

Bus & Motorcoach NEWS

WHAT'S GOING ON IN THE BUS INDUSTRY

More coach operators may be rolling without insurance

Legitimate motorcoach operators and industry insurance agents believe there is a growing number of coach companies operating — primarily in the Northeast, but elsewhere in the U.S. as well — without the required liability insurance, and the situation is being ignored by both federal and state regulators.

One broker charged that these outlaw — or gypsy — operators are “getting away with murder . . . and it’s outrageous.”

He predicted it would take a tragic crash before federal and state regulators wake up and take action — like they did *after* the infamous 1999 Mother’s Day coach crash outside of New

Orleans that killed 22 and prompted major new safety legislation, including creation of the Federal Motor Carrier Safety Administration.

Others say the gypsy operators have become sophisticated at using modern document creation and copying technology to forge insurance certificates and identifica-

tion cards.

“Unfortunately, it isn’t brain surgery (to forge documents),” said the president of one coach insurance agency.

A southeastern insurance broker said that some outlaw companies that operate without insurance and happen to get caught, which is rare, simply pay the fine — \$5,000

or whatever — because it’s far cheaper than paying the \$19,000 it costs to insure a coach in New York and New Jersey for a year.

Since Nov. 19, 1985, federal regulations have required that for-hire motor carriers of passengers operating in interstate commerce have a minimum of \$5 million in

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Great Graphics. Brassy. Classy. Clever. Whatever adjective you use to describe today’s motorcoach graphics they make a bold statement about the companies that adopt them. Mears Transportation of Orlando has a “new” retro look for the Van Hool C2045 coaches it operates for Disney World. More examples of the latest trends in coach livery are on page 10.

Quick start for UMA’s ‘20 Group’

ALEXANDRIA, Va. — The inaugural United Motorcoach Association “20 Group” is off to what might be called a record start.

“I think they are going to be the fastest starting 20 Group we have ever put together,” said Duane Spader, who has been involved with the innovative business development program for more than 30 years, and who has partnered with UMA to spread the concept among its members.

Spader, who operates Spader Business Management of Sioux Falls, S.D., said he was surprised at how quickly the 17 motorcoach operators from throughout the country — who formed the first UMA 20 Group — grasped the logistics of the program.

“It usually takes a year for people to really get their reports up and running, but with this group their reports were probably the most accurate I have ever seen from any new group on just the first day,” he noted. “This is going to be a very good group.”

The member head of the new group shared the same observation.

“They are really a good group of people,” said Gladys Gillis of

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Charter service battle moves front ‘n center

WASHINGTON — The long-simmering dispute between private motorcoach operators and public transit agencies over charter bus service takes center stage this month with the opening of federally sponsored negotiations aimed at resolving the oft-times-bitter squabble.

The Federal Transit Adminis-

tration will host the first of a series of negotiated rulemaking sessions here May 8 and 9, bringing together an 18-member advisory panel charged with trying to work out solutions to the festering dispute.

If they fail to reach agreement, the FTA would settle the squabble by making its own determination, a move that likely would assure the

dispute would continue, probably to the detriment of the motorcoach industry.

“Now that would really concern us,” stressed Victor Parra, president and chief executive of the United Motorcoach Association. “If that happens, then we don’t see a lot of good coming out of it because the FTA has clearly not

been perceived or acted as if it had the interests of the private sector in mind.”

Currently, federal regulations require public transit agencies inform the motorcoach industry any time they plan to provide charter bus service and step aside if a private company is willing and

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Operators says Charleston agency broke rules

CHARLESTON, S.C. — The Motorcoach Association of South Carolina has charged the public transit agency here with violating federal charter service rules, and filed a formal complaint with the Federal Transit Administration.

The association says the Charleston Area Regional Trans-

portation Authority, known locally as CARTA, “willingly and arrogantly” violated federal charter service rules when it provided bus service for the Southeastern Wildlife Exposition.

The exposition brought thousands of visitors to Charleston for three days in February. The organ-

izers paid CARTA \$23,000 to provide shuttle service for the attendees.

For the past 15 years, private coach operators have provided the shuttle service for the exposition. This year, however, CARTA ran the service.

There is a belief by those who

filed the complaint that CARTA manipulated the process, as well as the exposition, so it could take over the operation.

