

Intercity Bus Service in Manitoba:

A PUBLIC DISCUSSION PAPER

INTRODUCTION

Many Manitoba communities depend on intercity bus service. As important as bus service is to Manitobans, access to it is not guaranteed. In late 2009, the industry announced reductions in intercity bus service for many Canadian provinces and territories, including Greyhound's decision to abandon scheduled passenger service in Manitoba.

In March 2010, the Province of Manitoba announced that it will invest \$3.12 million for a one-year service maintenance agreement with Greyhound Canada. This will ensure passenger buses keep operating across Manitoba until

a permanent solution is found. However, this is just a temporary measure and the province is asking Manitobans for their comments and suggestions for a long-term solution to the issue.

This document is the starting point for discussion on the issue and possible solutions. To succeed, the discussion must include the general public, members of the industry and federal and provincial governments.

Intercity buses move freight and passengers to northern, rural and Aboriginal communities to help them support and expand their quality of life as well as

their business and economic development opportunities.

Many Manitobans depend on buses to visit family and friends and travel to and from medical appointments. Rural and northern students use buses to attend school, college, training courses and university. For many rural and northern communities, bus service is the only alternative to personal vehicles.

This is an important issue and the province is asking Manitobans to become a part of the long-term solution and provide their ideas for ways to sustain bus service in Manitoba.

LEGISLATION AND REGULATIONS

Intercity bus service refers to commercial bus service that crosses municipal boundaries and the passenger pays for the use of that service. A bus that carries passengers and freight from Winnipeg to Thompson is an example of this service.

Two types of provincial regulations directly affect the intercity bus industry. One maintains safety standards and the other governs the economic aspect of the industry.

Economic regulation allows a provincial government agency to licence transportation companies to operate in the marketplace. In Manitoba, the *Highway Traffic Act (HTA)* gives the Manitoba Motor Transport Board authority to issue licences to intercity bus carriers. These licences specify the communities the buses can serve and the routes they can use to serve them. The board must also approve all changes in fares, schedules and service elimination to an area or community.

Historically, Manitoba has relied on economic regulation to maintain broader bus service across the province. The Manitoba Motor Transport Board uses its licensing authority to restrict competition between carriers on high traffic routes. This allows licensed carriers to use income from the high traffic routes to subsidize low traffic routes – often the routes to smaller rural and northern communities.

Greyhound has stated that the current legislation and regulations are the reason it is not making enough income to maintain the low traffic routes anymore. Greyhound says that income from its high traffic routes, bus parcel express and charter services can no longer offset the company's losses on low traffic rural routes. It also argues that it takes too long to approve any modifications Greyhound wants to make to its service so it can adapt to changing market demands.

MANITOBA'S INTERCITY BUS INDUSTRY

Intercity bus service crosses municipal boundaries and customers pay for seats on the bus or to have freight carried on these buses. Vehicles used for this type of service include motor coaches and passenger vans.

There are two kinds of service:

- **Scheduled service** carries passengers and freight from one town to another on a regular timetable (or schedule). For example: regular bus service between Sprague and Steinbach would be a scheduled service.
- **Chartered service** is provided on demand. For example: groups or organizations hire a bus for a specific trip, such as taking a sports team from Cartwright to a tournament in Brandon.

Intercity bus service is mainly provided by private companies that generally do not receive government funding. It provides convenient, affordable, safe and environmentally friendly travel. It is especially important for those who do not have access to a vehicle.

While there are a few routes served by smaller Manitoba-based carriers, or carriers that are contracted by Greyhound to provide service along specific routes, Greyhound is the main scheduled intercity bus carrier in Manitoba and in Canada.

