



INTER-CITY TRANSPORTATION BY BUS IN CANADA

STANDING COMMITTEE ON TRANSPORT, INFRASTRUCTURE AND COMMUNITIES

44TH PARLIAMENT, 1ST SESSION, MEETING 41

WRITTEN BRIEF

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Submitted: May 19, 2023

INTRODUCTION

Transport Action Canada thanks the committee for investigating this issue and inviting us to testify.

This written brief is supplemental to the comments made during the meeting, to offer expanded answers to questions raised by members of the committee.

THE ROLE OF THE PRIVATE SECTOR

The inter-city bus industry currently has a significant number of private sector operators, many of which are Canadian-owned and some of which are divisions of multinational companies. We expect the industry to continue to be heterogeneous with a mix of public and private sector operators, characterized by collaboration in some areas but in competition along major routes. The goal of government policy should therefore be to create the conditions under which this ecosystem can once again flourish as a national network.

Many older Canadians can recount safely travelling unaccompanied across the country by bus and rail in their youth, for example to visit their grandparents. Our challenge is to rebuild a passenger transport network that is inclusive and safe for all peoples of all ages and abilities, including fully addressing Call to Justice 4.8 of the National Inquiry into Missing and Murdered Indigenous Women and Girls.

In return for being “team players” in rebuilding a national network we would be happy for private sector organizations to have access to federal funding programs, including capital grants or low-interest lease financing to offset the additional cost of acquiring accessible and zero-emission vehicles, and access to emergency funding to ensure service continuity in the event of another public health emergency or similar external shock. In return, private sector operators would agree to fulfill requirements that serve the public interest, which could include participation in a Canada-wide interline fare clearing house; making route and schedule data available in General Transit Feed Specification format; providing reasonable notice of planned schedule and route changes; and delivering the intent of the *Accessible Canada Act* by expanding provision of wheelchair-accessible services and reducing or eliminating advance notice policies for passengers with disabilities.

We applaud the Incentives for Medium- and Heavy-Duty Zero-Emission Vehicles Program (iMHZEV) which provides an incentive of up to \$200,000 toward the purchase of an all-electric motorcoach like the MCI DRT45LE Charge. For this to program to be successful in decarbonising short to medium distance public transport services, access to charging infrastructure at terminals will be vital.

We recommend that bus terminals in major cities be public infrastructure, rather than controlled by private sector operators and thus a mechanism of market dominance, and that where practical, these terminals be integrated with rail and local transit.

CREATING AN INTERLINE FARE CLEARING HOUSE

The committee asked whether there is a proven international example of a non-profit clearinghouse for fare integration and package interlining. Such a model has existed in the United States in the form of the National Bus Traffic Association since the 1930s. Its capabilities fall short of the real-time inventory and journey planning that today’s passengers expect and operators need, with business processes still being largely manual. In the United Kingdom, Traveline provides integrated multi-mode journey planning, but not reservations.

BusBud, a private-sector fare retailer based in Montreal, offers multi-operator fares and itineraries combining rail and bus, both in Canada and internationally, also providing fare and travel time comparisons between route and mode options. However, this is limited to participating operators.

Among the G20 nations, Sweden appears to a good example for Canada to learn from. Thirty of Sweden's public transport operators, including the private sector, are stakeholders in Samtrafiken (<https://www.samtrafiken.se>), a collaboration that provides operator-agnostic digital infrastructure that merges rail, bus and transit inventory, reservations, schedules and fares into a combined national journey planner, and which is in turn retailer-agnostic so that both transport operators and third-party retailers can offer connecting fares over the whole ecosystem.

The consortium plays a role in the development and implantation of both national and European data exchange and integration standards, including the Open Sales and Distribution Model (OSDM) developed by the UIC (Union Internationale des Chemins de fer), which facilitates multi-operator and multi-mode integration both nationally and internationally.

Furthermore, Samtrafiken manages Trafiklab, a platform that provides open data to researchers, planners, and industry, and thus enables further innovation in public transport discoverability and ease of use.

Such a deep partnership within the industry is possible in Sweden based on a long history of formal and informal collaboration, and in Canada successful replication of this model would draw upon pre-existing bilateral cooperative arrangements between bus operators, between bus and VIA Rail, and the legacy of the former ecosystem of interlining around Greyhound.

Transport Action feels that a significant opportunity to lay the groundwork for such a system was missed when VIA Rail's reservation system upgrade procurement was launched in 2018. Our advice at the time was to expand upon the interline partnerships that VIA already offered, for example with Maritime Bus. This is not currently planned by VIA Rail, and unfortunately all existing interline connections have recently been deleted from the system, at least temporarily, to facilitate the transition to the new software. We have asked VIA Rail to prioritise the reinstatement of bus connections in their reservation system.

