

**The Future
of
Inter-Community
Bus Service
in
Northwestern Ontario**

A report by the Transportation Task Force Working Group on Inter-Community Bus Service

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NOTE: while each member of the working group was appointed by their respective employers, the content and conclusions contained in this report are the views of the individuals and should not be assumed to be the official position of their employer.

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The Future of Inter-Community Bus Service in Northwestern Ontario

EXECUTIVE SUMMARY

In the summer of 2015 three interconnected decisions were made which triggered a reaction by the leadership of Northwestern Ontario. The first was the release of the Mandate Letter for the Minister of Transportation for Ontario that directed him to *“develop recommendations on modernizing and appropriately regulating the intercity bus regime to ensure it remains an attractive and affordable travel option for Ontarians.”* The second was the posting on the Environmental Bill of Rights web site that the Province was seeking comment on *“how people travel between communities by intercity bus in this province.”* The third event was the announcement by Greyhound Bus that they were cutting their service through the Northwest in half.

Common Voice Northwest, a regional research and policy development organization had already created a Transportation Task Force to monitor and inform the Ministry of Transportation Multi-Modal Strategy for Northern Ontario. That Task Force formed a working group on inter-community bus transportation.

The working group conducted research into the current circumstances of inter-community travel in the Northwest and what other jurisdictions had examined or implemented in order to ensure that residents in areas of low population and large distances had the appropriate level of service. They identified that there were three service providers; Greyhound Bus Lines, Caribou Transportation Company Inc. and Kasper Transportation operating into and within Northwestern Ontario.

The research identified that there was already an issue regarding the utilization of existing EMS vehicles and crews to transport non-urgent patients between communities. It also identified that the area District Social Services Boards expend financial resources to transport their clients between communities for medical, employment and eligibility for OW reasons. These costs are almost 100% the responsibility of the Ontario Government. The Red Cross provides some inter-community services, while the Ontario Government, through the Northern Health Travel Grant reimburses patients for inter-community travel for appointments etc.

The Working Group also reviewed the work of the Council of Deputy Ministers responsible for Transportation and Highway Safety and their *“Intercity Bus Services Task Force Final Report, September 2010.”*

The Working Group has concluded that for each community in the Northwest to have direct access to inter-community bus service that the Province of Ontario will need to provide a subsidy to the existing operators in order that the service is viable. With the assistance of Caribou Coach Transportation Company Inc. , the Working Group has identified the cost of an inter-community bus service that provides daily service¹ to each community in the Northwest. The total annual revenue required would be in the range of \$3.24 million based on an operating cost of \$2.50 per mile (not including capital). In addition to the operating cost it has been determined that a total of 10 coaches will be required to provide a 7 day a week level of service. New equipment would cost in the range of \$500,000 per unit, however, pre-owned equipment which would be adequate for this level of service could be available for approximately \$100,000 per unit. Each coach will have a useful life of approximately 5 to 8 years, based on the experience of Caribou Coach.

Additionally, a large portion of the capital cost needed for not only equipment but also operation set-up, can be minimized by having an existing Carrier, who is already rooted, licensed, and able to undertake the operation with minimal outlay.

The upfront capital costs will be \$1 million with the ongoing operating revenue requirement of \$3.24 million. It is estimated that based on current ticket prices for the existing carriers, ticket revenue will amount to \$1,900,000. For this service to be viable it will require an ongoing operating subsidy in the amount of \$1,350,000. In addition, a capital grant of \$1 million will be required for start up, followed by an equipment replacement grant every 5 years. Alternatively, the annual operating subsidy should be increased by \$235,000 in order to repay the cost of the loan for the acquisition of the equipment.

Subsidizing inter-community bus service is not new for the Government of Ontario. There are currently two distinct programs with significant financial contribution from the tax payer.

Metrolinx operates or funds both inter-city and intra-city services in the Greater Toronto & Hamilton Area (GTHA) . The Metrolinx financial² report³ for 2013/14 indicates that the organization received \$161.4 million from the Province of Ontario. An operating subsidy of \$106.4 million was attributed directly to GO services.⁴

The Ontario Northland Transportation Commission operates both rail and bus service in the Northeast of Ontario. The total allocation from the Ministry of Northern Development and Mines under the heading “*Cash deficiency and other*” is the amount of \$11 million for 2014 with ONTC receiving \$29,749,000 the year before. These are

¹ Defined as one trip each way per day

² The financial report does not separate out capital from operating

³ Excerpts from the Financial Report found in Appendix I

⁴ Page 37, Metrolinx Annual Report 2014-15

amounts attributed to a subsidy for both passenger and freight services of the Crown Corporation. Its' motor coach service shows a shortfall of \$880,000 in 2014.⁵ In addition to the subsidies to the mode of transportation paid for by Ontario, the Province also funds the Northern Health Transportation Grant program which provides reimbursement to patients who are required to travel beyond their home community for approved medical services.

Conclusion

The Government of Ontario is already subsidizing inter-community transportation in Ontario. It does so in the Greater Toronto and Hamilton area and in Northeastern Ontario. It also does so in Northwestern Ontario, although it is through the Ministries of Health, Community and Social Services and Northern Development and Mines. It is not much of a leap to create a system that ensures that the entire Northwest, regardless of the reason to travel is able to access inter-community bus service.

It is the position of the Working Group that the Ontario Government should consolidate their transportation subsidies under one program and ensure that sufficient funds are available to provide a twice daily (one inbound, one outbound schedule), seven days a week transportation service that connects all of the communities in the region through the hub of Thunder Bay and to the medical destination of Winnipeg.

As noted above, the Ontario Government is already paying for transport of Northwestern Ontario residents through a variety of methods and under different Ministry budgets, one option is that each Ministry and Ministry programs issue travel vouchers to their clients, redeemable with the inter-community bus provider who in turn will be compensated at tariffs determined by the Carrier . The remaining shortfall required to ensure the continued operation of the inter-community bus service would be provided quarterly by the Ministry of Transportation as a direct grant to the operator.

It is the conclusion of the Transportation Task Force Working Group on Inter-Community Bus Service that the only way that the Northwest can have a reliable, dedicated, and ongoing bus service from community to community is to have it subsidized by the Government of Ontario. It is also the conclusion of the Working Group that significant Ontario Government subsidies are already being expended in the Northwest to provide a hodge-podge of services, sometimes to the detriment of the original purpose of that service.

The Working Group has reviewed and considered a number of options on how best to provide the necessary financial support to the existing carriers to ensure that a 7 day a week, appropriately timed services can be maintained throughout the region.

⁵ Excerpts from the ONTC financial report found in Appendix J

A key aspect of the current transportation support is that each Ministry is paying for the service that they contract for – Ministry of Health and Long Term Care, Ministry of Community and Social Services and from time to time, the Ministry of Northern Development and Mines. There are two broad options available to the Government to subsidize inter-community bus services:

- All funding derived from one Ministry – ie the Ministry of Transportation or the Ministry of Northern Development and Mines
- The subsidy remaining with the line Ministries responsible for the particular client base plus a top up subsidy to ensure viability.

OPTIONS FOR CONSIDERATION

Option A: Direct Subsidy

That the Government of Ontario establish an operating and capital subsidy to support the existing carriers in providing 7 day a week service to each and every community in the Northwest. The annual estimated cost of this subsidy would be up to \$3.5 million (well below what the Ontario Government currently provides Northeastern Ontario or the GTHA.)

This proposal would be implemented through negotiations between the Ministry of Transportation (or MNDM) and the three carriers. No other entrants would be allowed to participate in the subsidy program unless an existing carrier chooses to opt out and a service vacuum is created. The final amount of the annual subsidy would be subject to those negotiations and would likely be much less than indicated above.

Option B: Distributed & Direct Subsidy

That the Government of Ontario agree to provide funding to the three existing carriers⁶ through the following mechanisms:

Transportation Vouchers

- Each physician located throughout the region provided with transportation vouchers that they can issue in lieu of ordering an ambulance. This would apply only to those physicians who are not operating on behalf of one of the rural hospitals
- Each DSSAB is provided with transportation vouchers that they can issue in lieu of ordering a cab or other services for inter-community travel
- Individual destination hospitals are provided with transportation vouchers that they can issue for clients that must return on a regular basis for treatment (ie cancer, dialysis etc.)

⁶ Greyhound, Caribou and Casper

- Where inter-community bus service exists and where the scheduling reflects the need of the patient, and where that patient meets the requirements of the Northern Health Travel Grant, funding from that program shall be utilized to compensate the carrier for the cost of transporting that individual to the referral community.

Fuel Tax Exemption or Refund

That in order to compensate each carrier for the difference in required income between what the total monthly revenue received from the Transportation Vouchers and direct pay passengers amounts to, and the short fall in operating revenue in order to meet reasonable expenses and an appropriate profit, the Government shall reimburse each carriers for the monthly shortfall.

At the conclusion of each operating year, and subsequent to the submission of the appropriate documentation, the carriers and the Government shall reconcile any difference between what was paid to them and what they were eligible for.

Alternatively to the fuel tax exemption or refund, the Government may provide a top up subsidy unrelated to the amount of fuel tax expended and claimed.

Routing of Services

A key issue in providing scheduled inter-community bus service is the provision of an appropriate facility to handle ticket sales, accommodate waiting passengers and to ensure arrival times are communicated appropriately. As much of the recommendations noted above have a direct relations to health care services, it is further recommended that the bus routes include the hospital or major.

BACKGROUND

In the summer of 2015 three interconnected decisions were made which triggered a reaction by the leadership of Northwestern Ontario.

The first was the release of the Mandate Letter for the Minister of Transportation for Ontario (as well as his Parliamentary Assistant) that directed him to examine

“the optimal use of transportation modes across the province. You will develop recommendations on modernizing and appropriately regulating the intercity bus regime to ensure it remains an attractive and affordable travel option for Ontarians.” In addition the Mandate letter also included “Continuing to work with the Minister of Northern Development and Mines to implement the Growth Plan for Northern Ontario — including the development of the Northern Ontario Multimodal Transportation Strategy.”⁷

The above mandate went un-noticed across the North.

The second was the posting on the Environmental Bill of Rights web site that the Province was seeking comment on

“how people travel between communities by intercity bus in this province. This important, new work will focus on scheduled intercity bus services that operate between separate communities.” The ministry is considering different ways of modernizing these rules and regulations in order to both increase the number of intercity bus users and to improve the overall intercity bus traveling experience. Input is being sought from the general public on their perceptions of and experiences with travelling by intercity bus, as well as, from the intercity bus operators on how intercity bus services can be improved. The information being collected will be used as one part of the ministry’s evaluation process on how to modernize intercity bus services in Ontario.

This work will also inform the ministry’s work on the Northern Ontario Multimodal Transportation Strategy. The Strategy will consider intercity bus transportation as it identifies the transportation issues and needs that are unique to Northern Ontario for the movement of people and goods over the next 25 years.”⁸

Unfortunately, the Government declined to make this opportunity known to the people of Ontario other than posting it to an obscure web site in the middle of the summer that few know about and those that do seldom visit. The Ministry also informed AMO who included it in their regular bulletins but it too went unnoticed by the Northwest.

⁷ A copy of the Minister’s Mandate Letter is found in Appendix A

⁸ A full copy of the EBR posting is found in Appendix B

The third event occurred in the Northeast and only came to the attention of the leadership in the Northwest through the keen eye of a regional official. That was the announcement that Greyhound Bus was cutting their service through Northern Ontario in half⁹. Even this announcement went unnoticed in the Northwest as the story broke in the Northeast with limited coverage in the Northwest. The following is a briefing note provided to the Board of the Northwestern Ontario Municipal Association (NOMA)

Effective September 25 Greyhound is cutting their service through Northwestern Ontario in half. Currently, there are two runs in each direction. After the cuts there will only be one.

WESTWARD

The service that leaves Manitowadge at 5:35 PM, arrived Thunder Bay at 11:30 PM and then Kenora the next morning at 4:45 AM has been eliminated as of September 25.

What remains is the service that departs Manitowadge¹⁰ at 7:00 PM, Thunder Bay at 9:35 AM and Kenora at 4:10 PM. This in effect is an overnight service to Thunder Bay and a day time service to the west.

EASTWARD

The service departing Kenora at 12:15 PM, arriving in Thunder Bay at 7:30 PM and Manitowadge at 1:30 AM is being cancelled. This service had provided day time access to Thunder Bay for Kenora, Dryden, Ignace and Upsala.

That will leave the service that departs at 1:10 AM, and arrives Thunder Bay at 8:15 AM and then reaches Manitowadge at 1:50 PM. This latter section provided day time return service from Thunder Bay for the North Shore communities.

NOMA immediately issued a media release alerting the region to the impending loss of 50% of the Greyhound service and indicating that a letter had been sent to the Minister of Transportation asking that

“he intervene to ensure that the existing service can be maintained.”¹¹

Subsequently, NOMA requested and received a delay in the deadline for comments under the Environmental Bill of Rights and launched a poster campaign amongst their

⁹ News Report re Greyhound Service Reduction is found in Appendix C

¹⁰ Any reference to Manitowadge is actually a reference to the intersection on Highway 17 & 614 that connects to Manitowadge.

¹¹ Copy of the NOMA Media Release is found in Appendix D

member municipalities encouraging residents from the region to register their views at the EBR on the future of inter-community bus service.

A number of Municipalities adopted resolutions in support of continued inter-community bus service as did the Northern Ontario Service Deliverers Association which represents the DSSABS and CSM's across Northern Ontario.¹²

In the spring of 2015, Common Voice Northwest, a research and policy development organization that supports the work of the Northwestern Ontario Municipal Association and the Northwestern Ontario Associated Chambers of Commerce, created a Transportation Task Force (TTF). The primary role of the TTF was to monitor and evaluate the work of the Ministry of Transportation and Ministry of Northern Development and Mines as they developed a Multi-modal transportation strategy for Northern Ontario. This strategy was a key component of the Growth Plan for Northern Ontario announced on March 4, 2011. The following is an excerpt from the strategy:

“The transportation system within Northern Ontario will be planned and managed with an emphasis on opportunities to:

- 1. optimize the capacity, efficiency and safety of the existing transportation system*
- 2. link major markets, resource development areas, and economic and service hubs*
- 3. meet the needs of the existing and emerging priority economic sectors and help implement regional economic plans*
- 4. enhance connectivity among transportation modes including rail, road, marine and air*
- 5. create or strengthen linkages between economic and service hubs and rural and remote communities*
- 6. reduce emissions and other environmental impacts associated with transportation.*

Of particular importance are the communities, both large and small, that function as the economic and service hubs of the North. These communities act as regional service centres for surrounding communities. They are critical gateways between the North and other economic regions in Ontario and beyond. They are also points of convergence for major infrastructure, including transportation, energy, information and communications technology, and community infrastructure. The prosperity of all northerners, and all northern communities, depends on the strength of these hubs. They will become the catalysts for the economic development of Northern Ontario.”¹³

¹² A copy of the NOSDA letter to Minister Deluca is attached as Appendix D

¹³ See Appendix G for additional excerpts from the Growth Plan for Northern Ontario

The Transportation Task Force in turn, created an Inter-community Bus Working Group (Working Group) with a mandate to develop a proposed policy position for the Northwest on the future of inter-community bus service. The TTF brought together a small group of professionals from the 3 district social service boards, the Superior North EMS¹⁴, Caribou Bus Lines, the Chair of the Transportation Task Force and later, a representative from the Northwest Local Health Integration Network.