Snapshot of the Manitoba Intercity Bus Industry:

Total number of intercity bus operators in Manitoba:	49
Number of intercity buses:	239
Total number of chartered bus operators in Manitoba:	47
Number of chartered buses:	234
Total number of scheduled bus operators in Manitoba:	9
Number of scheduled buses:	53
Total number of contract bus operators in Manitoba:	2
Number of contract vehicles:	7

Greyhound in Manitoba:

Total number of intercity bus stops:	293
Total number of intercity flag stops:	117
Total number of drop stops (no pick-up):	3
Total number of Greyhound agencies:	103

→ *Greyhound maintains it can no longer off-set its losses on its money-losing routes.*

→ *Manitoba relies on economic regulation to maintain intercity bus service to rural and northern communities.*

→ *Manitoba's Motor Transport Board regulates market entry for intercity bus carriers, as well as fares, schedules and service elimination.*

THE INTERCITY BUS INDUSTRY IN OTHER CANADIAN JURISDICTIONS

The economic regulations for intercity bus service in other Canadian jurisdictions vary. Some examples of other province's regulations include:

<p>SASKATCHEWAN HAS SIGNIFICANT ECONOMIC CONTROLS</p>	<ul style="list-style-type: none"> Like Manitoba, Saskatchewan uses economic regulation to maintain scheduled bus service to smaller rural and northern communities. Saskatchewan's Highway Traffic Board issues licences, and approves changes in schedules and fares. The Saskatchewan Transportation Company (STC) is a provincial Crown corporation, subsidized by the provincial government, to provide scheduled passenger and parcel express service to 280 communities. For service to some of the lowest-traffic routes, STC has subsidized contracts with small local contractors. In 2010, the Government of Saskatchewan authorized a \$9 million subsidy to STC, up from \$7.8 million in 2009. The Government of Saskatchewan has noted that the rising subsidy level required to run the Crown corporation is a concern.
<p>ALBERTA HAS LIGHTER ECONOMIC CONTROLS</p>	<ul style="list-style-type: none"> Alberta has relied on economic regulation to maintain scheduled bus service, and has moved to lighter economic controls in the past decade. Even if a licence is granted to a bus service, it does not give it exclusive rights to serve the route. If another carrier is able to provide a competing service, and it is in the public's interest, a competing service can be licensed. When a carrier in Alberta is issued a licence, a minimum number of trips (frequency rate) is set. For a carrier to drop below the frequency rate or stop providing service, it must get approval from the provincial governing body. If service to a small rural community is in jeopardy, the provincial body can insist that the carrier maintain the service. Alberta does not regulate fares. Carriers can simply increase fares without having to notify the provincial governing body.
<p>PRINCE EDWARD ISLAND HAS ECONOMICALLY DEREGULATED THE INTERCITY BUS INDUSTRY</p>	<ul style="list-style-type: none"> Any carrier wanting to provide bus service within PEI can do so without a licence from a provincial governing body. No approvals are required to change schedules or fares. Carriers are free to set schedules and fares based on supply and demand. Carriers must meet strict safety standards for their vehicles.

GREYHOUND IN MANITOBA

Greyhound is the main scheduled intercity bus carrier in Manitoba. Currently (as of 2010) Greyhound operates along 18 main routes within Manitoba for a total number of 3.6 million operating miles per year. Fourteen of these routes are within Manitoba only, while four routes connect to neighbouring provinces (two to Thunder Bay and one each to Yorkton and Regina).

Greyhound-supplied data shows that the company lost about \$4.78 million in Manitoba between April 2008 and March 2009. The company says the cost to operate in Manitoba was higher than the income Greyhound earned from its fares and freight service. Some of the Greyhound routes in Manitoba are profitable while others are not. The table on the following page shows a breakdown of each of Greyhound's 18 routes.

