

2015 YEAR-IN-REVIEW



THE REMAKING OF THE MOTOR COACH

2015 Year in Review of Intercity Bus Service in the United States

CHADDICK INSTITUTE FOR METROPOLITAN DEVELOPMENT AT DEPAUL UNIVERSITY | POLICY SERIES

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EXECUTIVE SUMMARY

Calendar year 2015 brought much needed innovation and technological advancement to the intercity bus industry in the United States. More carriers are introducing new business-class amenities and comforts, providing greater ease in mobile ticketing, and rolling out new “tracker” software programs that improve the travel experience. Low fuel prices have made driving more affordable, encouraging major bus carriers to shift their orientation from expanding their schedules by rolling out new value-added conveniences on a relatively large scale.

1

Major bus carriers rolled out value-added conveniences on a large scale in 2015, exemplified by Greyhound’s new OnTouch© system, megabus.com’s reserved seating program, and BoltBus’ integration of Uber ridesharing into its mobile app.

2

Intercity buses handled an estimated 62 million passengers in 2015, about 35% more than in 2008. The number of seat-miles of service grew at a somewhat faster rate. These estimates are made through analysis of 155 scheduled carriers to fill a void in the understanding of the sector. Growth has recently slowed due to low gasoline prices that make driving more affordable.

3

The Chinatown bus sector is making a comeback, in spite of recent crackdowns by the federal government. These carriers now account for more than 600 daily schedules, heightening competition for major corporate carriers.

4

Greyhound launched cross-border service from Texan cities to Mexico while Latino carriers matured and grew in sophistication, accentuating competition for major lines, particularly in the Sunbelt region.

5

Wanderu.com and Busbud.com, major booking websites specializing in bus travel, created powerful apps catering to mobile bookings, much like Uber and Lyft do for urban ridesharing services.

INTRODUCTION



This Chaddick Institute report, the eighth in an annual series, summarizes notable changes in the intercity bus sector during 2015 and is divided into three sections:

PART I

The first part of the report reviews notable product enhancements and public partnerships.

PART 2

The second section focuses on new service offerings in various regions of the United States.

PART 3

The final section highlights the Chaddick Institute's previously unpublished estimates about the growth of major carriers since 2008.

PRODUCT ENHANCEMENTS & PUBLIC PARTNERSHIPS

Previous Year in Review reports in our annual series have showcased new routes and hubs launched by such fast-growing brands as Bolt-Bus, Greyhound Express, and megabus.com (“Megabus”), which offer guaranteed seating and limited-stop schedules. This abundance of new services has rejuvenated a transportation sector that had long suffered from gradual decline between the 1970s and the mid-2000s. Since the sector’s renaissance began around 2006, competition on the busiest routes has grown sharply.

This past year’s shift toward quality enhancement and technical innovation can be attributed to three primary factors:

- **Major bus lines are allowing consumer markets to catch up with previous expansion**, which has pushed bus service to regions in which product awareness is relatively low. To appreciate this growth, please refer to the map on page 19 showing the most notable intercity hubs created since 2006. Evidence suggests that it often takes 3- 5 years for new service to achieve financial self-sufficiency.¹
- **A dramatic fall in fuel prices has intensified competition from private vehicles.** Average gasoline prices across the U.S. fell from \$3.68 in July 2014 to less than \$2.79 this past July and then to about \$2.05 in December. When standard assumptions about fuel efficiency are made, these falling prices have reduced the average cost difference of operating a single occupant vehicle on a 250 mile roundtrip by about \$25 compared to a motor coach.²
- **Many of the most lucrative new markets for expansion have already been tapped**, encouraging carriers to focus on broadening their appeal among demographic groups that have been reluctant to give bus travel a try along existing routes.

As summarized below, the most notable steps taken by the country's largest carriers to enhance service quality have important implications for the passenger experience:

Greyhound: New Website & Routes to Mexico

America's largest schedule bus line, Greyhound Lines, is owned by U.K.-based First Group, Ltd. This historic carrier attracted much favorable publicity in 2014 for reaching its 100th anniversary as a transportation company.³ Greyhound reported North American revenues, inclusive of its BoltBus subsidiary, largely unchanged from 2014 to 2015, slipping from \$990.6 million to \$986.0. The carrier's profit margin remained steady at 7%.

The carrier invested heavily in on-board and web-based enhancements, and added routes in Latino-oriented markets during the year. It also began advertising **Wi-Fi and power outlets as standard amenities**, rather than just on Greyhound Express schedules.

Schedule frequencies mostly held steady, but this carrier took the significant step of creating **Greyhound Mexico**, the first U.S.-based bus company to operate to Mexico. Greyhound Mexico now offers direct service from Austin, Dallas, Houston, San Antonio, and other Texas cities to Nuevo Laredo and Monterrey, MX, with new terminals opened in both Mexican cities. These streamlined routings eliminate the need to transfer in Laredo, giving customers a better travel experience and advancing the company's goal of gaining a stronger presence in Mexico's enormous intercity bus market.⁴ Meanwhile, Greyhound continues to serve Canada, thereby giving the company a presence in North America's three largest countries.

In an effort to create a more pleasant and productive onboard experience for customers, Greyhound launched **OnTouch©**, an onboard online catalog of "destination packages" that passengers can access through their Wi-Fi enabled electronic device, in January of 2015. OnTouch© gives customers the ability to purchase tickets to events and gain information on ground transportation, popular attractions, and shared rides. This convenience, developed by GuestLogix, is also available on BoltBus.⁵

In November, Greyhound completely **revamped greyhound.com** to improve its online communication with customers. Reminiscent of efforts by other carriers to refresh their image, the new website features FAQs; itinerary details, such as rest stops and services; and new ways for users to filter search results based on the consumer's preferences. Along with the new website, **new and simplified online fare class options** were also introduced. Now, two primary fare types, Economy and Economy Extra, appear on the screen from customer searches, with Flexible fares and others provided as additional options.⁶ Taking a cue from airlines, the new fare structure provides additional perks for those buying higher fares.

- **ECONOMY FARES** are the lowest price tickets available, with limited services attached such as one Road Rewards (Greyhound's frequent rider program) point given per ticket purchased.
- **ECONOMY EXTRA FARES** generally cost a few dollars more and include priority boarding, free same day exchange and two Road Rewards points.
- **FLEXIBLE FARES** are fully refundable and exchangeable, and allow additional checked bags. While Flexible and certain other fares are still available, they are no longer displayed as the primary options

AVERAGE FARE PER PASSENGER		
Economy	Economy Extra	Flexible
\$23	\$42	\$49
BOOK THIS	BOOK THIS	BOOK THIS
Non Refundable	Non Refundable	Refundable Fare
\$20 fee to change date/time before trip date	\$20 fee to change date/time before trip date	No fee to change date/time before trip date
Earn 1 Road Reward point each way	Earn 2 Road Reward points each way	Earn 3 Road Reward points each way
-	Priority Boarding	Priority Boarding
1 checked bag free (2nd bag \$15)	1 checked bag free (2nd bag \$15)	2 checked bags free
-	Free Same Day Exchange	Free Same Day Exchange

*New Simplified Fare Structure
on Greyhound.com*

Greyhound's introduction of **BusTracker**, a new real-time GPS tracking system, on Apple and Android devices in June, provided bus-status updates every one to four minutes. Using several onboard data systems, BusTracker allows passengers to stay abreast of their bus's location and anticipate their arrival time with considerable precision.⁷ Only a handful of operators, most notably Jefferson Lines, Megabus, Peter Pan, and RedCoach, have their own publicly-accessible tracking programs. Except for RedCoach, however, no other company shows the approximate location of the coach in real time, making Greyhound a trendsetter. Although the system provides data on most scheduled trips, additional sections added to meet demand cannot be tracked this way. BoltBus also launched its own standalone BusTracker.⁸

In December, Greyhound **dropped the last of its Yo! Bus service**, ending its joint effort with the Peter Pan Bus Company to gain traction in the Northeast's Chinatown bus market. Previously, Yo!'s New York–Boston and Philadelphia service had been cut back and its New York–Washington DC service curtailed. A local partner in New York had facilitated ticket sales and customer relations, giving this line the aura of a traditional Chinatown carrier.⁹

