

# **Motoring Into the Mainstream:**

**2013 Year-in-Review:**

**Intercity Bus Service**

**in the United States**

**Chaddick Institute for Metropolitan Development**



**DEPAUL UNIVERSITY**

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## Executive Summary

- Discount city-to-city carriers, such as BoltBus, DC2NY, and megabus.com, expanded their number of daily operations by 4.0% in calendar year 2013, exceeding the growth rates, measured in seat-miles, of both intercity rail service (0.6%) and commercial airlines (1.0%).
- The number of daily operations of the U.S. intercity bus network—including both discount city-to-city and conventional carriers combined—rose by 0.25% over the year. Greyhound continued to aggressively roll out premium Express services in Florida and the South.
- When traveling by intercity bus, a consumer saved 52.4% in comparison to intercity rail, and 79.0% relative to flying (with advanced-purchase airfare) in the 4Q of 2013.
- Discount city-to-city bus service provided American travelers savings of \$1.1 billion over the past year. The average consumer saved \$36.48/trip when using discount city-to-city carriers, or Greyhound/Peter Pan Express, compared to the next-best, non-bus travel alternative.

## Introduction

The country's intercity bus system made important strides in 2013 in strengthening its contribution to American transportation. For the first time ever, the three largest brands offering guaranteed seating, Wi-Fi, and deeply discounted fares—Greyhound Express, megabus.com (Megabus), and Boltbus—competed head-to-head on both the East and West coasts. Greyhound continued to introduce its premium express services on an ambitious timetable; Megabus reported sharp revenue gains while attracting record passenger volumes; and regional carriers were also on the move.

This Chaddick Institute report, the sixth in an annual series, summarizes changes to the sector during the 2013 calendar year:

- *Part A* reviews the expansion of the intercity network during calendar year 2013.
- *Part B* estimates the monetary savings offered by intercity bus service.
- *Part C* focuses on notable initiatives and the prospects for continued expansion.
- *The Appendix* offers details of the strategic initiatives by regional carriers and reviews the study methodology.

### A. Industry Growth in 2013

Among the most notable accomplishments of the industry in 2013 was achieving rising passenger boardings and revenues without dramatically increasing the number of daily operations. Improved load factors, greater utilization of equipment, lucrative fares, and rising product awareness all contributed favorably to the sector's financial performance.

The overall changes in the scale of scheduled operations summarized in the report are based on the *Intercity Bus Database*, a resource maintained by the Chaddick Institute for Metropolitan Development at DePaul University. The database encompasses all known scheduled bus lines (presently 106 operators) that meet a fairly broad set of criteria. These carriers are divided into *conventional carriers* and *discount city-to-city operators* (a category consisting of express-oriented carriers operating from downtown districts—operators sometimes referred to as Corporate Curbside Carriers). As in previous years, the dataset does not include airport-shuttle operators, "Chinatown" bus operators, and public transit-oriented service. Details and a list of carriers can be found in the report's *Data Supplement* available at [chaddick@depaul.edu](mailto:chaddick@depaul.edu).

The following conclusions about the 2013 calendar year warrant particular attention:

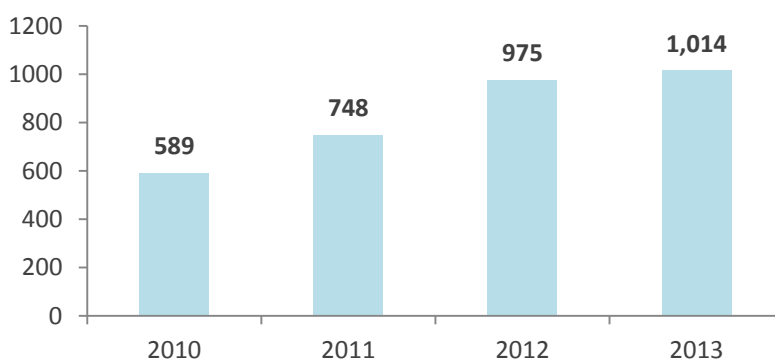
**1): Discount city-to-city carriers such as BoltBus, DC2NY, and Megabus undertook targeted expansion to broaden their networks, resulting in a 4.0% increase in the number of daily operations. This expansion featured the introduction of BoltBus service on the West Coast, new Megabus routes in the Deep South, and added frequency by regional carriers in the Northeast.**

The number of daily operations (i.e., unique daily schedules) of discount city-to-city operators grew from 975 in 2012 to 1,014 in 2013, a 4.0% increase. Daily operations at existing hubs generally changed

little, and even declined in some instances, particularly in the Northeast Corridor. The addition of new routes, however, continues to bring this product to an ever-widening range of cities.

Among the most notable expansions were: i) Boltbus' introduction of California/Nevada service, ii) added Go Buses service between Boston and New York, and iii) new Yo! Bus by Greyhound service in the Northeast Corridor. Details about all of these developments appear in *Part B* of this report.

