

OMCA Response to North Bay Nugget Article “ONTC turns down Battalion”

Following the publication of the North Bay Nugget article regarding the ONTC, OMCA President Doug Switzer wrote the author of the article to respond to the story. In his email he told the reporter that:

“For a number of years private operators have been raising concerns about ONTC’s charter business which operates in direct competition with them. These concerns were fundamentally about the fact that ONTC uses taxpayer subsidies to unfairly compete with northern Ontario businesses trying to make a go of the charter bus business. ONTC themselves admitted that they took charters as “busy work” to keep equipment and drivers that normally were part of their scheduled service operations occupied during non-peak periods, and as such they were offering rates below cost just for the cash flow - making it impossible for the private companies to compete with them.

Even before the Liberal government decided to divest ONTC, the Ontario Motor Coach Association (the trade association representing the bus industry in Ontario) on behalf of our northern members had been pressing ONTC and the government to get out of the charter business. We felt strongly that the role of the government and ONTC should be to promote economic development in northern Ontario, not use taxpayers money to unfairly compete with, and ultimately drive out of business, viable northern Ontario bus companies. In other words, the government’s economic development mandate is best served by helping promote northern businesses, not by killing them.

Again, all of this predates the government’s announcement in last year’s budget that it would be getting rid of ONTC and has absolutely nothing to do with that decision. It was our hope that changes to the charter operation were going to happen anyway.

Let me be clear, we’ve never advocated the elimination of the ONTC, and that decision caught us as much by surprise as everyone else. There are definitely some very real issues around the provision of scheduled bus service to many communities in a post-ONTC world, and we’re happy to be part of that dialogue as we all look for a way to maintain service.

But the charter operations are a different story. There are plenty of private operators already serving this market. This isn’t a privatization, they are already there, struggling to make a go of their businesses while competing with a taxpayer subsidized unfair competitor. ONTC should never have been in the charter market in the first place when there are plenty of other bus companies willing and able to provide charter services, and its withdrawal from that marketplace should have happened regardless of the decision regarding the rest of ONTC’s operations.

And above all, no one will be left without charter services because of ONTC exiting the market.

That's the real story, and it's unfortunate that somehow the charter bus business story has somehow become twisted into being part of the broader ONTC divestiture story. They are in fact two separate issues."