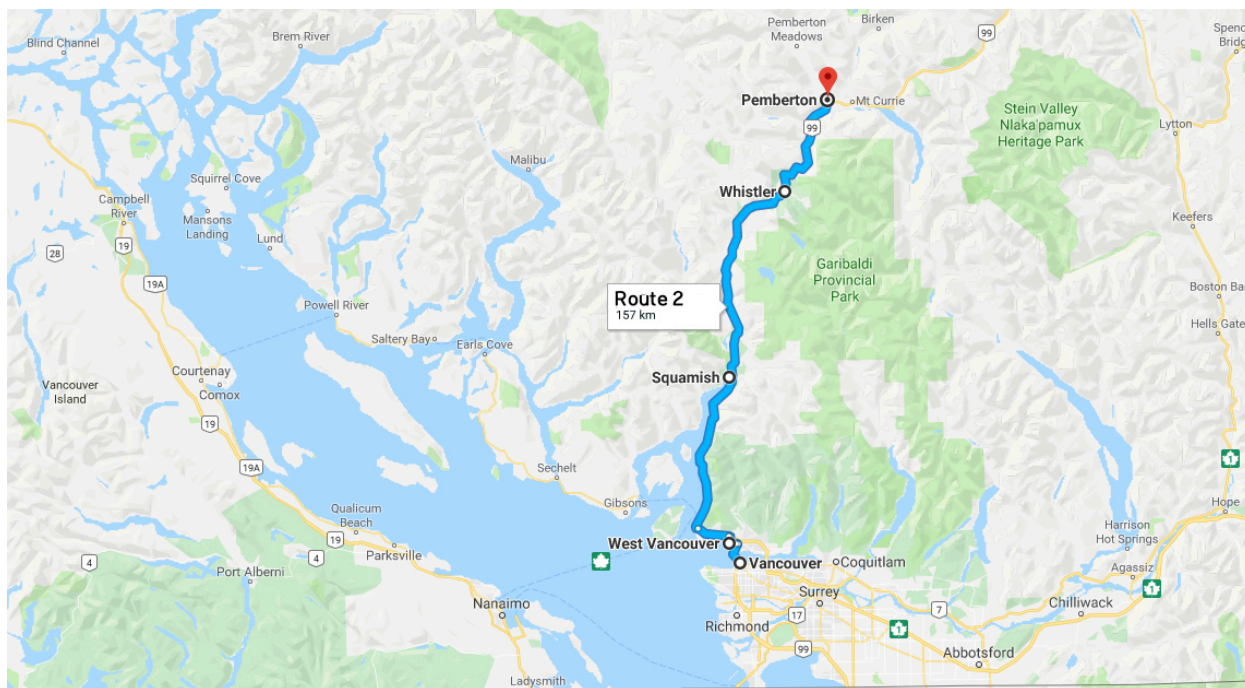
In July 2018, Greyhound Transportation Canada ULC issued a news release stating that, as of October 31, 2018, it will stop providing bus service in Western Canada. Subsequently, Cantrail applied to amend its Special Authorization licence to add the following ICB route:

Route 2: Vancouver-Pemberton

Greyhound Canada’s service withdrawal includes services under Route S1 of its licence from Vancouver to Pemberton. Other ICB operators provide service on this route therefore, we are processing this application under the regular application process, not the simplified process.

Proposed Route

Cantrail Coach Lines Ltd. proposes Route 2 (Vancouver - Pemberton) as a service with a minimum route frequency of two round trips daily with stops at West Vancouver, Squamish and Whistler. Route 2 is shown in the map below.



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 PT Act, the Passenger Transportation Board (the “Board”) makes decisions on applications for inter-city buses. The Board has authority to consider and approve applications for new licences as well as applications from existing licensees to change routes and minimum service levels.

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.

The Act also allows the Board to, among other things:

- conduct proceedings together [section 14]
- 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 PT 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 a 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.

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

III. Background

Cantrail and its predecessors have worked with Amtrak (National Railroad Passenger Corporation) since 1992. The two companies are partners in providing Amtrak Thruway motorcoach service between Seattle, Washington and Vancouver, B.C. Cantrail operates the service and Amtrak sells tickets through its website, reservation call centres and at Amtrak and VIA Rail stations.

The bus service primarily extends Amtrak's rail network to cities and rural communities that Amtrak trains do not directly service. In the Cascade Corridor, sponsored in part by the States of Washington and Oregon, Cantrail's daily motorcoach schedules increase service frequency above the 4 daily train services serving Vancouver.

The company operates mostly 56 passenger coaches and 24 passenger mini buses, depending on passenger demand.

The applicant submitted requisite forms.