**Figure 1**  
**Total Daily Discount City-to-City Bus Operations**



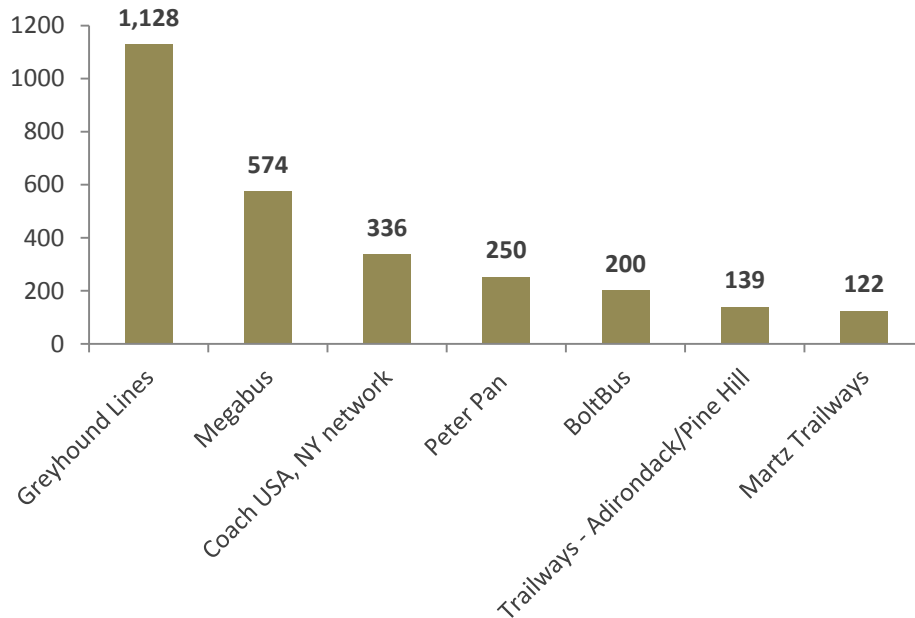
The number of operations by discount city-to-city bus carriers has nearly doubled since the start of the decade, rising from approximately 589 in 2010 to 1,014 in 2013.<sup>1</sup> Although the rate of growth has slowed, the sector remains on a faster growth trajectory than any other form of intercity transportation. It's 2013 4.0% growth rate far surpassed the rate of growth on Amtrak (0.6%) and airlines (1.0%), both measured in available seat-miles.<sup>2</sup>

**2): Over the course of the year, the total number of daily operations on the entire U.S. intercity bus network rose by 0.25%. Greyhound continued its rollout of premium Express services, particularly in Florida and the South. Along with Jefferson Lines, Peter Pan, and other regional carriers, it also added new routes serving smaller markets in partnership with state governments.**

The number of daily operations among carriers providing intercity bus service rose modestly, from 4,322 in 2012 to 4,333 in 2013, an increase of 0.25%. Although the total number of operations remained relatively flat, resources continued to shift from feeder routes toward mainline service. Several government agencies, in turn, have stepped-up support for some of these small-town routes.

Greyhound continues to have nearly twice as many daily departures as any other carrier, even without the inclusion of other operators owned by its parent company, the U.K. based FirstGroup (including BoltBus and Yo! Bus) (*Figure 2*). Nonetheless, the combined size of operators owned by rival Stagecoach, Inc.—including Megabus and Coach USA operators serving Chicago, New York, and a number of other locations—results in significant competition in nearly all major corridors.

**Figure 2**  
**Largest Intercity Bus Operators**  
**Scheduled Daily Trips**



The carriers that posted double digit increases in daily operations in 2013 included Greyhound (+28), Boltbus (+26), Peoria Charter (+22), Yo! Bus (+12), Adirondack Trailways (+10), Florida Express (+9), and Peter Pan (+8). Some of the expansion activity was offset by the termination of service on three carriers: Kerrville Bus Line (-64, including rural collector routes in Texas and neighboring states); LA Swift (-16); Bieber Tourways (-10); and ACR Express (-8). A summary of all of these carriers appears in *Section B*.

As the dynamics of intercity service improves, there is growing evidence that the country's major bus services are profitable. Financial statements released by Stagecoach, Inc., and evaluated by London-based HBSC, indicate that Megabus revenues grew by 22.98% in the first half of 2013, a rate significantly higher than forecasted.<sup>3</sup> Profits for Stagecoach's North American bus operations rose by 42%. HBSC's review also noted that Greyhound Express, BoltBus, and YO! Bus—the three express-service subsidiaries of Firstgroup—experienced a roughly 10% revenue growth in the first half of the year. Revenues for conventional Greyhound services were down slightly in this period, partially in response to difficult 1<sup>st</sup> quarter conditions. Revenues and profits are nonetheless expected to rise for the calendar year 2014 and be appreciably up in the future.<sup>4</sup>

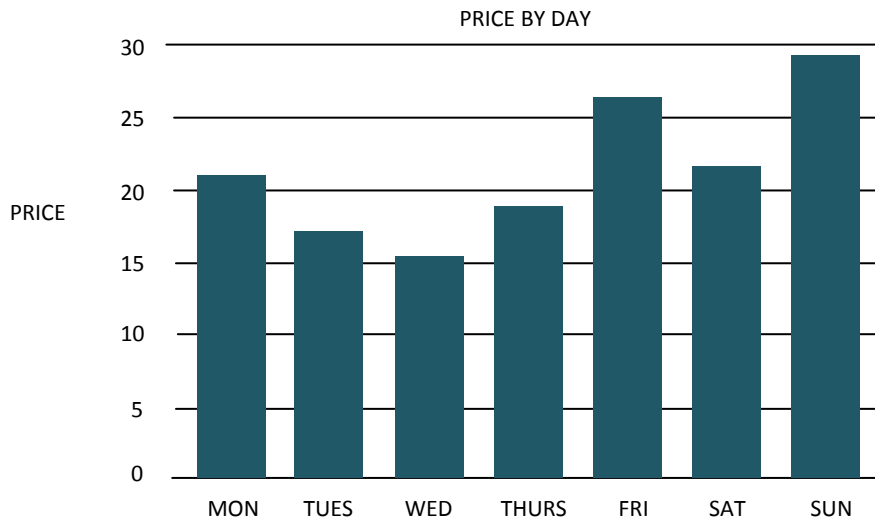
**3): Public understanding of the intercity bus services continues to grow as new interactive tools become available, advertising increases, and research studies shine a spotlight on the sector.**

Among the most notable developments in 2013 that brought added visibility to the sector was the launch of Wanderu.com, a website that allows consumers to compare prices between bus operators and also directs them to book tickets on carrier websites. While New York based startups Bustripping and NickelBus grow and build their platforms respectively, Boston-based Wanderu leads this emerging

industry. This site sees more than 20,000 weekly visits and will soon launch coverage of the Southeast U.S., allowing for searches between Canada to Florida.

