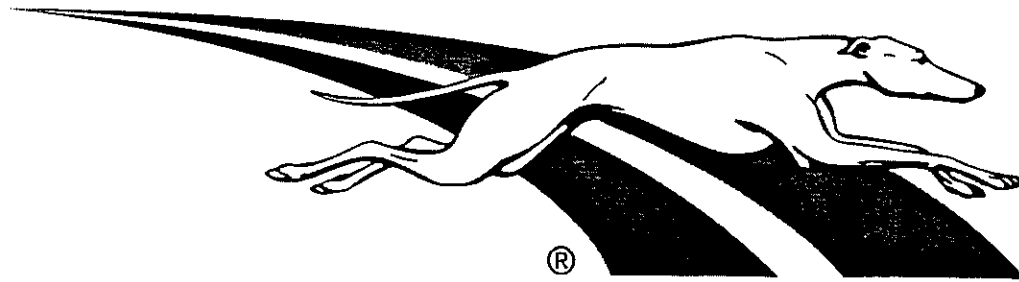


# A1: Greyhound Presentations

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# Strategy for Intercity Bus Integration into the Midwest Regional Rail System



A coordinated approach to implementing the  
network

January 11, 2000



# Midwest Rail Network Bus Service Design

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- Co-branded with same service identity, livery, interior colors.
- Full size coaches on key feeder and supplemental services; smaller coaches on light regional routes.
- Remove some seats for wider seat pitch.
- Work tables, laptop outlets, video/audio.
- Thru ticketing under the network brand.
- Operates to and from rail terminals. Off line terminals may be separate from bus stations (hotels, malls, parking availability)



## Intercity Bus as an Integral Network Component

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- Use bus to enhance existing markets immediately
- Bus used to develop future rail markets
- Network bus operators are part of organization
- Bus costs and revenues are seen as integral to network; not just a cost.
- Bus routes also are part of priority parcel handling business.



## **Benefits of Early Introduction of Bus Service to the Network**

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- Enhance frequencies on existing routes far earlier than waiting for infrastructure improvements
- Brings network benefits to new markets years before even “conservative level” implementation.
- Coordinated feeder services introduce service to new cities to build up market base for the full network.
- Market development effect similar to the San Joaquins.
- Network additions through bus services, coupled with first small infrastructure improvements create a much more visible perception of progress than small infrastructure improvements alone.





# Early Bus Network Implementation

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## Phase I (2000)

- Enhance existing St. Louis and Carbondale Lines with intermediate bus frequencies in north end markets.

## Phase II

- Add Quad Cities Service to the network to feed the Illinois Zephyr and provide through service at other times of day.
- Supplement existing Cardinal/Kentucky Cardinal service to bring “network” benefits to CIN/LVL/IND.
- “Reverse Flow” Chicago-Cleveland Service to create morning and afternoon network connections.



# Illustrative Schedule Showing Enhanced St. Louis Line Service

	Bus	Tr 300	Bus	Tr 22	Bus	Tr 304
STL		5:15 AM	7:00 AM	9:00 AM		2:00 PM
SPI	5:45 AM	7:20 AM	8:45 AM	11:05 AM		4:05 PM
BNL	7:00 AM	8:25 AM	9:50 AM	12:15 PM	3:15 PM	5:08 PM
CHI	9:15 AM	10:45 AM	12:05 PM	2:45 PM	5:45 PM	7:40 PM

	Tr 303	Bus	Bus	Tr 305	Tr 21	Bus
CHI	9:20 AM	2:30 PM	3:30 PM	4:30 PM	5:55 PM	7:30 PM
BNL	11:30 AM	2:45 PM	6:45 PM	6:40 PM	8:10 PM	9:45 PM
SPI	12:40 PM		7:00 PM	7:50 PM	9:22 PM	11:00 PM
STL	3:05 PM			10:05 PM	11:40 PM	12:45 AM

- Three round trips provided with co-branded buses double the existing schedule options for St. Louis Line rail travelers.
- More evenly spaced schedule options for customers and more departure choices at critical departure times.
- Train 300 is able to run at a more marketable time from St. Louis because bus provides the early Chicago arrival.

