

Intercity Bus Industry Shows Major Rebound for First Time in Nearly 50 Years

Perhaps it is because growing ranks of travelers refuse to tolerate the inconveniences of flying and airports or are more environmentally conscious. Perhaps it is the new amenities – like movies and Internet service – some intercity bus companies are now offering. Or perhaps it is just because the beleaguered intercity bus industry just couldn't fall any further.

Whatever the reason, evidence points to a major resurgence this year of intercity and interstate bus travel – the first rebound in decades and one that coincides with the 25th anniversary of the deregulation of the industry.

According to research conducted by the Chaddick Institute for Metropolitan Development at DePaul University, the number of scheduled runs, or bus departures, across the nation has jumped about 13 percent since February 2006. Much of the increase is attributable to new players entering the field – most notably Megabus Inc. in the Midwest. But there also has been an increase in the number of routes and departures offered by other regional lines. At the same time, Greyhound Lines has just completed a \$60 million equipment and facility overhaul, enhancing the quality of its passenger service. The increase, the study found, comes on the heels of a dramatic and painful period of decline that resulted in the loss of more than two-thirds of all services nationally.

“The Return of the Intercity Bus: The Decline and Recovery of Scheduled Service to American Cities, 1960 – 2007” assessed the changing status of intercity bus service throughout the United States during the past half-century. Drawing on data from more than 5,000 arrivals and departures in a representative sample of American cities, it shows that U.S. cities lost nearly one-third of their scheduled intercity service between 1960 and 1980 and more than 60 percent of the remaining services between 1980 and 2005.

“Since bus travel is more than four times as energy-efficient as private car travel and airline travel, the intercity bus companies have a great marketing opportunity to reach out to those who are conscientious about the nation's energy and environmental challenges,” said Joe Schwieterman, executive director of the Chaddick Institute and a professor of public service at DePaul.

Research associates working with Schwieterman have examined published bus schedules for the top service providers throughout the nation. There has been an especially notable up tick in service in relatively dense regions of the nation where major metropolitan areas are within 100 to 300 miles of each other.

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The biggest beneficiary of this increased traffic is Chicago, in which Megabus operates numerous daily departures to numerous Midwest cities, including Milwaukee, Indianapolis, St. Louis, Detroit, Cleveland and Cincinnati. This year, Megabus expanded service at its Chicago hub to 42 daily bus operations and added several new cities as well as opened a new hub in Los Angeles that serves 12 cities in Arizona, California and Nevada.

A variety of carriers expanded along the nation's coasts as well. DC2NY Bus began service between New York City and Washington, D.C., in mid-2007 with amenities including wireless Internet service. Apex Bus Lines, which operates a route system emanating from New York City, more than doubled its bus operations to 100 daily departures in recent years, adding service points as far away as Atlanta. USAsia, sprung up on the West Coast, offering service among the Chinatowns in the San Francisco Bay Area, Silicon Valley, Los Angeles, the San Gabriel Valley and Las Vegas. Once serving primarily immigrants and other travelers with extremely tight budgets, these operators are now reaching a more diverse clientele.

Established operators, including Peter Pan Bus and Bonanza Bus Lines, also expanded service. "Intercity bus companies, ironically, are big beneficiaries of worsening highway congestion, which is adding to the stress and cost of driving," noted Schwieterman. "Furthermore, many travelers have decided that the extra travel time of bus travel is a small price to pay to avoid the dealing with overcrowded airports and flight delays."

Industry image is another area where a resurgent bus business seems to be improving. "Obviously, the intercity bus industry suffered from a reputation as the travel means of last resort for many years," said Schwieterman. "But with more upscale coaches being put into service with amenities like larger seats and on-board movies, the companies have started to close the gap on other modes of travel."

Despite the gains, Schwieterman noted that it was questionable whether the intercity bus business would not regain its former glory. "This is certainly an encouraging sign for the industry, but obviously it is a long road ahead."

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The full text of "The Return of the Intercity Bus: The Decline and Recovery of Scheduled Service to American Cities, 1960 – 2007" can be found at the Chaddick Institute Web site at <http://condor.depaul.edu/~chaddick/Intercity%20Bus%20Study.pdf>

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