

## A Business Case for Improving Interregional Bus Services

*Why and How to Provide Efficient and Affordable Long-Distance Transit Services*  
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### Abstract

Interregional (also called intercity, long-distance and coach) bus service quality is currently poor and declining in North America. This is unfair and inefficient. Inadequate public transport deprives non-drivers of independent mobility and therefore economic opportunities and dignity, forces drivers to spend time and money chauffeuring non-drivers, increases traffic problems and reduces rural economic development. This inadequacy is often explained as a lack of demand but where bus service is convenient and affordable it achieves significant ridership. The real problem is inadequate support; public agencies plan, operate and fund air, highway, rail, ferry and urban transit services, but interregional bus service was previously provided by private companies so there is little tradition of public support. This study examines the costs and benefits of improving interregional bus services. It concludes that there is a strong business case for providing basic service on major corridors and high-quality service on congested highways. Case studies demonstrate that governments can efficiently provide interregional bus services.

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## Introduction

Interregional (also called intercity, long-distance, rural or coach) bus service is the neglected stepchild of the transportation family. There are clearly defined responsibilities for planning, operating and funding sidewalks, bikeways, local roads, airports, public highways, ferry, rail and local transit services, but not for interregional bus, as summarized below.

**Table 1 Transportation Planning, Operating and Funding Responsibilities**

	Active Modes	Automobile	Ferry	Rail	Bus
<b>Local</b>	Local Gov.	Local/Region Gov.	BC Ferries	Transit agencies	Transit Agencies
<b>Interregional</b>	State/Prov. Gov.	State/Prov. Gov.	BC Ferries	Rail Corps.	???

*Planning, operating and funding responsibilities are clearly defined for active modes (walking and bicycling), automobile, rail and local transit services, but interregional bus is an orphan.*

As a result, governments invest hundreds of dollars annually per capita on roadways and urban transit services, and require property owners to spend even more to subsidize off-street parking. Interregional transit investments are much smaller – Cohen (2025) estimates that rural and interregional bus services receive only 0.3% of U.S. federal transit funding – so rural non-drivers receive much smaller public investments. Non-drivers can walk, bike, take transit or taxis for local trips, but without interregional transit services they lack convenient and affordable access to other regions, particularly in rural areas.

**Table 2 Transportation Infrastructure Investments**

	Urban/Local	Rural/Interregional
<b>Drivers</b>	Urban roads and parking facilities.	Large investments in rural roads.
<b>Non-Drivers</b>	Moderate investments in urban transit	Minimal investments in rural transit.

*Governments spending and mandates results in large investments in roads, parking facilities and urban transit, but rural non-drivers receive little.*

This is unfair and inefficient. It deprives non-drivers of independent mobility and therefore economic opportunities and dignity, forces drivers to chauffeur non-drivers, reduces economic development, and it increases traffic problems and crashes. It creates large disparities between drivers and non-drivers, and between urban and rural residents. There are significant unmet demands for interregional transit, and serving those demands would provide large benefits to travellers and communities (USDOT 2024).

British Columbia (BC) provides good examples of this problem. Most BC highways have no, or infrequent and expensive, interregional transit. This recently became the butt of jokes when contestants in the BBC’s *Race Across the World* were required to travel with no car and limited funds from Victoria to Port Hardy, a corridor that lacks public transit; they had to hitchhike (Chan 2023). This inadequacy is no joke for countless non-drivers who lack convenient and affordable travel options between BC communities. The process to develop new services is painfully unresponsive, inefficient and slow, typically taking more than a decade between when needs are identified and new services begin.

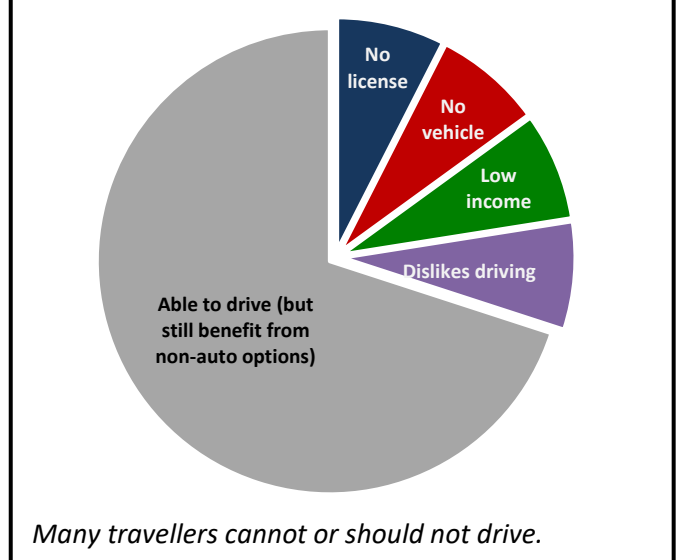
This report investigates these issues. It examines interregional public transport demands and the degree that those demands are currently being served, discusses the costs of inadequate interregional transit services, defines optimal interregional transit service levels, describes examples of successful intercity transit services, and recommends policies for optimal interregional transit planning and funding.

### Interregional Public Transit Demands

Interregional (also called intercity or long-distance) travel is usually defined as trips more than 50 or 100 miles (83 or 166 kilometers). This travel represents about 5% of total person-trips and about a third of total passenger-miles (Aultman-Hall 2018; Wadud, Adeel and Anable (2024)). It includes many high value business, commuting, recreation, and healthcare trips that provide unique and important benefits.

Currently, most long-distance travel is by auto or air, but those modes cannot satisfy all users. In a typical community, 20-40% of travellers cannot, should not or prefer not to drive (Figure 1 and Table 3), and will use public transport if it is convenient, comfortable and affordable. This is demonstrated on corridors with suitable service, such as the #61 bus between Sooke and Victoria, which has 43 daily trips with \$2.50 per trip fares, serves 13% of total and 22% of peak-period trips (CRD 2017). Similarly, transit serves 20-40% of trips between Vancouver and Fraser Valley towns such as Langley and Pitt Meadows (TransInk 2011).

**Figure 1 Non-Auto Travel Demands (Litman 2023)**



**Table 3 Interregional Transit Demands (Litman 2023)**

Type	Prevalence	Costs if not Served
Seniors who do not or should not drive.	5-10% of population.	Non-drivers lack mobility, require chauffeuring (special vehicle travel to transport a non-driver), or costly options (taxi and ridehailing), or move to another community with better transport options.
People with impairments.	5-10% of population.	
Adolescents (12-20 years).	10-20% of population.	
Drivers who share vehicles.	5-15% of motorists.	
Drivers whose vehicles are inoperable or must be transported to another region for repair or sale.	Varies.	Requires chauffeuring, or costly taxi or ridehailing.
Lower-income households.	20-40% of households.	Lack mobility or bear excessive transport costs.
Tourists and visitors.	Varies.	Lack mobility or visit other areas.
Impaired or distracted travelers.	Varies.	Impaired and distracted driving, increased risk.