The Working Group spent considerable time attempting to gather information on current requirements for inter-community travel, particularly the travel that was in some way paid for by government organizations.

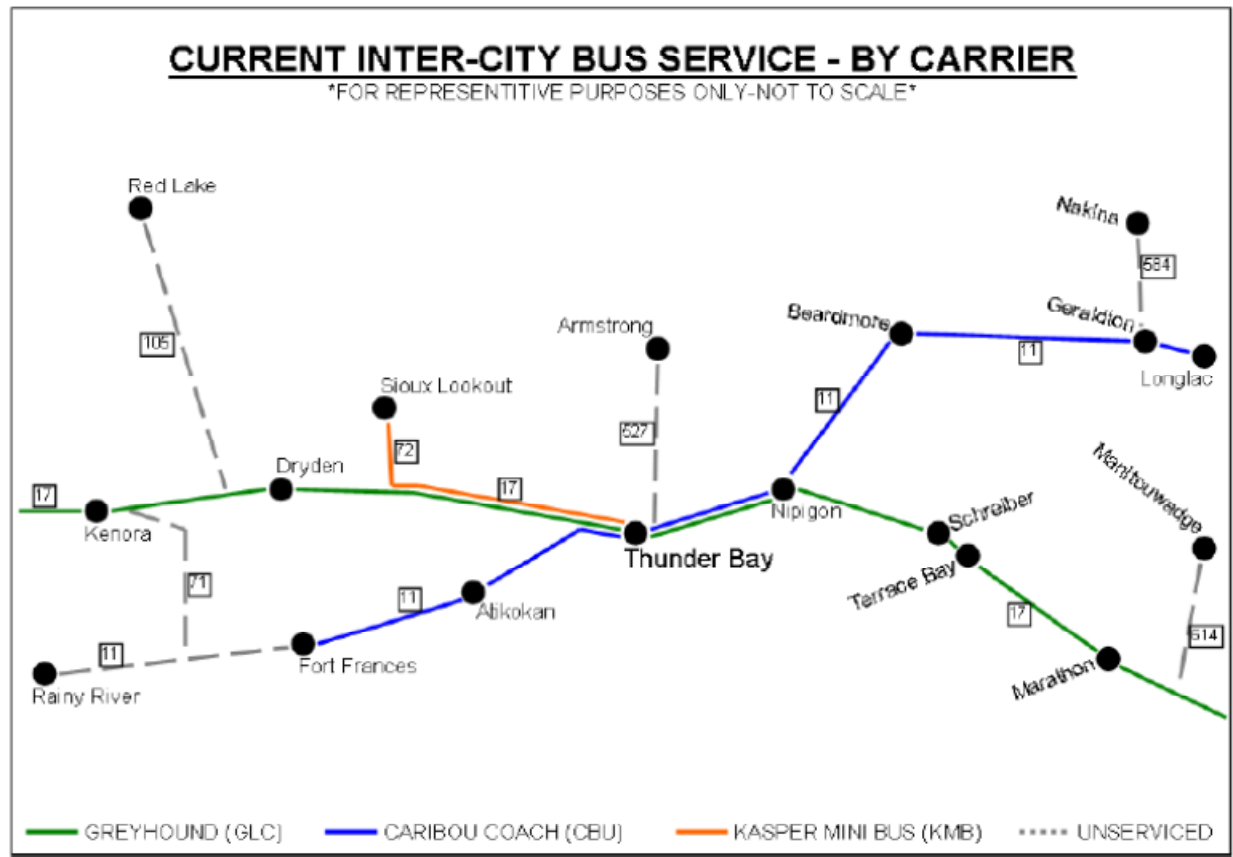
Ear Falls Case Worker: I have clients in Ear Falls who must travel to Red Lake for court and medical appointments who hitchhike all the time, which is both dangerous and scary especially during winter months.

¹⁴ The Kenora District Service Board and the Rainy River District Social Services Administration Board operate EMS for their districts. In the District of Thunder Bay the Emergency Medical Service is administered by the City of Thunder Bay.

Existing Inter-community Transportation Services

There are three formal passenger transportation services currently operating in the Northwest. Greyhound, Caribou and Kasper.

The diagram below outlines the services provided while the chart on the following page indicates the type, frequency and communities currently served.



CARRIER	LOCATIONS SERVICED	FREQUENCY	WEEKLY MILAGE
Greyhound Canada	<ul style="list-style-type: none"> • Winnipeg • Kenora • Schreiber • Dryden • Terrace Bay • Ignace • Marathon • Upsala • Eastward • Thunder Bay • Nipigon 	<ul style="list-style-type: none"> • Once daily east between Winnipeg and Marathon • Once daily west between Marathon and Winnipeg 	8,610 miles weekly (13,853 Km weekly)
Caribou Coach	<ul style="list-style-type: none"> • Fort Frances • Atikokan • Thunder Bay • Nipigon • Beardmore • Jellico • Geraldton • Longlac 	<ul style="list-style-type: none"> • Three times weekly between Fort Frances and Thunder Bay • Five times weekly between Thunder Bay and Longlac 	3,380 miles weekly (5,438 Km weekly)
Kasper Mini Bus	<ul style="list-style-type: none"> • Sioux Lookout • Thunder Bay 	<ul style="list-style-type: none"> • Five times weekly between Sioux Lookout and Thunder Bay 	2,300 miles weekly (3,700 Km weekly)

Taxis are also used to move people from community to community with the cost ranging from \$90 from Dryden to Sioux Lookout to \$1,000 from Sioux Lookout to Thunder Bay. In addition, there are other less formal arrangements that are used to move people from one community to another primarily for health related reasons. The next section will explore the current situations as they relate to each existing challenge.

Red Lake Case Worker: Transportation has become a significant problem for our clients who have medical /legal appointments out of town. I have a client right now who is struggling to find transportation to a meeting with MTO in Dryden. Taxi cabs charge approximately \$300 or more return and if he hitch hikes he would need money for a hotel to ensure he gets there in time.

Non Emergent Transportation Issue

The EMS providers across the North have been struggling with the impact of non-emergent transportation of patients from small rural medical facilities to those of the larger centres. In particular, in the non-urban parts of the region, important emergency

services are diverted to provide inter-community shuttle service for ambulatory and non-emergency medical travel.

In the report “*Non-Emergent Patient Transportation in Kenora & Rainy River Districts: An Evidence Based 3rd Party Review*”¹⁵ prepared for the EMS in those two jurisdictions the following is stated:

Ontario’s system of non-emergent patient care is anchored by a portfolio of large regional hospitals. These regional hospitals offer an array of sophisticated diagnostic and specialty procedures not available in smaller community hospitals. These regional “hub” hospitals have been consolidated across the province at a limited number of locations. Consolidation has helped to control patient care costs by creating high utilization locations for expensive diagnostic/specialty resources – thereby leveraging efficient economies of scale.

Ontario’s dispersed portfolio of community hospitals provides accessible localized care; with medical staff acting as decision-making “triggers” in the process to provide patients with access to the more sophisticated/expensive diagnostic procedures offered at the regional “hubs”.

Regionalization cannot function properly without efficient patient flow in and out of “hub” hospitals – allowing these locations to service ongoing high levels of demand. Travel distances and travel time associated with patients accessing essential medical services also increase in a highly regionalized system. Therefore, timely and dependable transportation of non-emergent patients between the centralized regional “hub” locations and the dispersed community hospital locations is absolutely critical to the functioning of the entire non-emergent patient care system in Ontario.

However, the non-emergent patient transportation model in Ontario is not funded or delivered in a consistent/transparent fashion across the province. Instead, ad-hoc and dissimilar urban and Northern/remote arrangements have evolved in parallel. This is problematic for local taxpayers and for patients.”¹⁶

“The funding and delivery of non-emergent patient transportation in rural and Northern/remote Ontario has evolved according to the following realities:

Northern/remote EMS providers deploy the vast majority their annual budgeted vehicle hours of service to achieve Code 4 emergency response coverage over large expanses of territory. EMS providers do not typically budget for all impossible-to-predict Code 1-2 non-emergent transfers, nor do their deployment plans identify all the vehicle hours of service devoted to Code 2 non-emergent

¹⁵ Report prepared by Performance Concepts Consulting and published in September, 2013

¹⁶ Page 2 *Non-Emergent Patient Transportation in Kenora & Rainy River Districts: An Evidence Based 3rd Party Review*, Performance Concepts Consulting, September, 2013

patient transportation call volumes. Code 2 service delivery capacity inevitably comes at the expense of Code 4 coverage.”

“Community hospital patients (un-well but in stable medical condition) often require medically necessary scheduled tests/procedures at a regional “hub” hospital. Once a scheduled slot at the receiving “hub” hospital has been secured, nursing/admin staff from the sending hospital request air transportation with ORNGE. Or if land ambulance transportation is appropriate, the CACC¹⁷ is called upon to arrange an EMS patient transfer.

These scheduled non-emergent patients are typically assigned a Code 2 transfer status. Code 2 status provides EMS with adequate time to arrange the logistics of the transfer, including any necessary ambulance unit up-staffing to protect Code 3-4 deployment plan coverage. The transfer patient coding decision (i.e. degree of urgency) is made by physician(s) at the community hospital of origin – or alternatively by an Ornge physician located in Toronto. The transfer coding decision is made on a case-by-case basis, reflecting each individual physician’s medical/professional judgment.

Performance Concepts Consulting is not aware of any universal medical protocol/tool used by community hospital physicians in Kenora or Rainy River districts to achieve consistency when assigning transfer codes to patients with scheduled tests/procedures. While a Code 2 transfer designation is applied to most un-well but stable patients requiring scheduled tests/procedures, physicians do periodically arrive at a different coding conclusion. If a delay in transporting a stable but unwell patient to an important scheduled test/procedure could result in a projected erosion in the patient’s near term condition, physicians are up-coding the transfer to an emergent Code 3. By doing so, physicians are compelling the CACC to deploy an immediate EMS ride to the airport or to the receiving hospital. If CACC summons an ambulance to an airport tarmac Code 3, Ornge secures certainty that its fixed-wing SOA¹⁸ plane can pick up the transfer patient without delay or financial penalty.”¹⁹

In urban Ontario jurisdictions, province-wide revenues (e.g. sales or income taxes) are funneled through hospital budgets to fund Code 1-2 patient transfers; delivered primarily by non paramedic contractors – thereby reducing the EMS property tax burden on urban residential property taxpayers. **This income/sales tax funded “subsidy” for residential property taxpayers in urban communities has no counterpart in the Northern/remote districts of the province. The smaller Northern/remote residential tax base absorbs a**

¹⁷ CACC -Central Ambulance Communication Centre

¹⁸ SOA -Standard Offer Agreement (aircrafts that are contracted by Ornge to provide air interfacility transportation)

¹⁹ IBID, Page 22

significantly higher share of total budgeted land ambulance costs to support Code 1-4 call volumes. The urban Code 2 transfer”²⁰

“Northern/remote residential property taxpayers in Ontario face a significantly higher tax burden for Code 1-4 land ambulance services, compared to urban residential property taxpayers.”²¹

Northern/remote residential property taxpayers lack the property tax “cushion” provided by a robust commercial/industrial tax base in urban settings. Instead, residential taxpayers in the remote North fund 50% of total Code 3-4 emergency coverage budgets. Residential property taxpayers in the remote North jurisdictions also fund 50% of additional expenses associated with budgeted up-staffing EMS vehicle hours (beyond the Code 4 deployment plan) in order to provide Code 2 patient transfer services.

If responding to “medically necessary” Code 1-2 transfers is a legal requirement for Northern/remote EMS services, why are urban EMS providers not required to deliver these services? Why can urban EMS providers simply “opt out” of Code 2 workload (as per their deployment plans) when they decide they are too busy? Why do urban residential property taxpayers receive a significant income/sales tax funded “subsidy” for non-emergent transfer services, compared to Northern/remote residential taxpayers who absorb these costs on a less robust property tax base?

These province-wide non-emergent transportation funding and local tax burden inequities should be recognized by the Province going forward, as the Northern/remote jurisdictions across Ontario seek to rationalize non-emergent patient transportation planning, delivery and funding/taxation models - in partnership with the MOHLTC.”²²

There are two cost factors that are the result of the lack of a comprehensive system for inter-community transportation.

- *“Kenora and Rainy River EMS services are experiencing erosion in their Code 3-4 emergency response times due to Code 2 non-emergent transfer call volumes.”²³ The same is true for the District of Thunder Bay as it relates to their rural response times.*
- *The availability of EMS equipment and paramedics when the on-duty crews are deployed for non-emergent transportation results in increased risk for patients*

²⁰ Page 8 Non-Emergent Patient Transportation in Kenora & Rainy River Districts: An Evidence Based 3rd Party Review, Performance Concepts Consulting, September, 2013

²¹ Emphasis added

²² IBID

²³ IBID, Page 11

who are in distress as the EMS cannot reach them in the normal response times.”²⁴

The cost of EMS services are shared equally between the Government of Ontario and individual municipalities and the township without municipal organizations (TWOMO) through an annual levy based on the weighted assessment of each community and area.

In the Northeast two pilot projects have been funded to determine the alternatives to Emergency Medical Service providing what amounts to shuttle services for ambulatory patients.

The Kenora and Rainy River EMS report offered the following conclusion:

“Entirely new delivery models for non-emergent patient transportation were initially considered in this Review – for instance the possibility of a combined Kenora-Rainy River EMS non-paramedic transfer service. However, the NW LHIN 2012 Review in Thunder Bay District – as well as the recent failure of the Timiskaming non-paramedic transfer service pilot project in the NE LHIN – have confirmed that paramedic based delivery is the only viable, cost-effective option in Northern/remote jurisdictions with relatively low, widely dispersed transfer volumes.”²⁵

In discussions with Norm Gale, Chief, SNEMS and the President of the Ontario Association of Paramedic Chiefs (OAPC), he reported that in his opinion 60 to 70% of the current code 1²⁶ and 2²⁷'s in the Thunder Bay District could be transported appropriately on a properly scheduled inter-community bus service. With an average of 166 trips per year between 2012-2014, that would result in approximately 107²⁸ patients a year taking an inter-community bus service if it was properly scheduled.