For the first time, reliable fare data for a variety of scheduled motor coach line services can be collected from a centralized website, providing a rich and previously unavailable glimpse of the expanding intercity bus sector. The following graph illustrates the differences in fares paid in the New York – Washington, D.C. market on the Wanderu site in December 2013 (*Figure 3*). This illustrates the uptick in fares that occurs during the Friday – Monday peak period.

**Figure 3**  
**Average fare by Day of Travel on Wanderu.com**  
**New York – Washington, D.C.**  
**December 2013**



Average fares during the observed period ranged from around \$16 on Wednesday to nearly \$30 on Sunday, the peak travel day. Please refer to the *Data Supplement* of this report for additional information from Wanderu, including advance purchase ticketing behavior described in *Part B* below.

The year also saw the release of two comprehensive studies by the University of Delaware focusing on the implications of the rapid expansion of curbside service in the Northeast and another by the Reason Foundation.<sup>56</sup> These studies describe both the evolution of the industry and, in the case of the Delaware studies, the public policy issues presented by the growing need for safe and efficient pick-up and drop-off facilities in congested downtown districts.

## B. Consumer Savings

1): Intercity bus services are priced 52.4% less than intercity rail service and 79.0% less than advance purchase airfares in the same markets. For consumers unable to buy airfares in advance, the average fare difference is even larger. Similarly, scheduled motor coach services are also priced 38.2% less than the variable cost of driving, with even less compared to the fully allocated costs.

To systematically evaluate the prices of different forms of travel, the Chaddick Institute launched the Multimodal Fare Analysis Project in July 2013. The data team recorded the lowest fare available online in four-to-six hour departure time windows in 54 city pairs under three advance purchase (A/P) scenarios (1-day, 7-day, and 28-day) for six different types of transportation services: discount city-to-city bus, conventional bus, conventional intercity rail, high-speed (Amtrak Acela), and air travel. Airfares were considered separately for Southwest Airlines and other carriers.

The city pairs involve travel distances between 80 and 500 miles and include representation of each of the country's 50 largest metropolitan areas on the U.S. mainland (*Appendix B*). Price information was recorded on five occasions under each of the three A/P scenarios. This allowed for a sample of 3,120 one-way fares being collected ranging in price from \$5 to more than \$300. (See the *Data Supplement* for a list of markets and summary of average fares).

The average fare differences by mode appear in *Figure 4*. The table's first three columns show the prices, and price differences, under the different advance purchase scenarios for five different transportation options. The prices shown are based on the subset of markets in which the rival modes compete with intercity bus service.

**Figure 4**  
**Average Fare Comparison By Mode of Transportation**  
 Intercity Bus vs. Other Modes of Travel

	Advance Purchase Scenario			Weighted Avg.	1 day A.P. bus vs. Adv. Purchase Air**
	<u>1 day advance purchase</u>	<u>7 day advance purchase</u>	<u>30 day advance purchase</u>		
Intercity Bus	\$30.26	\$31.51	\$27.35	\$30.53	
Intercity Train	\$66.89	\$64.37	\$55.31	\$64.19	
Airline	\$250.62	\$166.17	\$124.29	\$145.23	\$145.23
Private Vehicle*					
<i>Variable cost</i>				\$49.44	
<i>Fully allocated</i>				\$136.57	
	Percent Savings, Bus Travel vs.				
Intercity Rail	-54.8%	-50.4%	-50.6%	-52.4%	
Airline	-87.9%	-81.0%	-78.0%	-79.0%	-79.2%
Private Vehicle*					
<i>Variable cost</i>	-38.8%	-36.3%	-44.7%	-38.2%	
<i>Fully allocated</i>	-51.0%	-53.5%	-59.5%	-53.0%	

\*estimate based on vehicle occupancy of 1.2 psgr./vehicle

\*\* estimate based on equal mix of 7- and 28-day A/P airfares

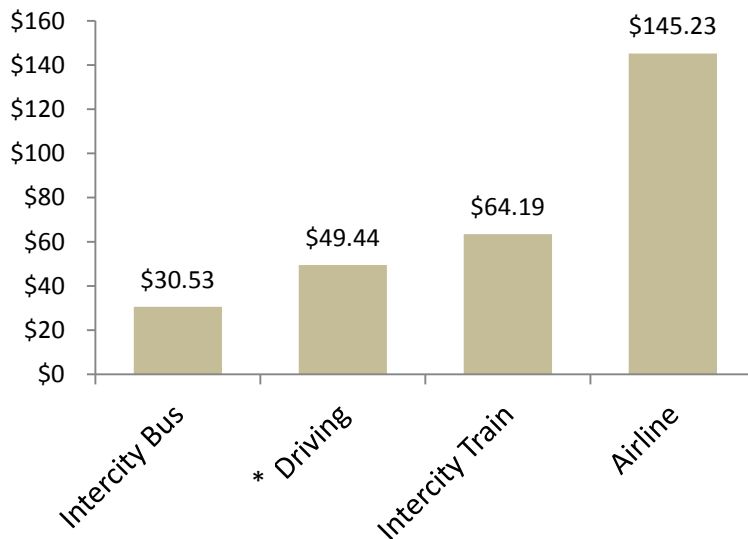
For details of estimates, please see "Data Supplement" available at [chaddick@depaul.edu](mailto:chaddick@depaul.edu).