*On a typical travel corridor, 20-40% of travelers cannot, should not, or prefer not to drive and will use public transit if it is convenient, comfortable and affordable. Failure to serve these demands imposes various costs.*

Failure to serve those demands imposes many costs on individuals and communities. It limits non-drivers ability to access essential services such as healthcare and healthy food, education and jobs, plus social and recreational activities. Inadequate and expensive public transit forces many lower-income households to spend more on vehicles than is affordable. It forces motorists to spend time and money chauffeuring non-drivers; such trips are particularly inefficient since they often involve empty backhauls (such as an empty return trip) so each passenger-mile generates two vehicle-miles. It reduces the pool of employees available to businesses and economic activities such as tourism. Inadequate non-auto travel options increase traffic problems including congestion, crashes and pollution. It increases isolation and loneliness (Matsuda, et al. 2019).

Policy makers claim to be concerned but have done little to address the problem. The House of Commons' 2023 report, *Improving Bus Connectivity in Canada*, found that rural communities “suffered severely” in recent years from declining bus service, which imposes serious harms, particularly on marginalized communities, and convenient, safe and affordable intercity bus services provides many benefits. The recent *Island Coastal Inter-Community Transportation Study* shows that many Vancouver Island residents want interregional transit services (Baker 2023; MNP 2023).

In 2006 the *Highway of Tears Symposium* investigated the high rate of missing and murdered women on the Yellowhead Highway between Prince Rupert and Prince George (CSFS 2006). The following is the first of the Symposium's 33 recommendations:

That a shuttle bus transportation system be established between each town and city located along the entire length of Highway 16, defined as the Highway of Tears. Except for the Greyhound Bus Line that services the Highway 16 corridor from Prince George to Prince Rupert, (twice a day from Prince George to Prince Rupert, and a once per day return trip), no other public transportation system exists. A shuttle bus transportation system would focus on the pickup and drop off of young female passengers at all First Nation communities, towns and cities located along the entire length of the highway between Prince George and Prince Rupert. During the spring, summer, fall, and perhaps even winter months of operation, these shuttle buses must also stop and pick-up every young woman they encounter walking or hitchhiking between those First Nation communities, towns, and cities on this Highway. The number of shuttle buses required would be exactly seven (7) to cover the entire 724-kilometre length of the Highway of Tears.

**Who Needs Interregional Bus Services?**

- People with disabilities, including motorists who have difficulty driving at night or on highways.
- People who cannot afford a car, and motorists who want to reduce their expenses.
- Travellers who want to avoid the stress of driving.
- Motorists whose vehicles are temporarily inoperable or must be left at another community.
- Patients who must travel for specialized treatments.
- People travelling to another city for sport, cultural or social events.
- Law abiding drinkers.
- Tourists travelling without a car.
- Students travelling to school and college.
- Motorists who want to avoid chauffeuring non-drivers.

However, this and other recommendations were not implemented. This inaction was widely criticized. In 2016 the Canadian federal government launched a *National Inquiry into Missing and Murdered Indigenous Women and Girls*, with \$54 million funding. The inquiry also concluded that inadequate interregional transit is a major risk factor to low-income, isolated communities. In 2017 BC Transit started three new bus routes on that corridor, which carried about 5,000 passengers during the first year of service. Greyhound Canada announced in 2018 that it would stop servicing routes along this and other Canadian routes. In 2021 the Auditor General found that provincial targets to provide long-distance ground transportation in Northern BC were only partly met (BC Auditor General (2021)). In 2023 the provincial government committed an additional \$5 million to support that service. All of those decisions were ad hoc, in response to political pressures rather than the result of a systematic planning and funding process to provide adequate and sustainable interregional public transport on major travel corridors throughout the province.

Many factors can affect interregional transit demands including its convenience, comfort, perceived safety, price, integration with other transportation system components, and incentives such as parking prices. Interregional transit ridership tends to increase if it integrates well with local transportation services, and if it is encouraged with transportation demand management incentives.

## Interregional Transit Benefits

By most metrics including operating costs, crash rates and energy consumption, buses are the most efficient travel mode (Litman 2021; Woldeamanuel 2012). High-quality interregional transit services can provide significant benefits to users, motorists and communities, as summarized the table below.

**Table 4** Interregional Transit Benefits

Users	Motorists	Communities
<ul style="list-style-type: none"> <li>• Independent mobility and opportunity for non-drivers.</li> <li>• Reduced driver stress.</li> <li>• Vehicle cost savings.</li> <li>• Increased safety and security.</li> <li>• Improved home location options.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced chauffeuring burdens.</li> <li>• Increased safety due to reduced higher-risk driving.</li> <li>• Reduced traffic and parking congestion.</li> <li>• Improved mobility options when they cannot drive.</li> </ul>	<ul style="list-style-type: none"> <li>• Supports industries such as tourism.</li> <li>• Retains and attracts residents.</li> <li>• Reduces traffic problems.</li> <li>• Increases safety (reduced crashes) and security (reduced crime).</li> </ul>

*Serving multimodal travel demand can provide various direct and indirect benefits.*

British Columbia’s *CleanBC Roadmap* has targets to reduce light duty vehicle travel 25% and increase walking, bicycling and transit mode shares to 30% by 2030 and 50% by 2050 (BC Government 2021). Although justified primarily to reduce climate emissions, achieving these targets would provide many benefits including congestion reductions, infrastructure savings, affordability, independent mobility for non-drivers, traffic safety and improved public health, all goals in the BC Minister of Transportation’s *Mandate Letter* (Eby 2022). Interregional bus services support and are supported by vehicle travel reduction efforts. For example, they support commute trip reduction by providing an efficient option for long-distance commutes, and support campus transport management programs by reducing the need for students to have cars that they would otherwise require for travelling home during breaks.

Improved interregional bus service can provide downstream benefits by reducing traffic on other roads. For example, if improved Island Highway transit attracts 20% of commuter trips, as on Highway 14 between Sooke and Victoria, this would reduce about 2,500 peak-period vehicle trips on local streets and free up 2,500 urban parking spaces, saving millions of dollars in infrastructure costs. It can leverage additional benefits by allowing some households to reduce their vehicle ownership. For example, a family might need two vehicles if both adults commute by car but only one if they frequently use transit. Similarly, better interregional transit can allow families to avoid owning vehicles needed for occasional trips, such as travel to ferry terminals and airports, seniors who require specialized medical treatments, and university students who travel home on weekends and breaks.

Transit can provide large safety benefits by reducing congestion and higher-risk driving (APTA 2016). For example, young men who pay high vehicle insurance premiums, seniors who dislike driving on busy highways and alcohol drinkers are particularly likely to use buses rather than drive, provided they are convenient and affordable. Traffic safety strategies such as graduated driver’s licenses, senior driver testing and anti-impaired driving campaigns become more effective and acceptable if implemented with transit improvements that provide viable alternatives to driving. As a result, auto-to-transit mode shifts can leverage proportionately larger crash reductions. For example, if the Island Highway achieves Highway 14 transit mode shares (13% total and 22% peak-period trips), crashes should decline at least 13% and probably much more due to reduced congestion and less driving by higher risk groups.

