



DEPAUL UNIVERSITY

CHADDICK INSTITUTE FOR METROPOLITAN DEVELOPMENT

Intercity Bus News Update, Summer 2019



What's New in Intercity Bus Travel?

Three Options for the Port Authority Bus Terminal

Momentum is growing to replace or improve the massive Port Authority Bus Terminal in Midtown Manhattan. Its owner, the Port Authority of New York and New Jersey, has narrowed the [list of viable options from 13 to just three](#):



1. Fully rebuilding at the current terminal;
2. Creating a new terminal on the lower level of the nearby Jacob Javits Center on 11th Avenue; and
3. Pursuing a mix of the first two options with bus facilities at both locations.

The agency is in the midst of a “[robust 120-day public outreach process](#)”, with public hearings scheduled through September. Around \$3.5 billion has been set aside for the

option that is eventually chosen, but the [total cost](#) remains unknown. Work is projected to be undertaken through 2030.

FirstGroup to Sell Greyhound Lines

FirstGroup formally announced it is selling its iconic Greyhound operation. The parent company expects this will “unlock value” in the legacy brand and allow it to focus more intensively on its



contract and school services. In its [May earnings report](#), FirstGroup cited challenges from low oil prices and increased competition from low-cost airlines. It also noted that Greyhound’s hiring of a new chief commercial officer with air travel experience and the adoption of an airline-style revenue management system is imbuing optimism. Despite this, the parent considers margins too thin to retain the business unit. Operating profits dropped from \$32.8 million in 2018 to \$14.2 million this year, while revenues fell 7%, in part due to cutbacks in western Canada. The operating margin narrowed to 1.7%. Greyhound has been a subsidiary of FirstGroup since 2007.

Jefferson Lines Celebrates 100 years and returns to downtown Fargo; Driver recognized for heroism



Jefferson Lines, which is celebrating its 100th anniversary of service this year, [moved its Fargo, N.D., stop](#) to the city’s downtown a nearly 10-year absence. Fargo’s Ground Transportation Center includes a full-service ticketing facility and multi-modal connections to local transit buses. Amtrak is also nearby. Jefferson is [leasing the space](#) from the city government.

Jefferson [captured a great deal of favorable publicity](#) after one of its

veteran operators adeptly kept a hijacker from taking over his bus on January 30th. Brian Bersuch was on his home stretch to Spokane when the incident occurred. The man in question lacked the funds to buy a ticket all the way to Great Falls and instead purchased one to Butte. While onboard, he told Bersuch that he had a bomb and a gun. After a ten-

hour standoff filled with surprising twists, local police deescalated the situation without an injuries. Bersuch's adept handling of the situation rightfully earned him hero status.

FlixBus Stays on Growth Trajectory, enters the Northeast

As we noted in our [2019 Outlook](#) report released in February, FlixBus, a company based in Germany, introduced its brand in the Southwest last year. The app-based platform contracts with local bus travel operators to provide the service while it handles pricing, marketing and ticket sales. Since then, expansion has been a priority.

In March, the company launched Texas services linking Austin, Dallas, Houston, and San Antonio as well as interstate service to Baton Rouge and New Orleans, LA and Biloxi, MS, in partnership with a variety of regional bus operators. In April, the company [added a link](#) between Las Vegas, NV and Salt Lake City, UT via St. George and Provo. May brought the launch of an El Paso - Phoenix route via Las Cruces, NM.



The carrier's [East Coast debut](#) came in May through an agreement with Eastern Bus. Up to eleven buses daily link New York to Baltimore, Washington, D.C., and Richmond. The company has since then added a stop in Rockville, MD and plans to soon serve Bethesda, MD. New York travelers can choose from curbside locations in Chinatown and outside Penn Station.

OurBus Fills a Void after Amtrak Cutback



OurBus, a “crowdsourced” travel option with a sizeable Northeastern operation, will soon test a [new once-a-day service](#) linking Chicago to Indianapolis, in the wake of the impending cancellation of Amtrak’s Hoosier State on July 1st. Like FlixBus, this app-based platform contracts with local bus

travel operators to provide the service while it handles pricing, marketing and ticket sales. The company will assess demand service through Labor Day, offering a morning

departure from Indianapolis and an evening return from Chicago. Greyhound, Megabus, and Miller Transportation already serve the route.

Other notable routes recently launched include New York to Niagara Falls (via Buffalo), Reading (via Allentown), Norfolk (via Washington and Richmond), and Washington - Ocean City, MD.

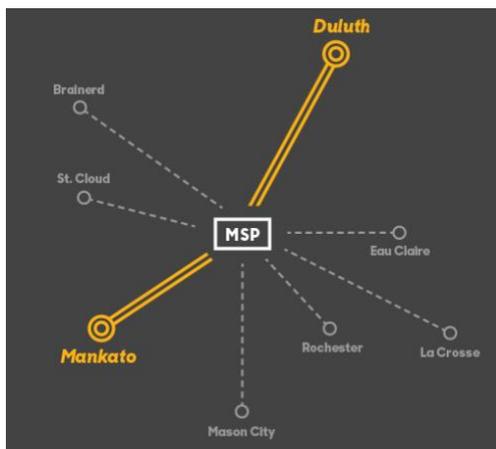
Greyhound's Expanding Border Operations

A growth center for Greyhound has been transporting migrants throughout the Southwestern region of the United States to other parts of the country. As noted by the recent [New York Times](#) feature, traffic has spiked over the past year, with this region's share of revenue at Greyhound reportedly growing from 8% to 11%. This is helping offset some of the weaknesses in other markets. Based on published schedules from September 2018 to June 2019, the company has increased the number of schedules operating in core corridors, including El Paso - Phoenix and Phoenix - Los Angeles by at least 30%.