For travelers booking seven days in advance, bus fares average \$31.51, intercity train fares average \$64.37, and airfares average \$166.17 each way. The average airfare figure assumes passengers shop around to find the lowest fare, whether it is on Southwest Airlines or those appearing on major travel websites. The savings from bus travel under this scenario range from 50.4% vs. intercity trains, 81.0% vs. airlines, and 36.3% vs. driving (using variable costs and assuming an average occupancy of 1.2 people). The savings are comparable under the 1-day A/P scenarios.

The fourth column shows the weighted-average fare based on the typical mix of A/P buying habits of bus travelers. These buying patterns are based on the number of days in advance that consumers of intercity bus travel purchase their tickets on Wanderu.com, a major website catering to intercity bus travelers.<sup>7</sup> Using this weighting scheme, the average fare is \$30.53 on intercity buses and \$64.19 on Amtrak conventional trains. The average airfare, conversely, is \$145.23. This estimate is based on a more generous set of assumptions: no passengers buy within seven days of departure, and an equal mix buy 7- and 14-day A/P fares (Figure 4).

A final column shows the price savings for bus travelers who wait until one day before the departure to buy bus tickets, but, if flying instead, would adjust their travel behavior to purchase an equal mix of 7- and 28-day A/P airfares (see details on next page). This comparison recognizes that relatively few travelers presently using buses would likely buy airfares within seven days of a trip, except in emergencies.

**Figure 5**  
**Average Fare by Mode**  
 Weighted Average in 54 Citypairs  
 80-500 miles



\* Passengers who drive consider only the variable cost of driving, estimated to be 26.9 cents/mile.<sup>8</sup> We compute the costs based on an average of 1.2 passengers per vehicle.



When the fully-allocated cost of driving—rather than the variable costs—are considered, the savings relative to automobile travel exceed 50%, and even more for single-occupant driving. We also observed large—albeit less dramatic—differences in prices for the subset of routes outside of the Northeast Corridor.<sup>9</sup> Details can be found in the *Data Supplement*.

**2) Discount city-to-city bus services provided an average monetary savings of \$36.48 per one-way trip relative to other modes of transportation, for a cumulative monetary savings of \$1.1 billion annually. This figure encompasses only travel on discount city-to-city carriers, such as BoltBus and Megabus, as well as the premium express services of Greyhound and Peter Pan, and does not include the rest of the intercity bus network.**

The data team explored the ramifications of passengers having to shift to other modes of transportation on the subset of bus routes served by discount city-to-city services. An effort was made to create lower-bound estimates by assuming travelers would make adjustments to their buying behavior to avoid high last-minute air and rail ticket prices.

Analysis was based on these assumptions:

**a) Mode shift:** Passengers would shift to other modes in a manner based on the results of our survey of 1,250 bus passengers, as published in the *Journal of Transportation Research Board* in 2012. This shift to various other modes is summarized on *Figure 6*.

**b) Travel that would otherwise not occur:** The survey indicated that 22% of passengers would not travel at all if discount bus service was not available. We assumed there is no monetary savings for these newly generated trips.

**c) Behavioral adjustment:** To assure the analysis did not inflate the monetary savings of bus travel relative to air travel, the analysis assumed no passenger would buy fares less than seven days in advance. Instead, the assumption was made that passengers would be divided equally between 7- and 28-day advance purchases.

**d) Cost of vehicle operation:** Passengers who drive consider only the variable cost of driving, estimated to be 26.9 cents/mile.<sup>10</sup> We computed the costs based on an average of 1.2 passengers per vehicle.

**e) Ancillary costs excluded:** The analysis did not consider cost of parking for automobile travel, or baggage and other ancillary fees for airline travel. Tolls were assumed to apply to only 25% of passengers and average \$3 per vehicle trip.

**f) Travel volumes:** The estimates were based on computations in the Intercity Bus Data set that 1,527 discount city-to-city bus services operate daily—a figure that encompasses BoltBus, Megabus, Greyhound Express, and other express operators, which account for slightly more than 1/3 of country's daily intercity bus departures. The estimates assumed an average of 40 passengers per trip segment.

Similarly, an assumption was made that the price of other modes of travel would not change if bus travel were not available. Each of the 54 markets was weighted equally due to the absence of reliable data on travel volumes. Sensitivity analysis, however, suggests the results only marginally change when the latter assumption is relaxed. Please refer to the *Data Supplement* for details.

**Figure 6**  
**Annual Monetary Savings from**  
**Discount City-to-City Bus Service vs. Alt. Modes**

Mode	% Shift	Price Difference vs. Bus	Net Savings
Airline	12.2%	\$117.65	\$470,072,269
Intercity Train	32.4%	\$39.78	\$419,815,834
Private vehicle*	33.4%	\$21.49	\$234,155,702
<u>No travel</u>	<u>22.0%</u>	<u>\$0</u>	<u>\$0</u>
<b>Total</b>			<b>\$1,124,043,804</b>

\* based on variable costs of vehicle operation with 1.2 passenger occupancy

The estimates suggest that consumers save \$1.1 billion annually from using discount city-to-city bus travel relative to their next-best travel alternative. This approach likely understates the actual savings since it does not consider ancillary costs associated with other modes, such as tolls, accidents, traffic violations, and parking. If the analysis is changed to consider the total costs of driving, and thus would include such factors as insurance and general depreciation, the estimated savings rises to \$1.47 billion.