## Current Conditions

Private interregional bus services, such as Greyhound and Trailways, were once common, affordable and profitable, but during the last half-century they experienced a death spiral of declining ridership, service, profits and public support (House of Commons 2023; USDOT 2005). Despite growing demand these services and their support infrastructure (such as bus stations) are inadequate and declining (Schwieterman, Chesney, and Das 2024). Many routes were reduced or eliminated. Some are replaced by budget bus services (called “curb buses” because they lack stations) that operate only on a few high-volume routes, leaving many communities without public transport.

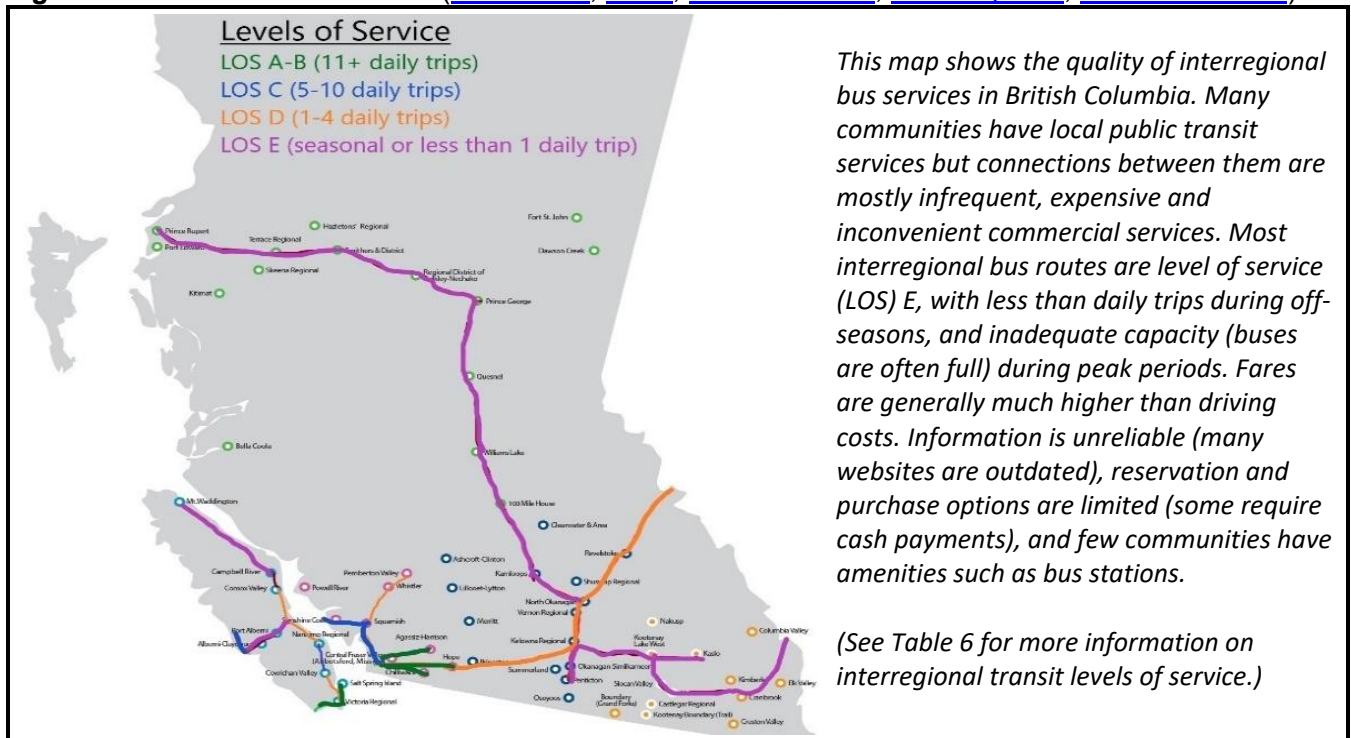
Information on interregional bus service can be difficult to obtain and unreliable. Travel websites often provide outdated or incomplete information, showing discontinued or seasonal routes. The figure below shows current Vancouver Island commercial bus services which implies that most Island communities are accessible by public transport, but this service is seasonal, with less than daily trips during off-season, and inadequate capacity for the high levels of demand during peak periods. Commercial buses are expensive, generally costing more than driving, and often inconvenient with limited stops, poor connections, uncomfortable waiting areas and limited baggage capacity (many of the buses do not accommodate bicycles or other large sports equipment).

**Figure 2** Vancouver Island Commercial Bus Service ([Island Link Bus Service](#))



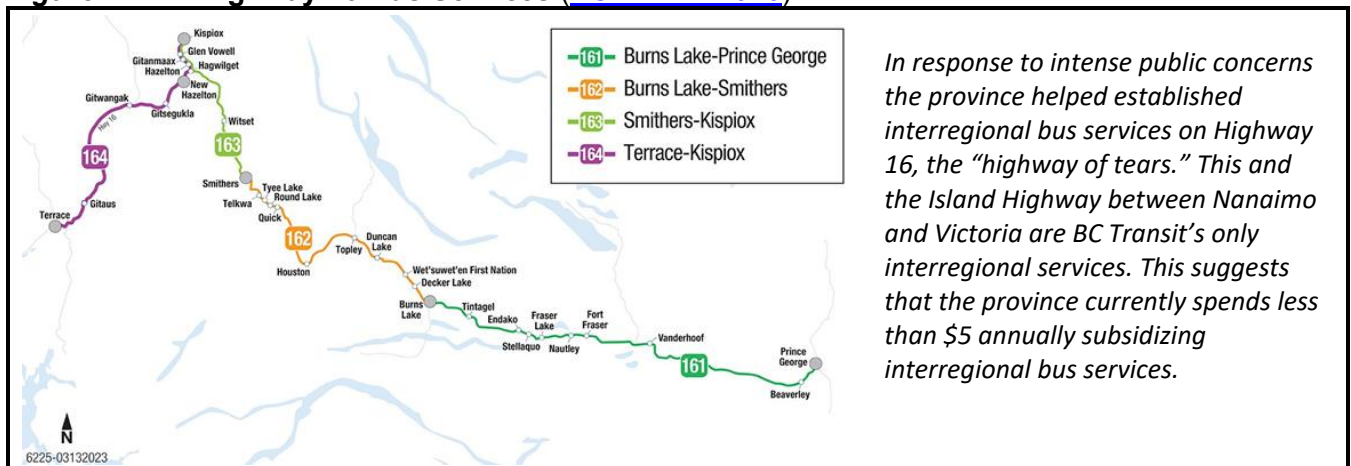
The map below illustrates bus service availability and quality in British Columbia. Although most BC communities have local transit, connections between them tend to be infrequent, expensive and inconvenient. Most routes have less than daily service (LOS E) most of the year, and fares usually cost more than fuel for driving the same trip. Information is difficult to obtain and unreliable; no website provides information on all interregional bus services, and the information provided is often outdated. Few communities have bus stations so passengers often have difficulty finding stops and must wait without security, weather protection or clean washrooms (Minor 2024).