²⁴ EMS Code 4 emergency coverage can also be compromised by Code 2 workload in single-unit coverage communities. This happens when the ambulance at Base A is dispatched on a long-distance Code 4 response to a call located in the Base B coverage zone “next door”. Base A now has zero resources/coverage. This “zero ambulance available” situation is triggered by the CACC when the “next door” Base B ambulance unit is already on a Code 2 non-emergent call. In Kenora district, seven of nine ambulance bases feature single ambulance deployment. In Rainy River district, all four bases feature single ambulance deployment.

²⁵ IBID, Page 20

²⁶ Code 1 - considered deferrable

²⁷ Code 2 - scheduled

²⁸ 65% used as the measure

Kenora District

All CTAS²⁹ Patients

<i>Year</i>	<i>Ambulatory</i>	<i>Non-Ambulatory</i>	<i>Percent</i>
2012	303	1653	18.3%
2013	360	1809	19.9%
2014	335	1777	18.9%
Total	998	5239	19.0%

Marathon Caseworker:

I have a few CT's who utilize an addiction/after treatment group in Pic River (15 minutes from Marathon). I got a written quote from Payne's Taxi (please note he is the only taxi in Marathon so his prices are what they are - \$75.00 for the first Taxi (both ways) + \$10 per head, if there is a second taxi it is \$150.00 +\$10 per head).

An average of 333 ambulatory patients a year.

Thunder Bay District

<i>Year</i>	<i>Ambulatory</i>	<i>Non-Ambulatory</i>	<i>Percent</i>
2012	167	957	17.5
2013	168	964	17.4
2014	163	1029	15.8
Total	498	2950	16.9

An average of 166 patients a year

Rainy River District

The Rainy River District Social Service Administration Board, which administers EMS reports that *"our non-urgent are more based in communities of Fort and Atikokan, not calls that would utilize bus. The others are generally between facilities (hospital or nursing homes) which again would not be potential bus passengers."*

Kenora reported an average of 333 trips carrying ambulatory patients during 2012 to 2014 while Thunder Bay reported an average of 166. The combined average for Northwestern Ontario for those three years was 499. Applying Norm Gale's assessment noted above³⁰ that would translate into 324 trips each year on an inter-community bus service if it was scheduled appropriately.

Nipigon Caseworker:

I have a few clients who struggle with transportation for medical appts. A few from Red Rock struggle to find rides in for their doctor's appts in Nipigon. Thunder Bay appts are an issue. I have more than one client who needs tests done in Thunder Bay but say they can't find anyone to drive them up. We don't have regular Grey Hound here. I have a couple of clients that live on the hwy and this affects job opportunities and there aren't a lot of options for housing to live in town.

²⁹ Canadian Triage and Acuity Scale

³⁰ 60 to 70% of the current code 1 and 2's in the Thunder Bay District could be transported appropriately on a properly scheduled inter-community bus service

Ontario Works Funded Travel

The Ontario Government's program for supporting low income individuals and families in need is called Ontario Works (OW). It provides a range of financial supports to qualified individuals. In order to obtain OW assistance, while an individual can do an initial interview by telephone, there is a requirement under the regulations governing the program that the person 'present themselves'³¹ to an OW case worker prior to receiving final approval for the benefits. In communities without regularly scheduled inter-community bus service this becomes another barrier faced by individuals and families in jeopardy. Although OW will reimburse the client for that travel once approved for benefits, it remains an out of pocket expense that is not affordable by those involved.

In addition, OW clients who must travel between communities for medical reasons have their transportation costs paid for by the program³². In many cases the Northern Health Travel Grant does not apply due to the shorter distances that must be travelled. Many rely on friends or relatives for the transportation while others find themselves forced to hitch-hike. In addition to travel for medical reasons, individuals must find transport to another community in order to obtain prescriptions. Case Workers in Dryden can confirm issues with supporting clients that are accessing cancer treatments at the Thunder Bay Regional Hospital and challenges with taking Grey Hound Bus to Thunder Bay at 3:00 am. Equally as challenging was facilitating the clients return to Dryden once discharged from treatment. This is very difficult on people with fragile health.

Manitouwadge Caseworker:

I have a client –who travels to Pic Moberg to OATC. He travels by cab which is costly.

Others who have medical appointments in Thunder Bay or elsewhere have to "figure it out" as the Greyhound does not come into Manitowadge. The Greyhound has also changed their schedule and by the sounds of things, the times are awful. I heard that people are waiting at the hwy at 5:00am for the bus.

OW clients are spread amongst the communities of the region with many in the smaller communities or in the unorganized areas not having any local access to an OW office.

The following are the current locations of OW offices:

Rainy River District	Fort Frances	
	Atikokan	
Kenora District	Dryden	Ignace
	Kenora	Ear Falls
	Sioux Lookout	Pickle Lake

³¹ Regulation 4(1) and 4(2)

³² Regulation 55(1)

	Red Lake	
Thunder Bay District	Thunder Bay	Nipigon
	Schreiber	Marathon
	Manitouwadge ³³	Kakabeka Falls ³⁴
	Geraldton	Longlac

The total cost for OW client travel (as paid for by the DSSABS) for the first 10 months of 2015³⁵ is as follows^{36,37}:

Rainy River District	\$ 30,596
Kenora District	\$ 32,348
Thunder Bay District	\$201,226
TOTAL NWO:	\$264,170

Ignace Case Worker : I have a number of clients who are required to travel to Dryden to access medical services. Round trip is \$200 by taxi. There are occasions when medical treatment is deferred because of their inability to secure transportation.

Extrapolated to a full year results in total OW expenditures on client travel of \$317,004

Other Transportation Funders

In the Northwest a number of other organizations provide transportation services to their clients.

Health Canada

Health Canada issues travel warrants for First Nation clients under their jurisdiction in order that they may attend healthcare services outside of their home community. These warrants are used primarily for air and road transportation.

Canadian Red Cross

The Canadian Red Cross, on their web site states:

“Transportation is critical to preventing isolation, and enables access to other health and social services. Our transportation solutions aim to meet the unique

Schreiber Caseworker:

The biggest issue here is there is no transportation at all. We have no public transportation. Clients who have to come to Schreiber for appointments including OW appointments have to try and find someone to give them a ride or they hitch-hike. It is the same going the other way from Rossport to Schreiber or Terrace Bay. The other issue is the pharmacy is in Terrace Bay so if they need any medication it's trying to get to Terrace Bay to pick it up. I have clients in Schreiber who have to go to Terrace Bay to pick up their methadone treatments at the pharmacy. Clients travelling to Thunder Bay for medical appointments have issues with the timing of the Greyhound. The cut in the number of runs between here and Thunder Bay causes clients to have to stay longer in Thunder Bay which can be an issue for clients with children who are left in friends or relatives care. The cost to Thunder Bay increased for OW to send clients to Thunder Bay because depending on timing of appointments and when the bus actually runs clients may need an extra night motel and meal allowance. The NHTG only allows \$100 for accommodations which barely covers one night stay let alone an extra night.

³³ Open Monday to Wednesday only

³⁴ Open Tuesday to Thursday only

³⁵ As a result in the change of computer systems historical data is not readily available

³⁶ From Medical Travel and Transportation records

³⁷ Data collected does not differentiate between in-town travel and travel between communities.

transportation needs of each local community. Our service keeps people connected in their community by providing affordable transportation to social gatherings, escorts to medical appointments or even for a shopping excursion. With a combination of cars, to mid-sized vans, or accessible vehicles, we have the transportation service delivery and coordination expertise to meet your community's transportation needs."

The Dryden branch of the Red Cross provides inter-community transportation services to seniors and the disabled in order that they can meet their medical needs. The Dryden branch serves Sioux Lookout, Kenora, Fort Frances, Atikokan, Ignace, Savant Lake as well as Dryden.

First Nation Medical Vans

A number of road-connected First Nations offer a full time passenger van service for their residents. Primarily for medical purposes the service takes their residents from their home Reserve to appointments at area medical facilities and then returns them to their home. These van services were created due to the lack of timely inter-community bus service.

Municipal Medical Vans

There have been attempts over the years to create a municipal based van service in some parts of the region. Each has ended in failure as ongoing revenue from fares was not sufficient to cover costs. Anecdotal reports suggest that community residents found other ways to get to where they needed to be.

Post-Secondary Student Travel

A significant number and percentage of the students at Confederation College and Lakehead University call the smaller communities of Northwestern Ontario home. Although specific numbers are not available, it is clearly understood that many utilize the existing bus systems to return home for key holidays during the school year and at the end of the second term. Lower income and independent students from across Ontario and elsewhere also utilize the inter-community bus system to return home particularly at the end of term.

Migration of First Nation Individuals and Families

Thunder Bay, Sioux Lookout, Kenora and a number of smaller communities in the Northwest are the urban magnets that attract residents from the remote and not-so remote First Nation Communities. They move to the new locations for education, medical and employment reasons. There also

Dryden Caseworker: We had a client who needed to get to Thunder Bay. We provided a bus voucher, he had difficulty finding somewhere to wait until the bus came at 3:00 am. He ended up falling asleep under a tree waiting for the bus. He then needed to wait another day until he was able to get on the bus at 3:00

tends to be a pattern of returning 'home' each summer. Many of these individuals and families are regular clients of the inter-community bus system. For the most part, these folks are not flush with a lot of funds and rely on the bus system to get to their destination. Although there are not any details of the degree of utilization, it is clear to the Working Group that this demographic is a key component of the system's client base.

Unique Issues

One of the challenges facing inter-community bus service operators is finding a willing host in each community to act as their agent, provide shelter to waiting passengers (as well as greeting family and friends) and information on arrival times. Unfortunately, few commercial outlets are willing to accommodate the needs of the bus service and their customers.

One option is for the carrier to design their in-town routes to include the local hospital or clinic and to negotiate with the operators of those facilities to provide bus depot services.

Other Reviews

Council of Deputy Ministers Responsible for Transportation and Highway Safety Intercity Bus Services Task Force Final Report, September 2010

As noted above the Deputy Ministers of Transportation became seized with the issue of Intercity Bus Services as a result of Greyhounds 2009 route reductions. The following is an excerpt from their report:

“In the Fall of 2009, the intercity bus industry announced reductions or potential reductions in intercity bus service for the Yukon Territory, British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, and Nova Scotia. The industry suggested that the current provincial legislative and regulatory regimes in Canada are a key factor in its poor performance; these “outmoded” regimes require the industry to cross-subsidize unprofitable routes, do not provide timely approvals for modifying service levels, and prevent the industry from adapting services to market conditions as they evolve over time.

Expanding government subsidies to modal competitors were cited by industry as a factor that worsens its industry’s position. The industry observed that profits from high-traffic routes, bus parcel express, and ancillary bus services (e.g., charter) can no longer offset losses on low-traffic rural routes, and it has also been suggested its operating network must be reduced unless government financial support is forthcoming.

At the October 21, 2009 meeting of the Council of Deputy Ministers Responsible for Transportation and Highway Safety, it was agreed that a Policy and Planning Support Committee (PPSC)-level Task Force be created to provide advice to Deputy Ministers on issues relating to intercity bus services in Canada.

Manitoba Infrastructure and Transportation chaired the Task Force on Intercity Bus Services³⁸. Membership included representatives from British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, and Transport Canada.

The task force determined that there are three trends in the Canadian intercity bus sector that are of particular concern:

- (a) the contraction of the Canadian intercity bus network;*
- (b) the use of smaller passenger vehicles by intercity bus operators on low-traffic routes; and*
- (c) competition from publicly-funded operators in competing modes of intercity passenger transportation (intercity passenger rail and regional transit).*

³⁸ Copy of the report is found in Appendix G

Some contraction of the Canadian intercity bus network has already taken place in recent years, including the service reductions or intended service reductions that were announced by Greyhound Canada Transportation ULC (Greyhound) in 2009 and that helped motivate the establishment of this task force.

The Canadian Bus Association (CBA) has advised the task force that in the absence of government measures to sustain the Canadian intercity bus sector (regulatory reform and/or public investment), the alternative will be the abandonment of large portions of the scheduled intercity bus network in Canada.

To mitigate industry contractions in Saskatchewan, the Saskatchewan Transportation Company (STC) is implementing a number of innovations, including the following:

- Improved fleet of motor coaches featuring improved fuel efficiency, enhanced interior with improved leg room, A/C power, WiFi and more wheelchair accessible vehicles;*
- Increased security measures and procedures to reduce ridership anxiety;*
- Passenger discounts and programs including seniors' and students' discounts, medical pass, blind/disabled person's escort program and compassionate fares;*
- On-going sponsorship of community fundraising activities.*

With respect to the contraction of the Canadian intercity bus network, the services most threatened are the low-traffic scheduled routes serving smaller rural and northern communities. In the absence of any new transportation alternatives, contraction will negatively impact both their economic opportunities (through loss of express parcel service) and their quality of life (particularly with respect to access to medical services, access to university and colleges in larger centres, and the ability to maintain social connections).

As well there is evidence that any contraction of the Canadian intercity bus network, if alternative transportation services do not emerge, would have a disproportionately severe impact on various groups in Canadian society, including:

- Lower income persons;*
- Older persons/senior citizens;*
- Younger persons;*
- University and college students;*
- Persons not having ready access to private vehicles;*
- Persons with disabilities; and*
- Aboriginal persons.*

There is evidence to suggest that the intercity bus mode is one of the most environmentally “friendly” of the various intercity passenger transportation modes, both with respect to fuel efficiency and to greenhouse gas (GHG) emissions. [It should be noted that these environmental benefits will vary with the extent to which a bus’s passenger capacity is actually utilized, and may therefore be route specific.] To the extent that the intercity bus mode contracts or is displaced by other intercity passenger modes, this may degrade the environmental performance of the intercity passenger transportation sector, and may compromise the ability of jurisdictions to meet any goals they may have established for environmental performance.

The intercity bus mode enables access to, and delivery of, health, education, and social programs and services for the federal and provincial/territorial governments, particularly for northern and aboriginal communities. Contractions in the Canadian intercity bus network could increase the costs of these programs if it means more use of more costly transportation modes. However, there may be alternatives that could be explored.

The third of the three significant trends in the Canadian intercity bus sector noted by the task force is the competition being posed to private sector intercity bus operators by other modes of intercity passenger transportation (intercity passenger rail, air, and “regional” transit) that collectively receive significant levels of funding from the various levels of the public sector (federal, provincial, and municipal).

Stakeholders have advised the task force that intercity bus service and public transit historically operated in separate domains, with intercity bus operators connecting intercity markets and public transit operating in urban areas. An increasing urban commuter shed has blurred the lines between these two traditional markets.