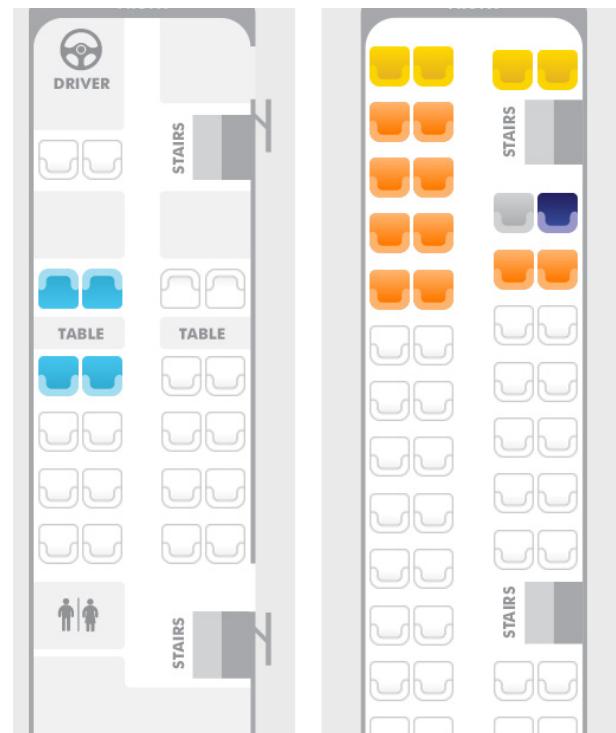
megabus.com: Reserved Seating and Google Maps

No longer a newcomer to the American scene, Megabus reached its 10th U.S. anniversary in April. Taking a break from aggressive route expansion, Megabus consolidated its gains by focusing on its existing service. This subsidiary of Stagecoach Ltd. reported North American revenues for fiscal year 2015 (ending March 31) of \$191.4 million, up from \$177.9 million in 2014, a 7.6% increase. Due to the sharp decline in fuel costs, some analysts expect revenues to hold relatively steady this fiscal year.

Megabus continues to invest heavily in features that will attract new market segments, with its most notable move being the introduction of its Reserved Seating program, allowing passengers on all company-operated routes to select particular seats when purchasing their tickets. Megabus established itself as the national leader in this area in February by introducing reserved seating fees of less than \$5/ticket for most seat selections. The choice of reserved seats was initially confined mostly to the front row of the top level on the double decker buses and selected lower-level seats with tables. In July, however, Megabus doubled the number of seats available for pre-selection to 20 (see seating chart at left).

The significance of this move can be appreciated considering that, as recently as a decade ago, almost all U.S. bus passengers were denied even an option of having a guaranteed seat on the departure of their choice, much less having a particular seat reserved for them. This uncertainty compelled many to arrive at the station at least an hour ahead to stand in line and assure they obtained a seat. Having a reserved seat, of course, allows passengers to arrive at the last moment with assurance that a prime seat awaits. (Reserved seating is not available on several routes operated by contract, such as those by Concord Coach.)¹⁰

Along with the entire Coach USA family of companies, Megabus implemented a new hi-tech eco-driving system that will help decrease carbon emissions, improve fuel consumption



Seats available in Megabus reserved seat program on Chicago – Omaha bus. Prices for highlighted seats are \$1 - \$7

rates, and reduce accidents. **The GreenRoad system** allows management to provide real time feedback to bus operators about their driving style, which can help address issues with speed, braking, acceleration, lane-handling, and turning.¹¹ The goal of the system is a 3% reduction in fuel consumption.

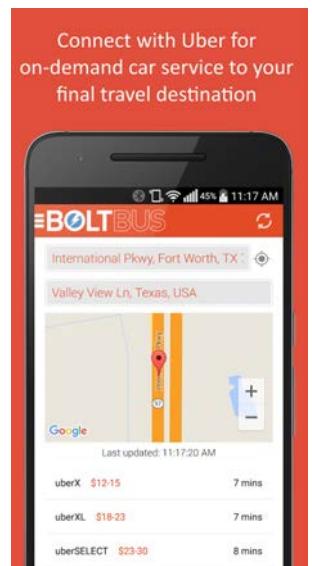
Finally, Megabus forged an important partnership with **Google Maps**. Now, scheduling data appears with map searches. In addition to showing bus schedules, travel times, and stop location data, Google Maps allows customers to compare Megabus service with other modes of transport and see street views of all stop locations.¹²

Partnerships with Google Transit, Parking Panda, and Uber

Bus lines forged partnerships with several leading innovators in travel service during the year. Jefferson Lines is believed to be the first intercity bus company to partner with Google Transit to feature schedules and route information on this platform, giving customers a new set of tools so that they will no longer have to use multiple websites and resources to plan their trip.¹³

An online and app-based program called **Parking Panda**, which allows motorists to find and reserve parking spots, joined forces with both Greyhound and Megabus. Users can lock in parking within walking distance of 20 Megabus stop locations and 50 Greyhound terminals.¹⁴

Uber is part of the mix at BoltBus, which has a new mobile app feature allowing passengers to easily summon rides upon arrival.¹⁵ The carrier's app, launched in 2014, was also upgraded to allow passengers to have their **ticket scanned by their driver right on their phone**, bypassing the often tedious and time consuming task of searching and verifying ticket confirmation codes and passenger names.



New Boltbus app for Uber rides

Wanderu and Busbud: Leaders in Bus Travel Bookings

A significant development in intercity bus travel was the heightened momentum behind the two leading ticketing aggregator websites for bus ticketing. Enhancements made to wander.com and busbud.com in 2015 provide heightened credibility to the sector that has often been regarded "low tech" and gives customers the ability conduct search for alternatives with reasonable assurance that the carriers they choose are reputable and safe.

Data shared with us by **Wanderu** suggests that consumers are responding in significant numbers to these enhancements. This Boston-based ticketing aggregator more than tripled its sales in 2015 from the previous year and now hosts more than 50 carriers, including all of the largest major U.S. brands and Amtrak, giving it truly nationwide coverage. Research by the company suggests that, for most carriers, more than 20% of the bookings on its site are incremental in nature due its unique features, such as its nearby station locator, routing information, and mobile apps, which make searching and buying easier. Incremental bookings are those that carriers could not get on their own or via another search tool.

Another major theme for the year was serving mobile users. Wanderu launched an app that the company is touting as one of the best in the travel industry, having received an Apple Best New App award and other recognitions. Wanderu has also expanded the number of filters that customers can use to search for amenities, the lowest fare, and other features.

The other major booking site, **Busbud.com**, continued to focus on serving international tourists, as well as passenger markets not apt to take buses without trustworthy information. Busbud approximately doubled its worldwide coverage during the year. After adding Greyhound to its system in late 2014, GoBuses, Peter Pan, and several other regional operators came onboard in 2015. The company's seat selection feature, now used on international routes, may soon be available on certain U.S. schedules.

Recognizing that roughly half of its web traffic is now mobile devices, Busbud launched Android and iOS booking apps that simplify the search and booking process. These apps are intended to make buying a bus ticket analogous to booking an Uber ride, although on some carriers, such as Greyhound, you must still print your ticket. Busbud also launched the industry's first android and apple watch apps.