CARTA’s executive director told the *Charleston Post and Courier* that the service it provided for the expo did not violate federal rules,

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Dane Cornell



Ron Cornell



Clancy Cornell



Ashley Cornell

Dane Cornell is named president/CEO of ABC, Ron Cornell is chairman

WINTER GARDEN, Fla. — Dane Cornell has been appointed president and chief executive of ABC Companies, the long-time motorcoach industry sales and leasing firm.

Cornell, 48, succeeds his older brother, Ron, 53, who becomes company chairman. Dane Cornell previously held the title of executive vice president.

The Cornell brothers' father, Clancy, 76, who had been chairman for the past eight years, becomes chairman emeritus. The senior Cornell retired from day-to-day management of company in 1998, but continued to be involved in board activities and special projects.

Robert Foley remains ABC's chief operating officer.

In a statement, ABC said the executive changes, involving the three senior Cornells, is a key aspect of the company management succession plan.

Clancy Cornell founded ABC Companies 55 years ago and the Cornell family continues to be principal stockholders.

"All of the Cornell family members bring great experience to their new roles and continue to dedicate their time and energy to ensuring the smooth transition of the succession plan," said Foley.

Dane Cornell will continue to maintain his office in Winter Garden, where the company maintains a large sales, service and parts operation. The company said he will travel often to the corporate headquarters in Faribault, Minn.

ABC does not plan to name an executive vice president to replace Dane Cornell. He will retain many of his former responsibilities in his

new job, while other tasks have been distributed to various company managers.

Ron Cornell also will office at the Winter Garden location and travel to Minnesota.

Dane Cornell said his brother would be "an active chairman, specifically involved in development of new products, strategic oversight and responsibility for the company's real estate and facilities, management of the parts division, management of key account relationships, trade association involvement and special projects."

Ron Cornell had been president and CEO for the past eight years.

The company also said that Ashley Cornell has assumed new responsibilities in the operations side of the business. Ms. Cornell began working for the company part-time in 1997, while a student, and has worked fulltime since graduation from college two years ago.

She is working as the service office supervisor, reporting to the operations manager. Dane Cornell is her father.

Roman Cornell, son of Ron Cornell, remains regional vice president/general manager of ABC California.

ABC Companies distributes Van Hool motorcoaches and transit buses, and produces and sells the ABC M1000 series of midsize buses. ABC Service operates five service facilities across the U.S., providing maintenance, repairs and body work. ABC Parts Source supplies aftermarket parts. And ABC Financial Services is one of the industry's largest financial service providers.

For more information go to www.abc-companies.com.

Maiden trip is misadventure

CLEVELAND — The first run from Cleveland to Chicago by new curbside operator megabus.com was less than spectacular:

The coach ran out of fuel about 40 miles from the Illinois state line.

That wasn't the only problem, though it was certainly the most serious.

The trip was delayed 15 minutes when a hatch on a luggage bay door wouldn't close.

megabus.com, a subsidiary of

Stagecoach Group PLC and operated by Coach USA, launched its deep-discount intercity service last month, operating between Chicago and several Midwestern cities. (See April 1 *Bus & Motorcoach News*.)

One passenger, who had paid \$2 for his ticket plus a 50-cent reservation fee, spoke to a reporter for the *Cleveland Plain Dealer*, and seemed to take the two-hour delay in stride: "What are they going to compensate me for? My \$2.50?"

Pa. Bus Association names director

HARRISBURG, Pa. — For the first time in 27 years, the Pennsylvania Bus Association will soon have someone other than Eugene Zimmerman managing the organization.

Scott Henry, chairman of the 80+ year-old association, announced that Elaine Farrell, a certified association executive, has been hired as executive director, succeeding Zimmerman.

Farrell, who has more than 25 years of nonprofit trade association experience, began her career with the Pennsylvania School Bus Association in the 1980s.

She led the Building Industry

Association of Lancaster County (Pa.), the Pennsylvania Society of Professional Engineers and, for the past eight years, has managed a number of smaller nonprofit trade groups through her business, Farrell Associates LLC.

She earned her CAE designation from the American Society of Association Executives in 1990, and has gained extensive experience in association membership growth and relations, government affairs, meeting and event management, communications, and board relations.

The directors of the Pennsylvania Bus Association have asked

Farrell to take a fresh look at every aspect of the organization and to determine how member needs could be better served. A membership survey is being taken.

Farrell resides in Mechanicsburg, Pa., a suburb of Harrisburg.