The task force identified a number of fiscal measures to support intercity bus service that can be delivered through various instruments, including:

- *Partnerships with local communities to provide alternative modes of service delivery where none currently exist, or to replace services targeted for elimination;*
- *Expansion of existing modes of service delivery (e.g. transit, health/social programs, First Nations service providers);*
- *Capital support for purchases of new buses or refurbishment of existing vehicles in bus fleets;*
- *Support to cover operating losses/operating costs for all routes or specific routes;*
- *Fuel tax and ticket tax exemptions (for example, in Quebec, there is a fuel tax exemption of 16.2 cents per litre of diesel for intercity bus carriers);*

- *A federal tax credit for intercity bus riders, like the federal tax credit for public transit users;*
- *Support partnerships between local authorities and intercity bus carriers to maintain, develop and create new services; and*

Task force members identified a number of options to address the issue of intercity bus operators being displaced or being required to compete with publicly-funded operators in other modes of intercity passenger transportation. In particular, governments can:

- *Provide financial support (operating subsidies/capital grants/tax exemptions/seat purchases) to intercity bus carriers similar to those provided to competing modes (intercity passenger rail or regional transit);*
- *Facilitate the coordination of intercity bus and transit operators as mutual feeder services, by promoting shared facilities for intercity bus and urban transit systems, such as multimodal terminals;*
- *Support the development in all Canadian jurisdictions of an internet service similar to the EspaceBus.ca website in Quebec, which allows users to coordinate and link the services provided by all types of bus service providers.*

While it probably goes too far to suggest that the intercity bus sector faces a unique situation in each Canadian jurisdiction, there is a wide range of public sector frameworks for intercity bus services across the country, taking into account the differences in economic regulatory regimes, in existing fiscal measures that support the intercity bus sector or its competing modes, and in the existing public sector enterprises that may directly provide intercity bus services in particular jurisdictions. These differences in public sector frameworks are complemented by wide disparities in market and other industry conditions (e.g., the sizes, distributions, and densities of populations across jurisdictions, to mention some factors).

Subsidies for Intercity Bus Passenger Transportation

It is the view of the Task Force that a national program to subsidize the operations of intercity bus carriers or specific routes is neither warranted nor recommended. It is recognized that individual jurisdictions may consider fiscal programs that are targeted at specific routes and/or carriers on a case by case basis to sustain services that jurisdictions may determine are needed in the public interest.”

Establishing an Inter-Community Transportation Service

With the assistance of Caribou Coach Transportation Company Inc., the Working Group has identified the cost of an inter-community bus service that provides seven day a week daily service³⁹ to each community in the Northwest. The total annual revenue required would be in the range of \$3.24 million based on an operating cost of \$2.50 per mile.

PROPOSED NORTHWESTERN ONTARIO BUS SERVICE FINANCIAL REQUIREMENTS

<u>ANNUAL EXPENSES/OPERATING COSTS</u> ⁴⁰		SERVICE FREQUENCY			
		Mileage One Way	7 x/wk	5 x/wk	3 x/wk
Thunder Bay-Winnipeg (HWY 17/MB 1)		450	327,600	234,000	140,400
Thunder Bay-Fort Frances-Kenora (HWY 11/71)		350	254,800	182,000	109,200
Kenora-Red Lake (HWY 17/105)		170	123,760	88,400	53,040
Thunder Bay-Sioux Lookout (HWY 17/72)		230	167,440	119,600	71,760
Thunder Bay-Greenstone/Longlac (HWY 11)		196	142,688	101,920	61,152
Thunder Bay-Marathon (HWY 17)		190	138,320	98,800	59,280
Marathon-Manitouwadge (HWY 17/614)		62	45,136	32,240	19,344
Total Annual Round-Trip Mileage			1,199,744	856,960	514,176
Approximated Annual Operating Cost At \$2.50/mile ^{41*}			\$ 2,999,360	\$ 2,142,400	\$ 1,285,440

ANNUAL REQUIRED INCOME/REVENUE

	Passengers ^{42**} Needed Per Round Trip @ \$0.30/mile Tarriff			
		7 x/wk	5 x/wk	3 x/wk
Thunder Bay-Winnipeg (HWY 17/MB 1)	9	\$ 884,520	\$ 631,800	\$ 379,080
Thunder Bay-Fort Frances-Kenora (HWY 11/71)	9	\$ 687,960	\$ 491,400	\$ 294,840
Kenora-Red Lake (HWY 17/105)	9	\$ 334,152	\$ 238,680	\$ 143,208
Thunder Bay-Sioux Lookout (HWY 17/72)	9	\$ 451,980	\$ 322,920	\$ 193,752
Thunder Bay-Greenstone/Longlac (HWY 11)	9	\$ 385,258	\$ 275,184	\$ 165,110
Thunder Bay-Marathon (HWY 17)	9	\$ 373,464	\$ 266,760	\$ 160,056
Marathon-Manitouwadge (HWY 17/614)	9	\$ 121,867	\$ 87,048	\$ 52,229
Total Annual Round-Trip Fares		\$ 3,239,201	\$ 2,313,792	\$ 1,388,275

³⁹ Defined as one trip each way per day

⁴⁰ Calculations based on Thunder Bay, Ontario as central hub and transfer point for service to outlying communities and districts as reflected in above tables.

⁴¹ Excludes purchase of Capital Assets required for operations.

⁴² Actual calculations result in 8.5 Passengers, per round trip across any fare category combination (i.e. Adult; Student/Senior; Child)

Total Annual Passengers Required For Service At 7 Days Per Week:	39,312
Total Annual Passengers Required For Service At 5 Days Per Week:	28,080
Total Annual Passengers Required For Service At 3 Days Per Week:	16,848

The option of seven day a week service was selected in order to eliminate the uncertainty of less than daily service. It is the opinion of the Working Group that the uncertainty of 'what day is the bus' leads to potential passengers finding other alternatives for their inter-community travel needs. The option is also based on a requirement that every community be served by the bus operator on that route and that individuals who live between the organized communities have the opportunity to flag down the bus for pickup.

In addition to the operating cost it has been determined that a total of 10 coaches will be required to provide a 7 day a week level of service. New equipment would cost in the range of \$500,000 per unit, however, pre-owned equipment which would be adequate for this level of service could be available for approximately \$100,000 per unit. Each coach will have a useful life of approximately 5 to 8 years, based on the experience of Caribou Coach.

Additionally, a large portion of the capital cost needed for not only equipment but also operation set-up, can be minimized by having an existing Carrier, who is already rooted, licensed, and able to undertake the operation with minimal outlay.

The upfront capital costs will be \$1 million with the ongoing operating revenue requirement of \$3.24 million. It is estimated that based on current ticket prices for the existing carriers, ticket revenue will amount to \$1.9 Million⁴³. For this service to be viable it will require an ongoing operating subsidy in the amount of \$1.35 Million. In addition, a capital grant of \$1 million will be required for start up, followed by an equipment replacement grant every 5 years. Alternatively, the annual operating subsidy should be increased by \$235,000 in order to repay the cost of the loan for the acquisition of the equipment. That would bring the total annual subsidy to \$1.585 Million. It should also be noted that in real terms this amount will be less as the cost of the vouchers issued by Ontario Works will replace part of this subsidy. It may also reduce or in fact replace other costs paid for by the Ontario Government including medical vans for Municipalities and First Nations. Finally, it may reduce the cost attributed to the Northern Health Travel Grant.

⁴³ Based on 30 cents per mile tariff and an average passenger capacity of 5.25 per trip.

Typical Schedule for a 7 Day a week service across the Northwest

In order to meet the needs of all of the communities in the Northwest for inter-community transportation, a mixture of existing and expanded services will be required. The following section⁴⁴ outlines how that service could be provided.

West of Thunder Bay

READ DOWN					READ UP	
FREQUENCY	FREQUENCY	Thunder Bay-Winnipeg			FREQUENCY	FREQUENCY
Daily	Daily	Winnipeg-Thunder Bay			Daily	Daily
14:00 EST	12:30 EST	DEP	Thunder Bay, ON	ARR	20:00 CST	19:00 EST
↓	14:00 CST	ARR	Atikokan, ON	DEP	16:45 CST	↑
	14:15 CST	DEP	Atikokan, ON	ARR	16:30 CST	
	15:45 CST	ARR	Fort Frances, ON	DEP	15:00 CST	
	16:30 CST	DEP	Fort Frances, ON	ARR	14:15 CST	
17:00 CST	↓	ARR	Dryden, ON	DEP	↑	14:00 CST
17:45 CST	↓	DEP	Dryden, ON	ARR	↑	13:15 CST [45]
↓	16:55 CST	FS	Emo, ON	FS	13:45 CST	↑
	17:00 CST	FS	HWY 71/11 Jct.	FS	13:00 CST	
	17:40 CST	FS	Nestor Falls, ON	FS	13:05 CST	
	18:20 CST	FS	Sioux Narrows, ON	FS	12:25 CST	
19:30 CST	19:30 CST	ARR	Kenora, ON	DEP	11:15 CST	11:30 CST
20:00 CST	.....	DEP	Kenora, ON	ARR	.....	11:00 CST
22:30 CST	.....	ARR	Winnipeg, MB	DEP	.....	08:30 CST

EST - Denotes Eastern Standard Time CST - Denotes Central Standard Time

DEP = Departure Time ARR = Arrival Time

FS = Flag Stop

In addition to the above noted schedule, the Greyhound schedule along Highway 17 would be maintained and eligible for the subsidy.. Also, the Casper service to and from Sioux Lookout would be retained. Any subsidy to be provided to any carrier will be conditional on ensuring that the service meets the needs of the communities served.

There are a number of communities that are not directly served by the above noted schedules⁴⁵:

West of the Intersection of Hwy 11 & 71:

Sleeman

Wood

Rainy River

⁴⁴ The schedules were designed to comply with the hours of work regulations for the Province of Ontario

⁴⁵ It is important to note that the cost of and of these extension services has not been factored into the overall cost estimate of providing 7 day a week bus service to the communities of the Northwest.

To service the above, the schedule would be extended by approximately 45 minutes one way resulting in a delay of 90 minutes for the arrival in Kenora (9:00 PM CST instead of 7:30 PM). On the return journey, the arrival in Thunder Bay would be at 9:30 PM (instead of 8 PM). Alternatively, a separate on-call taxi service for the residents of these small communities, that would connect with the scheduled bus service may be a more cost effective system. A separate funding arrangement would be made with the provider to subsidize the operation so that the ticket price for the entire journey is affordable.

North of Hwy 17

Pickle Lake: located 6 hours and 15 minutes north of Ignace, it would be difficult to include this community in a scheduled east-west bus system. A separate on-call taxi service for residents of this community, that would connect with the highway service of Greyhound, Casper and Caribou. A separate funding arrangement would be made with the provider to subsidize the operation so that the ticket price for the entire journey is affordable.

Ear Falls-Red Lake:

The communities of Ear Falls and Red Lake are 1 hour and 30 minutes and 2 hours from Highway 17 at Vermillion Bay and it would be difficult to include these communities in a scheduled east-west bus system. A separate on-call taxi service for residents of this community, that would connect with the highway service of Greyhound, Casper and Caribou. A separate funding arrangement would be made with the provider to subsidize the operation so that the ticket price for the entire journey is affordable.

East of Thunder Bay

Highway 17

READ DOWN					READ UP	
FREQUENCY	FREQUENCY				FREQUENCY	FREQUENCY
	Daily	Thunder Bay-Marathon Marathon-Thunder Bay			Daily	
.....	19:30 EST	DEP	Thunder Bay, ON	ARR	12:30 EST	.....
.....	20:45 EST [15]	ARR	Nipigon, ON	DEP	11:05 EST	.....
.....	21:00 EST	DEP	Nipigon, ON	ARR	10:50 EST	.....
.....	21:45 EST	FS	Pays Platt, ON	FS	09:55 EST	.....
.....	21:55 EST	FS	Rosspport, ON	FS	09:45 EST	.....
.....	22:10 EST	DEP	Schreiber, ON	DEP	09:30 EST	.....
.....	22:25 EST	ARR	Terrace Bay, ON	DEP	09:15 EST	.....
.....	22:40 EST	DEP	Terrace Bay, ON	ARR	08:50 EST	.....
.....	23:30 EST	ARR	Marathon, ON	DEP	08:00 EST	.....

EST - Denotes Eastern Standard Time CST - Denotes Central Standard Time

DEP = Departure Time ARR = Arrival Time

There are a number of communities that are not directly served by the above noted schedules:

Armstrong; located 3 hours and 15 minutes north of Thunder Bay (includes the Whitesand First Nation), it would be difficult to include this community in a scheduled east-west bus system. It should be noted that the Whitesand First Nation offers a medical van service to its residents. A separate on-call taxi service for residents of these communities that would provide service to Thunder Bay. A separate funding arrangement would be made with the provider to subsidize the operation so that the ticket price for the entire journey is affordable.

Manitouwadge; located 1 hour and 15 minutes east of Marathon (the eastern terminus of the scheduled noted on the previous page) and 30 minutes north of the Greyhound TransCanada route it would be difficult to include this community in a scheduled east-west bus system. A separate on-call taxi service for residents of this community, that would provide service to Marathon or the Hwy 17-614 intersection to connect with the Caribou or Greyhound schedule. A separate funding arrangement would be made with the provider to subsidize the operation so that the ticket price for the entire journey is affordable.

Highway 11

READ DOWN					READ UP	
FREQUENCY	FREQUENCY	Thunder Bay-Longlac			FREQUENCY	FREQUENCY
	Daily	Longlac-Thunder Bay			Daily	
.....	19:30 EST	DEP	Thunder Bay, ON	ARR	12:15 EST	.....
.....	20:45 EST [15]	ARR	Nipigon, ON	DEP	10:50 EST	.....
.....	21:00 EST	DEP	Nipigon, ON	ARR	10:35 EST	.....
.....	21:50 EST	ARR	Beardmore, ON	DEP	09:35 EST	.....
.....	21:50 EST	DEP	Beardmore, ON	ARR	09:35 EST	.....
.....	22:20 EST	FS	Jellicoe, ON	FS	09:10 EST	.....
.....	22:55 EST	ARR	Geraldton, ON	DEP	08:40 EST	.....
.....	23:00 EST	DEP	Geraldton, ON	ARR	08:30 EST	.....
.....	23:30 EST	ARR	Longlac, ON	DEP	08:00 EST	.....

Nakina; located 50 minutes north of the Greenstone community of Geraldton it would be difficult to include this community in a scheduled east-west bus system. A separate on-call taxi service for residents of this community, that would provide service to Geraldton to connect with the Caribou schedule. A separate funding arrangement would be made with the provider to subsidize the operation so that the ticket price for the entire journey is affordable.

Ontario Precedents

There are two distinct programs in Ontario where the transportation of persons between communities is funded in part from the income tax payer.