NOTABLE SERVICE CHANGES BY REGION

NEW ENGLAND

MID-ATLANTIC + UPSTATE NEW YORK

MIDWEST

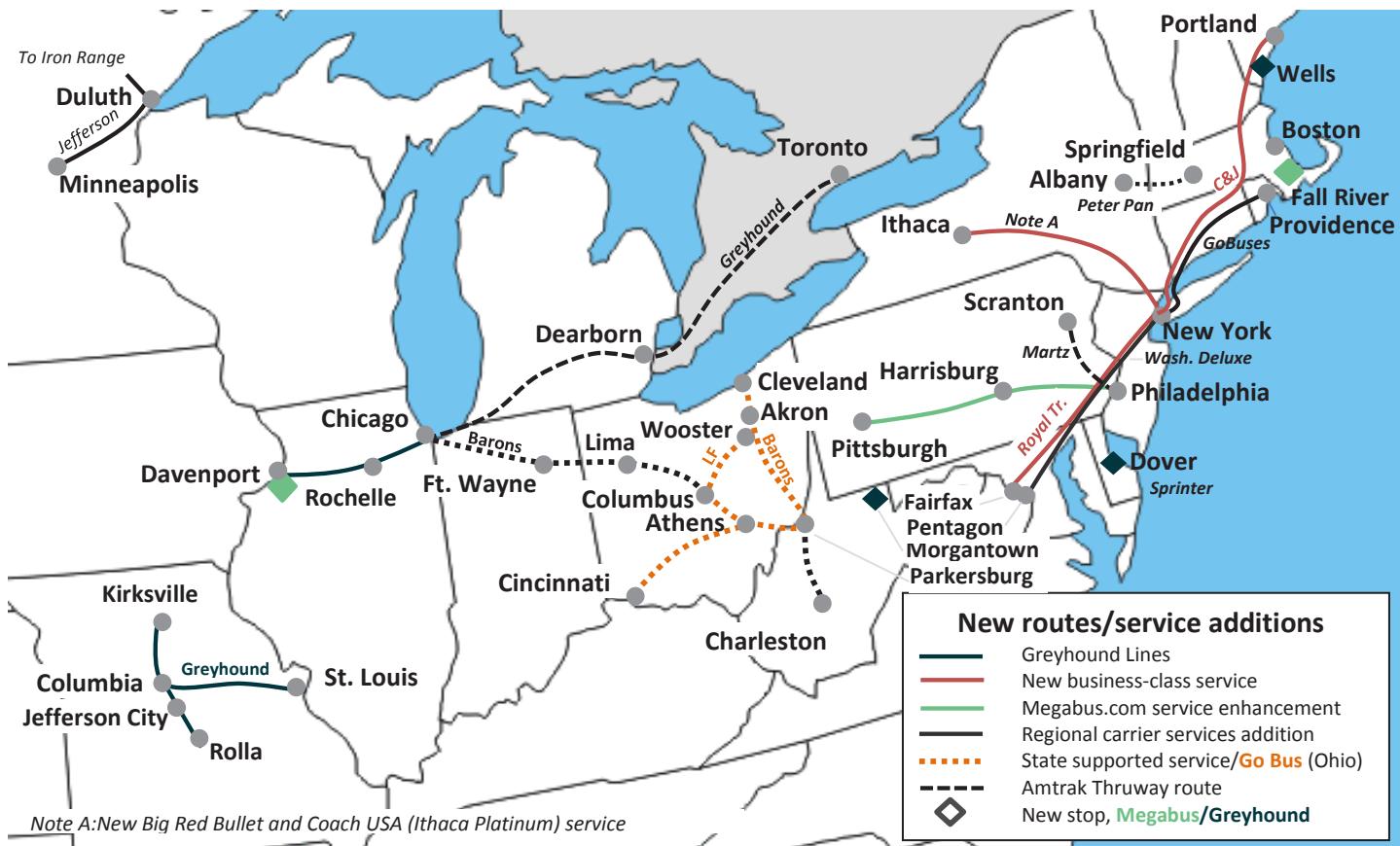
S. CENTRAL + SOUTHEAST

WESTERN U.S.

Long a hotbed of intercity bus competition, **NEW ENGLAND** boasts one of the country's most well-developed intercity bus networks. Several competitive developments in this region stand out:

- 1) The terminal at Boston South Station has become one of the country's preeminent connecting intercity bus hubs with the addition of numerous regional services to and from Boston in the past three years, including those supported by the Commonwealth of Massachusetts' expansive BusPlus program. All the recent service additions are providing formidable competition to Amtrak.
- 2) A resurgence of Chinatown bus service in the Boston–New York market is filling a void left by the 2013 shutdown of Fung Wah Bus Lines and the gradual withdrawal of Greyhound-owned Yo! Bus. This expansion is being aided by the growing sophistication of online booking systems, such as gotobus.com and ilikebus.com, which cater to these carriers.
- 3) Bus passengers are benefitting from a growing number of choices from many regional cities to New York. Passengers traveling from the Boston area to Manhattan, for example, can now choose from six different carriers—BoltBus, Coach Run, Go! Buses, Greyhound, Megabus, and Peter Pan—that have at least a half-dozen daily trips in each direction. Average fares on the route remain in the \$20 - \$30 range.

FIGURE 1:
Notable New Routes & Schedules in the Midwest and Northeast



Several initiatives by individual carriers are also noteworthy:

Concord Coach, a regional carrier primarily serving communities north and east of Boston, launched Portland, ME–New York City service in November under the **new Concord Coach Plus brand**. This express service—the carrier’s first foray outside of New England—features executive-level amenities, with just 29 seats for purchase on each coach. Large plush leather chairs with generous legroom, free snacks, Wi-Fi, and outlets target high-end clientele to this new once-a-day round trip service.¹⁶ Another highlight is the New York City–Providence, RI service launched by GoBuses in November, establishing it as a major regional competitor. This carrier, owned by Academy Bus, had previously been confined to Greater Boston (Alewife & Newton)–New York routes. Its stop in downtown Providence is near the Amtrak station and Brown University. GoBus operates three or four daily round trip express schedules.¹⁷



Concord Coach Plus photo showing executive-style seating configuration

Peter Pan was awarded a contract to operate a **new local Springfield, MA - Albany, NY service** starting in November. Although Peter Pan already provides “pool service” over the route coordinated with Greyhound, this new service focuses on smaller Massachusetts communities along Route 2, such as Deerfield and Northampton. Operating twice daily in each direction, the service is supported by the MassDOT BusPlus program.¹⁸

Greyhound added new stops in Maine to expand its connectivity. After an absence of about 10 years it returned to Wells, serving the city once daily in each direction on its Boston–Bangor route.¹⁹ Through its Greyhound Connect brand, the company announced in June that it was partnering with ShuttleBus Zoom to provide daily connections to and from Saco, Old Orchard Beach, and other points in Maine. Passengers can transfer to Greyhound in Portland and Biddeford.²⁰

Although less active in the region than in previous years, **Megabus added a Fall River, MA stop** in March to its New York–Providence/New Bedford route, which has three round trips daily.²¹ New Hampshire-based **C&J added a stop in Ogunquit, ME** on its New York City–Portsmouth schedules, a route noted for its first-class style service featuring refreshments and spacious seating. C&J also added a third round trip (and a second on Saturdays) on this route, which serves Tewksbury, MA. Although the Ogunquit stop is only seasonal, C&J’s other new service is year-round.²²

This year brought **the end of Plymouth, MA - Providence, RI service** on the Plymouth Brockton Street Railway Company. These trips, which had been operated twice each weekday under a BusPlus program grant, were terminated in October.²³



Some of most extensive changes taking place in 2015 were in the **MID-ATLANTIC/UPSTATE NEW YORK REGION**. More express service was introduced here than in any other part of the country, as well as:

1) New premium services linking New York to Ithaca, NY and Washington, DC, became available, reflecting a continuing push by the region’s carriers to differentiate their service. This push also prompted two carriers to add new drop-off points in northern Virginia on express routes from Midtown Manhattan.

2) The disruption of Amtrak service following the derailment of Amtrak train #188 near Philadelphia in May encouraged many travelers who had previously avoided motor coach travel to give it a try. Most major carriers honored Amtrak tickets or accepted ticket exchanges to help stranded passengers.

3) Due to service additions by conventional lines and a comeback by Chinatown carriers, consumers can now choose from eight carriers with five or more daily departures between New York–Washington, DC.

