

# Bus Travel Grows As Fuel Soars, Airfares Leap

By SAMANTHA BOMKAMP – August 3, 2008

NEW YORK (AP) — It's a tale of two cities: Nikita Bernstein, 29, a dyed-in-the-wool New Yorker with a business in Boston, was in need of a cheap way to travel between his two homes. And a place to plug in his laptop, store his bike and stretch his legs along the way.

Bernstein is an example of a growing number of people, often young professionals, that are jumping on the bus as their primary method of travel. The service Bernstein uses most often, discount carrier BoltBus, offers amenities including wireless internet, electrical outlets, extra leg room and flushable toilets.

Once considered the travel choice of last resort, some say the confluence of rising gas prices, airline headaches and the rise of discount carriers is creating a kind of renaissance in the bus industry.

Joseph P. Schwieterman, a professor of public service management at DePaul University, said growth in the bus industry has accelerated recently — reversing steady declines since 1960 — as low-cost carriers such as Coach USA's Megabus and Greyhound's Boltbus take aim at the lucrative curbside business of so-called Chinatown operators.

Chinatown buses, which run from one city's Chinatown to another, offer an extremely popular curbside service, especially among 20-somethings looking for an inexpensive way to get wherever they are going. They also operate outside of terminals, saving companies millions in building and labor costs.

Megabus was first launched in the U.S. in April 2006. It offers cheaper fares the longer a ticket is booked in advance, with perks comparable to BoltBus. The highest fare tops out at \$27. The Chicago-based service expanded to the East Coast in May of this year, adding routes from New York to Washington D.C., Boston, Washington D.C., Philadelphia, Baltimore, Buffalo, N.Y. Atlantic City, N.J. and Toronto.

But the carrier closed its hub in Los Angeles last month citing low ridership.

Coach USA President and Chief Operating Officer Dale Moser said the company saw the number of day passengers on its service surge 137 percent last year. He attributed part of the jump to the U.S. launch of Megabus.

Overall industry growth has been concentrated on the East Coast, where carriers are vying for the thriving business in major cities including New York, Washington and Boston.

"There is a remarkable, cutthroat battle for market share on the East Coast like nothing we've ever seen before," Schwieterman said.

While growth in bus service has been seen nationwide, Schwieterman said the eastern market is considered the most intense because of the presence of heavily populated cities that are more concentrated than in other parts of the country. He believes that one of the culprits that led to the shutdown of Megabus' Los Angeles hub was the fact that people without cars couldn't easily access the terminals.

Greyhound launched its low-cost service Boltbus earlier this year. The service began in late March from New York to Washington D.C., and in April from Philadelphia and Boston, running routes between the cities and New York. A ticket tops out at between \$15 and \$25 depending on the origination city. Both services say at least one seat (out of 50-plus) on each bus is \$1, but note there are sometimes more than one depending on the route.

Greyhound spokesman Dustin Clark said BoltBus is an answer to growing demand from students and other young people, but also a growing number of business travelers. And while BoltBus became profitable in May — ahead of the company's expectations — Greyhound's mainline ridership has remained flat over last year.

But Schwieterman noted that last year was a strong year for Greyhound, and for the nation's largest carrier, perhaps holding onto riders is a feat in itself.

"Its an achievement, nonetheless, to be flat in this economy," he said.

Schwieterman said Greyhound is also becoming "more aggressive and ambitious" following a major overhaul last year. The company closed routes across the country in an effort to improve efficiency throughout its network.

The company is also spending more to advertise than ever before, he noted.

But the biggest recent move by Greyhound is undoubtedly the launch of BoltBus, he said, with those alluring \$1 fares.

But in the bitter battle for the East Coast, Schwieterman said it does not appear that Chinatown operators have pulled back either.

"It's a consumer's paradise right now, with cheap fares galore," Schwieterman said. "The incentives for taking the bus have never been better. And it comes at an interesting time, with airfares shooting up like a rocket."

Schwieterman said rising airfares are adding to existing concerns among consumers about rising gas prices. With gas topping \$4 per gallon, buses — especially discount carriers — are becoming increasingly attractive.

**American Bus Association spokesman Eron Shosteck suggested that riders are also increasingly focused on reducing their carbon footprint, looking at buses as a greener alternative to cars.**

**Shosteck said this trend has continued as bus services revamp their fleets with more fuel-efficient motorcoaches with added creature comforts.**

**According to the association, motorcoaches get 184 passenger miles to the gallon, domestic air carriers reach about 42 passenger miles to the gallon and the average automobile gets 28 miles to the gallon.**

Coach's Moser said the company is keenly focused on maintaining a fleet of newer, fuel-efficient fleet to reduce emissions.

Moser said the bus company is primarily getting people out of their cars, although he also sees frustration among his riders with the current state of the airlines.

And as the economy gets tighter, Moser suggests that the demand for bus services will continue to grow.

"People are looking for a simple way to get from Point A to Point B, and in this economy, buses are a great way to stretch that dollar." he said.