

# Bus fare competition to escalate

## Megabus is starting runs to Baltimore, 7 other Eastern cities

By Laura McCandlish, Sun Reporter

A \$1 bus fare to New York City? Sounds too good to be true. But Megabus.com says it will offer some early-bird fares that low when the low-fare carrier begins East Coast service in late May.

Megabus said yesterday that it will start service from New York to seven cities besides Baltimore, including Washington, Philadelphia and Boston.

Megabus is jumping into the market at a time when buses are luring more passengers with bargain fares, especially in contrast to train and plane.

Owned by Scotland's Stagecoach Group, Megabus opened its first U.S. hub in Chicago in April 2006, and expanded to Los Angeles last summer. It has since carried more than 900,000 passengers and currently serves 24 Midwestern and West Coast cities.

The company's rapid expansion signals that pricing wars have finally set in, 25 years after the U.S. deregulated the industry, experts said.

While Europe has enjoyed competitive low-cost, long-distance bus (and railroad) service for decades, the market here remained unprofitable and stagnant.

"We do see a more competitive pricing structure emerging," said Lauren Fischer, a transportation research associate at the Chaddick Institute for Metropolitan Development at [DePaul University](#) in Chicago. "This is going to be a new way for people to travel, especially considering the hassles of flying airlines now."

For the first time in 40 years, bus travel between cities and states witnessed a major resurgence in 2007, according to a recent Chaddick Institute report.

Megabus is just the latest low-fare bus service offering cut-rate rides to the Big Apple. Greyhound, now owned by another Scottish giant, FirstGroup PLC, is beginning its own discount BoltBus service this month between New York and Washington.

Beleaguered Greyhound and other commercial lines first saw low-cost competition from buses that began shuttling immigrants between the Chinatowns of New York and other East Coast cities in the mid-1990s, Fischer said. A few years later, these bare-bones "Chinatown bus" lines quickly expanded their customer base with students and other urban dwellers.

Now Baltimore has several New York-bound Chinatown lines that leave from a parking lot near the Travel Plaza on O'Donnell Street. The Double Happiness (aabus.com), Dragon Coach and Apex Bus lines charge \$20 each-way, regardless how far in advance tickets are purchased. But buses are often overbooked and known to run late.

In December, a new low-cost line started a \$20 service between Baltimore's Station North neighborhood and midtown New York. MVP owner Tony Cheng and his son, Anthony Cheng Jr., have purchased other properties in that Charles Street corridor, where they hope a new Chinatown will flourish.

"We're trying to keep it affordable but Greyhound, these other big fleets, are always trying to put us out of business," Cheng said.

Cheng said MVP's Station North pickup point makes it an attractive option for students at nearby colleges and universities and young professionals in the area, he said.

With its pickup point at the White Marsh Park & Ride off Route 43, Megabus may be more popular with suburban dwellers. The buses will drop off passengers at two New York locations: Penn Station and the nearby Port Authority bus terminal.

A common thread among the discount operations is that tickets are overwhelmingly sold online, avoiding the costs of stations and ticket agents.

Yesterday Megabus officials wouldn't give specific fare information or other details for Baltimore, saying they wanted to wait until they hold a news conference here Tuesday. The company typically sells a limited number of \$1 tickets per bus to early buyers, with the price rising as tickets sell out and departure gets closer.

An established Megabus route between Columbus, Ohio, and Indianapolis - about the same distance as New York to Baltimore - had tickets for up to \$22 one-way. Megabus also offers amenities such as wireless Internet access on-board.

**"You're going to see a company that's a first-class operation that runs quality service," said Peter J. Pantuso, president of the American Bus Association. "What a great time for it to expand and for people to start thinking of taking the coach, instead of flying or driving."**