The Pennsylvania Bus Association, which has been around since 1923, has more than 50 private bus operator members. More information is at www.pabus.com.



Elaine Farrell

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THE DOCKET

Transportation worker ID to be unveiled late in '06

ARLINGTON, Va. — The Department of Homeland Security plans to introduce a single identification card for transportation workers later this year.

Elaine Dezenski, acting assistant secretary for border and transportation security policy, told a transportation conference here last month that the agency was “moving forward very, very aggressively” on its Transportation Worker Identity Card, or TWIC.

Dezenski said the agency plans to publish a proposed rule “this spring” and hopes to have a final rule out “by the end of this fiscal year.”

The TWIC card, which all commercial bus and truck drivers would be required to hold, would be modeled after the agency’s program for checking the backgrounds of drivers who haul hazardous materials.

The goal is to develop a TWIC card that is consistent with the program adopted for drivers who haul hazardous materials, and avoid reinventing the wheel every time the government has another credentialing initiative.

In January 2005, the Transportation Security Administration began collecting the fingerprints of drivers seeking hazmat endorsements on

their commercial driver’s licenses.

According to Dezenski, the TWIC program also would resemble the agency’s Trusted Traveler program and the Western Hemisphere Travel Initiative, which will require everyone coming into the United States — from Canada or Mexico, including U.S. citizens, to have a passport or some other form of secure identification. (See Feb. issue of *Bus & Motorcoach News*.)

“If we’re collecting your biometrics, if we’re collecting your biographical information, we should do it just once and we should be able to store it safely, number one, but then to be able to obtain that data again if you come back and apply for (another credential),” said Dezenski.

Yet to be determined for the transportation worker card are such issues as final standards, the nature of the enrollment process, and how to assure the privacy of data collected.

Dezenski will not be with the Department of Homeland Security when it publishes the TWIC rules because she left the agency last month, joining a long list of appointees who have quit the department. Dezenski had been with the DHS since it was created three and a half years ago.

Database advocated to track driver drug, alcohol violators

CAMP HILL, Pa. — The Pennsylvania Motor Truck Association wants the state to create a database of all commercial vehicle drivers, including bus drivers, who have tested positive for drugs and/or alcohol.

The database would help Pennsylvania truck and bus operators weed out problem drivers, says the association.

Driver traffic violations and criminal convictions can be found in public records, but motorcoach operators and truckers often have no way of tracking drivers who’ve tested positive for drugs or alcohol at previous jobs.

While most commercial vehicle drivers have clean histories, it can be hard for companies to keep track of the ones who consistently have bad records.

Don Siekerman, safety director

of the Pennsylvania Motor Truck Association, told *Bus & Motorcoach News* that the database, which would possibly be connected to a driver’s CDL record, would be for all commercial vehicle drivers who are required by state or federal regulations to be tested for drugs and alcohol.

The database would be compiled from employer records. It also could include information such as whether a driver has his or her latest required medical certification, Siekerman said.

Some states — including Washington, Oregon, North Carolina and Texas — have databases of positive drug tests by commercial drivers. Others, including Virginia, have considered the idea.

Safety experts think the idea and the issue are likely to grow in importance.

NTSB issues new plea for crash system

WASHINGTON — The National Transportation Safety Board has renewed its call for mandatory crash-avoidance systems on commercial vehicles.

The federal government’s transportation accident investigative arm made the new appeal after concluding that the principal cause of an accident that killed eight people in Illinois was the tractor-trailer driver’s failure to slow as his truck approached vehicles waiting at a toll plaza.

A contributing cause was the intermittent traffic backup created by vehicles stopping for the toll plaza.

The investigation — the results of which were released last month — determined that the truck driver did not notice that traffic was slowing ahead of him, and that a collision warning system might have prevented the disaster.

The NTSB, therefore, reiterated a recommendation it issued five years ago, calling for the National Highway Traffic Safety Administration to create standards for collision warning systems and to require their installation on all new commercial vehicles.

“It’s terrible to see an accident like this when we have the technology to prevent it,” said NTSB Acting Chairman Mark Rosenker. “It’s time to put those technologies to work — saving lives.”

Many in the ground transportation industry oppose mandating the gear, which can cost in excess of \$3,000. Opponents contend the equipment tends “to promote overconfidence in drivers.”