**Figure 3 BC Bus Services (BC Transit, Ebus, Mountain Man, Riderexpress, Sunshine Coast)**



In response to more than a decade of intense public concerns about missing and murdered women on the 750-kilometer highway between Prince Rupert and Prince George, the province implemented the *Highway 16 Five Point Action Plan*, resulting in BC Transit services starting in 2018 (BC Transit 2016 and 2023). It provides three weekly trips each direction (LOS E), and more frequent services in some areas. It is funded by a unique \$5 million provincial grant and funding structure. Under BC Transit’s traditional funding structure regional governments pay about half of costs even for long-distance routes that carry many through passengers, but under the “Enhanced Provincial Cost-Sharing” local governments will only bear 20%, in recognition that interregional requires more provincial support than local services.

**Figure 4 Highway 16 Bus Services (BC Transit 2016)**



## Current Planning and Funding

Currently, most North American jurisdictions have no standard process for planning and supporting interregional bus services. For example, in British Columbia, the Ministry of Transportation and Infrastructure (MoTI) plans and finances highways, BC Transit plans and supports local transit services, BC Ferries plans and operates ferries, Via Rail provides passenger rail on some corridors, and Transport Canada regulates motor carriers (including intercity buses) and aviation, but no agency is responsible for analyzing demands, or planning and funding interregional bus services, as summarized in Table 3.

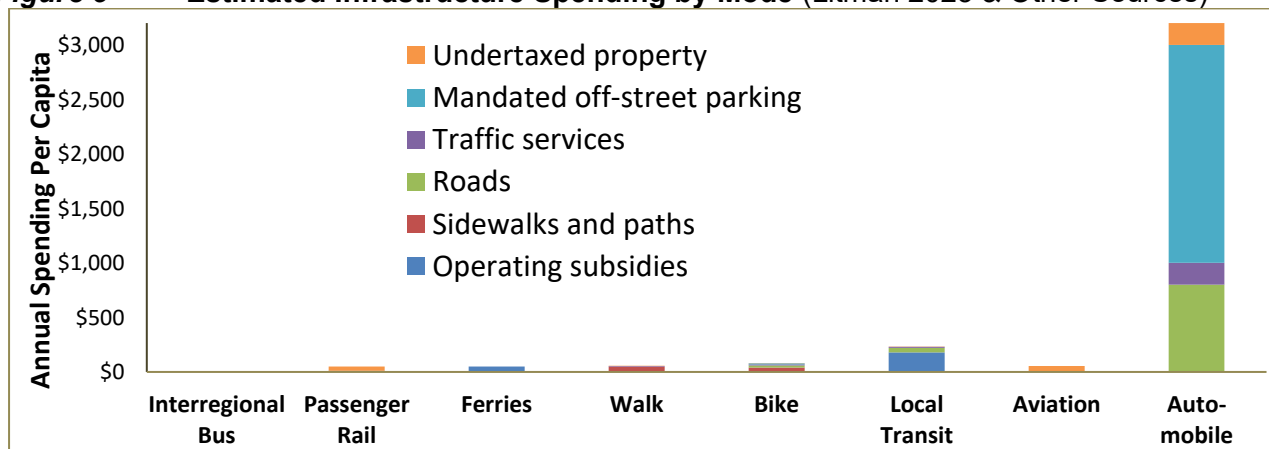
**Table 5 Interregional Transportation Planning and Funding**

	<b>Interregional Bus</b>	<b>Passenger Rail</b>	<b>Ferry Services</b>	<b>Auto Travel</b>	<b>Local Transit</b>	<b>Aviation</b>
<i>Lead Agency</i>	<b>None</b>	<i>Via Rail</i>	<i>BC Ferries</i>	<i>MoTI</i>	<i>BC Transit</i>	<i>Transport CA</i>
<b>Demand analysis</b>	<i>Minimal</i>	Some corridors.	Extensive surveys, public consultation and models			
<b>Planning</b>	<i>Minimal</i>	Major corridors.	Extensive planning by local, regional, provincial and federal agencies.			
<b>Funding and subsidies</b>	<i>Minimal, due to special concerns.</i>	Moderate.	Moderate, large for smaller routes.	Large for roads and parking.	Moderate.	Moderate.
<b>Integration</b> (terminals, information)	<i>Minimal. Few bus stations, limited information.</i>	Some cities have nice rail stations.	Terminals and good user information.	Roads, parking and traffic services.	Transit networks in most cities.	Extensive support for airports.

*Interregional bus services receive less analysis, planning, funding and integration than other modes.*

When somebody purchases an automobile, they expect governments to provide roads and mandate that property owners provide off-street parking for their use. Governments also plan and subsidize local transit and ferry services, ports and airports. The figure below compares estimated annual infrastructure investments and subsidies for various modes. Although some costs are difficult to determine, by any reasonable assumptions interregional bus receives less investment and support than other modes.

**Figure 5 Estimated Infrastructure Spending by Mode (Litman 2023 & Other Sources)**



*British Columbia currently spends less than \$5 million annually to subsidize interregional bus services. This averages less than \$1 annual per capita, which is much less than public subsidies for other travel modes.*

There is no standard planning process for interregional bus improvements. Regional districts must identify needs, initiate planning and be willing to bear almost half of costs, although they may only receive a portion of the benefits provided by long-distance bus services that carry many through passengers. The resulting process is unresponsive, inefficient and slow.

For example, a 2006 conference identified hitchhiking as a major risk on Highway 16 (the “Highway of Tears”) and recommended more interregional bus services, but this was not provided until 2023. Similarly, it took eleven years to plan the #70 bus route connecting the Cowichan Valley and Nanaimo regional districts, as illustrated to the right. Developing Tofino-Ucluelet bus service took 15 years, between 2009 when local officials first requested it until 2024 when the service started. A 2017 study found sufficient transit demands on the Sea to Sky corridor between Vancouver, Squamish and Whistler, and TransLink’s *Transport 2050* plan calls for improved bus services to the Fraser Valley, but these projects have yet to be implemented (Chan 2023).

The article, *Intercity Bus Service: Reforms Needed for Better Service for Rural America* (Bragdon 2025) highlights poor planning of interregional bus subsidies. These examples indicate that current practices fail to identify, develop and fund interregional bus services to the degree justified by demands or benefits. There is a lack of urgency or commitment.

### Explaining the Lack of Interregional Bus Planning

Several factors help explain inadequate interregional bus service planning. Such services were previously provided by commercial operators, which policy makers assumed simply needed regulation for safety and fairness. As a result, there is little tradition of government planning and support.

Transportation planners often assume that there is little demand for interregional bus services based on current ridership levels, but where services are frequent, affordable and convenient ridership can be high, exceeding 20% peak-period mode share. Public transit experiences strong economies of scale: the more people use it the more efficient and profitable it can be, creating a positive cycle of more service, increased convenience and social acceptability, resulting in more ridership. As a result, underestimating demand creates a self-fulfilling prophecy of underinvestment, poor services and low ridership.