Some of the most notable initiatives by carriers include:

In upstate New York, **Big Red Bullet began operations between New York and Ithaca** in September. With two scheduled trips in each direction Sunday through Friday, Red Bullet touted itself as an affordable luxury alternative to Cornell University's existing Campus 2 Campus shuttle. Passengers board at a Midtown Manhattan stop across from Bryant Park on 6th Avenue.²⁴ Red Bullet also has a stop in downtown Ithaca. Defending its turf, Coach USA Shortline launched Ithaca Platinum Service with fast express schedules in December, giving passengers the ability to show



Ithaca Platinum advertisement promoting its benefits over "The Bullet" configuration

e-tickets on a mobile device in addition to providing Wi-Fi and power outlets. Going a step further, Ithaca Platinum also features free snacks and drinks and a reduced fare (\$50 one way vs. the \$53.50 normal price). Unlike Big Red Bullet, whose only stop is in the city of Ithaca, the Coach USA service offers on-campus pick up at Ithaca College and Cornell University. The express service, which saves customers approximately 30 - 45 minutes compared to the company's regular buses, runs Thursday–Sunday, with one or two trips in each direction.²⁵

Service on the New York–Washington, DC area also saw improvement. **Washington Deluxe initiated Pentagon City, VA service** in June on one of its morning schedules from New York. As of yet, there is not a regularly scheduled return stop. Washington Deluxe is believed to have been the first non-Chinatown intercity carrier in the Northeast Corridor in operation today to use “curbside” drop-off and pickup.

A luxury operator that launched in 2014 as Royal Sprinter, renamed **Royal Traveler, added Virginia service from Manhattan**. The new stop is located at a Hilton Hotel in Tysons Corner, giving it a foothold in the corporate hub midway between the Dulles International Airport and the nation's capital. Royal had previously served only the New York–downtown Washington route. For \$110, passengers can travel in vehicles hosting an intimate eight passenger configuration with plush seating, Wi-Fi, outlets, DirecTV, and snacks. One schedule is offered in both directions Monday through Thursday, with an additional round trip on Fridays and Sundays.²⁶

Martz Trailways entered into an agreement with Amtrak to make its existing Philadelphia–Scranton–Wilkes Barre–White Haven, PA service an **Amtrak Thruway route**, allowing the passenger railroad to sell tickets to several new destinations. As part of the initiative, started in April, Martz added a stop at Amtrak's 30th Street Station in Philadelphia. Martz operates two daily round trips on this route, with a third on Fridays and Sundays.²⁷

In response to growing demand for service between Philadelphia and Pittsburgh, **Megabus** restructured its intra-Pennsylvania operation. On Fridays and Sundays, the corridor is now split into two distinct services, with one operating express via Harrisburg (two schedules)—saving travelers up to 90 minutes. The other operates to State College via the state capital (one schedule).²⁸

Sprinter Bus added a stop at Dover, DE to all of its New York–Norfolk/Virginia Beach schedules in January. This stop, located at the Dover Downs Casino, came in response to requests from passengers in the Old Dominion State for service to Delaware casinos.²⁹ Greyhound, meanwhile, added a Morgantown, WV stop on the West Virginia University campus to its Washington DC–Pittsburgh, PA route.

Chinatown carrier service also expanded, with particularly heavy frequency on major routes from New York. We estimate that about 400 scheduled Chinatown buses now arrive in and depart from Manhattan daily on routes of 80 miles or more, not including smaller operators that do not use online booking systems—a considerable increase from several years ago. The largest carriers include Eastern Travel (an estimated 30 daily arrivals/departures), Focus (34), and HG Bus (18). On the New York – Atlanta route and other corridors to the South, Rockledge Coach is a dominant carrier (34).

Our research on the recovery of Chinatown service remains in an early stage. Nevertheless, evidence suggests that carriers have found ways to more effectively comply with federal safety rules following the crackdowns by the Federal Motor Carrier Safety Administration in 2012 and 2013. This federal initiative included an “Operation Quick Strike” squad that helped identify unsafe Chinatown bus drivers and resulted in shutdowns of several prominent lines, including Apex, Fung Wah, and Lucky Star. Our impression is that Chinatown carriers have adjusted business practices and have diversified into longer-distance routes, including overnight runs from New York to the Midwest and South, partially due to heavy competition in the Northeast Corridor. Lucky Star, having reemerged, is once again one of the largest Chinatown lines.



Service on major corridors throughout **THE MIDWEST** changed little during the year, but much activity occurred in smaller markets:

- 1) The network feeder routes supported by state governments continues to blossom in Illinois, Indiana, Missouri, and Ohio. All but Missouri's new services are linked to Greyhound's Chicago hub.
- 2) The Midwest continues to be dominated by Greyhound and its affiliates, as well as Megabus, with comparatively less competition on short-distance corridors from ethnically-oriented lines than in other regions. Unlike the other regions featured in this report, luxury or business-class services have not yet emerged, perhaps to the hesitation of business travelers to take the bus.
- 3) Latino-oriented carriers, such as El Expresso, Tornado, and Turimex, have extensive operations linking Chicago to the South, but are not a major force on busy regional routes served by Greyhound Express and Megabus.

Among the most notable moves by carriers include:

Greyhound partnered with Amtrak to create an **Amtrak Thruway route between Chicago and Toronto** in August. The service affords train travelers greater access to destinations in Ontario, including London and Windsor. Trains connect with this service at Chicago Union Station and the new John D. Dingell Transit Center in Dearborn, Michigan. Two to three buses operate each way daily.³⁰

In Minnesota, **Jefferson Lines expanded its Duluth–Twin Cities service** in October, increasing its service to thrice daily in each direction, with selected buses serving the Mall of America and the Minneapolis-St. Paul International Airport. The expansion allows for better-timed connections from the northern part of the state to places west and south of Minneapolis. Other enhancements include a later outbound departure on the Duluth–Iron Range route and a new stop providing better connectivity with Duluth's public transit system.³¹

Operated with federal funds through the State of Ohio, **Go Bus launched and expanded several routes**, including a new daily Cleveland–Athens service under contract by Barons Bus Lines, which runs via Akron, Parkersburg, WV, and Marietta. Barons also operates a new daily Cleveland - Charleston, WV bus to serve smaller communities on its Chicago–Columbus–Cleveland route operating via Kenton and Lima, OH (this route is not branded a Go Bus route but under contract as well). Barons' established Athens–Cincinnati and Columbus routes also saw added service.³² Another new route, under contract with Lakefront Lines, runs twice daily from Columbus and Wooster with several stops, including Newark and Mt. Vernon.

With assistance from Lee County and the State of Illinois, a **Greyhound Connect route linking Chicago and Davenport, IA was launched**. This twice daily service calls on smaller communities on the I-88 corridor, including DeKalb, Moline, Naperville, and Rochelle, and connects to the national network at both ends.³³



Promotion for the Go Bus network supported by the State of Ohio

Megabus also added Davenport to its route map, generating additional patronage for its Chicago–Omaha service, with two daily departures operating in each direction. Due to declining ridership, however, **Megabus discontinued service to Columbia and Kansas City, MO**, marking the only time in the past five years it has withdrawn entirely from a top-50 U.S. market. Previously, the carrier had attempted to adjust its Chicago–Kansas City service to boost ridership.³⁵ In this same region, however, Greyhound started two new services from St. Louis, MO through a partnership with the State of Missouri. The northern route serves Columbia, Moberly, and Kirksville, while the southern route serves Columbia, Jefferson City, and Rolla. The services were created in part due to travel patterns recognized by Greyhound. Each route has one daily round trip.³⁶

NEW
ENGLAND

MID-ATLANTIC
+ UPSTATE
NEW YORK

MIDWEST

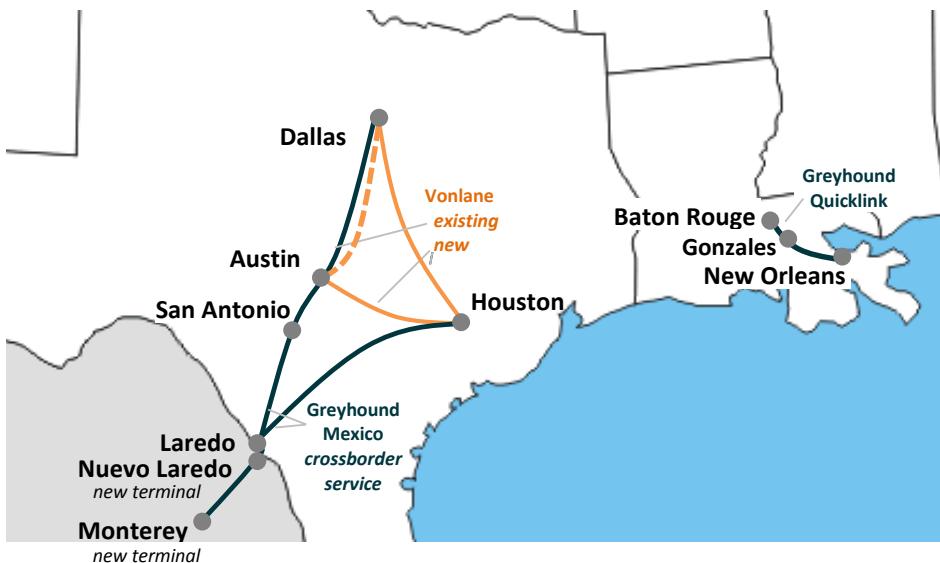
S. CENTRAL
+ SOUTHEAST

WESTERN
U.S.