# Illustrative Schedule Showing Enhanced Carbondale Line Service

	Tr 58	Bus	Bus	Bus	Tr 392
CDL	3:30 AM		7:00 AM		4:00 PM
EFG	5:15 AM		9:00 AM		5:42 PM
CHM	6:30 AM	8:00 AM	10:30 AM	4:00 PM	6:55 PM
CHI	9:20 AM	10:15 AM	12:45 PM	6:15 PM	9:35 PM

	Bus	Bus	Tr 391	Bus	Tr 59
CHI	11:00 AM	1:30 PM	4:00 PM	6:00 PM	8:00 PM
CHM	1:15 PM	3:45 PM	6:25 PM	8:25 PM	10:37 PM
EFG	2:45 PM		7:33 PM		11:43 PM
CDL	4:45 PM		9:30 PM		1:30 AM

- Three trips with co-branded buses increase available frequencies by 150% at Champaign and by 50% at Carbondale
- Morning and afternoon departures in all markets and also midday service in the Champaign market.
- Morning Champaign departure could operate one hour earlier and eliminate the issue of making short haul seats available on long distance train (train 58).



## Intermodal Facilities

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- Creating true intermodal facilities which also accommodate bus operators other scheduled services opens additional funding sources.
- Higher traffic volume through terminals increases potential commercial development revenues.
- On new routes (Iowa, Green Bay), bus operator at Intermodal facility can provide customer service functions at lower cost to network.



## Comments on Feeder Bus Assumptions in Network Study

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- Many short feeder segments with little local traffic potential are unlikely to be viable even with the 50% subsidy assumed in the study.
- Several additional existing routes would make potential “associate” feeder routes.
- Consider bus link to O’Hare.
- Issue of overlaying network bus service on top of existing bus service can be averted through organizational involvement of bus operators.



## Organizational Structure

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- Organization developed as a multi-modal and functional organization.
- Inclusion of rail, bus, airport and commercial development partners, along with states, brings added funding options for development of the network. (5311f, Airport Improvement Funds, etc.)
- Business structure that includes all functions brings more “ownership” in the network and more cohesive, innovative approaches.



## Organizational Structure

---

- Making bus operators part of the organization brings more stability than when service is simply subcontracted.
- Including all participants in the organization improves the opportunity for operational economies of scale in station operations, reservations, etc.
- Broadens the network market by including segments of the substantial Midwest intercity bus market.



## A Blueprint for Action

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- Develop intermodal planning team, including representatives from transit, intercity bus, airports, etc.
- Involve team in development of operational, organizational and financial planning.
- Inclusion of intermodal issues in service and schedule planning allows efficiency of intermodal network to be considered up front.
- Capitalize on the resources (including marketshare) which the other modes can bring to the organization.



## Greyhound Point of Contact

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# **Enhancing the Midwest Regional Rail Network Through A Partnership Approach**



**A Proposal to Test Several Integration Concepts  
Using Existing Amtrak Service**

**November 30, 2000**



# Greyhound Lines and Intermodalism

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- CEO Craig Lentzsch management team has turned company around in six years from bankruptcy to profitability.
- Intermodalism is a key element of Greyhound's growth strategy
- Intermodalism improves mobility for travelers
  - creates new non-auto transportation opportunities
  - breaks down the barriers between parallel transportation systems
  - makes more efficient use of both public and private transportation resources and investment
  - reduces cost of operation through joint facilities



## **Intermodal Partnerships**

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- **Successful partnerships to improve transportation**
  - Greyhound/Amtrak Thruway -- 29 routes
  - Albany Airport
  - Valujet/AirTran service
  - Intermodal terminals
  - Greyhound and the Midwest States



