

Licence Application Decision

Inter-City Bus—New

Application #	8875-20
Applicant & Application Summary	Gurdev Singh RANDHAWA & Jagraj Singh SANGHA <i>Trade name:</i> 1313 Transport New ICBA Licence <ul style="list-style-type: none">• New Special Authorization: Inter-City Bus Authorization (ICBA)• Operate the following route on a reservation basis:<ul style="list-style-type: none">A. Vancouver-BC/AB Border (HWY1)
Applicant Information	<i>Current Passenger Transportation Licence:</i> None. <i>Partners:</i> <ul style="list-style-type: none">• Gurdev Singh RANDHAWA• Jagraj Singh SANGHA <i>Office:</i> 32366 Marshall Road, Abbotsford, B.C. V2T 1A4
Publication of Application	May 6, 2020
Submissions & Public Comments	Rider Express Transportation Corp.
Board Decision	The application is refused.
More Info	Notice of applications and published decisions are posted in the PT Board Bulletin . For convenience, published documents for recent ICB applications are listed on the bus application webpage .
Decision Date	July 9, 2020
Panel Chair	William Bell

I. Introduction

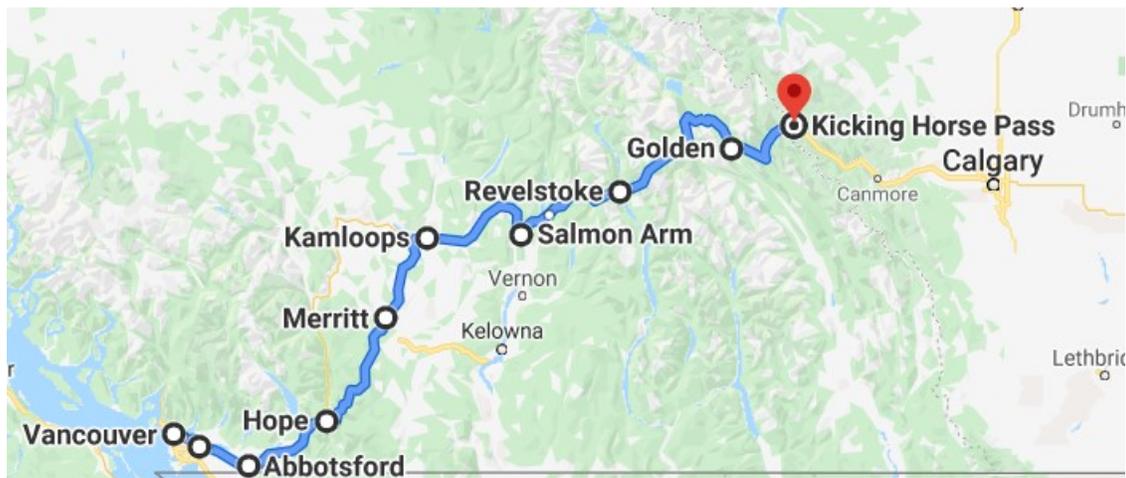
The applicant, Gurdev Singh RANDHAWA & Jagraj Singh SANGHA, 1313 Transport Inc. (dba 1313 Transport) does not have a licence to operate inter-city buses (ICBs).

1313 Transport is applying for:

Route A. Vancouver-BC/AB Border (HWY1) with MRF of 1 trip per day in each direction.

The proposed route is shown in Figure 1 below:

Figure 1: Proposed Route A



II. Background

1313 Transport is a proposed bus service that will operate under the company 1313 Transport Inc. that is equally owned by 2 partners: Gurdev Singh RANDHAWA & Jagraj Singh SANGHA that was incorporated in B.C. on December 30, 2013. Its head office is in Abbotsford, B.C. The proposed ICB service would involve two 50 passenger buses that would run a daily inter-city bus service in reverse directions on a route between Vancouver and Calgary. This would ensure passengers would be able to travel either route any day of the week.

III. Mandate & Jurisdiction

This application is made under the *Passenger Transportation Act* (the “Act”). The Act regulates the licensing and operation of commercial passenger transportation vehicles in BC.

Under the Act, the Passenger Transportation Board (the “Board”) makes decisions on applications for inter-city buses. The Board has the authority to consider and approve applications for new licences as well as applications from existing licensees to change terms or conditions of their licences.

The Board’s mandate is stated in section 28 of the Act. Section 28(1) of the Passenger Transportation Act says that the Board may approve, in whole or in part, an application forwarded to it under s. 26(1) after considering whether:

- (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.

The Act 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)]

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.

If the Board approves an application, it will set terms and conditions of licence primarily with respect to routes and service levels.

IV. Procedural Matters

The applicant submitted required forms.

This application is being conducted by way of a written hearing.

V. Applicant's Rationale and Submissions

Public Explanation

The applicant provided the following text in the Application Summary that was published in the *Weekly Bulletin*:

"1313 Transport's aim is to provide safe, reliable, comfortable and affordable bus transportation service for our passengers. Since the stoppage of the Greyhound bus service, there has been no passenger buses providing a night service between Vancouver to Calgary. 1313 Transport proposes to provide a night bus service to passengers travelling from Vancouver to Calgary and vice versa as historically it has been a popular time to travel for people with busy day time schedules and jobs. Night trips are also generally safer and faster due to decreased traffic and road construction. Our bus service will make stops in most cities along the popular route where airports and other modes of transportation are not available or easily accessible."