Major conventional and city-to-city express carriers held steady in **THE SOUTH CENTRAL AND SOUTHEAST** after the aggressive expansion of the recent past:

- 1) As described in the previous section, Texas is the focal point of the new Greyhound Mexico brand. More cross-border routes by Greyhound and facility enhancements may be just around the corner (Figure 2).
- 2) Both Greyhound and Megabus face heightened competition from Latino carriers in the Lone Star State with El Expresso, Tornado Bus, and Turimex International being particularly formidable competitors.
- 3) Carriers faced added competition from both Chinatown lines in Florida, including Emmanuel Coach and Javax. Latino competition in the Sunshine State, however, remains relatively weak.

FIGURE 2:
Notable New Routes in Louisiana, Texas, and Mexico



Among the most notable developments in this region are:

Greyhound launched new service under its “Quicklink” brand on New Orleans–Baton Rouge, LA service in July. Quicklink is provided in partnership with the State of Louisiana and features additional express schedules and local service via Gonzales and LaPlace. These new schedules fill a void left by the demise of the LA Swift service.³⁷



Luxury-operator Vonlane's triangular route map showing expansion to Houston

After garnering attention in 2014 for its new luxury service between Dallas and Austin, Vonlane began service in April to Houston, where it operates its 16-passenger buses from a parking lot facility located near Houston's George H. Bush Intercontinental Airport. Two trips each way from Dallas operate Monday - Friday, while one roundtrip operates on weekends.³⁸

Turimex has begun selling its tickets on Wanderu.com, allowing customers to compare its service with major U.S. brands. The carrier continues to be available on Busbud.com.



Competition continues to intensify in **THE WESTERN U.S.** as large, established carriers battle smaller ones on major routes, particularly in Southern California:

- 1) The patterns of intercity travel in the Mountain States continue to create challenges for bus lines specializing in premium high-frequency service. Unlike in the Coastal Region and southern Nevada, most major corridors involve distances outside the 100 - 250 mile range considered ideal for this service (see map on page 19). As a result, public agencies are offering enhanced funding to support new services.
- 2) On intra-California and the Los Angeles–Las Vegas routes, competition is growing fiercer, with BoltBus, Megabus, and Greyhound facing rising competition from Chinatown lines—such as American Lion and Pacific Coast—as well as the Latino operator Tufesa.
- 3) BoltBus and Greyhound remain the key players on major routes in the Pacific Northwest, benefitting from the absence of Megabus and the limited presence of ethnic-based carriers.

The year 2015 saw two notable developments by individual carriers:

BoltBus expanded in Eugene and Albany, Oregon in September through the introduction of daily through-trip service beyond Portland to Seattle. Travelers in these communities now have the benefit of four round trips to Oregon's largest city. BoltBus also added new service between Portland and Seattle, bringing its daily total on many days to eight.³⁹



Colorado's newest intra-state carrier, **Bustang**, launched service on three routes in July, establishing it as one of the most significant new startups of the year. Funded by the state's transportation department, Bustang began with weekday service linking Denver to Colorado Springs, Fort Collins, and Glenwood Springs (via Vail) with intermediate stops. Since its launch, Friday

and Sunday service to Colorado State University and weekend service to Glenwood Springs has been added.⁴⁰ Bustang will be supported by about \$10 million in public funds for the first year and \$3 million annually thereafter.⁴¹ The Fort Collins and Colorado Springs routes are in the 50-70 mile range, making them heavily commuter-oriented.

Bustang joins a growing list of intercity services that recently commenced with public financing in the West. Other notable examples are Colorado's Road Runner Stage Lines, Nevada's Silver State Trailways, and Utah's Elevated Transit—all of which are featured in our 2014 report.

“Low fuel prices have made driving more affordable, encouraging major bus carriers to shift their orientation from expanding their schedules by rolling out new value-added conveniences on a relatively large scale.”

Joseph P. Schwieterman

THE CHANGING SCALE OF THE INDUSTRY

Analysis of the bus industry has long suffered from the absence of credible metrics on its evolving scale and structure. This section sheds light on these measures by presenting the results of extensive Chaddick Institute data collection. The amount of service provided by these carriers is determined using the Institute's Intercity Bus Data Set, which includes information on daily bus operations that now encompass 155 "branded" intercity bus providers in the U.S. The Institute has gradually expanded this data set from major brands and smaller lines publishing traditional schedules to all intercity bus providers throughout the country that we have identified to-date.

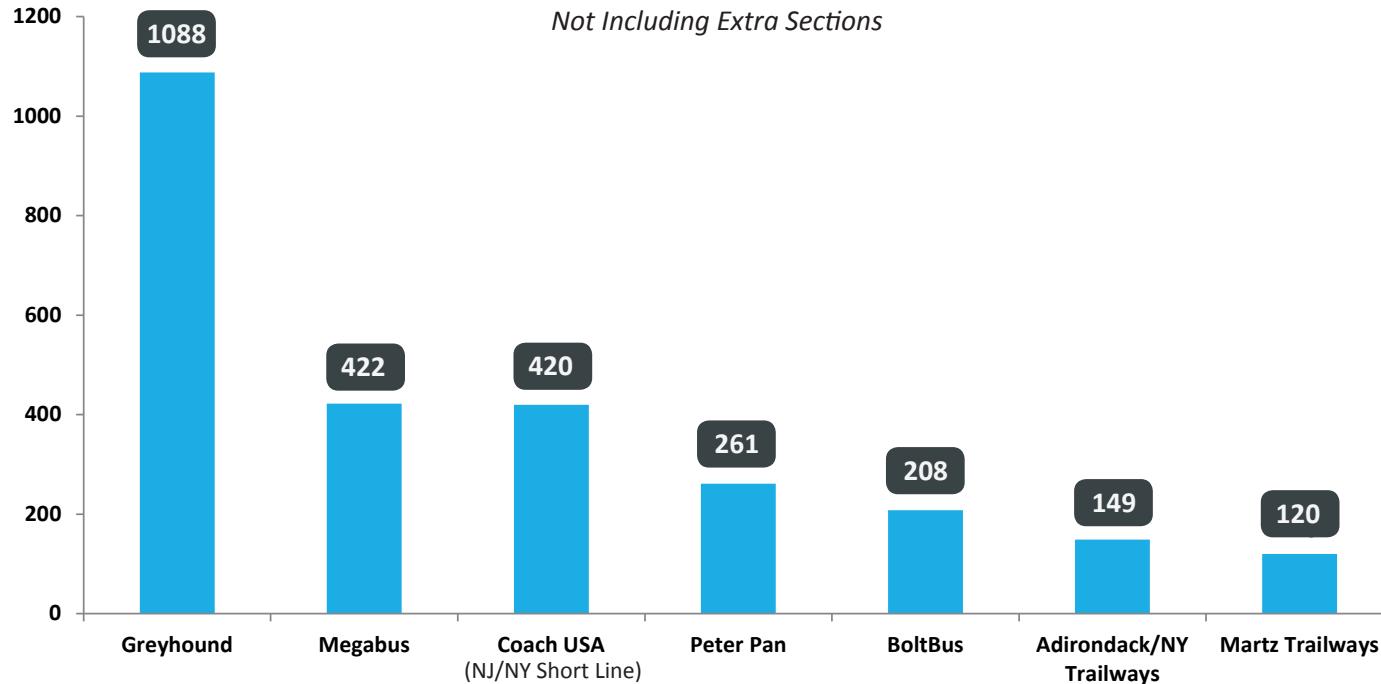
The estimates presented are supply-driven, derived by looking at the amount of service provided and then applying load-factor estimates to various categories of bus lines. Computations made by evaluating the amount of service are made separately for the four different types of companies: i) conventional bus lines, ii) city-to-city express lines, iii) Chinatown bus lines, and iv) Latino (Hispanic) carriers. (See definitions in Appendix A). Our estimates do not include charter bus operations, casino runs, local transit operations, and airport–shuttle operators. Similarly, they exclude public transit and commuter-bus operations on most routes less than 50 miles.