The new system procured by VIA Rail from Siemens/Sqills, and now expected to launch in May 2023, does have the capability, through compatibility with OSDM, to be a foundation for a comprehensive interline clearing house project or to be integrated with it.

INTERLINE PACKAGE SERVICE

Express package service can be a lifeline for many communities, providing both inexpensive long-distance shipping and same-day deliveries of medical supplies, samples for testing, spare parts for farm equipment, etc. During the pandemic, it was also a lifeline for some of Canada's motorcoach carriers, with the ability to send care packages by bus replacing fare revenues from in-person visits.

The significance of the package business to the long-term sustainability of the industry can hardly be understated: The closure of Greyhound's network in western Canada in 2018 wiped out half a million dollars in interline package revenues for Maritime Bus. Restoring a Canada-wide package network will also support commercial viability or reduce subsidy requirements for rural and northern bus services.

The Expedibus interline package agreement and system in Quebec could readily be expanded to connecting carriers, either in partnership with the passenger clearing house or separately. While the Swedish implementation

of a passenger fare clearing house does not extend to the express package side of the business, the UIC's OSDM protocol upon which it is based does support ancillary services such as transporting bicycles and luggage, so it would be easily extensible to embrace package service data.

We understand that Ontario Northland is also actively working to develop systems to integrate package services with connecting carriers. However, many new-entrant private-sector carriers are not offering package service at this time. In some cases, this may simply be due the lack of a technology ecosystem and interline network to reduce project risk.

Over the past decade, municipally operated intercommunity bus services have also been expanded, and the federal Rural Transit Solutions Fund will further develop these networks. Many of these routes do not currently offer package service. However, the creation of a Canada-wide network to link into would create an opportunity to earn incremental revenue by doing so, contributing to the sustainability of these rural transit services, while also supporting the return of motorcoach services to regional hubs.

A FRAMEWORK FOR PASSENGER RIGHTS AND JOURNEY CONTINUANCE

In order for an interline fare system to function effectively and increase confidence in the industry, there also has to be clear accountability for taking care of passengers and ensuring their safety in the event of delays that cause missed connections. This should be multi-modal as well as multi-operator, reflecting the role of inter-city bus in connecting passengers with airports, rail stations, and ferries.

The government has introduced and subsequently updated rules concerning air travel, but one of the objections raised by the airline industry is that the framework does not offer a level playing field across all modes. At the same time, air passengers suffer from attempts to circumvent the rules that have been introduced. Bus operators and VIA Rail will often – usually on a discretionary basis – reaccommodate passengers who have suffered a flight delay or other disruption earlier in their journey, absorbing the cost of doing so.

Transport Action believes that a common passenger rights framework should be extended across all modes of travel, with commercially reasonable allowances for unavoidable delays caused by adverse conditions such as winter storms, but significantly less than the current level of tolerance for overscheduling staff and equipment or unavailability of equipment due to lack of preventative maintenance.

A key role of the clearing house would be developing and implementing agreements and processes for the reaccommodation of passengers whose itineraries have been disrupted, ensuring their journey is completed safely as soon as reasonably possible. It is helpful for this be operator-agnostic and impartial because what we see in the airline industry is prioritization of the highest status customers rather than the most inconvenienced, and the performance criteria should measure delays to passengers, not just delays to vehicles, so that rational decisions can be made about holding a vehicle for connecting passengers.

A second phase, creating a significant benefit to all operators, would be to work towards automation of these reaccommodation processes, using machine learning and big data techniques to find an optimal solution for dozens or hundreds of passengers in minutes, and with proactive notifications to passengers, rather than having one or two front-line staff manually handing a long and frustrated queue or an overwhelmed call centre.

The OSDM protocol supports reaccommodation requests between operators, however implementing an optimization system beyond a single operator is computationally non-trivial and a subject of current research by the UIC and software companies in the industry. Although real time operational data would support such a system,

the system must learn the distinction between operational delays, which might later be resolved or absorbed by schedule padding, and commercially significant delays which require reaccommodation. Prediction and pre-emptive mitigation of consequential delays arising from vehicles and staff being out of position would also be possible. Engaging with Canada's leading computer science research universities could accelerate the development of such a solution.

To provide robust connection between inter-city bus and passenger rail for long distance travel across Canada, the dependability of passenger rail outside the Quebec-Windsor corridor would need to be improved. Increasingly lackadaisical dispatching of passenger trains by Canadian National caused the on-time performance of VIA Rail's long-distance trains to plummet after 2012, leading to a decision in 2015 to replace compensation for delays with a disclaimer. For multi-modal terminals in cities like Winnipeg to function effectively as hubs in Canada's mobility network, connections must be dependable, with both reaccommodation and compensation in case of severe delays.