



February 15, 2013

If Premier Wynne wants to prove she cares about small business and rural Ontario, she can start by rethinking her government's attack on school bussing.

Unbeknownst to most parents, the dependable daily school bus experience is being shaken up by a series of consultant reports that recommend an ORNGE-style consolidation of school bus management. The Auditor General already warned against the creation of local monopolies.

At Queen's Park, school bussing is big business - \$800,000,000 is spent annually to transport 800,000 students on 18,000 school bus routes. Or at least those were the numbers two years ago when contract awards were open and transparent. Now, school boards have been compelled to create transportation consortia, many of whom have been spun off as private corporations thereby putting nearly a billion dollars of taxpayers' money outside of the scrutiny of trustees and elected officials. You can't even get information about these private consortia by filing a Freedom of Information request. The school bus industry refers to the fiasco as "YELLOW".

School bus operators are all for a competitive marketplace. But when the government is your only customer, a winner-take-all request for proposal (RFP) conducted once every 5-8 years is akin to having your multi-generation business confiscated and given away for a one-time savings through panic bids. This kind of procurement has already destroyed the local road maintenance and recycling industries. Once the competition has been eliminated, monopoly pricing is the order of the day.

RFPs do a great job of protecting politicians from the pork-barreling that got them into trouble in the first place, but the bureaucrats responsible for its implementation are failing to do the economic impact assessment of local market conditions that the Act requires. They are using a sledge hammer to crack an egg - an agricultural metaphor that will likely have to be explained to the new Minister of Agriculture.

In the summer of 2011, with a fall election looming and school bus operators holding protest rallies at Liberal fundraising BBQs, the government called a Task Force to quiet the dissent. The Chairman, the Hon. Coulter Osborne, Ontario's former Integrity Commissioner, was so unimpressed with the Ministry of Education's handling of the file that he recommended a third party independent reviewer dig deeper into the issue.

Not surprisingly, the government broke its campaign promise, ignored its own task force and forced independent family-owned rural businesses to take their government to court. Against all odds, these family businesses have won injunctions against these RFPs so that a full trial of the government's actions can be heard this June in Kingston.

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In the past year, three judges have weighed in on this file, and all three have expressed grave concerns with the government's indifference to wiping out these businesses. In an effort to save face, consortia and the Ministry have dismissed all concerns, noting only potential benefits to the changes. It's like evaluating the effects of Thalidomide, and praising the reduction of maternal nausea without acknowledging the birth defects of the child.

This kind of destructive competition is the kind of market abuse that regulators typically step in and stop. But here we have our own government presiding over a procurement process that creates a boom-and-bust economy for suppliers whose core business is safety. School busing is a purely artificial market, where businesses have only one customer, and where hard-working, taxpaying families open up their books and negotiate rates that fit within the school boards' budgets. RFPs are never going to do that.

A government-imposed deadline of September 2013 has already destroyed a number of rural businesses. Already in Ontario this winter, 3 school bus companies in southwestern Ontario are being forced to close their doors because they lost everything with the stroke of a bureaucrat's pen. Since 2010, over 20 small businesses – from Kenora to Timmins, Corwall to Mississauga - have been put out of business. Without the current court challenges, as many as 100 companies would have been eliminated in one round of "competitive" contracting. That's significant to rural Ontario, since a 50-bus school bus operator represents a \$2 Million infusion in the local economy.

How does an industry dominated by family businesses, offering quality services at fair prices become public enemy number one with a Liberal government? Former Education Minister Wynne owes the school bus industry an explanation. And an independent review.

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