Readers should recognize that the figures provided are approximations that are subject to change as we continue our research. Please refer to the Appendix for a general summary, or email us at chaddick@depaul.edu to learn more about our methodology.

1) LARGEST CARRIERS IN THE UNITED STATES, BY DAILY SCHEDULES IN 2015

This chart shows the estimated number of daily schedules, i.e., unique bus operations, by the largest intercity bus lines in the U.S. Bus schedules, like airline flights, are identifiable on many carriers by a unique number in a company's timetable. Greyhound (1,088 daily schedules) is the largest, followed by Megabus (422), Coach USA's (e.g., Shortline) operation centering on New York (420), Peter Pan (261), and BoltBus (208). These figures represent Friday schedules at the end of the year. They include cross-border services but exclude the estimated number of extra sections operated during periods of peak demand, which may add upwards of 8% to daily activity on some lines.

FIGURE 3:
Largest Carriers by No. of Daily Schedules in U.S.
Not Including Extra Sections



2) GROWTH OF PASSENGER TRIPS ON INTERCITY BUS LINES, 2008 – 2015

The number of passengers that have traveled on intercity bus lines rose from about 45 million in 2008 to 61.6 million in 2015. This analysis shows that buses handle about twice as many passengers as Amtrak (which carried 30.8 million in FY 2015).⁴² Much of the increase in passenger boardings is due to the rising use of city-to-city express lines, such as BoltBus and Megabus, and a bevy of Chinatown and Latino carriers. (See Appendix for a definition of carrier types). Our analysis suggests the number of passengers remained relatively flat between 2014 and 2015, in part due to the drop in gasoline prices. Particular uncertainty exists regarding the numbers for city-to-city express and Latino lines, however, due to the absence of credible published information about their traffic. Estimates for Latino carriers are based on the number of buses in service rather than detailed schedule analysis.

FIGURE 5:
Estimated Passenger Trips on U.S. Intercity Bus Lines
in Millions/Year

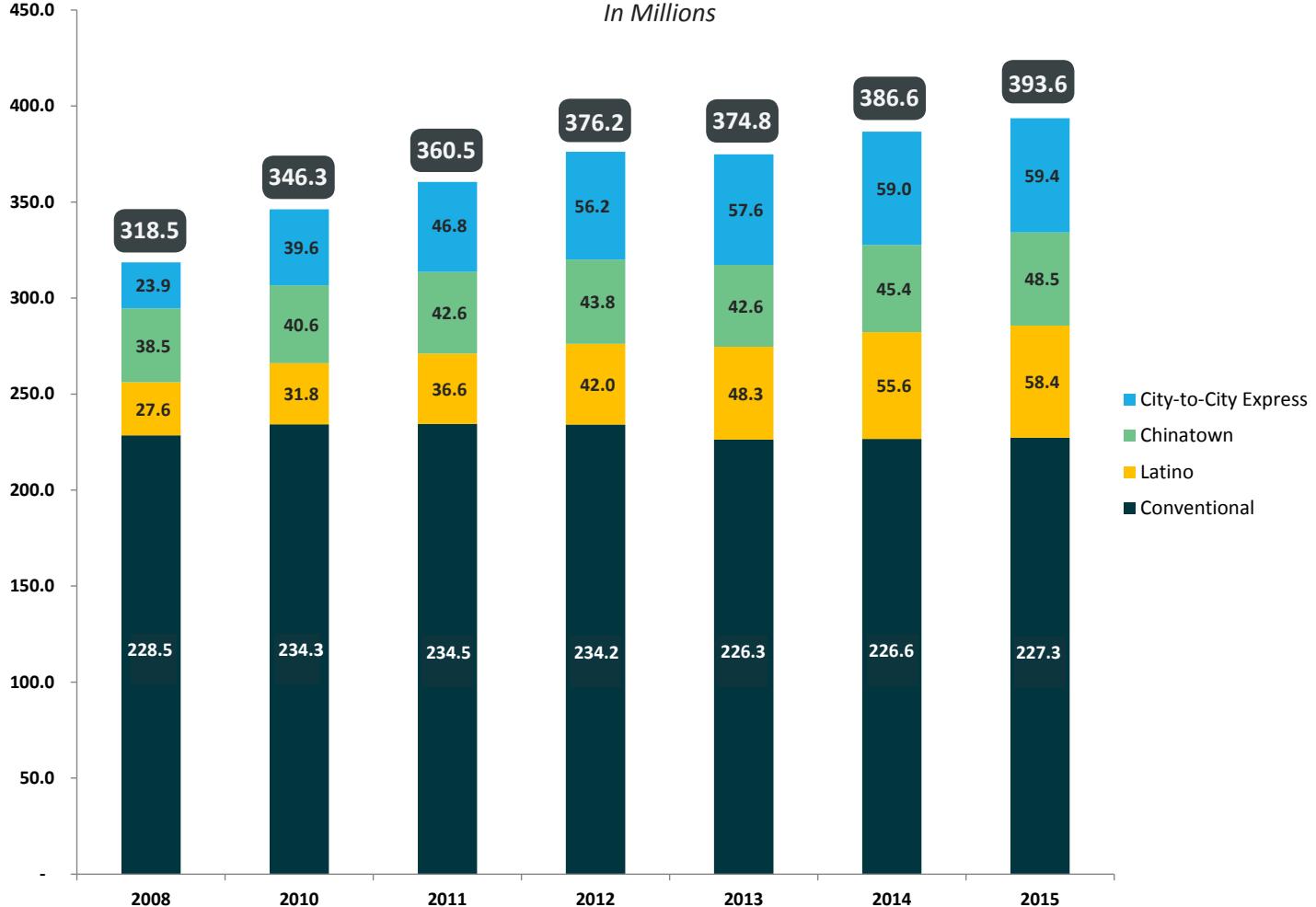


View this chart in color on our website: las.depaul.edu/chaddick

3) GROWTH OF BUS MILES OF SERVICES BY TYPE OF TRAVEL, 2008 – 2015

This chart shows the estimated growth in bus-miles of service on weekdays provided by U.S. intercity bus lines. The analysis suggests the sector is approaching 400 million miles for the first time in at least a decade. The majority of mileage is accounted for by conventional lines such as Greyhound, Peter Pan, and various Trailways units, which offer a “baseline” of service held relatively steady since 2008. Nevertheless, city-to-city express and Latino operators, and most recently, Chinatown lines, have all grown sharply. Each of these more specialized sectors now account for between 48 and 60 million bus miles per year.