Submissions & Applicant's Response

The Board received 1 opposing submission to the application from 1 licensed ICB company. The submission and the applicant's reply are summarized below.

In its submission, Rider Express Transportation Corp. (Rider) argued:

- It has an application (7922-19) that is before the Board to change its minimum frequency requirements based on ridership numbers that warrant an increase in service.
- The 1313 Transport application represents just a different schedule on the same route they currently serve, not a new service.
- The service proposed would tap into the same customer base as theirs and destabilize profitability.
- Rider started the route with an overnight run but because it had to pass through cities and towns at very inconvenient hours it was uncomfortable for many users.

The overnight run also did not benefit from low traffic during the evenings, rather their drivers for safety reasons had to drive slower due to visibility issues as well as adverse road conditions in winter. Their plan is to offer an express overnight service on some days of the week to better match the needs of some passengers. The global pandemic crisis has temporarily disrupted the plan, but they are still set to offer the night service in the summer.

The Board received a reply from the applicant which stated:

- Their proposed ICB service provides an alternative for users as well as healthy competition.
- Rider’s application indicates that its ridership warrants an increase in bus frequency. Therefore, the Board should consider allowing it to tap into this need instead of allowing Rider to expand its service.

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

VI. Reasons for the Board’s Decision

Section 28(1) of the Act sets out the factors the Board must consider with respect to this application.

(1) Is the applicant a fit and proper person to provide its proposed service, and is the applicant capable of providing the service?

The Board looks at this question in two parts:

- (a) is the applicant a *fit and proper person* to provide the proposed service; and,
- (b) is the applicant *capable* of providing the service?

First, with *fit and proper*, the *Oxford English Dictionary* defines *fit* as including “well adapted or suited to the conditions or circumstances of the case, answering the purpose, proper or appropriate ... possessing the necessary qualifications, properly qualified, competent, deserving.” Also, the dictionary defines *proper* as including “suitable for a specified or implicit purpose or requirement; appropriate to the circumstances or conditions; of the requisite standard or type; apt, fitting; correct, right.” When looking at whether an applicant is fit and proper, the Board does so in the context of the passenger transportation industry in British Columbia. This includes the regulatory system that grants businesses a

licence which confers on them both the authorization they need to provide their service and an ongoing obligation to operate in accordance with proper standards of conduct.

Second, capability is generally understood to mean that an applicant has the ability or qualities necessary to skillfully and effectively meet its obligations and achieve the results it says it will achieve. When looking at capability, the Board reflects on whether the applicant has demonstrated that it has the knowledge and understanding of relevant regulatory requirements and policies that govern passenger transportation providers, and whether it is able to comply with those requirements. It also looks at whether the applicant has the background, skills and knowledge to manage its proposed service, and the financing to operate it. The Board expects an applicant to demonstrate its competence and ability by providing sound and realistic information in its business plan and financial statements that is consistent and compatible with the transportation service it proposes.

1313 Transport was incorporated on December 30, 2013. The disclosure forms of Unlawful Activity and Bankruptcy indicated no negative concerns about the principals.

1313 Transport's National Safety Code (NSC) safety performance rating is satisfactory- unaudited which is acceptable to the Board.

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 my attention to prove the applicant is not fit and proper.

The applicant included a Business Plan that outlines its ticketing processes which is on-line or by phone. It outlined its maintenance plan for the buses that would be serviced every 5,000 kilometers to ensure they operate safely and reliably. It also outlined its hiring, training and development for drivers. Drivers would require a Class 1 licence and 5 years of experience driving a commercial vehicle, preferably a passenger bus. They would also be subject to a vigorous background checks including a criminal and driving record check. The criminal record check would be required annually, and drivers would also be subject to random drug testing.

The financial information included 36-month cash flow projections and personal net worth statements for each partner. The 36-month cash flow statements appear unrealistically high. The projected fares are all premised on the highest fare which represents only several out of the various route point options proposed along the corridor. Further, the expenses over the 36-month period remain static with no adjustments or fluctuations in such items as fuel, maintenance and repairs, bank payments or insurance. Finally, there is no contingency plan for a continuance of bus service in the event of a breakdown.

With these shortfalls in the application, I am unable to make a determination if the applicant is capable of managing and providing the proposed ICB service.

(2) Is there is a public need for the service the applicant proposes to provide?

An applicant is required to demonstrate public need by showing that there are people who would use the proposed service. Applicants should provide clear information about the service it proposes, and they should provide supporting evidence that is factual and objective. They should not rely on general claims and their own opinion. The Board reviews applications and considers the extent and type of need that has been demonstrated for the proposed service.

The Board looks at the state of inter-city bus services in the area where the applicant is applying to operate. It may consider such things as:

- Will the service fill a gap in the market?
- Has an inter-city bus company recently left the market?
- Has the applicant shown that current service levels are unsatisfactory?