IV. Application Rationale, Submissions and Responses

(a) Rationale for Application

The following text was provided by the applicant:

- *Cantrail Coach Lines, under a partnership agreement with Amtrak, has been providing the Seattle to Vancouver scheduled bus service for over 25 years. In the past three years, Cantrail's Vancouver to Seattle ridership has been increasing in excess of 15% per year.*
- *In replacing Greyhound, Cantrail believes that there exists an opportunity to expand its scheduled bus service from Seattle to Vancouver, and then to Whistler and Pemberton.*

-
- *Cantrail is considering incorporating a 'variable pricing strategy' for the above noted service, based on whether the service is a commuting service for locals or part of a tourist activity.*
 - *Ridebooker, an online booking company based in Whistler will provide Cantrail with ridership bookings between Seattle, Vancouver, Whistler, and Pemberton.*
 - *Cantrail Coach, in collaboration with Whistler Connection Tour and Travel, is considering providing door to door service in Whistler, and between Whistler and Pemberton.*

(b) Submissions & Applicant's Response

The Board received three opposing submissions to the application from Universal Coach Line Ltd. (Universal), Blue Cactus Coach Lines Ltd. (dba Snowbus) and Wilson's Transportation Ltd. (Wilson's). None of the submissions raised issues regarding fitness. Submissions, and the applicant's responses, focus on public need and sound economic conditions, as summarized below.

Public Need Submissions

- Amtrak does not offer service between Seattle and Whistler-Pemberton, and it cannot be inferred that any of the applicant's current ridership is evidence of a market for Whistler-Pemberton.
- Wilson's states that it received approval to operate on the Whistler corridor to replace the void left by Greyhound based on conditions at the time. Wilson's will be operating three trips per day in each direction, increasing to five per day over the Christmas season. Further, Whistler Connection shares common ownership with PCL and Cantrail and have authority to operate General Passenger Vehicles on the corridor from Vancouver to Pemberton.
- Cantrail's argument for connecting passengers from Seattle to Whistler would be through Pacific Central Station which is where Wilson's operates out of, and the option to connect exists and has been made available to Cantrail.

-
- Any market vacated by Greyhound is accommodated by existing Special Authorization operations (inter-city buses and passenger directed vehicles) and General Authorization (GA) providers including Cantrail's sister company Whistler Connection as well as many other licensed passenger directed and "gray-market" options currently serving the corridor. There is no public need as the Sea-to-Sky corridor is currently saturated with operators of all types. Any new customer base that Cantrail/PCL may bring from its Seattle route can easily be serviced by existing ICBs.
 - There is no evidence from Cantrail to support its rationale that there exists an opportunity to expand its scheduled bus service from Seattle to Vancouver, and then to Whistler and Pemberton.
 - BC Transit offers three round trips daily between Pemberton and Whistler. The service is inexpensive and subsidized for regular commuters, and there is no evidence to support a new market willing to pay more for the luxury-type coaches operated by Cantrail. The B.C. Government and the Resort Municipality of Whistler have stated that commuter services will be provided along the entire corridor by 2019.
 - Cantrail's "variable -pricing" model to differentiate the tourist and commuter markets will undercut existing ICB operators. Regardless of whether pricing is fixed or variable, it does not change the absence of need for additional ICB carriers on the route.
 - A moratorium for new routes on the corridor should be implemented to allow time to evaluate whether current operator capacity meets the public need.

Public Need Response by Cantrail

- Wilson's application was published as a daily round trip service only between Vancouver and Whistler, and not as three to five trips as it described. Cantrail is considering increasing its Summer service by two to three round trips per day.

-
- Greyhound Canada provided a local commuter service only with a minimum of five round trips daily with no assigned seats on a first come, first served basis. This translates into 35 guaranteed round trips weekly. The scheduled service included pick and drop off points in Vancouver, Squamish, Whistler and Pemberton. Wilson's has received authorization to operate a daily minimum of one roundtrip between Vancouver and Whistler, not Pemberton. This service, including a recent application from Snowbus (2413-18), to reduce its minimum frequency service in both the winter and summer season represents a 70% reduction in ski season service and a 77% reduction in non-ski summer season service. Wilson's service may not be adequate to fulfill the Vancouver-Whistler-Pemberton coach service void left by Greyhound Canada. Cantrail has applied to provide a coach service with a daily minimum of two round trips from Vancouver to Whistler and Pemberton.
 - The Cantrail target market is the more affluent senior market and not the day tripper, BC Transit services would not be an option for this market.
 - Whistler Connection will only provide "taxi like service" using Mercedes Sprinters in the Village of Whistler and not between Vancouver to Whistler. Cantrail will provide coach service between Vancouver and Pemberton, but not within the Village of Whistler which is not coach friendly.
 - As a connecting service with the US-based Greyhound Line's passengers via Seattle, Wilson's is dependent on Greyhound Lines to market the service, sell tickets and collect cash. Further, the Greyhound Lines US Interline service ends at Pacific Central Station each day at a time that requires the start of winter trips to Whistler after 6pm which is not adequate as a connecting service. The Amtrak/Cantrail service from Seattle to Vancouver arrives daily at times more conducive to travel onward on the Sea to Sky corridor.
 - Unlike the Wilson's/Greyhound Lines arrangement, the Cantrail/Amtrak partnership caters to the more mature summer vacationers.
 - Cantrail will be incorporating a "Variable Pricing" model to charge non-residents of BC a premium price compared to local residents. It believes that a "public need" exists to provide reasonably priced transportation service to locals traveling