Metrolinx operates or funds both inter-city and intra-city services in the Greater Toronto & Hamilton Area (GTHA) . The key inter-city service is GO Transit, shown in green on the image to the right⁴⁶.

The Metrolinx financial⁴⁷ report⁴⁸ for 2013/14 indicates that the organization received \$161.4 million from the Province of Ontario. That amounts to 27% of the total operating revenue⁴⁹ received, while commuter revenue amounted to 66% of the total operating revenue. An operating subsidy of \$106.4 million was attributed directly to GO services.⁵⁰



The Ontario Northland Transportation Commission operates both rail and bus service in the Northeast of Ontario. The ONTC web site states “Our Motor Coach Services Department operates a fleet of 20 highway motor coaches that provide schedule service between Hearst and Toronto, along the Highway 11 corridor which passes through Cochrane and North Bay, and along the Highway 69 corridor, which passes through Timmins and Sudbury.

⁴⁶ Larger copy of the map along with a description is found in Appendix H

⁴⁷ The financial report does not separate out capital from operating

⁴⁸ Excerpts from the Financial Report found in Appendix I

⁴⁹ Operating revenue does not include the following elements from the financial report: Amortization of deferred capital contributions, Gain (loss) on disposal of capital assets.

⁵⁰ Page 37, Metrolinx Annual Report 2014-15

Our scheduled bus service is an affordable and reliable way to travel to and from Northeastern Ontario.

We also offer charter and tour services for groups travelling through Canada, along with Bus Parcel Express (BPX) services....The transportation of these parcels is handled through scheduled motor coach service routes, with connections across the continent offered through partnerships with other carriers.”

The total allocation from the Ministry of Northern Development and Mines under the heading “Cash deficiency and other” is the amount of \$11 million for 2014 with ONTC receiving \$29,749,000 the year before. These are amounts attributed to a subsidy for both passenger and freight services of the Crown Corporation. Its’ motor coach service shows a shortfall of \$880,000 in 2014.⁵¹

In addition to the subsidies to the mode of transportation paid for by Ontario, the Province also funds the Northern Health Transportation Grant program which provides reimbursement to patients

who are required to travel beyond their home community for approved medical services. Ontario Works providers are also reimbursed for their relevant expenditures on behalf of a client.



⁵¹ Excerpts from the ONTC financial report found in Appendix J

Conclusion

The Government of Ontario is already subsidizing inter-community transportation in Ontario. It does so in the Greater Toronto and Hamilton area and in Northeast Ontario. It also does so in Northwestern Ontario, although it is through the Ministries of Health, Community and Social Services and Northern Development and Mines. It is not much of a leap to create a system that ensures that the entire Northwest, regardless of the reason to travel is able to access inter-community bus service.

It is the position of the Working Group that the Ontario Government should consolidate their transportation subsidies under one program and ensure that sufficient funds are available to provide a twice daily (one inbound, one outbound schedule), seven days a week transportation service that connects all of the communities in the region through the hub of Thunder Bay and to the medical destination of Winnipeg.

As noted above, the Ontario Government is already paying for transport of Northwestern Ontario residents through a variety of methods and under different Ministry budgets, one option is that each Ministry and Ministry programs issue travel vouchers to their clients, redeemable with the inter-community bus provider who in turn will be compensated at tariffs determined by the Carrier . The remaining shortfall required to ensure the continued operation of the inter-community bus service would be provided quarterly by the Ministry of Transportation as a direct grant to the operator.

It is the conclusion of the Transportation Task Force Working Group on Inter-Community Bus Service that the only way that the Northwest can have a reliable, dedicated, and ongoing bus service from community to community is to have it subsidized by the Government of Ontario. It is also the conclusion of the Working Group that significant Ontario Government subsidies are already being expended in the Northwest to provide a hodge-podge of services, sometimes to the detriment of the original purpose of that service.

The Working Group has reviewed and considered a number of options on how best to provide the necessary financial support to the existing carriers to ensure that a 7 day a week, appropriately timed services can be maintained throughout the region.

Greenstone Caseworker:

We have Caribou Coach that will transport from Geraldton, Beardmore or Longlac to Thunder Bay, but does not travel to Nakina. Anyone requiring transportation to Thunder Bay from Nakina has to make their way to Geraldton first. We also have Porky's Shuttle service, which travels to Thunder Bay as well, but does not travel to Nakina. Other than that or private drivers, the only public transportation here is by taxi, which is very expensive. Clients are required to use a taxi for medical or other appointments if they cannot obtain another mode of transportation. Some have difficulties if they can't find someone to drive them from Nakina.

A key aspect of the current transportation support is that each Ministry is paying for the service that they contract for – Ministry of Health and Long Term Care, Ministry of Community and Social Services and from time to time, the Ministry of Northern Development and Mines. There are two broad options available to the Government to subsidize inter-community bus services:

- All funding derived from one Ministry – ie the Ministry of Transportation or the Ministry of Northern Development and Mines
- The subsidy remaining with the line Ministries responsible for the particular client base plus a top up subsidy to ensure viability.

OPTIONS FOR CONSIDERATION

Option A: Direct Subsidy

That the Government of Ontario establish an operating and capital subsidy to support the existing carriers in providing 7 day a week service to each and every community in the Northwest. The annual estimated cost of this subsidy would be up to \$3.5 million (well below what the Ontario Government currently provides Northeastern Ontario or the GTHA.)

This proposal would be implemented through negotiations between the Ministry of Transportation (or MNDM) and the three carriers. No other entrants would be allowed to participate in the subsidy program unless an existing carrier chooses to opt out and a service vacuum is created. The final amount of the annual subsidy would be subject to those negotiations and would likely be much less than indicated above.

Option B: Distributed & Direct Subsidy

That the Government of Ontario agree to provide funding to the three existing carriers⁵² through the following mechanisms:

Transportation Vouchers

- Each physician located throughout the region provided with transportation vouchers that they can issue in lieu of ordering an ambulance. This would apply only to those physicians who are not operating on behalf of one of the rural hospitals
- Each DSSAB is provided with transportation vouchers that they can issue in lieu of ordering a cab or other services for inter-community travel⁵³

⁵² Greyhound, Caribou and Casper

⁵³ It may be that in some cases taxis will still be utilized where it is not appropriate for the OW client to remain in a distant community following a treatment at a methadone clinic

- Individual destination hospitals are provided with transportation vouchers that they can issue to clients that must return on a regular basis for treatment (ie cancer, dialysis etc.)
- Each carrier will submit the transportation vouchers received each month to the designated Ministry, with that Ministry providing reimbursement no later than 30 days after the submission.
- Where inter-community bus service exists and where the scheduling reflects the need of the patient, and where that patient meets the requirements of the Northern Health Travel Grant, funding from that program shall be utilized to compensate the carrier for the cost of transporting that individual to the referral community. In these cases the individual would not be eligible for direct reimbursement.
- From time to time the Government, through the appropriate Ministry, will conduct spot audits to ensure that what has been submitted has in fact occurred.

Fuel Tax Exemption or Refund

That in order to compensate each carrier for the difference in required income between what the total monthly revenue received from the Transportation Vouchers and direct pay passengers amounts to, and the short fall in operating revenue in order to meet reasonable expenses and an appropriate profit, the Government shall reimburse each carriers for the monthly shortfall.

At the conclusion of each operating year, and subsequent to the submission of the appropriate documentation, the carriers and the Government shall reconcile any difference between what was paid to them and what they were eligible for.

Alternatively to the fuel tax exemption or refund, the Government may provide a top up subsidy unrelated to the amount of fuel tax expended and claimed.

Routing of Services

As noted on page 12, a key issue in providing scheduled inter-community bus service is the provision of an appropriate facility to handle ticket sales, accommodate waiting passengers and to ensure arrival times are communicated appropriately. As much of the recommendations noted above have a direct relations to health care services, it is further recommended that the bus routes include the hospital or major clinic.

APPENDICES

APPENDIX A Mandate Letter Excerpt

“Examining the optimal use of transportation modes across the province. You will develop recommendations on modernizing and appropriately regulating the intercity bus regime to ensure it remains an attractive and affordable travel option for Ontarians.

Continuing to work with the Minister of Northern Development and Mines to implement the Growth Plan for Northern Ontario — including the development of the Northern Ontario Multimodal Transportation Strategy.”

APPENDIX B Environmental Bill of Rights Posting

Description of Policy:

The Ontario Ministry of Transportation is examining how people travel between communities by intercity bus in this province. This important, new work will focus on scheduled intercity bus services that operate between separate communities. This differs from local bus services (i.e., public transit) which generally operate within communities. The province has rules and regulations that govern how intercity buses operate in Ontario, including the Public Vehicles Act, Ontario Regulation 982 and the Ontario Highway Transport Board Act.

The ministry is considering different ways of modernizing these rules and regulations in order to both increase the number of intercity bus users and to improve the overall intercity bus traveling experience. Input is being sought from the general public on their perceptions of and experiences with travelling by intercity bus, as well as, from the intercity bus operators on how intercity bus services can be improved. The information being collected will be used as one part of the ministry's evaluation process on how to modernize intercity bus services in Ontario.

This work will also inform the ministry's work on the Northern Ontario Multimodal Transportation Strategy. The Strategy will consider intercity bus transportation as it identifies the transportation issues and needs that are unique to Northern Ontario for the movement of people and goods over the next 25 years.

Purpose of Policy:

The purpose of developing recommendations on modernizing and appropriately regulating the intercity bus regime is to ensure it remains an attractive and affordable travel option for Ontarians. It is anticipated that, in addition to more efficiently connecting communities, if the intercity bus mode becomes a more viable alternative to the single-occupant passenger vehicle, it may also help to manage congestion in more urbanized areas.

Other Information:

To help guide the development of recommendations on modernizing intercity bus services, the province is seeking feedback on the questions below. The questions are organized based on your experience with intercity buses. Please answer the questions under the heading that best applies to you.

I travel on intercity buses

1. Why do you take the bus instead of another mode of transportation (e.g., personal vehicle, plane, train, etc.)?
2. Please describe a typical intercity bus trip for you, for example:

- name of the intercity bus provider;
- frequency (how often do you take the bus);
- distance;
- purpose;
- number of people travelling; and/or
- other.

3. What do you like the most/least about intercity bus services in your community?
4. Please specify the location of your community.
5. What changes to intercity bus service, if any, would encourage you to take the bus more frequently (e.g., better connections, online services, etc.)?

I do not travel on intercity buses

1. What prevents you from using intercity bus services (e.g., cost, inconvenience, general perception of intercity bus travel, other, etc.)?
2. What changes to intercity bus service, if any, would encourage you to take the bus?
3. If a regularly scheduled bus service were to be set up to a community you travel to frequently, how likely would you be to use it?
4. Please specify the location of your community and the desired destination(s).

I am an intercity bus operator

1. Do you have future plans to expand services and/or make changes to your business model? Please specify.
2. What, if anything, has prevented you from implementing new services and/or attempting new business models?
3. What changes would improve the intercity bus operating environment in Ontario?

OPTIONAL:

Do you have any other comments on intercity bus service that are not covered above that you would like to share with the ministry at this time?

APPENDIX C Media Report

Greyhound to make major cuts to service in Sudbury (Sudbury Northern Life)

By: Darren MacDonald – Sudbury Northern Life

| Aug 28, 2015 – 6:26 PM | 28

Will reduce by half number of trips to and from city on some routes

Greyhound is cutting the number of bus trips between Sudbury and major centres beginning Sept. 20, Northern Life has learned.

In an email, Greyhound spokesperson Ashley Sears confirmed the cuts, saying they are driven by a decrease in ridership.

“Our Trans Canada corridor between Sudbury and Winnipeg will see a reduction from 28 trips per week to 14,” Sears said. “Service between Sudbury and Ottawa will also reduce weekly from 28 to 14 (and) service between Sudbury and Toronto will reduce weekly from 30 to 18.”

Among the cuts is the daily 1 a.m bus from Toronto to Sudbury, although the 12:15 p.m. bus will keep operating. Gone, too, is the daytime buses to Ottawa, with the only option remaining being the one that leaves at 12:30 a.m. The daily 1 p.m. bus to Toronto is also being cut.

“Due to a decrease in ridership after the Labour Day weekend, we are implementing a seasonal reduction of our frequency on some routes,” Sears wrote. “However, communities that currently have Greyhound service will continue to have service, and the communities that will be affected will only experience a reduction in weekly frequency.

“Greyhound will continue to monitor our capacity and we will add extra buses as needed during peak periods including weekends and holidays to meet travel demands.”

Nickel Belt MPP France G linas said Friday that Greyhound's announcement is just the latest downgrade in service for the North, following serious reductions at Ontario Northland, including the elimination of Northland's train service.

“When we opposed the selling off of Ontario Northland, and when we opposed the closure of the train that went all the way to Toronto, it was because people in the North

need public transit," Gélinas said. "We need to be able to go from town to town without owning a car."

The hardest hit by the service cuts will be sick people who need to travel to medical appointments, she said, as well as the elderly and students.

"Those are three populations who, to me, deserve government attention," she said. "People who are sick will continue to have to travel out of town, but it's making it harder and harder on everybody."

In the past, Greyhound has asked – unsuccessfully – for the government money to help it continue to offer service on money-losing routes in Northern and remote parts of Ontario.

Gélinas said it's the sort of investment governments have to make to ensure service to less populated areas.

"To think that routes in the North will ever be profitable is ludicrous," she said. "It's not going to be profitable for a for-profit company to move us between the little communities in the North. That responsibility lays with the provincial government (to ensure) this option is going to be available."

In an email, Ministry of Transportation spokesperson Ajay Woozageer said Greyhound Canada has notified the province of its intentions.

"Private-sector companies providing intercity bus services, such as Greyhound Canada, make service-related decisions without government involvement or cost to the Ontario taxpayer," Woozageer wrote.

"As a priority initiative included in the Premier (Kathleen Wynne's) mandate letter to the Minister, MTO is working with stakeholders to develop recommendations on modernizing and appropriately regulating the intercity bus regime to ensure it remains an attractive and affordable travel option for people across Ontario."

APPENDIX D NOMA Media Release

NOMA EXPRESSES CONCERN OVER REDUCTION IN GREYHOUND SERVICES

September 12, 2015 (Thunder Bay, ON) - The Northwestern Ontario Municipal Association (NOMA) is sounding the alarm bells following the discovery that Greyhound Canada will reduce services in Northern Ontario by 50 percent.

Greyhound confirmed to the North Eastern Ontario media in late August that effective September 25 bus service through Northwestern Ontario will be cut in half. Currently, there are two runs in each direction. After the cuts there will only be one. There has been minimal publicity throughout the Northwest on Greyhound's decision.

"The reduction in services is a major concern in the Northwest because most communities will be gravely impacted, and there has been no opportunity for public input on the decision" said Iain Angus, Vice-President of NOMA.