Conventional transportation planning is biased in ways that exaggerate highway improvement benefits and undervalue transit improvement (Litman 2021). Many people assume incorrectly that public transit receives excessive public subsidies, in contrast to self-financing automobile travel. In fact, automobile travel relies on subsidized roads and parking facilities, and since motorists drive more average miles than transit passengers use transit, motorists tend to receive more subsidy per capita than transit users.

These practices reflect *elite bias*, the tendency of decision-makers to focus on the problems and needs they personally experience. Most policy makers and planning practitioners are busy, middle-class drivers unfamiliar with the problems facing low-income non-drivers. As a result, planning tends to be less responsive and efficient for interregional bus services than for other modes.

**Figure 6 #70 Planning Timeline**  
(CVRD and NRD 2021)



*BC Transit took a decade and hundreds of thousands of dollars to plan the #70 bus route between Duncan and Nanaimo.*

## Optimal Interregional Transit Planning and Funding

This section describes ways to determine fair and efficient interregional transit planning and funding.

### 1. User Demands and Community Goals

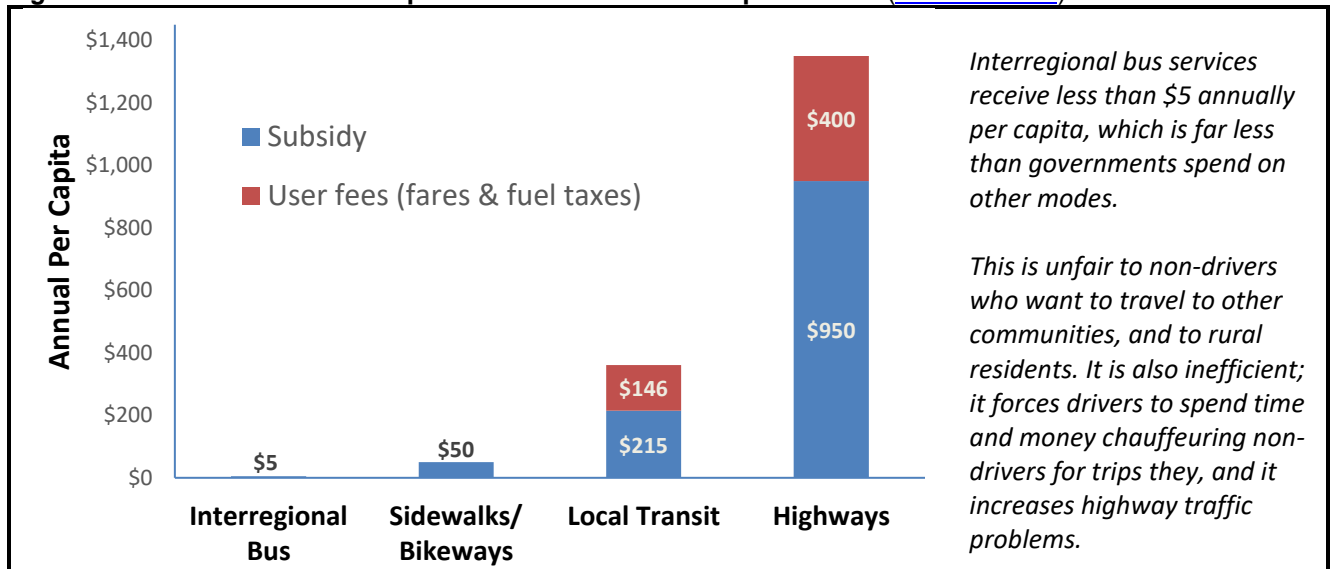
This determines optimal transit quality and funding levels based on user demands and community goals (Bragdon 2025). As previously described, typically 20-40% of travellers cannot, should not or prefer not to drive and will use public transit if it is frequent, comfortable and affordable. Serving these demands helps achieve community goals including basic mobility and economic opportunity for non-drivers, reducing traffic problems, increasing safety, reducing emissions and rural economic development. All these benefits and goals should be considered when evaluating interregional public transit services.

### 2. Social Equity

Equitable transport planning strives to minimize disparities in public investments and accessibility between different groups, such as between drivers and non-drivers or urban and rural residents. Transit investments are justified to ensure that all travellers, including non-drivers, receive their fair share of public resources. For example, if 10% of travellers are non-drivers, non-auto modes should receive at least 10% of public investments, and more if needed to give non-drivers access to essential services such as healthcare, healthy food, education, and employment.

Currently, most governments spend less than \$5 annually per capita to subsidize interregional bus services, which is much less than other modes, and less than the portion of travellers who would use such services if they were convenient and affordable. This is unfair, particularly for non-drivers who live in or visit rural communities and is inefficient if it forces non-drivers to use suboptimal modes such as hitchhiking, chauffeuring or costly air travel.

**Figure 7** Estimated Transportation Infrastructure Expenditures (Litman 2024b)



### 3. Performance Targets

From this perspective a mode should receive sufficient support to achieve a targetted level of service (LOS). Transportation planners often use LOS ratings to identify problems, set performance targets and evaluate potential improvements. LOS ratings have been defined for most modes including local public transit but not specifically for interregional bus services (TRB 2013).

The table below shows level-of-service ratings suitable for interregional transit evaluations. High quality service (LOS A or B) can attract discretionary travellers who would otherwise drive and so is justified on congested roadways. LOS C provides independent mobility for non-drivers. LOS D and E don't allow travellers to visit another community and return the same day, and so are inadequate for most trips.

**Table 6** Interregional Transit Levels of Service (Guillemette, et al. 2019; Litman 2024a)

Level of Service	Frequency & Speed	Affordability	Comfort & Amenities	Utility	Transit Mode Share Targets
A	25+ daily trips, as fast as driving.	Much cheaper than driving.	Very good. Free internet, on-board washrooms, etc.	Very high. Attracts travellers who would otherwise drive.	15-25%
B	11-24 daily trips.	Cheaper than driving.	Stations with washrooms.	High. Suitable for most trips.	12-20%
C	5-10 daily trips.	Slightly cheaper than driving	Uncrowded. All passengers seated.	Moderate. Suitable for many trips.	6-12%
D	1-4 daily trips.	Comparable to driving.	Clean and comfortable.	Low. Suitable for some trips.	3-6%
E	Less than daily.	More costly than driving.	Safe vehicles and stations.	Low. Suitable for few trips.	1-3%
F	No service.	Much more costly than driving.	No amenities.	Non-drivers lack independent mobility.	0%

*This table defines interregional transit service quality and mode share targets.*

### 4. Mode Shift Targets and Incentives

Some jurisdictions, including BC, have targets to reduce automobile travel and increase walking, bicycling and transit travel. To achieve these targets some transportation agencies are applying a sustainable transportation hierarchy, which means that planning decisions favor affordable and resource-efficient modes, such as walking, bicycling and public transit, over resource-intensive modes such as automobile and air travel. These targets and priorities justify shifting resources currently devoted to roads, parking facilities and airports to public transit including interregional bus services.