## C. Expansion and Strategic Initiatives

The calendar year 2013 also saw carriers embark on variety of strategic initiatives:

### **BoltBus Continues West Coast Expansion**

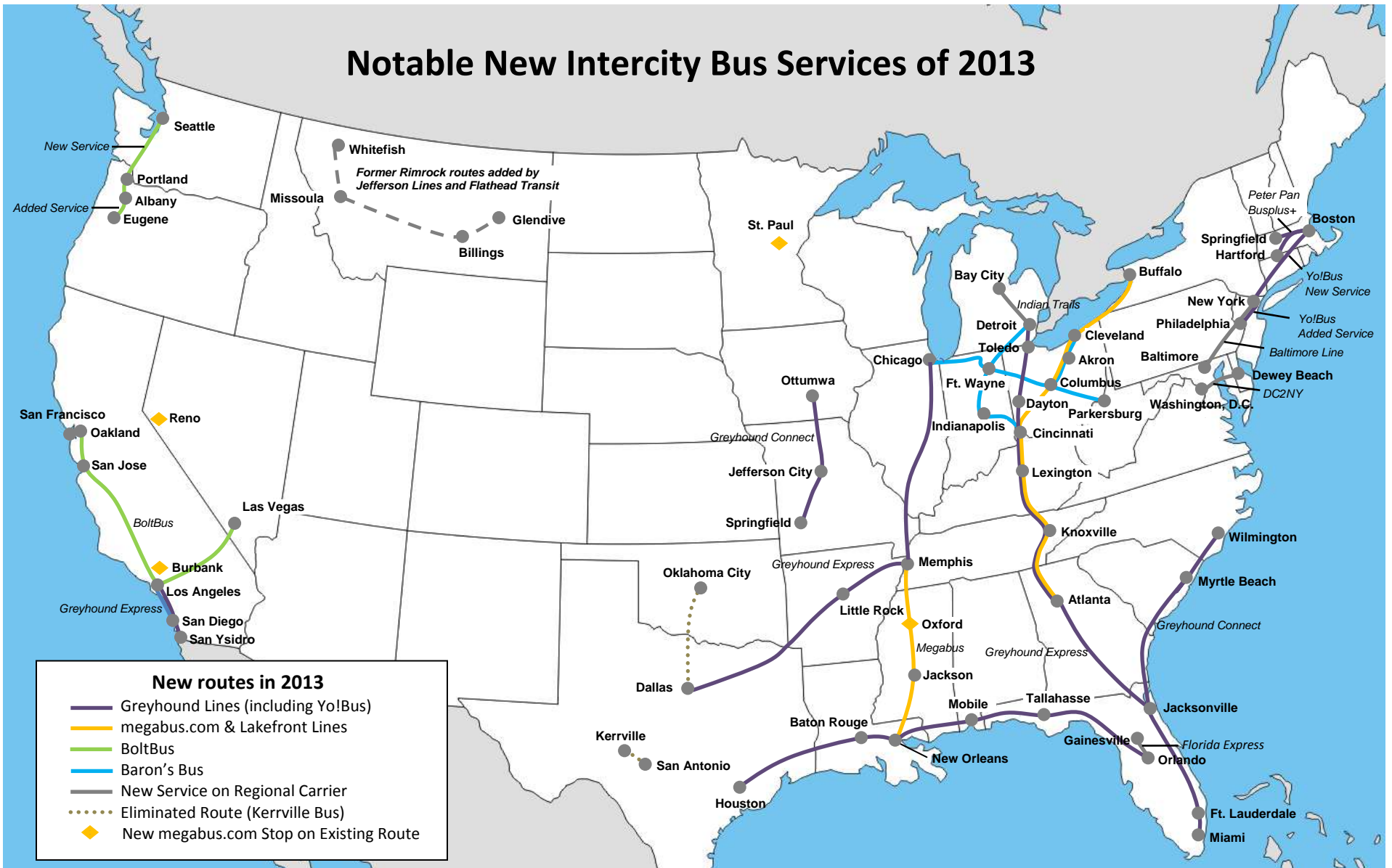
This subsidiary of Greyhound/PeterPan made particularly significant moves in the West:

Additional Expansion in the Pacific Northwest: Following a successful launch of its Portland, Ore. – Seattle, Wash. – Vancouver, B.C. routes in 2012, Boltbus began service in October, 2013 to the southern Oregon cities of Albany and Eugene. The service, reflecting growing demand among students and young professionals, also allowed for additional frequency in the Portland-Seattle corridor.

California Service Launches: In early November, BoltBus moved into California, launching Los Angeles – Bay Area service with stops in San Jose and Oakland.<sup>11</sup> With average scheduled travel times of seven hours each way, this service represents a significant change from the short to mid-distance network services that are dominant in the Northeast and the Pacific Northwest.

Later in November, Bolt launched its Los Angeles – San Diego service at higher frequencies than that made available to the Bay Area. In December, Bolt launched Los Angeles – Las Vegas service and extended its Bay Area route to downtown San Francisco. These latter two service expansions were significant due to Bolt’s choice of terminal locations: both its San Francisco and Las Vegas stops are

# Notable New Intercity Bus Services of 2013



existing Greyhound-operated terminals rather than curbside stops or public transportation facilities.<sup>12</sup> The pattern of stops made in the Bay Area also differs from that of Megabus.<sup>13</sup>

### **Megabus.com: Redefining its Network, Growing its Brand**

Megabus used the year primarily to expand its brand rather than adding new routes:

Ridership: The company reached two important milestones, carrying its 25th million passenger in May and 30th million in September. Megabus officials have noted that approximately one million people now travel on its routes per month, spanning 33 of the 48 continental states. Information contained in press releases suggests traffic may be up at least 15%, while revenues are up an estimated 22.98%.<sup>14</sup>

Growth and Expansion: Much of the growth during 2013 was attributable to enhanced service frequencies on peak travel days (Fridays and Sundays), particularly in the form of adding extra sections when a bus sells out. In May, the company added St. Paul, Minn., to its Chicago – Minneapolis route. This was soon followed by new service by Coach USA subsidiary Lakefront Lines on the Cincinnati – Atlanta and Cleveland – Cincinnati and Buffalo routes, all three of which are sold under the Megabus label and make several intermediate stops. Megabus introduced Baton Rouge, La., to its Houston – New Orleans route and began Memphis – Jackson – New Orleans service. The carrier also added Reno, Nev., to the existing San Francisco – Sparks, Nev., service and Burbank to its Los Angeles – Bay Area route.