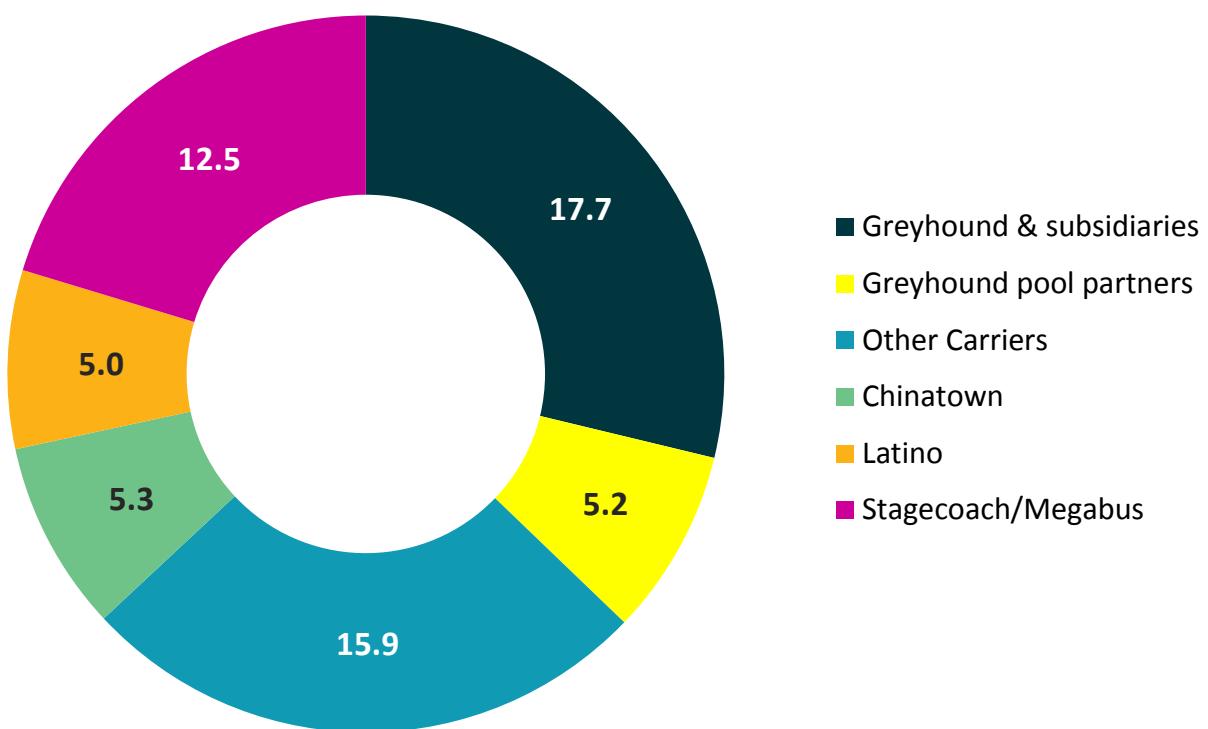
FIGURE 6:
Bus Miles of Service by Type of Carrier
In Millions



4) ESTIMATED U.S. RIDERSHIP BY OWNERSHIP CATEGORY

This chart shows the approximate number of riders (unlinked trips) by various ownership groups of U.S. intercity bus lines in 2015. Greyhound and its subsidiaries (including BoltBus, Yo!, and other units owned by First Group), Greyhound Pool Partners (Adirondack Trailways, New York Trailways, and Peter Pan, which coordinate service with this legacy carrier in the Northeast), and Stagecoach Ltd. (owner of various Coach USA units and Megabus.com) together account for well over half of all U.S. intercity ridership. Megabus has grown particularly fast since 2008, more than doubling the number of trips on Stagecoach-owned units since 2008.

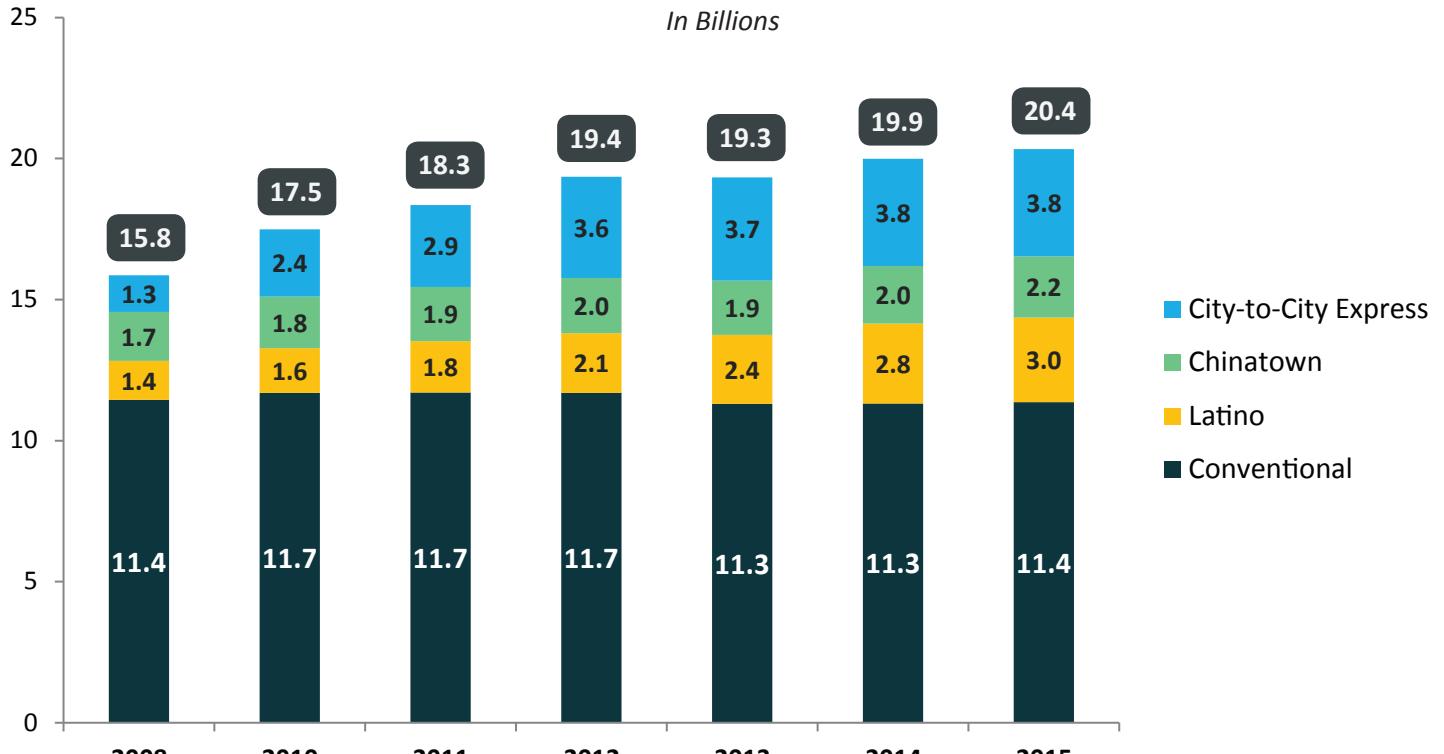
FIGURE 7:
Estimated U.S. Ridership by Ownership Category
In Millions



5) GROWTH IN SEAT MILES BY TYPE OF CARRIER

This chart shows the rising number of seat-miles of service by type of carrier since 2008. City-to-city express lines show particularly dramatic gains, in part due to Megabus' rapid expansion and nearly universal adoption of double deck coaches, which have 81 seats, giving the average bus much higher capacity than single deckers, which typically have 45 – 50 seats. The share of seat miles accounted for by Latino carriers is larger than its share of passengers, as shown on Figure 8, due to the tendency for their schedules to operate much longer distances than the average intercity bus route.