These incentives are important because increased ridership makes public transit more efficient and socially acceptable. For example, if on a corridor transit only has less than 1% mode share, as on the #66 bus route, only LOS D (1-4 daily trips) may be justified, but if transportation demand management (TDM) incentives such as bus priority lanes, commute trip reduction programs and fare subsidies increase the mode share to 15-25%, as on the #61 bus route, LOS A or B (more than ten daily trips with amenities) may be justified. Transit ridership incentives are therefore important to maximize economic returns and benefits from transportation infrastructure investments since they improve transit system efficiencies, build public support, and reduce roadway traffic problems.

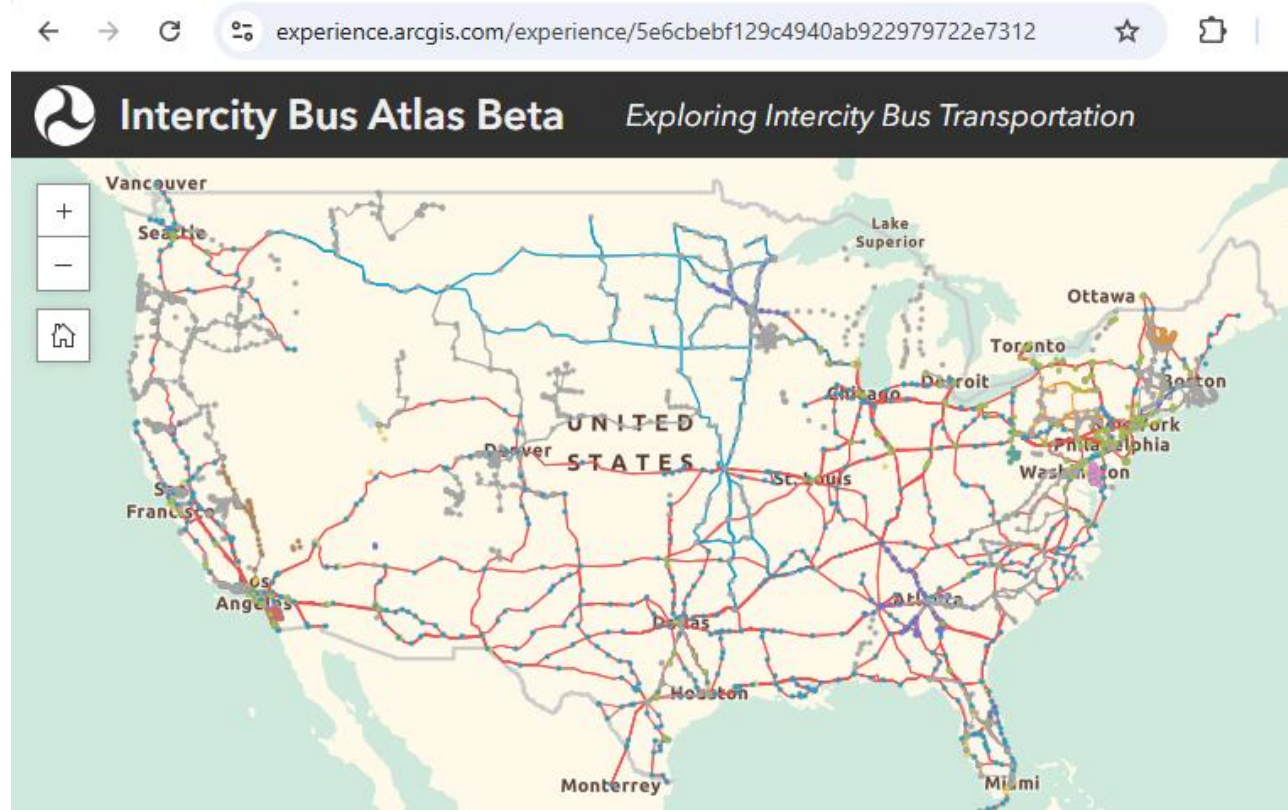
## Examples

Some states and provinces support interregional bus services (USDOT 2024; SSTI 2024).

The Bureau of Transportations Statistics (BLS) *Intercity Bus Atlas* is mapping system that provides information on intercity bus services. The source data, supplied by participating bus service providers, are based on [General Transit Feed Specification](#) (GTFS) standards that can include operational information about stops, routes, trips, schedules, fares, and transfers. The BLS collects the data from various provider websites, compiles them into a single, geospatially enabled database, and then publishes them for research, analysis, and planning.





The figure below illustrates the Atlas. Users can zoom into a particular area where they see more detail, and can search by route and stop. However, the Atlas is currently incomplete – it only contains a small portion of total interregional bus routes, and even when finished it will provide limited information – only routes and stops but not schedules, fares, connections with other transportation options, or service quality features such as waiting area comfort and security. As a result, it will not be useful for trip planning, scheduling, navigation, real-time, or near-real-time, use by passengers, transportation operators, service providers or transportation planners.

**Figure 8** Intercity Bus Atlas (BTS 2024)



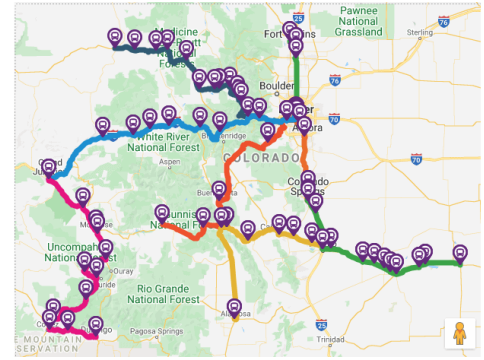
*The Intercity Bus Atlas provides information on bus routes and stops but not schedules, fares, connections with other transportation options, or service quality features such as waiting area comfort and security. As a result, it will not be useful for real time trip planning, scheduling or navigation, and provides limited use for transportation planning.*

**Table 7 Interregional Bus Services**

<p><b>Canadian Intercity Bus Services (HOC 2023)</b>  <i>Ontario Northland</i>, a provincial agency created in 1902, provides public transport services to numerous communities, as illustrated to the right. In 2022 its buses carried 281,790 passengers and 34,707 packages, and its trains carried 46,201 passengers. Of its \$148 million annual budget, \$95 million is from sales and \$54 million (36%) is provincial subsidy (\$4 annual per capita). The Ontario Transit Investment Fund (OTIF) also funds rural transit.</p>	 <p><i>Ontario Northland, a provincial agency, provides bus services that connect numerous communities.</i></p>
<p><b>Saskatchewan Transportation Company (HOC 2023)</b>  Between 1946 and 2017 the <i>Saskatchewan Transportation Company</i> used a network of 170 private companies to provide intercity passenger and freight transport to 243 mostly rural communities. It required \$17 million annual subsidy, about \$13 annual per capita. The province ended STC in 2017 as part of spending cutbacks. Ridership had decreased 77% since its peak in 1980 and only two of its 27 routes were considered profitable.</p>	
<p><b>Virginia Breeze (<a href="https://drpt.virginia.gov">https://drpt.virginia.gov</a>)</b>  Virginia’s Department of Rail and Public Transit (DRPT) support interregional rail and bus services. It operates five Virginia Breeze interregional bus routes. In 2019 the program cost \$2.5 million, less than \$1 annual per capita (KFH Group 2019).</p>	
<p><b>Ohio Rural Intercity Bus Program (<a href="https://ridegobus.com">https://ridegobus.com</a>)</b>  The Ohio Rural Intercity <i>GoBus</i> program operates seven routes that connect numerous communities in Ohio, supported with federal and state funding. In 2019 the program was estimated to have \$9 million operating costs, \$1.6 million revenues, and require \$7.5 million public subsidy, averaging less than \$1 annually per state resident.</p>	