Schedule Data based on Table 580 analysis from September 2018 to June 2019 (El Paso - Phoenix - LA)

Introducing Minnesota's Landline, Shuttling Nonstop between Airports



An innovative new operator has emerged that is utilizing coach buses to connect regional airports to a major hub airport has emerged. [Minnesota-based Landline](#), launched this month, has routes connecting the airports at Mankato and Duluth with the Minneapolis-St. Paul International Airport. This intermodal operator seeks to connect other Minnesota airports to MSP in the coming months and explore potential opportunities to interline directly with airlines.

Peter Pan Bus adds Philadelphia - Washington, D.C. and Cape Cod Service

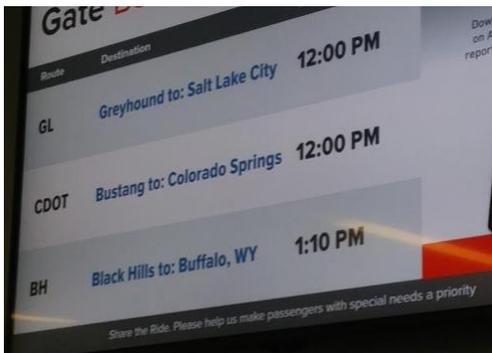
Peter Pan Bus Lines began direct service between Philadelphia, Baltimore, and Washington D.C. in May. Responding to pent-up demand along the corridor, as well as the fall 2018 launch of BoltBus service along the same route, the company offers four to six schedules in each direction, four days a week, from Friday to Monday. This new route follows the January launch of the New England service that connects the lower Cape Cod region from Provincetown to Hyannis, MA to the carrier's existing service in Boston.



Rural Service on the Move; Technical Conference in Portland Coming Up



4th National RTAP
Technical Assistance Conference
Charting New Trails
FOR
Rural & Tribal Transit



The National Rural Transit Assistance Program is hosting its [4th Biennial Technical Assistance Conference](#), entitled *Charting New Trails for Tribal and Rural Transit*, from September 15-18, 2019. The gathering in Portland, Oregon will feature industry experts and a vendor expo bus show showcasing products and services, including vehicles, software, and securement equipment.

Many states are engaged in improving bus service to rural areas through the Federal 5311 grant program, which is on the upswing, as well as other public funding sources. The expansion of Bustang, which added a sixth [Denver – Ft. Collins, CO](#) daily trip earlier this year, has attracted a particularly large amount of attention. Bustang, managed by Colorado's Department of Transportation, also recently added Denver – Vail service and now handles [around 17,000 passengers](#) per month. Like many bus lines, the carrier has had to work hard to overcome driver shortages.

Letter from the Authors

Dear readers,

Since we published our [2019 Outlook](#) for Intercity Bus Travel report in February, the biggest news in long-distance bus travel has emanated from the biggest brands. FirstGroup announced it was selling Greyhound. Stagecoach completed its sale of Megabus to Variant, a venture capital firm. Flixbus expanded its footprint to Texas and Northeast—with more expansion apparently to come.

Regional carriers also made important moves. Vonlane expanded its premium Texas Triangle service by adding new trips between Austin and Houston. RedCoach Bus launched a twice-daily Orlando – Atlanta service, with first-classes buses. Peter Pan, entered the Philadelphia - Washington D.C. route, having ceased being a “pool partner” with Greyhound.

Colorado’s Bustang, operating with the state government’s support, expanded its Denver – Ft. Collins service. OurBus announced a new Midwestern “pilot” service, while Suburban Express, the Chicago – Champaign, IL operator [embroiled in controversy](#), has shut down.

In the midst of such change, one “constant” stands out: providing scheduled intercity bus service is a tough business. Margins are thin. Qualified drivers are in short supply. Rising airline competition and automobile ownership require continuous innovation on the part of bus service providers. But, as this Intercity Bus News edition shows, it is also an exciting time.

Be sure to check out our continuously updated [Interactive Map of Premium Bus Services in the United States](#). You'll be surprised at how this system of first- and business-class routes is growing.

Finally, we’d like to introduce you to Matthew Jacques, co-author of this report. Please send any updates you have to Matt or either of us to help monitor this fuel-efficient mode of travel.

Joe Schwieterman and Brian Antolin



Keep in Touch! Please share this Update with Others

Have any updates you'd like to share? Or colleagues that would like to join our Intercity Bus Listserv?

Email me to let me know! You can reach me, Matt Jacques, co-author of Intercity Bus News Update, at chaddick@depaul.edu.

We send roughly five emails per year. You can unsubscribe at any time.



NEW DIRECTIONS

2019 Outlook for the Intercity Bus Industry
in the United States

BY BRIAN ANTOLIN, JOSEPH P. SCHWIETERMAN & MATTHEW JACQUES | FEBRUARY 5, 2019



CHADDICK INSTITUTE FOR METROPOLITAN DEVELOPMENT AT DEPAUL UNIVERSITY | POLICY SERIES

Check out the Chaddick Institute's widely read research on the intercity bus industry. This free report is published annually by Professor [Joe Schwieterman](#), [Brian Antolin](#), and [Matthew Jacques](#) and the latest analysis shows some interesting new developments.

[Click here for Chaddick's 2019 Outlook for the Intercity Bus Industry report.](#)

In case you missed it, here is a link to our widely circulated 2017 study [Ground Transportation Gaps: The Most Heavily Traveled Intercity Routes without Express Coach or Rail Passenger Service in the United States.](#)