between Whistler and Pemberton, a service it will provide for the many workers who live in Pemberton and work in Whistler.

- The Whistler-Blackcomb Ski resort has been the top rated ski resort destination in North America and “is more than a ski town” (according to *Seattle Magazine*) with both winter and summer activities. According to the Mayor of Whistler in a CBC interview on October 6, 2017, the Summer months have become busier than the ski season with 60% of tourists arriving in Summer compared to 40% in winter. Greater Seattle with a population of 3.6 million is a market ready for Whistler. The Conference Board of Canada states that BC will lead the country in economic growth driven by tourism as the result of the low Canadian dollar and solid American, European and Asian demand.

Sound Economic Conditions Submissions

- Cantrail seeks an alternative way to operate ICBs on the Sea-to-Sky corridor in response to the recent loss of the YVR concession by Cantrail’s corporately related company, Pacific Coach Lines Ltd (PCL). Contrary to the promotion of sound economic conditions, approving Cantrail would perpetuate the decade-long dominance on the Sea-to-Sky corridor by three corporately related companies. Of these, two licensees operate ICBs (Cantrail and PCL) and one operates passenger directed vehicles (Whistler Connection). The three companies benefit from a strong partnership with Ridebooker and its client lists, booking software and services.
- Approving the Cantrail application puts the application in direct competition with the new Universal service and duplicates the service.
- Ridebooker has been offering transportation booking options from Seattle to Whistler for several years with existing service providers and does not warrant additional carriers to operate this corridor. Wilson’s and Ridebooker have an agreement in principle, on a preferred carrier basis to fulfil ridership requirements to Whistler.
- Approval of the Cantrail application would lead to them undercutting the local and tourist transport services in a destructive manner.

Sound Economic Conditions Response by Cantrail

- Cantrail has no influence on the YVR contract. Its market is from Seattle to Vancouver to Whistler and then Pemberton, and does not conflict with Universal's licence to operate between YVR, Vancouver and Whistler.
- Cantrails' bookings and dispatching services are performed by Amtrak. Ridebooker's services will only be complementary to Amtrak's online booking and logistic service.

The Board gives more weight to submissions that back up claims with facts or details. I have considered the opposing submissions and the applicant's responses in my review of this application.

V. Board Mandate

Section 28(1) of the *Passenger Transportation Act* says that the Board may approve the application, if the Board considers that:

- there is a public need for the service the applicant proposes to provide;
- the applicant is a fit and proper person to provide the service and is capable of providing it; and
- the application, if granted, would promote sound economic conditions in the passenger transportation business in British Columbia.

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 Board finds comments written by potential passengers more useful than form letters or petitions or strings of social media posts. 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.

Cantrail seeks an amendment to its “Special Authorization (SA): Inter-city Bus” licence to operate a daily round-trip service between Vancouver and Pemberton with stops at West Vancouver, Squamish and Whistler. Its Condensed Operating Plan states that its target market is “*To service not only locals but to also expand to the Greater Seattle market using Cantrail’s existing scheduled bus service between Seattle and Vancouver.*”

As context respecting public need for additional service, five other ICB operators currently provide service on the corridor:

- **Blue Cactus Coach Lines (dba Snowbus):** Seasonal service (late November to April) with two routes serving passengers who start or end trips in Whistler:
 - Richmond - Whistler with a daily minimum of two trips in each direction including stops in Vancouver and the District of West Vancouver.
 - Burnaby - Whistler with a weekly minimum of three trips in each direction and stops in the District of North Vancouver.

- **Epic Rides:** Seasonal Vancouver – Whistler service in the summer (June to October) and winter (November to April). The weekly minimum frequency is two trips in each direction. From December to April only, the operation authorizes service from UBC with a minimum of one trip per week in each direction.