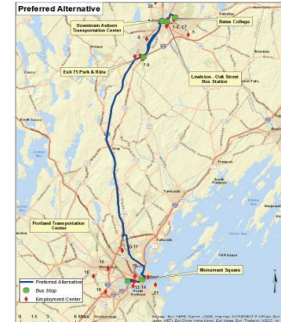
**Colorado Bustang** (<https://ridebustang.com>)

Colorado’s Bustang Interregional Express bus service includes seven routes that connect communities along the highest traveled corridors in the state (Brey 2025). Bustang required about \$10.7 million in startup costs and \$3.5 million annually to operate, less than \$1 annually per state resident. Fares cover about 60% of operating expenses. It carried more than 100,000 passengers during its first year, far more than predicted.



**Maine Bus Route** (<https://tinyurl.com/3uusim53>).

Maine DOT plans a new Lewiston-Auburn to Portland bus route. Currently about 1,600 daily trips are made on that corridor of which about 700 (43%) are suitable for public transit. Operating costs are estimated at approximately \$2.0 million (about \$2 annual per capita), a portion of which can be recovered from fares (\$6 to \$12 one-way). That is predicted to be much cheaper than reestablishing rail services.



**Washington Intercity and Rural Transit** (WSDOT 2024)

Declining commercial bus service left many Washington state communities without interregional transit connections. In response the state created the *Travel Washington Intercity Bus Program* which contracts with private companies to provide bus services on major routes, as illustrated to the right. It has a systematic process for evaluating current services and gaps, and planning new links where justified considering various factors including ridership and social equity goals.



Washington Intercity Bus and Rural Transit Assistance programs support several interregional bus routes.

The program’s annual costs range from \$3 million (lower estimate) to \$11 million (higher estimate) which averages \$0.50 to \$1.50 annually per capita.

Other state programs to help rural communities plan private non-profit, private for-profit and Tribal transit services. As a result, most rural counties have coordinated transit services. For example, the Olympic Transit Loop consists of six coordinated local transit services that connect small communities, Indian reservations and tourist destinations around the Olympic Peninsula.



It is easy and affordable to circle the Olympic Peninsula by bus due to connected routes with low fares.

Program Manager, Steve Abernathy, says that approach garners strong community support. “When the Gold Line was announced, communities were falling over each other to see who could bring the most to the ribbon cutting.”



Prince Edward Island's *Transit PEI* program operates ten rural bus routes serving more than 50 communities with at least daily service (Pelletier 2022). Most routes use smaller coach buses and the Cavendish shuttle uses electric school buses. Demand sometimes exceeds supply so riders must pre-book to ensure that they have a seat. Fares are affordable with a \$2 standard one-way ticket, a \$20 monthly pass, half prices for seniors and students, and free fares for riders under 18.

Another good example in British Columbia is BC Transit's *Five Point Action Plan* which established an integrated 750-kilometer bus network on Highway 16 starting in 2018 (BC Transit 2016).

**Table 8 Five Point Plan 2016 Cost Estimates (BC Transit 2016 and 2023)**

	Distance (Kms)	Fares	Service Hours	Annual Rides	Revenues	Total Costs	Subsidy per Road-Km	Subsidy per Pass-Km
Burns Lake to Pr. George	228	\$5	1,990	4,200	\$21,000	\$348,600	\$1,437	\$0.34
Burns Lake to Smithers	143	\$5	1,800	1,800	\$9,000	\$322,000	\$2,189	\$1.22
Hazeltons to Terrace	144	\$5	2,040	3,050	\$15,250	\$271,800	\$1,782	\$0.58
Terrace to Prince Rupert	144	\$5	1,590	4,100	\$20,500	\$276,900	\$1,781	\$0.43
Hazeltons to Smithers	82	\$5	910	4,900	\$24,500	\$140,800	\$1,418	\$0.29
<i>Totals or Averages</i>	741						\$1,721	\$0.57

*This analysis indicates the predicted costs of providing LOS E (three weekly trips) interregional bus services.*

This analysis indicates that in 2016, providing LOS E (three weekly trips) bus services costs \$1,721 annually per highway-kilometer or \$2,500 in current dollars. LOS D (daily transit service) would require about twice, and LOS E (five or more daily trips) would require about four times this amount. British Columbia is about 500 kilometers east-to-west and about 800 kilometers from Vancouver to northern communities such as Prince George, so about 4,000 kilometers of interregional bus service could provide a network connecting most provincial communities. Below are estimated annual operating costs of providing various levels of service on 4,000 highway-kilometers. Under current practices, regional governments are expected to pay about half of these subsidy costs, but under the “enhanced” funding program the province will cover 80% of subsidy costs.

**Table 9 Funding Required for Interregional Transit Services**

	Annual Cost Per Highway Km	Highway Kilometers	Total Annual Costs (millions)	Annual Cost per Capita
LOS C (at least 5 daily trips)	\$10,000	4,000	\$40	\$8
LOS D (at least daily trips)	\$5,000	4,000	\$20	\$4
LOS E (three weekly trips)	\$2,500	4,000	\$10	\$2