Restructuring to Maximize Use of Resources: Even as the Megabus brand attracted ever-widening demographic segments, the company also restructured and downsized other services. The most notable reductions related to Kerrville Bus Company, a Coach USA subsidiary that had added new routes and began selling these routes through the Megabus website in 2012. Kerrville’s service allowed Megabus to connect many smaller communities in Texas to its national network.<sup>15</sup> Yet the transformation proved difficult for a variety of reasons.<sup>16</sup> Kerrville ceased operations in the autumn, and several other services under the Megabus brand were terminated.<sup>17</sup> Megabus has since focused its more lucrative regional operation linking the “Texas Triangle” cities of Dallas, Houston, and San Antonio, as well as serving Austin.

### **Greyhound: Continued Reinvestment and Restructuring**

Greyhound Lines continues to invest heavily in product enhancements:

Expansions to the Network: Greyhound spent much of the calendar year continuing the progress made in 2012 revitalizing its public image and perception. Their branded Express product was deployed in a series of expansions that increased awareness of the “New” Greyhound. In February, Express schedules were added on the Chicago – Memphis, Atlanta – Cincinnati, Tallahassee – Orlando, and Tallahassee – Mobile corridors. In October, Memphis – Little Rock – Dallas, Atlanta – Jacksonville, and Miami – Jacksonville received new Express schedules. Greyhound also dissolved its Crucero and Americanos divisions, which focused on the Latino market and absorbed these services into a core system. In the process, however, Express service was introduced on the Los Angeles – San Diego – Tijuana, Mexico, route. This addition marked the end of Crucero Direct, an Express service variant launched in 2012.

Technological Advances: Developing and integrating new technology that meets the needs of today’s bus passenger has been a priority for Greyhound. In July, the company announced that it would run a six month trial for Bus Line Universal Entertainment (BLUE), an interactive on-board entertainment system developed by Lufthansa Systems AG, on several Greyhound and BoltBus routes. BLUE is similar to Virgin America’s RED entertainment system, where passengers can access 25 movies, 15 hours of TV

shows, 100 music albums, and five games, in addition to onboard Wi-Fi services. Greyhound's Dallas – Houston route and BoltBus's Pacific Northwest routes will serve as test routes for the new amenity. Pending the results, the system could be gradually rolled out to other services nationwide.

Greyhound Package Express (GPX): In September, Greyhound Package Express (GPX), introduced a door-to-door option for customers who wish to ship packages. Using local courier partners customers can now schedule package pick-ups and drop-offs with Greyhound directly from the comfort of their home using a new, easier-to-use website.

Yo! Bus by Greyhound Expands to Boston: Following the DOT shut down of two of the oldest and largest Chinatown bus companies in the Northeast, Fung Wah Transportation and Lucky River Transportation (Lucky Star Bus), Yo! Bus quickly launched a New York to Boston route in June, 2013. The service, leaving from Chinatown in Manhattan and South Station in Boston, lasted for a brief period until Lucky Star reopened in November. Yo! Bus has applied for additional departure and arrival "slots" with New York City's municipal government, suggesting that other new destinations may be imminent.<sup>18</sup>

Growth of State-Subsidized Services – Greyhound Connect: State subsidized service, operated by Greyhound under its Connect brand, also increased. Please refer to *endnotes* for a summary of this new branded service in the Midwest and South.<sup>19</sup>

### **Regional Carriers on the Move**

New Service Added: More than a dozen carriers, including Baron's Bus, Florida Express, Jefferson Lines, Indian Trails, Martz Trailways, and Peter Pan added new routes in 2013. Please refer to the *Appendix* for a summary of initiatives in this sector.

## **Looking Ahead to 2014**

In summary, scheduled motor coach continues to reenter the intercity-travel mainstream as ever-widening demographic segments reconsider the mode's advantages. The dramatic expansion in service of previous years laid the groundwork for the sharp increases in passenger activity throughout 2013.

More expansion of scheduled services appears imminent in 2014. Greyhound and Peter Pan Express are both poised to continue expansion of their Express and conventional networks. We anticipate that BoltBus and Megabus will continue to move in tandem into major markets throughout the country. Intercity markets within Florida seem particularly ripe for the picking. Other markets in the West, such as routes to and from Phoenix and Tucson seem attractive, as does additional service in the rapidly growing South Central and South East region. Similarly, it appears Yo! Bus is interested in entering the NY-DC market.<sup>20</sup> At the same time, luxury operators that offer onboard food service and spacious seating configurations seem poised to make inroads into markets in which discount service is now pervasive. Regional carriers are also positioned for expansion in markets in which larger carriers have largely vacated.<sup>21</sup>

While the manner in which new routes unfold is impossible to predict, 2014 is shaping up to be another year of rapid growth for a sector that has seen extraordinary growth over the past five years.

## Appendix: Initiatives by Regional Operators

### *Eastern U.S.*

C&J Bus Lines adds Tewksbury, MA to New York Service: In May, New Hampshire-based C&J Bus Lines added a stop in Tewksbury, Mass., on its existing Portsmouth, N.H. – New York City service. Utilizing a business class seating configuration—30 seats instead of the typical 50-55 coach seats—the service is aimed towards leisure and business travelers who previously had to take expensive regional jet services, connect to other intercity bus carriers, or use Amtrak in Boston.

DC2NY Grows Delaware Beach & New York Services: After three years of operating “The Beach Bus” from Washington D.C. to Rehoboth and Dewey Beach in Delaware, DC2NY began offering service to these coastal vacation spots from New York City and Wilmington, Del. in May, 2013. The new service operates on weekends from Memorial Day to Labor Day.