- **Whistler Rides Inc:** Year-round service between Vancouver and Pemberton with a daily minimum route frequency of one trip in each direction. The route also stops at Squamish and Whistler. The Board recently approved this route in an application decision that was published in the *Weekly Bulletin* on October 31, 2018.

- **Wilson’s Transportation Limited:** Year-round service between Vancouver and Whistler with a daily minimum route frequency of one trip in each direction. The service includes stops at Vancouver, West Vancouver, Squamish and Whistler.

The Board recently approved this route in an application decision that was published in the *Weekly Bulletin* on October 31, 2018.

- **Universal Coach Line Ltd. (UCLL):** YVR contract service (Delta – YVR – Whistler) that replaces the Pacific Coach Lines (PCL) in December 2018. Minimum service is 4 daily round trips (YVR-Whistler portion) on a year-round route that includes the Vancouver Hotel Area and the District of Squamish. The Board recently approved this route on an urgent public need basis as part of an application decision that was published in the *Weekly Bulletin* on November 16, 2018.

The panel at the time of reviewing the above ICB applications from Whistler Rides Inc. (WRI 2330-18) and Wilson’s Transportation Ltd. (WTL 3035-18) in light of the services vacated by the Greyhound exit, considered a letter from the mayor of Squamish dated October 4, 2018 that reports that all communities within the Sea to Sky Corridor rely on ICB service as there are few commuter options for residents, and the gap created by the imminent Greyhound exit will adversely affect many residents and commuters. It also considered, at the time, three submissions previously received from local government authorities in response to the application 256-17 by Greyhound Canada that proposed changes to its services on the Sea-to-Sky corridor prior to its current exit on the Sea-to Sky Corridor that expressed concerns about the Greyhound proposal to eliminate route points and reduce service levels. However, at this time, and with the above approvals of WRI and WTL by the panel which confirms two added ICB operators on the corridor the panel felt the consideration of these support letters was unnecessary.

Further, more than 20 licensees with General or Special Authorization, or both, are authorized to operate on the corridor providing limousine, tour, sightseeing, shuttle, and other passenger transportation services.

The applicant has presented general information and-statements about the market and tourism growth, population and trends in its application, and in response to submissions. However, the applicant has not provided a clear analysis that links its information and statements with its request to operate the proposed ICB service. It has provided insufficient evidence, details and information from people, government or organizations, whether they are residents or tourists, that would use or promote the proposed service, and the degree to which they would do so.

More specifically, we note that the information and evidence about the applicant's Seattle-Vancouver operation is insufficient to indicate a level of public need that supports the level of service planned on the corridor.

Further, five providers of different ICB services on the Sea-to-Sky corridor currently have the licensing flexibility to exceed minimum service levels in response to the needs of residents and tourists in the Lower Mainland. Multiple options exist on the corridor to connect ICB passengers with various bus networks and modes of transportation in Metro Vancouver. This is augmented by other licensed passenger transportation services currently operated on the Sea-to-Sky corridor on a regular basis. Overall, we find there is no compelling evidence provided by the applicant to lead us to conclude that the services of licensed operators between Vancouver and Whistler, or between Whistler and Pemberton are not meeting the current public need and that the addition of applicant's proposed ICB service is required on the corridor for public need to be met.

We find that the applicant has not demonstrated a public need for its proposed ICB service.

(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?

Without a proven public need for the proposed service, we do not see how approving the Cantrail application would promote sound economic conditions.

Further, we find that, at this juncture, the introduction of another new operator and service may have an unduly negative impact on the establishment and stability of inter-city bus operations on this competitive corridor.

We do not find that approval of this application would promote sound economic conditions in the passenger transportation business in B.C.

(c) Is the applicant a fit and proper person to provide that service and 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.

Cantrail Coach Lines Ltd. was incorporated on March 10, 1980. The disclosure forms of Unlawful Activity and Bankruptcy indicated no negative concerns about the principal.

Cantrails's National Safety Code (NSC) safety performance rating is satisfactory-unaudited. The applicant signed the Liquor Control and Licencing Act declaration stating, among other things, that it will operate its vehicles in accordance with the Act.

There has not been any information brought to our attention to prove the applicant is not fit and proper.

The applicant included an ICB Condensed Operating Plan that outlines its booking processes; the knowledge and skills of its management team and the hiring, training and development for drivers. The financial information included a Balance Sheet and a Statement of Earnings and Retained Earnings income statements for the year ending December 31, 2017. Also included was a three-year financial projection 2019-2021.

A letter of commendation from the Director, Thruway Bus Operations, Amtrak, provided a testimony to Cantrail's management and drivers for their professional operation.

We find the applicant to be a fit and proper person with the skills and infrastructure in place to be capable of managing and providing the additional service.

VII. Conclusion

For the reasons above, this application is refused.