FIGURE 8:
Seat Miles of Service by Type of Carrier
In Billions

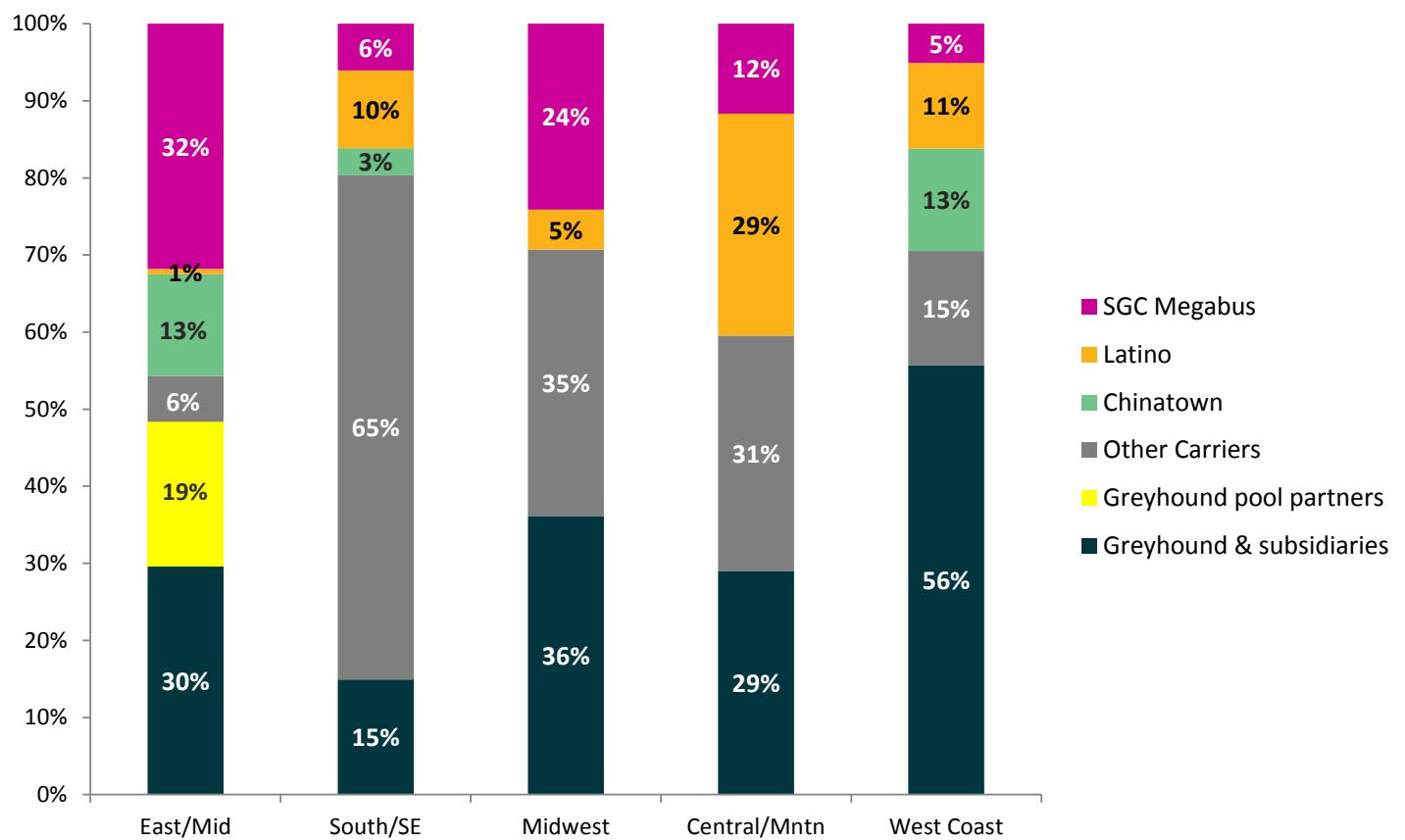


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6) PASSENGER MARKET SHARE BY REGION

This chart shows the approximate share of passengers by major ownership growth in different regions of the U.S. These figures are derived from allocating each of the 166 carriers in the Intercity Bus Data Set across the regions their coaches serve. Note that there is a broader spectrum of competition in the East/Mid-Atlantic Region than in other parts of the country. The Central/Mountain region has approximately an equal amount of Greyhound and Latino service, but essentially no Chinatown service. Caution should be exercised in interpreting these results due to the many assumptions made regarding average passenger loads and other variables that will be evaluated further in the months ahead. Nevertheless, they offer a previously unavailable perspective on regional competition.

FIGURE 9:
Estimated Passenger Market Share by Region



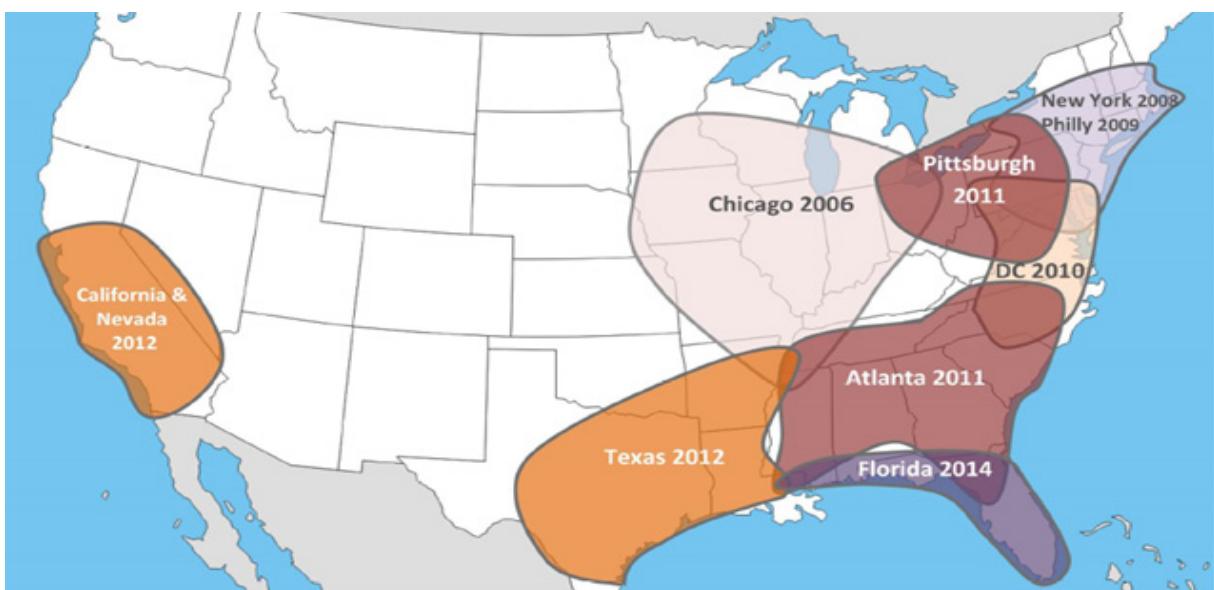
7) EXPANSION OF BOLTBUS AND MEGABUS.COM SERVICE

This map shows the approximate geographic range of hubs created by Megabus between 2006 and 2015. The earliest hubs were in Chicago, New York, and other densely populated cities with extensive heavy-rail (metro) systems. The creation of Megabus' hub service in Atlanta and Pittsburgh in 2011 marked a significant shift away from this pattern. The Northern Great Plains/Rocky Mountain states remain the most significant regions that have yet to be served by these city-to-city express lines.

FIGURE 10:
Development of Hubs by BoltBus
with Approximate Geographic Range of Service



FIGURE 11:
Development of Hubs by Megabus
with Approximate Geographic Range of Service



Carriers are categorized into four groups in the analysis:

Discount city-to-city operators: Bus lines focused on express downtown-to-downtown service between major cities, which rely on internet ticketing and often use a mix of terminal and curbside drop-off and pickup locations. Discount operators do not participate in “interline” arrangements with Greyhound or other bus companies. Unlike many conventional bus companies, the carriers offer guaranteed seating and are not oriented toward serving airports. Examples include Best-Bus, Boltbus, Megabus, and Vamoose.

Conventional services: Carriers operating traditional services over fixed routes, and primarily use traditional terminals in larger cities. This category includes luxury operators, regional operators, and rural transit companies that operate with public subsidies. Examples of carriers in this category include Greyhound (including Greyhound Express), Jefferson Lines, Peter Pan, Trailways, and Coach USA’s Shortline services operating to and from New York’s Port Authority Bus Terminal

Chinatown operators: Typically Asian- or Asian American-owned lines operating from Chinatown districts in major cities. These carriers typically do not invest in clearly identifiable brand names and do not interline with major bus companies.

Latino-oriented: Operate primarily to service Latino/Hispanic populations and typically have stations in neighborhoods with high concentrations of these populations. Most of these companies’ informational and marketing materials are in Spanish.

APPENDIX

SOURCE OF DATA FOR TIME SERIES ANALYSIS

The estimates are based on data from three primary sources:

- The Chaddick Institute's Intercity Bus Data Set, which includes estimates of the amount of bus service that is provided nationwide by conventional and discount city-to-city carriers. Presently, this has data on 155 intercity carriers offerings scheduled service.
- Chaddick Institute estimates on daily operations of Chinatown and Hispanic oriented bus lines that are not included in the Data Set.
- Chaddick Institute analysis of extra sections and average loads. The Institute has monitored announcements about the numbers extra sections added to meet demand.

Please email us at: chaddick@depaul.edu with questions regarding this report.