Martz Trailways Creates Curbside Express Services: In April, Martz Trailways launched a curbside variant of its existing service. The new Curbside Express service operates only on Wednesdays and Saturdays from select locations in the Scranton/Wilkes-Barre areas to New York City. Unlike its regular mainline services, which leave from Martz-operated terminals and agencies, the new services uses curbside locations near malls and universities.<sup>22</sup> The new service emphasizes online purchases and e-ticket confirmations and features a flat \$25 round trip fare. All trips are currently offered as same-day excursions and directed towards day trippers and college students.

Bieber Tourways Discontinues Harrisburg Operation: This carrier, based in Kutztown, Penn., is a major player in the Lehigh Valley region. In June, Bieber discontinued direct service from Harrisburg to New York City, a service inherited during its purchase of Capital Trailways of Penn., in 2009. Its Harrisburg-Scranton service was assumed by Fullington Trailways. In July, Bieber discontinued Harrisburg – Reading service. Bieber’s longstanding scheduled service from both New York and Philadelphia to the Lehigh Valley and York County, however, remains unchanged.

Peter Pan adds regional routes through BusPlus+: Peter Pan Bus Company announced in December an additional roundtrip between Boston – Providence, Hartford, Conn., and Springfield, Mass. This route, as well as other enhancements, are part of the BusPlus+ program, a public and private partnership coordinating transportation efforts throughout all of New England.

BoltBus Long Island is now 7Bus: After working to develop the BoltBus franchise for Long Island commuters, BoltBus and the franchise operator, Hampton Transportation Ventures, amicably parted ways in July. The established commuter service will continue under its own brand, 7Bus, a name standing for the starting price of one-way tickets from various points in Suffolk County to Manhattan. As a result of the new standalone operation, new rider-friendly features, such as multi-ride tickets and local tourism package promotions, have been made available. In December, the company reached an agreement with Stony Brook University to provide direct service from New York City to their campus.

## ***Florida and the South***

RedCoach USA launches an economy class service: This service, introduced in September, compliments the carrier's luxury-based offerings in Florida and features traditional coach seats, lower fares, and additional travel options, particularly for college students. Economy class fares are typically priced 40-60% less than Business and First class fares. The new service is available on select days from Tallahassee and Florida State University's Gainesville campus to Miami.

Florida Express Bus Initiates Express Gainesville-Orlando Service: Florida Express Bus, one of the state's largest intercity bus operators, announced in October weekend express service from Gainesville and Orlando. The expansion targets college students with low fares starting at \$20. The service continues beyond Orlando to Miami on select days, supplementing the carrier's existing service on this route.

LA Swift Discontinues Service: In July, LA Swift, a low-cost intercity service that began connecting communities in Louisiana in the aftermath of Hurricane Katrina, suspended service in July, reportedly due to issues of government funding.<sup>23</sup> Managed by the Louisiana Department of Transportation and operated by Hotard Coaches of Biloxi, Miss., the carrier operated primarily between Baton Rouge and New Orleans, with several intermediate stops.

ACR Express: This campus-oriented operator, which provided up to four daily roundtrips between Tuscaloosa and Starkville, Ala., suspended service in October.

## ***Midwest and West***

Indian Trails Starts New Michigan Service, Streamlines Routes: In June, Indian Trails launched a new scheduled service from Bay City – Flint – Detroit, providing better connections for thru passengers looking to connect to other destinations. The service, previously operated by Greyhound Lines, also provides access to 17 smaller towns. This new service also allows summertime travelers to reach vacation destinations in Northern Michigan, including St. Ignace, without transferring to another bus.

Hoosier Ride Develops New Midwest Service: Hoosier Ride, a division of Miller Transportation, launched Chicago – Louisville, Ky., service that makes numerous intermediate stops, including Hammond, Ind., which was recently dropped by Greyhound. The route also caters to college towns, such as Bloomington and Lafayette, while allowing for interline connections to the Greyhound system.

Rimrock Stages Ceases Operations: Following a review of Rimrock Stages, the Federal Motor Carrier Safety Administration shut down the carrier in March. Rimrock had operated services throughout Montana and North Dakota. Significant portions of its Billings – Missoula and Billings – Fargo, N.D., services were later picked up by Minnesota-based Jefferson Lines, while Salt Lake Express continued operation of its Butte, Mont., service. In December, Flathead Transit began Missoula – Whitefish, Mont. service with funding from the Montana state government and Greyhound. As of July, the federal government lifted the shutdown order, but Rimrock still awaits approval to resume full operation.

## **Data Supplement to this Report**

A ten-page *Data Supplement* accompanying this report includes information about:

- the Intercity Bus Data Set;
- the Multimodal Fare Analysis;
- previously unavailable data from Wanderu.com; and
- links to past reports published by the Chaddick Institute.

Available as a PDF, the supplement can be downloaded in the Research & Publications section of the Chaddick Institute website at: [las.depaul.edu/chaddick](https://las.depaul.edu/chaddick).

## **Multi-modal Fare Analysis: Matrix**

A data chart comparing prices in each of the 54 markets will be available on Tuesday, January 14, or earlier, upon request.



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<sup>1</sup> Our estimates of the number of daily operations for all years have been adjusted downward due to our new methodology that counts more multi-leg trips as a single daily operation. See *Data Supplement* for details.

<sup>2</sup>“Amtrak,” Monthly Performance Report for September 2013,” available at <http://www.amtrak.com>; USDOT, Research and Innovative Technology Administration, “Available Seat-miles, All Carriers- All Airports,” available at: [www.transtats.bts.gov/Data\\_Elements.aspx?Data=4](http://www.transtats.bts.gov/Data_Elements.aspx?Data=4).