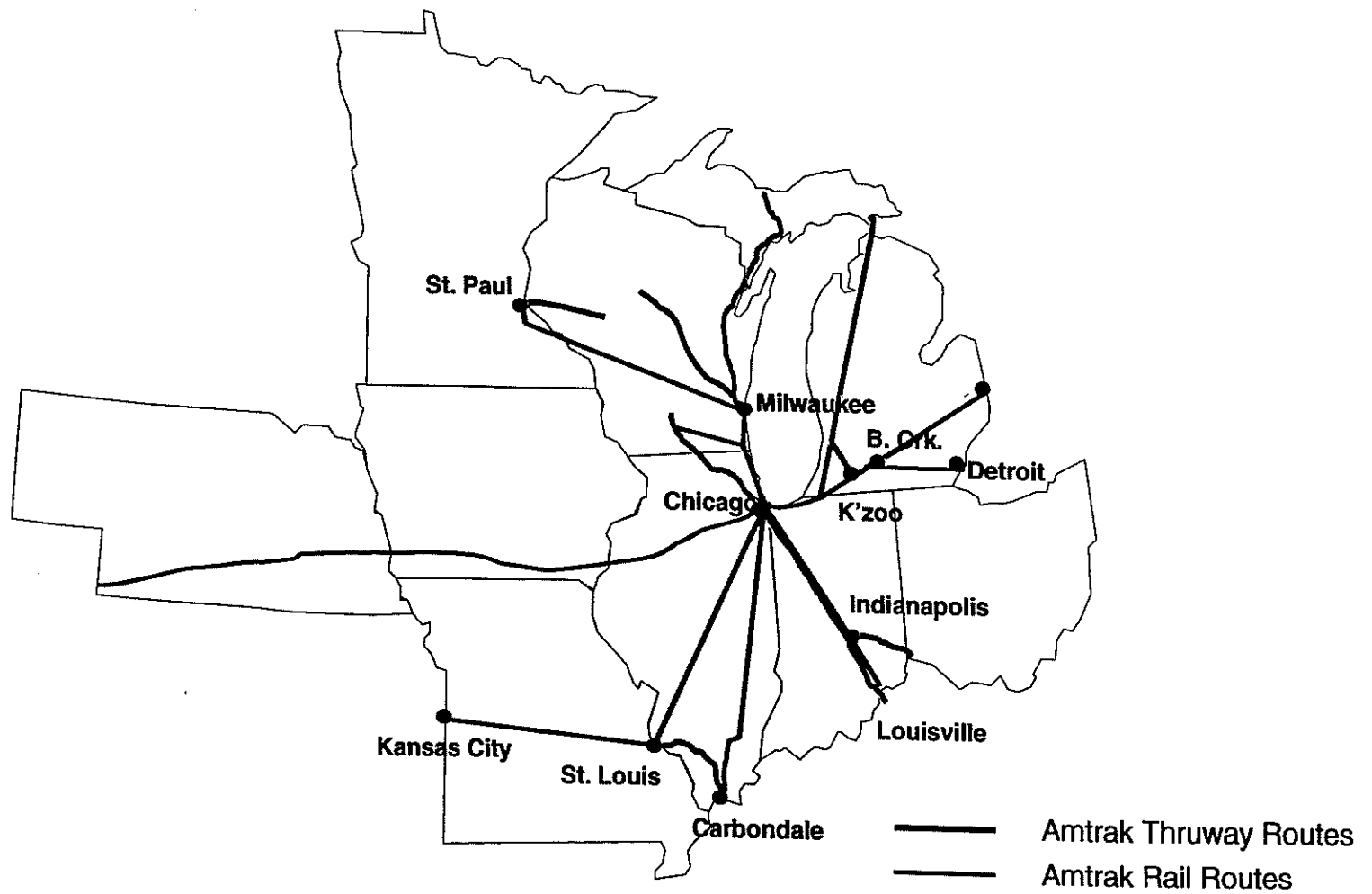
## **Intercity Bus and the Midwest Regional Rail System Study**

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- Network Study recognizes role of feeder bus.
- Greyhound has identified an opportunity for the MWRRI to be even more effective.
- Intercity bus can play an expanded role that will benefit the entire network.
- Expand scope to include various roles for bus service similar to those currently provided for Amtrak:
  - Feeders
  - Frequency enhancement
  - Increase market connectivity



# Midwest Amtrak Thruway Network





## **Intercity Bus as an Integral Network Component**

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- Benefits of including bus as an integral part of the high speed rail network
  - Enhance existing markets immediately
  - Develop future rail markets
  - Revenue contribution of bus passengers to rail network exceeds any cost for bus service.
  - Bus routes also part of priority parcel handling business.
  - Network bus operators as part of organization creates a coordinated entity to improve transportation for citizens of the region.



## **Benefits of Including Bus Services at the Front End**

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- Enhance frequencies on existing routes far earlier than waiting for infrastructure improvements
- Brings network benefits to new markets years before even fastest feasible rail implementation.
- Coordinated feeder services introduce service to new cities to build up market base for the full network.
- Joint planning of intermodal facilities can bring both service improvement and additional funding sources.
- Early network additions using buses, coupled with first small infrastructure improvements, create a much more visible perception of progress than small, largely invisible infrastructure improvements alone.



# Greyhound's Early Bus Network Implementation Proposal

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- Conduct a “real world” study of the integrated service and marketing concept
- Launch multi-tiered service in conjunction with existing Amtrak Midwest Service
  - Supplemental frequencies in an existing Midwest Routes
  - Coordinated feeder service in conjunction with one of the multi-frequency Midwest routes.
  - Introduction of service along one of the ultimate route expansion corridors.
- Test dedicated service routes and at least one code-share route.





## **Greyhound's Early Bus Network Implementation Proposal**

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- Integrated marketing effort.
- Market research to determine to customer response to the various service types.
- Operational evaluation.
- Financial evaluation from both the rail and bus operator perspectives.
- Greyhound/MWRRRI/Amtrak interim evaluation at six months and full evaluation after one year.