"This reduction impacts residents without a personal vehicle who must rely on family, friends or in many cases by Emergency Medical Service paramedics for transportation to major medical centres for health reasons or to area DSSAB offices to obtain social assistance as inter-city bus service is either inadequate or none existent," said Angus.

Currently the North has a hybrid of transportation services with significant changes having occurred over the past number of decades. Although inter-community bus service is essential for many residents of Northwestern Ontario, successive governments have allowed the service to be reduced and in some areas eliminated.

"While we know that volume levels have been decreasing over the past few years, it is important to recognize that the vastness of the region must be considered in terms of providing some form of transportation service given the distances people must travel between communities," added Angus.

NOMA has written to the Minister of Transportation, the Hon Steve Del Duca asking that he intervene to ensure that the existing service can be maintained.

At one time, the government provided subsidies to ensure that routes with lower ridership would still receive service. Regulations moved away from a concept of cross subsidization whereby operators used the profits from the more lucrative routes to subsidize the service to the more remote parts of the province. Greyhound is the primary provider of inter-community bus service into and through the Northwest. It serves the North Shore communities between Manitouwadge and Nipigon, Thunder Bay and then west through Upsala, Ignace, Dryden and Kenora through to Manitoba.

APPENDIX E

September 22, 2015

Steven Del Duca, MPP
Minister of Transportation for Ontario
77 Wellesley Street West
Ferguson Block, 3rd Floor
Toronto, Ontario M7A 1Z8

Re: Inter-community Bus Modernization - EBR 012-4351

Dear Minister Del Duca:

The Northern Ontario Service Deliverers Association (NOSDA) is comprised of ten District Social Services Administration Boards (DSSABs), a form of governmental board unique to Northern Ontario, and one municipal Service Manager (City of Greater Sudbury). Together, they cover the entire geography of Northern Ontario (with the exception of First Nations) from the Manitoba border to the Quebec border. NOSDA members plan and coordinate the delivery of public services and social infrastructure programs across the North that result in measurable gains to the quality of life of Northerners. Specifically we manage Ontario Works, Children's Services (Day Care), and Emergency Medical Services (EMS) on behalf of the Province and Social Housing on behalf of our member Municipalities.

We have just learned (by accident) that on July 27, your Ministry posted EBR 012-4351 (Inter-community Bus Modernization) seeking input on a future policy relative to the operation of Inter-community Bus services across Ontario. The posting, which seeks the views of existing riders, those who do not use inter-community bus services as well as operators was done without any publicity. We are distressed that there has been no publicity around this consultation opportunity and no formal request to our organization for input.

There are several key reasons why this service is of importance to NOSDA and its member organizations:

Non Emergent Patient Transfers

Emergency Medical Services providers continue to struggle to meet the emergency medical needs of the citizens of their communities due to aging-in-place populations and increased emergency demands for service. Non-urgent patient transportation for

many rural Northern Ontario centres has become and continues to be the exclusive responsibility of the local Emergency Medical Services providers with demand reaching a critical level. As a result many communities are left without EMS service as their sole ambulance is off site delivering a non-emergent patient to a major medical centre.

Much of this non-emergent patient transfer occurs due to the lack of any scheduled inter-community bus service in vast areas of the Province, particularly in Northern Ontario. Many patients transferred in this way are not only ambulatory but do not need the level of medical attention provided by our paramedics during the ambulance ride and could easily be accommodated in an inter-community bus.

Inter-community bus service, if regulated in the appropriate way could save the Province, which pays 50% of the current EMS services, significant funds.

Delivery of Social Services in Northern Ontario

Under Provincial regulations, applicants for Ontario Works must present themselves at a District Social Service Board (DSSB) Office in order to have their application verified and ongoing clients need to attend one of the offices for various reasons including employment training⁵⁴. A lot of the smaller communities in Northern Ontario do not have a DSSB office and their residents must find a way to get to the closest office. Without a comprehensive inter-community transportation service, this constitutes one more barrier to the residents getting the service that our Provincial government has decided to supply. MTO must examine this issue in the context of what costs will be borne by all orders of government under all of the options being considered for the regulation of the inter-community bus system serving Northern Ontario.

Community Stability

Transportation of its citizens is an important component to the stability of many of our communities. As transportation options diminish, our older residents find themselves drawn to relocate to the more urban settings across the North in order to be closer to the medical services and other supports that they now require. That shift in turn impacts the services that the DSSABs are required to provide. Without grandparents many families with younger children turn to local child care providers (who are funded by the DSSABs) for assistance. That adds to the cost that the Ontario Government must pay to ensure these services are in place. Departing seniors also leave vacant social

⁵⁴ Regulation 4(1) and 4(2)

housing units, increasing the overall cost to the Municipalities. Inter-community bus transportation is a key element to the sustainability of many of our communities and must be viewed as such rather than just a profit centre for the operator.

Summary

Minister, NOSDA is deeply concerned about the short time frame available to us to provide input to your Ministry on this important matter. We are also concerned about the lack of publicity around this issue. Many Northern communities lack high speed internet access which, without its availability nor prior notification, constitutes a fundamental flaw in your consultation process. Further, there should be a clearer reference in your Request for Submissions as well as some implications identified between this study and the Multi-Modal Transportation research being done in relation to the Northern Growth Plan.

Our request to you is that the current consultation be put on hold, that you provide us with the time to prepare a detailed analysis of the impacts of inter-community bus transportation on our ability to provide the people of Northern Ontario the services that the residents of the rest of Ontario have direct access to. We would also request an opportunity to meet with you and your planning staff to discuss these issues directly and to explore jointly the service that the low income citizens of the North need in order to be part of main stream Ontario.

Yours truly

Iain Angus, Chair
NOSDA

Copies to:

EBR 012-4351

Emre Yurga, Senior Policy Analyst, Ministry of Transportation, Policy and Planning Division

Transportation Planning Branch, Environmental Policy Office (Toronto)

777 Bay Street , Suite 3000, Toronto Ontario, M7A 2J8

Michael Gravelle, MPP, Thunder Bay Superior North & Minister of Northern Development and Mines

Bill Mauro, MPP, Thunder Bay-Atikokan & Minister of Natural Resources and Forestry

David Oraziatti, MPP Sault Ste Marie & Minister of Government & Community Services

Liz Sandals, Minister of Education
Eric Hoskins, Minister of Health
Helena Jaczek, Minister of Community and Social Services
Glenn Thibeault, MPP, Sudbury
Sarah Campbell, MPP, Kenora
Michael Mantha, MPP, Algoma-Manitoulin
Gilles Bisson, MPP, Timmins-James Bay
France Gelinias, MPP, Nickle Belt
John Vanthof, Timiskaming-Cochrane
Vic Fedeli, MPP Nipissing
Norm Miller, MPP, Parry Sound-Muskoka

Barry Streib, Chair, Common Voice Northwest
Gary Woodbeck, Chair, Common Voice Northwest Transportation Task Force
David Canfield, President, Northwestern Ontario Municipal Association
Al Spacek, President Federation Northern Ontario Municipalities
Nathan Lawrence, President, Northwestern Ontario Associated Chambers of
Commerce

NOSDA Member Organizations

APPENDIX F Growth Plan for Northern Ontario – Transportation Section

Purpose

This Plan has been prepared under the Places to Grow Act, 2005. The Act sets out the following purposes:

1. to enable decisions about growth to be made in ways that sustain a robust economy, build strong communities and promote a healthy environment and a culture of conservation;
2. to promote a rational and balanced approach to decisions about growth that builds on community priorities, strengths and opportunities and makes efficient use of infrastructure;
3. to enable planning for growth in a manner that reflects a broad geographical perspective and is integrated across natural and municipal boundaries;
4. to ensure that a long-term vision and long-term goals guide decision-making about growth and provide for the co-ordination of growth policies among all levels of government.
5. This Plan is a strategic framework that will guide decision-making and investment planning in Northern Ontario over the next 25 years. It contains policies to guide decision-making about growth that promote economic prosperity, sound environmental stewardship, and strong, sustainable communities that offer northerners a high quality of life. It also recognizes that a holistic approach is needed to plan for growth in Northern Ontario. A skilled and healthy population, modern and efficient infrastructure, and well-planned communities are critical to achieving long-term global competitiveness.
6. This Plan reflects a shared vision between northerners and the Government of Ontario that engages and empowers residents, businesses, institutions and communities to work together to build a stronger Northern Ontario. It takes a broad geographic perspective to support co-ordinated decision-making that respects the diverse needs of rural, urban, remote and Aboriginal communities. This Plan recognizes that to achieve these long-term goals, strategic co-ordination, partnerships and collaboration are essential. This Plan is intended to complement other provincial and regional initiatives that also contribute to the long-term sustainability and prosperity of Northern Ontario.

1.3 Vision

It is the year 2036 and there's a new Northern Ontario.

Northern Ontario has a skilled, educated, healthy and prosperous population that is supported by world-class resources, leading edge technology and modern infrastructure. Companies scan the world for opportunities to create jobs, attract investment and serve global markets.

Communities are connected to each other and the world, offering dynamic and welcoming environments that are attractive to newcomers. Municipalities, Aboriginal communities, governments and industry work together to achieve shared economic, environmental and community goals.

1.4 Guiding Principles

Delivering this Plan's vision will involve the combined efforts of governments and diverse partners across Northern Ontario, focused on six key principles:

1. Creating a highly productive region, with a diverse, globally competitive economy that offers a range of career opportunities for all residents.
2. Developing a highly educated and skilled workforce to support an evolving knowledge-based economy and excellence in the trades.
3. Partnering with Aboriginal peoples to increase educational and employment opportunities.
4. Delivering a complete network of transportation, energy, communications, social and learning infrastructure to support strong, vibrant communities.

Transportation infrastructure, including roads, rail, air, and waterways, connects communities within the North to one another and to the rest of the world. Northerners often need to travel great distances to access work, education and health services. Northern businesses need to be able to reach markets around the world. For Northern Ontario's *remote communities*, winter roads and air transportation are vital lifelines for fuel, food, basic amenities and access to education, health and emergency services. An integrated, long-term transportation plan is needed to maintain and enhance the North's transportation infrastructure and to improve connectivity among the various modes of travel.

4.4.4 *Strategic core areas* with a revitalization strategy in place and incorporated into an official plan should be the preferred location for major capital investments in:

1. postsecondary education and training
2. regional hospitals and/or specialized health care
3. major redevelopment projects
4. research and innovation centres
5. major cultural institutions and entertainment facilities
6. integrated public *transportation systems*.

5.3 A Multi-modal Transportation system

5.3.1 *Transportation system* planning, land-use planning, and transportation investments will be co-ordinated to implement this Plan.

5.3.2 The *transportation system* within Northern Ontario will be planned and managed with an emphasis on opportunities to:

7. optimize the capacity, efficiency and safety of the existing *transportation system*
8. link major markets, resource development areas, and *economic and service hubs*
9. meet the needs of the *existing and emerging priority economic sectors* and help implement *regional economic plans*
10. enhance connectivity among transportation modes including rail, road, marine and air
11. create or strengthen linkages between *economic and service hubs* and rural and *remote communities*
12. reduce emissions and other environmental impacts associated with transportation.

Of particular importance are the communities, both large and small, that function as the *economic and service hubs* of the North. These communities act as regional service centres for surrounding communities. They are critical gateways between the North and other economic regions in Ontario and beyond. They are also points of convergence for major infrastructure, including transportation, energy, *information and communications technology*, and *community infrastructure*. The prosperity of all northerners, and all northern communities, depends on the strength of these hubs. They will become the catalysts for the economic development of Northern Ontario

APPENDIX G

Council of Deputy Ministers Responsible for Transportation and Highway Safety Intercity Bus Services Task Force Final Report, September 2010

In the Fall of 2009, the intercity bus industry announced reductions or potential reductions in intercity bus service for the Yukon Territory, British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, and Nova Scotia. The industry suggested that the current provincial legislative and regulatory regimes in Canada are a key factor in its poor performance; these “outmoded” regimes require the industry to cross-subsidize unprofitable routes, do not provide timely approvals for modifying service levels, and prevent the industry from adapting services to market conditions as they evolve over time.

Expanding government subsidies to modal competitors were cited by industry as a factor that worsens its industry’s position. The industry observed that profits from high-traffic routes, bus parcel express, and ancillary bus services (e.g., charter) can no longer offset losses on low-traffic rural routes, and it has also been suggested its operating network must be reduced unless government financial support is forthcoming.

At the October 21, 2009 meeting of the Council of Deputy Ministers Responsible for Transportation and Highway Safety, it was agreed that a Policy and Planning Support Committee (PPSC)-level Task Force be created to provide advice to Deputy Ministers on issues relating to intercity bus services in Canada. Manitoba Infrastructure and Transportation chaired the Task Force on Intercity Bus Services. Membership included representatives from British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, and Transport Canada.

Manitoba

In **Manitoba**, many provincial programs are supported by the intercity bus industry (i.e. Greyhound). Manitoba undertook an internal analysis of both the financial and the program delivery impacts of a loss of scheduled Greyhound intercity bus service.

Financial Impacts in Manitoba from a loss of scheduled Greyhound intercity bus service:

Parcel and Freight Services

- Several Manitoba departments would see increases to freight and shipping costs if bus parcel service was not longer available. In most instances, alternative courier services and Canada Post would likely be sought at an increased cost to the department.
- Without the presence of an alternate mode for shipping, taxis would need to be chartered in rural, northern, and remote areas where overnight or same-day

delivery is required. This would result in increasing costs from \$40 per delivery to \$700 per delivery for some departments.

- The loss of intercity bus service in Manitoba would result in an estimated \$1.55 million increase in annual shipping and freight costs for the Government of Manitoba.
- It is possible that these additional costs could be somewhat reduced over time if departments learned to more efficiently manage their use of alternatives to Greyhound service, or if they made changes to current policies and programs.

Passenger Transportation Services

- With the loss of intercity bus service, the movement of passengers from rural, northern, and remote areas has the largest potential financial impact for Government of Manitoba departments. Several programs require individuals to access services in regional centres or urban areas.
- Transportation alternatives to intercity bus service (air, taxi) are extremely expensive. Medical needs, judicial proceedings, and family services are the primary areas where financial impacts would be felt.
- The loss of intercity bus service in Manitoba would result in an estimated \$3.9 million increase in annual passenger transportation costs for the Government of Manitoba.
- As in the case of parcel and freight services, it is possible that these additional costs could be somewhat reduced over time if departments learned to more efficiently manage their use of alternatives to Greyhound service, or if they made changes to current policies and programs.
- Program and Service Delivery Impacts in Manitoba:
 - The loss of intercity bus service in Manitoba would adversely affect the delivery of programs and services that the Government of Manitoba currently provides to its residents.
 - Scheduled family visits and reunification efforts could be negatively impacted by the loss of intercity bus service.
 - The ability of income assistance programs to deliver support to people in rural, northern, and remote communities would be impaired.
 - The delivery of justice could be impaired as witnesses in judicial cases may have difficulty attending court proceedings.
 - Manitoba Health and its respective agencies and associations would feel the immediate bulk of the impact if Greyhound scheduled bus service was interrupted in Manitoba.
 - A disruption in service would affect the transportation of medications, diagnostic images, and laboratory samples.
 - The delivery of dialysis services, psychiatric assessments, and transfusion services would also be at risk.