As context respecting public need for additional service, 3 other ICB operators are currently licensed to provide substantial service¹ on the whole or substantial segments of the corridor proposed by 1313 Transport as follows:

¹ Licensees with an existing inter-city bus authorization have the authority they need to provide service on the routes set out in their licence. Normally, these licensees are obligated to provide service that meets or exceeds the minimum frequency specified for the route. At present, due to the ongoing COVID-19 pandemic, the obligation to operate and meet minimum service levels is suspended temporarily. See the Industry Advisory of March 19, 2020 on the PT Board website: ICBs have temporary option to reduce or suspend scheduled service.

1. Rider Express Transportation Corp. (dba Rider Express).

In a recent application (see 7922-19 published June 24, 2020) that was approved by the Board, Rider Express's minimum frequency on its Vancouver – Calgary route in each direction was increased to 1 per day. The approval also added 3 new route stops. In total the BC route stops between Vancouver and Calgary now include Surrey, Abbotsford, Chilliwack, Hope, Merritt, Kamloops, Chase, Sorrento, Salmon Arm, Sicamous, Revelstoke and Golden.

2. Diversified Transportation Ltd. (dba EBus).

The company has a Route A service between Vancouver and to provide a minimum of daily service with route stops at Abbotsford and Merritt; on Route B between Kamloops and Kelowna to provide service 5 times/week with route stops at Chase, Sorrento, Salmon Arm, Enderby, and Armstrong (as well as Vernon to the south of Highway 1); and on its Route C between Vancouver and Kelowna to provide daily route stops at Merritt and Chilliwack.

3. Wilsons Transportation Ltd.

The company has a licence to operate Route 2 between Vancouver and Kamloops with a daily service minimum that includes route stops at Langley, Chilliwack and Merritt; and Route 3 between Vancouver and Kelowna with daily service minimum that includes route stops at Langley, Chilliwack and Merritt (and West Kelowna to the east of Highway 5.)

To demonstrate public need the applicant provided the following information and evidence:

- The applicant claims there is a dire need for a daily bus service to run on its proposed route and that since the stoppage of Greyhound that used to travel the similar route, many users of this bus service had nowhere to turn.
- A Vancouver Sun news article dated July 10, 2018 discusses the announcement of Greyhound's plan to shut down its operations in Western Canada and its impact on consumers. The shutdown was effective October 31, 2018.

- Many people use various social media sites to carpool with strangers to get to their destinations and would be more comfortable riding in a professionally managed bus service.
- Its bus service will be servicing areas with large populations such as Greater Vancouver, Surrey, Abbotsford, etc.
- People prefer to travel by bus because flights are too expensive for short trips and most of the cities it will service do not have an airport. Also passenger train is not available on the proposed bus route.
- Rider Express is the only company providing bus service on the proposed route with 1 morning route per day from Vancouver to Calgary and vice-versa. Therefore, there is a lack of a night service that it will fulfill which will be preferred by people because it will not interrupt their daytime job. Also, night service is more convenient and safer because of low traffic flow and fewer road construction projects.
- Its fares will be kept 20% lower by keeping overhead costs low.

I find there is very little information other than the applicant's speculation that the proposed night ICB service would be preferred. Since Greyhound's departure, many applications since October 2018 have been approved to fill service gaps left by Greyhound. While several different bus operators serve segments of the corridor, Rider Express is serving the same corridor and route stops and has been recently approved to increase its frequency of service as well as add new route stops. Further, it plans to add a night service.

Other than a somewhat stale-dated news article concerning Greyhound there is nothing to indicate and no evidence before me that the current Rider Express service is deficient or not meeting the public need and that a further scheduled bus service on the proposed corridor is required for public need to be met. For example, there are no letters from potential users, local government, business associations etc. regarding public need and use of the proposed service at night, or at any time.

Overall, the applicant has not provided any substantial and verifiable evidence that would enable me to conclude that an unmet public need exists. The onus is on the applicant to show public need. I find that the applicant has not demonstrated a public need for its proposed ICB service.

(3) Would approving the application support sound economic conditions in the passenger transportation business in British Columbia?

In considering sound economic conditions, the Board strives to balance public need for available, accessible and reliable commercial passenger transportation services with overall industry viability and competitiveness. The Board considers the issue from a wide-ranging perspective, which includes a consideration of harm to other industry participants. Generally speaking, it is the Board's view that the overall economic interests of the transportation business weigh more heavily than the economic and financial interests of any particular applicant or submitter.

The Board considers how the service could benefit the market and whether the market has the capacity to absorb additional services. It may consider such things as:

- Will the service give the public additional transportation options?
- 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, I do not see how approving the application would promote sound economic conditions.

Further, at this juncture, the introduction of another operator and service albeit a night one, would likely have a negative impact on the establishment and stability of inter-city bus operations on this competitive corridor.

I do not find that approving the application would promote sound economic conditions in the passenger transportation industry in BC.

VII. Conclusion

For the reasons above, this application is refused.