## **Midwest Rail Network Bus Service Design**

---

- Co-branded with MWRRI identity, livery, ticketing and standards, as well as some bus operator identity.
- Full size coaches on key feeder and supplemental services; smaller coaches on light regional routes.
- Remove some seats for wider seat pitch.
- Work tables, laptop outlets.
- Thru ticketing under the MWRRI network brand.
- Operates to and from rail terminals. Off line terminals may be separate from bus stations (hotels, malls, parking availability).
- Ultimately co-locating rail and bus terminals in major markets further integrates Midwest transportation and opens up additional funding opportunities.



## Potential Test Markets

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- Chicago-St. Louis line
  - Intermediate frequencies
- Chicago-Carbondale Line
  - Supplemental frequencies
- Quad Cities feeder to Illinois Zephyr
  - Through service at other times of day
- Michigan markets
  - Supplemental/intermediate frequencies
  - Port Huron extension from Detroit
- Upper Wisconsin markets
  - Green Bay, Manitowoc, Sheboygan



## Illustrative Schedule Showing Enhanced Carbondale Line Service

	Tr 58	Bus	Bus	Bus	Tr 392
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- Three trips with co-branded buses increase available frequencies by 150% at Champaign and by 50% at Carbondale
- Morning and afternoon departures in all markets and also midday service in the Champaign market.
- Morning Champaign departure could operate one hour earlier and eliminate the issue of making short haul seats available on long distance train (train 58).



## Market Test Structure

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- Commit to at least a one year market test
- Service provided by separate Greyhound operating unit.
- Distinct from regular Greyhound linehaul service.
- Drivers dedicated to the Amtrak service.
- Dedicated management to maintain high quality
- Possible second level using non-dedicated service in lower volume markets.
- Greyhound can be ready in a few months after agreement and market decisions are made.



## Market Test Funding

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- MWRRI and/or Amtrak funds an introductory and sustaining marketing campaign during the first one year test period.
- Greyhound will operate agreed upon supplemental and services without MWRRI subsidy.
- Greyhound will retain all Amtrak/MWRRI ticket revenues for the customers it handles.
- Lightly traveled feeder route test could require an overweighing of through revenue to the bus segment.



## **Including Intermodal Facilities in the Network Design**

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- Intermodal facilities create market and resource synergies.
- Higher traffic volume through terminals increases potential commercial development revenues.
- On new routes, bus operator at Intermodal facility can provide customer service functions at lower cost to network.
- Facilities which include transit and regular intercity bus service open additional funding sources.



## **Bus Expands Funding Sources Available to the Network**

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- Section 5311(f) for administration, marketing, capital and operating
- Surface Transportation Program (STP) funds can now be used for “vehicles and facilities, whether publicly or privately owned, that are used to provide intercity passenger service by bus.”
- National Highway System (NHS) funding can now be used to support “publicly owned intracity or intercity bus terminals.”
- Congestion Mitigation/Air Quality (CMAQ) can be used for publicly owned intermodal facilities





## A 21st Century Paradigm

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- Enhance viability and effectiveness through a paradigm shift in network development
  - Transportation system vs. Transportation modes
  - Intercity bus and local transit as active participants in network
  - Integration in addition to intermodal
  - Public and private involvement in network
- Include travel related partners in designing the service
  - Amtrak
  - bus operators
  - hotels
  - small package forwarder
  - code sharing airline



## **The Integration Paradigm**

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- Organization developed as a multi-modal and functional organization.
- Conceptually similar to multi-modal transit agencies, but extended to include travel related partners.
- Inclusion of rail, bus, hotels, package forwarding entity and a code sharing airline served through a network airport rail station.
- Business structure that includes all functions brings more “ownership” in the network and more cohesive, innovative network development



## The Integration Paradigm

---

- Making bus operators part of the organization brings more stability than when service is simply subcontracted.
- Including all participants in the organization improves the opportunity for operational economies of scale in station operations, reservations, etc.
- Inclusion of intermodal partners in service and schedule planning allows efficiency of intermodal network to be considered up front.
- Broadens the network market by including segments of the substantial Midwest intercity bus market.



## Next Steps

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- MWRRI/Amtrak decision to pursue integrated bus service test.
- States/Amtrak/Greyhound planning team, select candidate routes and service pattern.
- Test program agreement.
- Test market service can begin in a matter of a few months.
- Ongoing evaluation and network bus plan development.



## **Greyhound Point of Contact**

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