<sup>3</sup>Joe Thomas, HSBC Transport “Firstgroup - pressure from shareholder; Stagecoach - strong H1 results,” new release dated December 11, 2013.

<sup>4</sup> “Transcript of FirstGroup’s half-year pre-close trading update call for the six months ending 30 September 2013, Thursday 3 October 2013,” accessed on December 29, 2013. Available at [http://www.firstgroup.com/assets/pdfs/investors/presentations/FirstGroup\\_half-yearly\\_pre-close\\_statement\\_2014\\_transcript.pdf](http://www.firstgroup.com/assets/pdfs/investors/presentations/FirstGroup_half-yearly_pre-close_statement_2014_transcript.pdf).

<sup>5</sup>Both reports, by Marcia Scott, Christopher Kelly, Eileen Collin of the Institute for Public Administration, University of Delaware, are available at <http://www.ipa.udel.edu/publications/>. The first, *Curbside Intercity Bus Industry: Research of Transportation Policy Opportunities and Challenges*, was released in August 2013. The second, *Intermodal Transportation Facilities: Research of Viable Attributes and Potential to Integrate Curbside Intercity Buses*, was released in November. Each offers insightful new perspective on activity in the Northeast.

<sup>6</sup> This study, *Intermodal Transportation Facilities: Research of Viable Attributes and Potential to Integrate Curbside Intercity Buses, conducted by M.J. Bradley and Associates* with financial support from the American Bus Association. Released in August 2013, it is available at <http://www.buses.org/rail>

<sup>7</sup> Using the Wanderu.com data, which is described in detail in the *Data Supplement*, we assume that 45% buy the 1-day A/P fares, 45% buy the 7-day A/P fares, and 10% buy 28-day A/P fares. We assume that air travelers are split equally between 7-day and 28-day AP fares.

<sup>8</sup> American Automobile Association, “Your Driving Costs: How Much are you Really Paying to Drive,” issued in 2013. Available at <http://exchange.aaa.com/wp-content/uploads/2013/04/Your-Driving-Costs-2013.pdf>. Cost estimates are based on a medium sedan. Variable costs associated with depreciation based on the reported reduction in depreciation (\$292) resulting from a 5,000 mile reduction in miles driven. See *Data Supplement* for details.

<sup>9</sup> Data for the Northeast Corridor will be summarized in a later publication. Please contact the authors for specific information on these markets. The data suggests a higher percentage savings from bus travel in these markets.

<sup>10</sup> American Automobile Association, “Your Driving Costs: How Much are you Really Paying to Drive,” issued in 2013. Available at <http://exchange.aaa.com/wp-content/uploads/2013/04/Your-Driving-Costs-2013.pdf>. Cost estimates are based on a medium sedan. Variable costs associated with depreciation based on the reported reduction in depreciation (\$292), resulting from a 5,000 mile reduction in miles driven. See *Data Supplement* for details.

<sup>11</sup> This new service establishes BoltBus as an important player in a prime corridor already served by its parent company, Greyhound, and competitor Megabus, as well as Amtrak and various airlines.

<sup>12</sup> With the exception of its Newark, N.J., stop and brief stop at the Port Authority Bus Terminal in New York, the carrier had not previously used Greyhound terminals.

<sup>13</sup> Another noted feature of Megabus’ revised Los Angeles – Bay Area route is that all schedules originating from the Bay Area start from Oakland, travel into San Francisco, and travel south via San Jose en route Los Angeles—a different route than that used by Greyhound and Megabus, which start their trips from San Francisco and serve either San Jose or Oakland, but not both.

<sup>14</sup> Estimates of traffic growth are based on the timing of Megabus news released about the achievement of various traffic milestones. The revenue estimate is based on results previously cited in *Endnote 3*.

<sup>15</sup> Examples of communities added to the Megabus network included Humble, San Angelo and Uvalde, Texas.

<sup>16</sup> The difficulty partially stemmed from the fact that most of Kerrville’s ticket sales were sold through physical terminal agents, whereas its Megabus service was primarily marketed online.

<sup>17</sup> Examples of Megabus routes eliminated include the Nashville – Memphis and Dallas – Oklahoma City – St. Louis routes,

<sup>18</sup> According to public documents filed with the city, Yo! Bus has been approved for additional slots.

<sup>19</sup> In January, Greyhound Connect assumed the Charlotte – Fayetteville regional service previously operated by Coach America/Horizon Coach Lines. Also in January, with support from state subsidies and federal funding, the existing Greyhound service from Raleigh, N.C. to Myrtle Beach, S.C., was divided into two routes: Raleigh – Jacksonville, and Jacksonville– Myrtle Beach, both operating via Wilmington, S.C. These service enhancements allowed for better connections between the eastern and western parts of the state. Through funding received from the state of Missouri, Springfield, Mo. – Ottumwa, Iowa, service launched in March. In November, the carrier launched an enhanced Little Rock – Memphis schedule that includes stops in rural towns, including Searcy, Bald Knob, Newport, Jonesboro, Marked Tree and West Memphis, Arkansas.

<sup>20</sup> The anticipation of this service is based on a recent filing with the New York City Community Board.

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<sup>21</sup> Among regional operators, there is speculation the Caz Limo, operator of Cornell's Campus 2 Campus service linking Ithaca to Manhattan, will start Syracuse – New York business class service. New state-supported service from the Vermont's Burlington, Albany, and Rutland/White River Junction to Hanover, N.H. could be made available by Premier Coach.

<sup>22</sup> Instead of utilizing gates at the Port Authority Bus Terminal in New York, the service uses a curbside location on 8<sup>th</sup> Avenue, a few blocks away.

<sup>23</sup> According to reports, the proposal submitted by the state for federal funding to continue the service was not sufficient, as federal dollars must be matched by local funds and in-kind contributions.