- The results of a loss in service would compromise the physical and mental health of patients and program clients.

Ontario

In Fall 2009, a federal/provincial/territorial task force was established to provide advice on intercity bus issues to the Council of Ministers Responsible for Transportation and Highway Safety. While the task force sought input only from stakeholders with a national perspective, it agreed to consider input from provincial stakeholders provided that the consultation exercise was undertaken by the respective provincial government.

In May 2010, the Ontario representative on the task force solicited input from six key stakeholder groups with an interest in intercity bus services in Ontario. A copy of the task force Terms of Reference was also provided to each stakeholder. Responses were received from three of these stakeholders:

- Ontario Highway Transport Board
- Association of Municipalities of Ontario
- Ontario Motor Coach Association

The following summarizes the input received from each of these stakeholders.

Ontario Highway Transport Board (OHTB)

A specific theme of the OHTB's submission is that while there have been reductions and discontinuances of scheduled service in Ontario, other carriers have stepped in to fill the void. Many of these are smaller, locally-based operators that have applied for public vehicle operating licences to offer scheduled services in these communities as the large companies exit the market due to economic reasons.

The OHTB also noted that it is not in the public interest to have too many licensed operators serving the same market. This results in companies going out of business when market share is eroded to the point where there are not enough riders to maintain the service. In an extreme scenario, all operators exit the market, leaving the public with no service.

The OHTB recognized the challenges of providing scheduled bus services in northern Ontario, given that there are fewer riders and greater distances between urban centers. As a result, the market is less financially attractive to potential operators. Compounding this is that for many communities in northern Ontario, intercity bus service is often the only public transportation mode available.

Association of Municipalities of Ontario (AMO)

AMO recognizes that intercity passenger bus services provide an important and vital link to Ontario municipalities, especially those small, rural and northern communities where intercity bus service is often the only mode of public transportation available to residents to access educational, commercial and medical services.

AMO cited a number of examples where reductions/discontinuances of scheduled bus service have impacted/could impact access to transportation services by Ontario's more vulnerable residents – seniors, students and those of lower incomes.

- Information from municipal health units indicates that many residents living in smaller communities use intercity bus services to access health care in larger urban centres.
- The planned closure of the cancer treatment center in Timmins, Ontario will likely result in increased reliance on intercity bus services for patients to receive treatment in Sudbury.
- As the transportation of parcels is an integral part of most scheduled bus services, municipalities rely on this service to ship testing samples (e.g. water) to labs for processing. Hospitals also use these parcel service to transport donated organs to other medical facilities.

AMO submits that certain types of services and markets in Ontario have been de facto deregulated and this has resulted in significant changes to the cross-subsidy model that has driven Ontario's economic regulatory regime for decades – i.e., less revenue is available from the more profitable services to support the less populated routes. Despite this reduction of service, AMO's view is that those segments of the population that depend on intercity bus services will grow. An aging population means a greater reliance on intercity bus services, not less.

AMO provided the following comments related to the provision of intercity bus service in Ontario:

- While AMO recognizes the competing fiscal demands on the province, operating grants for less traveled routes should be considered to ensure continuation of services. Alternatively, some form of public-private alternatives should be considered.
- Safety regulations should be reviewed to ensure they allow for appropriately sized vehicle on less populated routes.
- Greater coordination of public and private operators is needed to ensure that community and public transit is integrated with rather than competes with intercity operators.

Ontario Motor Coach Association (OMCA)

OMCA represents the interests of Ontario's motor coach industry and states that a viable, efficient and innovative bus industry is good for Ontario.

OMCA has provided two documents. The first document: "The Ontario Public Vehicles Act (PVA) and the Ontario Highway Transport Board (OHTB) Act" provides a history and overview of Ontario's legislative regime, the role of the federal government and offers the industry's views on the regime. The second is OMCA's "Strategy for Modernization" and provides options for Ontario in terms of possible changes to the current regulatory regime.

In the first document, OMCA makes the following statements:

- "...despite significant preparatory costs incurred by the industry and major transition amendments to the PVA and OHTB Act, the government reneged on its promise to deregulate in 1998..." Intercity Bus Services Task Force Final Report - September 2010 55
- "...the Government of Ontario and some municipal governments have decided to be in the business of intercity passenger transportation..."
- "...by its actions to exempt Ontario's largest bus operator (GO Transit) from the economic regulatory control, the Ontario government has, in essence, sent a message to the industry that economic deregulation is best..."
- "The statutory authority of the Federal Government to regulate extra-provincial bus transportation is embedded on the premise of national uniformity, connectivity and a national network...we believe that this premise has been gradually undermined by government actions, inactions, indecisiveness and convoluted messages to our industry."
- "...a "patch-work quilt" effect – some provinces with economic regulation, some without, some with partial regulation..."
- "Carriers are faced with a lack of flexibility – more so in some provinces than others – that does not allow them to react to market forces."
- "The original premise for bus economic regulation was that profitable services would cross subsidize non-profitable services...Is the old "deal" struck in the early part of the last century still working as intended?"
- "There will be more cuts in service without some form of government support."
- "With or without deregulation, the scheduled and charter bus industry has competition...largest competitor is the private car...competition from both traditional and low cost airlines...highly subsidized and government owned VIA Rail provides unfair competition...continual expansion of subsidized regional transit which not only competes with the industry but is forcing private sector investment out of Ontario...geographic expansion of municipal boundaries has

seen the municipal transit entities expand and compete with the bus industry and compete with the bus industry for commuters...”

- “Further procrastination on economic re-regulation or deregulation and the failure to be decisive, one way or the other, will perpetuate a passenger system that flounders, that has a lack of vision, that is stagnant and that will not grow in step with the future needs of Ontarians.”
- Citing a number of problems with the current regulatory regime, both provincially and nationally, OMCA states in its “Strategy for Modernization” document that the status quo is not an option. OMCA also recognizes that the industry is divided on the issue. As a result, OMCA has not taken a position in the regulation versus deregulation debate. Rather, it has opted to “let government decide what is in the public’s best interest” and has put forward recommendations on how to proceed under either scenario.
- Economic Regulation Scenario (“Re-regulation”)
- Ontario’s economic regulatory regime should be amended to:
 - Strengthen safety and carrier fitness Revise economic regulation
 - Require annual renewals of public vehicle operating licences
 - Require that up to date insurance vouchers be filed and maintained.

Market entry would continue to be based on public need and convenience; however, criteria should be based on the components of the National Transportation Policy as outlined in Section 5 of the Canada Transportation Act.

In addition, OMCA recommends that the government establish an “administrative authority” that is lead by the bus industry to administer certain aspects of the regime.

Similar to OMCA’s proposal under a “re-regulation” scenario, OMCA is again suggesting that management of the licensing regime be transferred to an “administrative authority”. The only difference under a deregulation scenario is that an application for a public vehicle operating licence would not require approval from the Ontario Highway Transport Board. The Board would be eliminated under this scenario as the market entry control component of the process would be abolished.

Recommendations

5.1 Issues

The task force asked various national stakeholder organizations to identify the factors and trends responsible for the current state and expected future development of the Canadian intercity bus sector. The task force assessed this input from stakeholders and used it to identify key trends and specific issues in the Canadian intercity bus sector.

The task force determined that there are three trends in the Canadian intercity bus sector that are of particular concern:

- (a) the contraction of the Canadian intercity bus network;
- (b) the use of smaller passenger vehicles by intercity bus operators on low-traffic routes; and
- (c) competition from publicly-funded operators in competing modes of intercity passenger transportation (intercity passenger rail and regional transit).

5.1.1 Contraction of the Canadian Intercity Bus Network

In response to a range of factors (declining ridership on some routes, increasing or non-decreasing costs, and a decreasing capacity to cross-subsidize), Canadian intercity bus carriers are undertaking a range of actions to maintain or enhance the viability of routes and of their overall operations, including:

- Abandoning non-profitable scheduled routes;
- Reducing frequency of service; and
- Eliminating intermediate stops.

Some contraction of the Canadian intercity bus network has already taken place in recent years, including the service reductions or intended service reductions that were announced by Greyhound Canada Transportation ULC (Greyhound) in 2009 and that helped motivate the establishment of this task force.

The Canadian Bus Association (CBA) has advised the task force that in the absence of government measures to sustain the Canadian intercity bus sector (regulatory reform and/or public investment), the alternative will be the abandonment of large portions of the scheduled intercity bus network in Canada.

To mitigate industry contractions in Saskatchewan, the Saskatchewan Transportation Company (STC) is implementing a number of innovations, including the following:

- Improved fleet of motor coaches featuring improved fuel efficiency, enhanced interior with improved leg room, A/C power, WiFi and more wheelchair accessible vehicles;
- Increased security measures and procedures to reduce ridership anxiety;
- Passenger discounts and programs including seniors' and students' discounts, medical pass, blind/disabled person's escort program and compassionate fares;
- On-going sponsorship of community fundraising activities.

Although the contraction of the Canadian intercity bus network has been the general trend over the last few decades, there are future possibilities for ridership increases due to an aging population. An aging population may look for alternatives to the personal vehicle over the next ten to 20 years, potentially increasing demands for an intercity travel option that allows them to stay in their communities and still have access to service in larger centres.

The task force identified a number of issues arising from the contraction or potential contraction in the intercity bus network.

5.1.1.1 Capacity of current regulatory regimes to facilitate sustainable changes in the Canadian intercity bus network

As documented in section 3.0 of this report, Canadian jurisdictions maintain varying forms of economic regulatory control over intercity buses. This control ranges from full regulation over entry, exit, fares, routes, and schedules, to minimal regulation that is restricted to fitness requirements regarding safety and insurance.

In those jurisdictions in which a government body is required to approve entry, exit or changes in fares, routes, or schedules, intercity bus operators cannot readily make operational changes that would improve sustainability. These economic regulatory controls do not facilitate actions by existing intercity bus carriers that may make their operations more sustainable, and they also create barriers to new or alternative services entering the market and increased costs for alternative service providers that may be able to continue service on routes that existing carriers want to abandon.

5.1.1.2 Quality of life of socially disadvantaged groups in Canadian society, and quality of life and economic opportunities in smaller rural and northern communities

With respect to the contraction of the Canadian intercity bus network, the services most threatened are the low-traffic scheduled routes serving smaller rural and northern communities. In the absence of any new transportation alternatives, contraction will negatively impact both their economic opportunities (through loss of express parcel service) and their quality of life (particularly with respect to access to medical services, access to university and colleges in larger centres, and the ability to maintain social connections).

As well there is evidence that any contraction of the Canadian intercity bus network, if alternative transportation services do not emerge, would have a disproportionately severe impact on various groups in Canadian society, including;

- Lower income persons;
- Older persons/senior citizens;
- Younger persons;
- University and college students;
- Persons not having ready access to private vehicles;
- Persons with disabilities; and
- Aboriginal persons.

5.1.1.3 Degraded environmental performance of the intercity passenger transportation sector

There is evidence to suggest that the intercity bus mode is one of the most environmentally “friendly” of

the various intercity passenger transportation modes, both with respect to fuel efficiency and to greenhouse gas (GHG) emissions. [It should be noted that these environmental benefits will vary with the extent to which a bus's passenger capacity is actually utilized, and may therefore be route specific.]

To the extent that the intercity bus mode contracts or is displaced by other intercity passenger modes, this may degrade the environmental performance of the intercity passenger transportation sector, and may compromise the ability of jurisdictions to meet any goals they may have established for environmental performance.

5.1.1.4 Increased costs and/or impaired delivery of services for federal and provincial/territorial Programs

The intercity bus mode enables access to, and delivery of, health, education, and social programs and services for the federal and provincial/territorial governments, particularly for northern and aboriginal communities. Contractions in the Canadian intercity bus network could increase the costs of these programs if it means more use of more costly transportation modes. However, there may be alternatives that could be explored.

5.1.2 Use of Smaller Passenger Vehicles by Intercity Bus Operators on Low-Traffic Routes

In response to declining ridership on some intercity bus routes, some carriers are using passenger vehicles that are smaller than a full-size highway coach, such as 15-passenger vans or shuttle/activity bus-type vehicles. This trend might be expected to increase if controls on exit by incumbent carriers are relaxed and alternative services become more common. Smaller vehicles, in addition to satisfying the economic challenges of lower passenger volumes, must remain a safe alternative. Concerns have been raised about the safety of some smaller passenger vehicles (such as 15-passenger vans) for public transportation.

5.1.3 Competition to Intercity Bus Operators from Publicly-Funded Intercity Passenger Transportation Modes

The third of the three significant trends in the Canadian intercity bus sector noted by the task force is the competition being posed to private sector intercity bus operators by other modes of intercity passenger transportation (intercity passenger rail, air, and "regional" transit) that collectively receive significant levels of funding from the various levels of the public sector (federal, provincial, and municipal). Stakeholders have advised the task force that intercity bus service and public transit historically operated in separate domains, with intercity bus operators connecting intercity markets and public transit operating in urban areas. An increasing urban commuter shed has blurred the lines between these two traditional markets.

The stakeholder submissions provided to the task force further imply that the current policies of Canadian jurisdictions do not provide consistent treatment between the

intercity bus sector and other intercity passenger transportation modes (particularly in respect of funding levels), and do not coordinate the most effective linkages and relationships between these various modes, which can be seen as being both competitive and complementary.

The CBA further advises the task force that subsidized competition from other modes reduces the returns available to intercity bus operators, and thereby lessens the ability of operators to cross-subsidize the unprofitable low-traffic routes serving smaller Canadian communities.

5.2 Options

In developing options, the task force took into consideration options provided by national stakeholders (as outlined in section 4.0) as well as options proposed by task force members.

5.2.1 Options to Address the Contraction of the Canadian Intercity Bus Network

Both regulatory and fiscal measures have been identified as options to address the issues arising from the contraction of the intercity bus network. These two types of measures are not mutually exclusive. Some combination of these two kinds of measures can have the potential to address network contraction.

5.2.1.1 Reform of regulatory regimes

The purpose of regulatory reform would be to address the issues arising from the contraction of the Canadian intercity bus network, i.e. to achieve the following two goals:

- Make it easier for existing carriers to adjust their fares, routes, routings and schedules in order to better sustain service on selected routes or better sustain their overall network; and
- Make it easier for new carriers or alternative service providers to enter the industry and provide service on routes that are not currently being served or on routes that existing carriers want to abandon.