GREYHOUND CORRIDOR	PASSENGER SERVICE			FREIGHT SERVICE		PROFIT/ (LOSS)
	Average # of passengers per trip	Revenue per Mile	Costs per Mile	Revenue per Mile	Costs per Mile	
Winnipeg - Pine Falls *	2.7	\$ 0.67	\$ 3.41	\$ 3.52	\$ 2.16	\$ (54,746)
Russell - Minnedosa	1.6	\$ 0.39	\$ 3.41	\$ 0.06	\$ 0.03	\$ (142,117)
Winnipeg - Sprague *	1.8	\$ 0.46	\$ 3.41	\$ 0.47	\$ 0.29	\$ (229,665)
Winnipeg - Brandon	6.4	\$ 1.43	\$ 3.81	\$ 0.18	\$ 0.11	\$ (502,327)
Thompson - Lynn Lake	8.9	\$ 1.81	\$ 3.96	\$ 0.76	\$ 0.47	\$ (216,821)
Winnipeg - Koostatak *	4.0	\$ 0.86	\$ 3.71	\$ 2.17	\$ 1.34	\$ (194,048)
Winnipeg - Reston *	2.6	\$ 0.55	\$ 3.56	\$ 10.52	\$ 6.47	\$ 52,373
Thompson - Flin Flon	10.0	\$ 1.97	\$ 5.29	\$ 2.44	\$ 1.50	\$ (175,490)
Thompson - Gillam	13.4	\$ 2.98	\$ 5.29	\$ 0.78	\$ 0.48	\$ (290,094)
Thompson - Norway House	14.0	\$ 3.14	\$ 5.29	\$ 0.67	\$ 0.41	\$ (321,511)
Winnipeg -Fort Alexander *	2.5	\$ 0.58	\$ 3.41	\$ 0.20	\$ 0.12	\$ (167,788)
Winnipeg - Flin Flon	12.7	\$ 2.45	\$ 5.29	\$ 1.64	\$ 1.01	\$(1,509,325)
Winnipeg - Thompson	25.3	\$ 4.99	\$ 5.29	\$ 1.84	\$ 1.13	\$ 268,112
Winnipeg - Thunder Bay ** (Ft. Frances - Thunder Bay)	6.2	\$ 1.66	\$ 5.29	\$ 24.34	\$ 14.97	\$ 57,416
Regina - Virden	21.0	\$ 2.70	\$ 5.69	\$ 3.29	\$ 2.02	\$ (78,057)
Winnipeg - Virden	20.8	\$ 3.03	\$ 5.29	\$ 3.01	\$ 1.85	\$ (591,930)
Winnipeg - Yorkton	19.0	\$ 2.85	\$ 5.29	\$ 2.95	\$ 1.83	\$ (528,347)
Winnipeg - Thunder Bay (Trans-Canada)	26.0	\$ 3.80	\$ 5.29	\$ 0.47	\$ 0.29	\$ (155,950)
Provincial Total						\$(4,780,316)

* Routes are served by Boutin Bus Lines, 21st Century and Caribou Coach, carriers that Greyhound sub-contracts to provide the service.

** Route is no longer operated by Greyhound. Caribou Coach operates this route currently.

LONG TERM SOLUTIONS

Greyhound insists it cannot continue under the current regulations. Most of Greyhound's routes in Manitoba are unprofitable. Passenger numbers are low and are continuing to drop.

There are solutions for maintaining intercity bus service in Manitoba over the long-term. Solutions may include:

- increasing or decreasing the frequency of bus service
- using smaller vans instead of motor coaches
- using more full-service buses to attract passengers
- allowing bus companies to set their own fares and adjust schedules without approval from the Manitoba Motor Transport Board
- establishing community run bus services

The Manitoba government is asking for your suggestions for solutions to maintaining intercity bus service in Manitoba. Your comments will help shape long-term solutions for the industry.

You are encouraged to take the first step in the discussion by going to the consultations website and completing the online survey.

Information about your personal experience with bus service, your ideas for increasing the use of this service in Manitoba and the economic impact of bus service to your community is important in shaping solutions.

You are also invited to attend a public workshop in your community. Public workshops are scheduled for Thompson, the vicinity of The Pas, Swan River, Minnedosa and Powerview-Pine Falls. The workshops ask participants to provide input on a number of topics, including personal and community transportation needs. Visit the website for more details.

Comments and questions can be directed to the Manitoba Intercity Bus Project Team via the following methods:

Email: intercitybusinfo@gov.mb.ca

Mail: Manitoba Intercity Bus Project Team
Motor Carrier Division
Manitoba Infrastructure and Transportation
Unit C - 1695 Sargent Avenue
Winnipeg, Manitoba
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Phone: (204) 945-2487 (in Winnipeg)
1-877-340-9068 (outside Winnipeg)

Intercity Bus Consultations website:
manitoba.ca/mit/intercitybus/