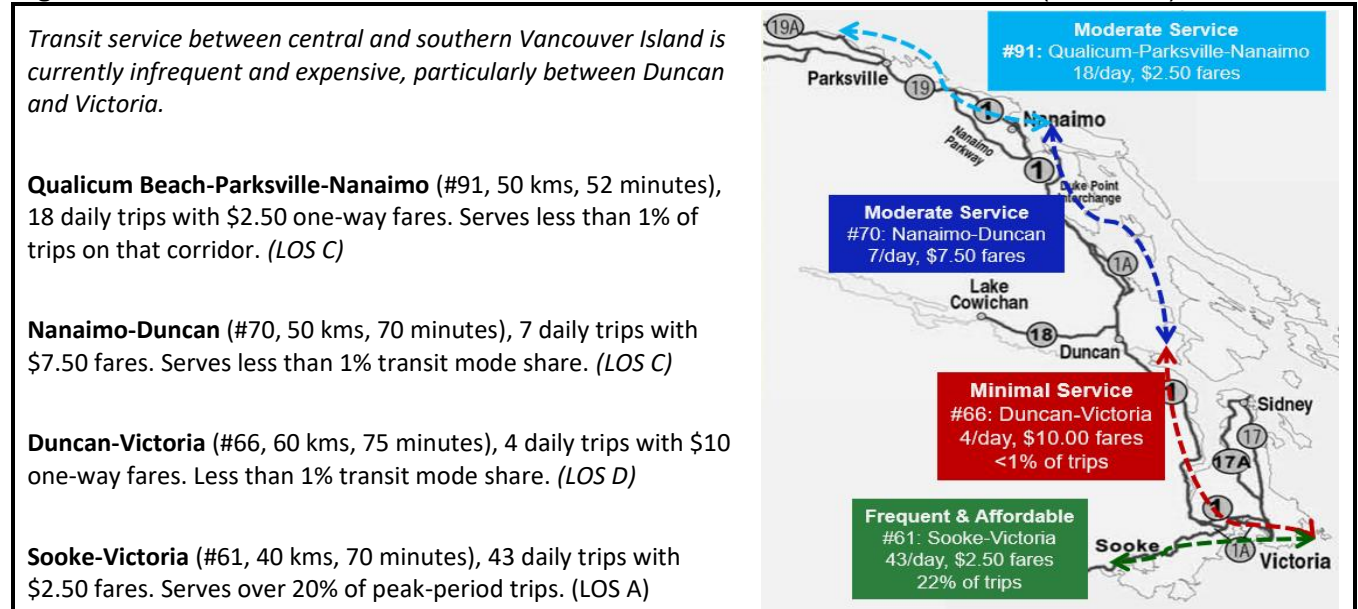
*This table shows indicates funding needed to provide various levels of interregional bus services on 4,000 kilometers of highways. These costs are small compared with subsidies currently provided to other modes.*

This suggests that frequent and affordable service could be provided with annual provincial funding between \$8 per capita for basic services up to about \$40 annually per capita for frequent service on major highways. Although this is a major increase from current interregional bus funding levels it is small compared with current urban transit and highway funding levels, and tiny compared with what businesses spend to subsidize off-street parking, and what travellers spend on automobiles. These investments can repay their costs many times over if they provide small reductions in automobile traffic and associated road, parking and consumer costs.

### Island Highway Example (BIT 2024)

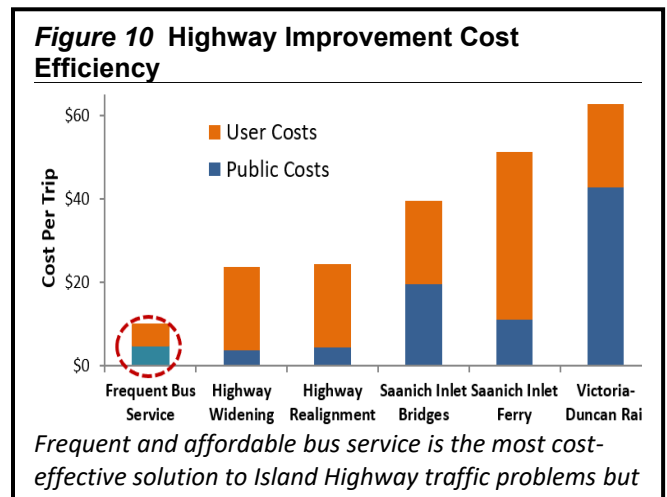
The Island Highway between central and south Vancouver Island is busy and often congested, carrying about 30,000 daily travellers, yet has minimal and expensive transit service, with only four daily buses between Victoria and Duncan and only seven daily buses between Duncan and Nanaimo. As a result, transit currently serves a tiny portion of travel on this corridor, as illustrated below.

**Figure 9 Current Central to South Vancouver Island Transit Services (BIT 2024)**



Although the province has targets to reduce vehicle travel, double transit travel, increase affordability and safety, and support rural economic development, this has yet to translate into more Vancouver Island transit service. MoTI is spending hundreds of millions of dollars to expand the Island Highway but does not consider, plan or fund frequent and affordable bus service despite its cost efficiency and many benefits, as illustrated in Figure 10.

BC’s Ministry of Transportation collects little data on non-auto demands, does not support multimodal planning, and devotes a tiny portion of its budget to non-auto programs. It has no standard process for analyzing, planning or funding interregional transit service; any new service must be requested by regional officials, planned by BC Transit, and funded by the province. This reflects institutional biases: the way transport problems are defined (focusing on vehicle traffic conditions), the scope of impacts considered (many roadway expansion costs and transit benefits are overlooked or undervalued), and the funding process (highway planning simply allocates pre-budgeted funds but transit improvements require new provincial funding) all favor highway expansions over new transit services.



## Conclusions and Recommendations

Frequent and affordable interregional bus services ensure that all travellers, including people who cannot drive or afford an automobile, enjoy independence and dignity and receive a fair share of public investments. Although more than 3% of person-trips and more than 30% of person-miles are interregional, and 20-40% of interregional travelers cannot, should not or prefer not to drive, interregional bus services currently receive less than 1% of transportation infrastructure funding. This low level of investment is a legacy from previous times when interregional bus services were profitable, but increasing automobile dependency created a doom cycle of reduced demand, reduced service and reduced profitability which caused commercial transit services to collapse on most travel corridors.

There is evidence of significant latent demand for interregional bus services. Where those services are convenient and affordable they can achieve 10-30% mode shares, reflecting true demands. Current planning tends to underestimate interregional bus demands and overlook many benefits of serving those demands, as summarized below. This results in underinvestment in these services that creates disparities between drivers and non-drivers, and between urban and rural non-drivers.

**Table 10 Interregional Bus Benefits**

Benefit Category	Degree Considered in Current Planning
<b>Users</b>	
More independent mobility and opportunity for non-drivers	Seldom included in formal economic evaluation
Financial savings compared with private automobile or taxi travel	Generally overlooked
Reduced crash and assault risk	Generally overlooked
Reduced impaired driving	Generally overlooked
<b>Motorists</b>	
Reduced chauffeuring burdens	Generally overlooked
Reduced high-risk (youth, senior, impaired) driving	Generally overlooked
Reduced traffic and parking congestion	Generally overlooked
Provides a mobility option when they cannot drive.	Generally overlooked
<b>Local Economy</b>	
Supports industries such as tourism	Seldom included in formal economic evaluation
Retains and attracts more residents	Seldom included in formal economic evaluation
Helps attract major employers such as colleges	Seldom included in formal economic evaluation

*Many benefits of interregional bus services tend to be overlooked or undervalued in current planning.*

Transit provides independent mobility for non-drivers, experiences economies of scale – unit costs decline as ridership increases – and provides external benefits by reducing traffic congestion, road and parking facility costs, crashes and pollution emissions. This economic profile justifies public subsidies to provide basic mobility for non-drivers, increase cost efficiencies and reduce traffic problems.

This analysis indicates that to be equitable and efficient transportation agencies should provide basic and affordable interregional transit services (LOS C or D, with one to five daily trips with moderate fares) on major rural highways, and high quality service (LOS A or B, with 5+ daily trips and fares less than driving costs) on congested highways.

The key message: *A highway is incomplete without convenient and affordable public transit services.*

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