The task force noted that the regulatory reform option itself comprises a number of different options that could be implemented by jurisdictions. The various regulatory options (full economic regulation, full economic deregulation, and any number of varying intermediate regulatory regimes) have been well documented over many years in numerous reports and studies, and are not described in detail in this report.

Task force members suggested the following approaches to regulatory reform as being the most relevant to governments' handling of the intercity bus sector at this time:

a) Limited regulation of the industry, including maintaining minimum route frequencies, identifying routes by city (not stops), and meeting vehicle safety and insurance requirements; this approach would include developing streamlined processes for reviewing minimum route frequencies;

b) A “reverse-onus” scheme, whereby a carrier posts intent to provide a specified service and, if stakeholders cannot prove that the service is contrary to the public interest, a licence is issued following a predetermined period (if vehicle safety and insurance requirements are met). Changes to existing services would also be posted for a set period without requiring the regulator’s approval; and

c) A deregulated approach, with a focus on safety and carrier insurance.

The task force noted in its deliberations that consideration has to be given as to whether economic regulatory controls should be harmonized across Canada, or whether they can vary by province/territory/region.

5.2.1.2 Fiscal measures

The task force identified a number of fiscal measures to support intercity bus service that can be delivered through various instruments, including:

- Partnerships with local communities to provide alternative modes of service delivery where none currently exist, or to replace services targeted for elimination;
- Expansion of existing modes of service delivery (e.g. transit, health/social programs, First Nations service providers);
- Capital support for purchases of new buses or refurbishment of existing vehicles in bus fleets;
- Support to cover operating losses/operating costs for all routes or specific routes;
- Fuel tax and ticket tax exemptions (for example, in Quebec, there is a fuel tax exemption of 16.2 cents per litre of diesel for intercity bus carriers);
- A federal tax credit for intercity bus riders, like the federal tax credit for public transit users;
- Support partnerships between local authorities and intercity bus carriers to maintain, develop and create new services; and
- Funding for research and development of smaller passenger vehicles suitable for non-paved roads.
- The task force determined that a number of factors need to be assessed in relation to fiscal measures, including:
 - The respective roles of the federal, provincial/territorial, and municipal governments (keeping in mind that any new measures or responsibilities must be implemented in a way that respects existing jurisdictional practices and programs);
 - The ability of the various jurisdictions to support any fiscal measures; and
 - The respective roles of competitive tendering versus targeted support for ventures that support aboriginal or regional economic development.

5.2.2 Options to Address the Safety of Smaller Passenger Vehicles Used for Intercity Bus Service

Task force members agreed that safety involves a “mandatory” rather than an “optional” approach. The task force agrees that federal and provincial/territorial governments, on an ongoing basis, should review safety standards, the coverage of safety standards, and enforcement activities to ensure that the safety of all vehicle types used in intercity bus service is maintained in a way that is adequate, effective, efficient, consistent, and fair.

Transport Canada has initiated a review of the 15-passenger van to increase the awareness of passenger safety. Upon completion of the review, Transport Canada will undertake a safety awareness campaign to heighten knowledge of the safe use of 15-passenger vans.

5.2.3 Options to Address the Competition to Intercity Bus Operators from Publicly-Funded Intercity Passenger Transportation Modes

In the development of options, Task Force members considered the suggestions received by national stakeholders. Task force members identified a number of options to address the issue of intercity bus operators being displaced or being required to compete with publicly-funded operators in other modes of intercity passenger transportation. In particular, governments can:

- Provide financial support (operating subsidies/capital grants/tax exemptions/seat purchases) to intercity bus carriers similar to those provided to competing modes (intercity passenger rail or regional transit);
- Work with municipal governments to increase fares and/or decrease subsidies to municipal transit providers so that transit fares reflect full-cost pricing of the service;
- Allow intercity bus carriers to bid on publicly-funded transportation services;
- Facilitate the coordination of intercity bus and transit operators as mutual feeder services, by promoting shared facilities for intercity bus and urban transit systems, such as multimodal terminals;
- Support the development in all Canadian jurisdictions of an internet service similar to the EspaceBus.ca website in Quebec, which allows users to coordinate and link the services provided by all types of bus service providers.

5.3 Recommendations

In the process of reviewing the available options and reaching consensus on the recommendations to provide to governments, the task force was guided by the following principles and considerations. In considering the issues arising from the contraction of the Canadian intercity bus network, and the options to address those issues, two factors are paramount:

- The fiscal environment in which Canadian jurisdictions are operating, in which numerous and competing demands are being made on public sector resources; and
- The widely varying conditions across Canada, and the different challenges and situations faced by the intercity bus sector in each region of the country.

While it probably goes too far to suggest that the intercity bus sector faces a unique situation in each Canadian jurisdiction, there is a wide range of public sector frameworks for intercity bus services across the country, taking into account the differences in economic regulatory regimes, in existing fiscal measures that support the intercity bus sector or its competing modes, and in the existing public sector enterprises that may directly provide intercity bus services in particular jurisdictions. These differences in public sector frameworks are complemented by wide disparities in market and other industry conditions (e.g., the sizes, distributions, and densities of populations across jurisdictions, to mention some factors).

Given the above two factors relating to the need for fiscal prudence and the widely varying conditions of the intercity bus sector across provinces and territories, the task force cannot support or recommend a national program to financially support the operations of intercity bus carriers.

However, the task force acknowledges that individual jurisdictions may be warranted in considering or implementing fiscal measures where the public interest may be involved. In further consideration of the varying circumstances in each jurisdiction, the task force similarly cannot support or recommend a federally-mandated regulatory regime that would have to be the same in every province and territory. In the absence of measures which provide direct support to the intercity bus services sector, task force members agree there is a need to ensure, on a jurisdiction-by-jurisdiction basis, that existing policies, legislation, and programs do not unduly impede carriers from undertaking their own actions to enhance the sustainability of their operations, and that these existing policies and programs do not themselves further unduly undermine the sustainability of the sector where this may be now happening. The need to review existing legislation and programs relates both to regulatory regimes for the intercity bus sector as well as more broadly to public sector programs involving other modes of intercity passenger transportation.

With respect to increased use of smaller passenger vehicles, the task force determined it was beyond the scope and expertise of its members to provide specific recommendations on safety. The task force noted that Transport Canada has announced a review of the safety standards applicable to 15-passenger vans. The safety review will include:

- consultation with provincial and territorial governments;
- an assessment of the safety and stability of vehicles used for extracurricular school activities, including both 15-passenger vans as well as multi-function activity buses; and
- brake testing to determine the vehicle rollover threshold.

The task force is of the view that whether the safety standards for these vehicle types are determined to be adequate, or whether they are assessed as requiring amendment, the resolution of any safety issues through the Transport Canada review process will address the use of these vehicles for intercity bus service as well as for extracurricular school activities.

More broadly, the task force affirmed that it is the responsibility of the private sector – that is to say, of intercity bus carriers working in partnership with motor vehicle manufacturers – to develop, manufacture, and operate vehicles for intercity bus service that are both safe as well as economically viable.

The task force is further of the view that the licensing and regulatory regimes in place in the various jurisdictions must ensure that all vehicles involved in commercial passenger transportation services offered to the general public are subject to adequate and appropriate safety standards.

The task force also noted that the issues associated with the Canadian intercity bus sector cannot be addressed solely by governments. The submissions provided by stakeholders to the task force identified a wide range of actions that carriers are undertaking to address the challenges facing their industry, such as:

- Controlling costs through reducing overhead;
- Restructuring routes to develop new markets;
- Offering services with upgraded bus equipment and more amenities to passengers;
- Developing new pricing policies that both increase total passenger revenue per bus mile operated and offer fare discounts to specified passenger segments;
- Expanding their internet services; and
- “Synergy” programs that allow carriers to enhance revenues or spread their costs by entering into various kinds of business arrangements with other carriers or businesses.

The task force encourages carriers to continue implementing the kinds of initiatives listed above, which allow carriers to enhance the viability of their networks while at the same time enhancing or preserving the quantity and quality of services available to intercity bus users.

Furthermore, the task force encourages intercity bus carriers to continue pursuing partnerships with the other modes of intercity passenger transportation (passenger rail, passenger air, and transit) in order to promote multimodalism, connectivity, and integration in the Canadian transportation system. The task force agrees with the submission of one stakeholder which indicated that there is potential for the intercity bus mode to work with another mode of passenger transportation in a way that mutually enhances the revenues of both modes.

Based on the above principles and considerations, the Intercity Bus Services Task Force's recommendations are as follows:

Intercity Bus Services Task Force Recommendations

Preamble

As outlined in section 3 of this report, it is recognized that the provision of regional public transportation varies widely across Canada, and certain jurisdictions currently provide regional commuter services in large urbanized regions. It is within the purview of the respective Federal, Provincial or Territorial jurisdictions to determine the appropriate service model that meets their jurisdictional needs.

1. Subsidies for Intercity Bus Passenger Transportation

It is the view of the Task Force that a national program to subsidize the operations of intercity bus carriers or specific routes is neither warranted nor recommended. It is recognized that individual jurisdictions may consider fiscal programs that are targeted at specific routes and/or carriers on a case by case basis to sustain services that jurisdictions may determine are needed in the public interest.

2. Role of Governments

Governments and other road safety stakeholders (including all road users) share the responsibility for protecting the safety of the travelling public. Governments also have a role in fostering an economic environment which is attractive to the private sector in offering services which support the mobility of Canadians.

However, conditions vary widely across Canada, and no single policy approach or program would adequately address the challenges currently faced by the intercity bus services industry in different regions of the country.

It is recommended that governments ensure that Federal and Provincial/Territorial policies, regulations and programs affecting the intercity bus services sector remain current and appropriate, and provide the flexibility needed to respond to changing market conditions. In this context it is recommended that:

- a. All jurisdictions commit to reviewing their economic regulatory controls and, if necessary, introducing amendments which will make it easier for:
 - i. Existing carriers to adjust fares, schedules, routings and routes served
 - ii. New carriers and/or alternative service providers to provide service on new routes or on routes where service by an existing carrier is being withdrawn.

iii. New/emerging carriers, alternative service providers and existing carriers to use smaller vehicles where economically feasible to provide intercity passenger service that meets localized community/niche market needs while ensuring that all Federal safety standards and Provincial/Territorial safety laws and regulations are adhered to.

b. All jurisdictions commit to considering:

i. The impacts on private sector intercity bus passenger services of any changes in current or future public sector intercity transportation programs.

ii. The use of private sector carriers in the delivery of public sector intercity transportation programs.

3. Role of the Private Sector

It is the view of the Task Force that the private sector has responsibility for identifying and pursuing opportunities to offer and sustain intercity transportation services within the marketplace based on sound and innovative business plans and practices.

The Task Force specifically encourages intercity bus carriers to:

i. Continue implementing initiatives which allow carriers to enhance the viability of their services while at the same time enhancing or preserving the quantity and quality of services available to intercity bus users; and

ii. Continue pursuing partnerships with the other modes of intercity passenger transportation (passenger rail, passenger air, and transit) in order to promote multimodalism, connectivity, and integration in the Canadian transportation system, in order to both benefit users as well as to enhance revenues and returns for all modes.

The full report can be viewed at

<http://www.comt.ca/english/Intercity%20Bus%20Services%20Task%20Force%20Report.pdf>

APPENDIX H Metrolinx Service Area and Routes



Services Levels and Infrastructure as at April 2015	
Train Service:	Totals
Lines	7
Stations	63
Route Kilometers	452
Weekday Train Trips	252
Weekday trainsets in use	52
Locomotives	75
Bi-level passenger railcars	615
Bus Service:	
Terminals (Plus numerous stops & ticket agencies)	15
Route kilometer	2,796
Weekday bus trips, total systems	2,529
Weekday bus trips, to/from Union	634
Single-level buses	383
Double-decker buses	117
Buses with bike racks	100%
Across our system	
Parking spaces	69,123
Park and Ride lot spaces	3,911
Parking structures	10
Stations/terminals with bike shelters	59
Stations with bike lockers	5
Wind Turbines	1
Solar Panel (photovoltaic) installations	3

APPENDIX I Metrolinx Financial Statement

Metrolinx

Statement of operations
year ended March 31, 2015
(In thousands of dollars)

	2015	2014
	\$	\$
Revenue		
Operating revenue	469,965	430,777
Contribution from the Province of Ontario	190,440	161,480
Investment income	4,771	7,746
Amortization of deferred capital contributions (Note 11)	350,331	291,147
Gain on disposal of capital assets	10,817	246
	1,026,324	891,396
Expenses		
Supplies and services	50,971	44,602
Equipment maintenance	77,850	73,804
Facilities and track	95,648	87,872
Labour and benefits	248,427	220,866
Rail and bus operations	218,789	184,685
Amortization of capital assets	352,125	296,198
Amortization of long term lease	327	327
	1,044,137	908,354
Excess of expenses over revenue	(17,813)	(16,958)

APPENDIX J Ontario Northland Transportation Commission Financial Statement

EXTRAPALATED FROM:

Ontario Northland Transportation Commission
March 31, 2014 Annual Report

Motor Coach Services
(Values in thousands)

	2014	2013
Sales revenue	\$ 10,731	\$ 10,967
Operating expense	\$ 11,611	\$ 11,006
Deficiency of revenue over expenses before the undernoted	\$ (880)	\$ (39)
Amortization of capital assets	\$ 300	\$ 351
Employee future benefit expense	\$ 1,222	\$ 903
Loss on sale of capital assets	\$ 22	\$ 482
Interest expense	\$ 91	\$ 94
Deficiency of revenue over expenses	\$ (2,515)	\$ (1,869)

8. Government Reimbursement

In accordance with a Memorandum of Understanding between the Commission and the Minister, certain operations of the Commission have been designated as non-commercial. The Commission and the Minister have entered into annual contribution agreements which define the amount of compensation which the Minister would provide each fiscal year.

A portion of the operating loss of the weekday passenger train service between North Bay and Toronto is reimbursed by the National Transportation Agency of Canada under Section 270 of the Railway Act. The federal government revoked the Railway Act during 1996 and replaced it with the Canada Transportation Act. Due to the shut-down of the Northlander train as at September 30, 2012, no reimbursement (2013 - \$1,544) was received from the National Transportation Agency of Canada for the year ended March 31, 2014.

Details of Government reimbursement received during the year are as follows:

2014 2013

Ministry of Northern Development and Mines:

Rail - Passenger Service and Moosonee Branch	\$ 18,800	\$ 18,958
Special funding - Cash deficiency and other	11,000	29,749
Marine Services (Moosonee) -		41
	<u>\$29,800</u>	<u>48,748</u>

National Transportation Agency of Canada:

Current year's operations -		\$ 1,544
	<u>\$ 29,800</u>	<u>\$ 50,292</u>