NTSB also recommended guidelines on toll plaza design that emphasizes electronic toll collection to reduce queuing.

I-85 speed going up

RICHMOND, Va. — Gov. Tim Kaine has signed a bill that increases the speed limit for all vehicles to 70 mph, from 65 mph, on Interstate 85 from Petersburg, Va., south to the North Carolina line, a distance of about 70 miles.

The law takes effect July 1, after a traffic engineering study.

The state House rejected an amendment that would have increased the speed limit only for four-wheel vehicles.

FMCSA wants operators to provide busload of info before compliance review

WASHINGTON — The Federal Motor Carrier Safety Administration wants to add a new twist to its system for conducting compliance reviews and safety audits by requiring operators to supply the agency with a busload of information before the inspectors show up.

Last month, the agency published a notice in the Federal Register seeking comments on its idea of adopting a set of forms that operators would fill out and return “to assist safety investigators to become familiar with the motor carrier’s operation prior to visiting the carrier’s place of business.”

The FMCSA estimates it will take an operator 40 to 60 minutes to complete the main form and somewhat less to complete appendices.

Operators can judge for themselves whether the agency time estimate is in the ballpark. Here’s what operators are being asked to provide and how the new system will work.

(Editorial comment: If you’re an operator, it might be smart business to use this article as a checklist to make sure your records are organized so you can supply any or all of the following information faster than the inspector can ask for it.)

First, operators will receive a “Letter of Confirmation” from the safety investigator to confirm an appointment once a compliance review has been scheduled. The letter will tell the operator the investigator will need access to all company records, including but not limited to, the following:

- A list of drivers used in the past 365 days, including date of hire, date of termination, commercial driver license state and license number, and date of birth;
- Driver qualification files and controlled substance testing records results and summaries for the past 365 days;
- Driver payroll records;
- Driver records of duty status (logs, time records, etc.) for the past six months;
- Driver trip reports, expense records, scale tickets, fuel receipts, toll receipts, bills of lading or any

other pickup or delivery document for the past six months;

- Motor vehicle accident reports and accident register for the past 12 months;

- A list of motor vehicle equipment (company unit number, license number, state, year, make and gross vehicle weight rating [GVWR]);

- Lease agreements, if applicable;

- Vehicle maintenance records for all vehicles owned or leased;

- Driver vehicle inspection reports for the last 90 days;

- All roadside inspections for the past 365 days;

- Company gross revenue for the last calendar or fiscal year, as applicable;

- Total fleet mileage for the last year;

- A copy of the motor carrier’s MCS-90 or MCS-90B endorsement for its current policy; and insurance claim information for the past 365 days (Loss Run Report).

A new form, *MCSA-5540, Carrier Information*, is what the FMCSA wants carriers to complete before the inspector shows up. Here’s what the form asks for:

- The legal company name and contact information (including telephone and fax numbers and e-mail addresses);

- Information regarding the operator’s type of business. For example, whether the business is a sole proprietorship, partnership, LLC (limited liability company) or corporation;

- The operator’s gross revenue for the last complete fiscal year;

- The fleet mileage for the preceding 12 months;

- The operator’s employee identification number, social security numbers, federal tax ID number;

- The carrier’s insurance information, including name of insurance company, agent or contact information, insurance company telephone number, coverage or policy number, and whether the carrier has an additional umbrella policy;

- Any reports of accidents in the proceeding 365 days;

Possibility of tolls on I-81 stirs up big opposition

RICHMOND, Va. — A grassroots effort has been mounted to beat down any attempt to adopt tolling on busy Interstate 81 that runs the length of western Virginia.

Truckers and others are up in arms over one outlandish proposal that would impose a 37-cents-per-mile toll for 18-wheelers on the 325-mile stretch of interstate. Such a toll rate would produce a fee of just over \$120. Little wonder the truckers have gone berserk.

Virginia has been studying making upgrades to the congested highway for nearly five years, and has considered all sorts of alternatives for reducing traffic. It has even looked at subsidizing freight rail to get trucks off the highway and at trucks-only lanes to separate cars and tractor-trailer rigs.

While the truckers think a public subsidy for rail is a rotten idea, they are particularly exercised over the idea of tolls.

While saying the trucking industry supports I-81 improvements and "is willing to pay its fair share," the truckers also say that tolling "is not an acceptable source of financing."

The truckers note that after truck tolls on the Ohio Turnpike increased to 17.6 cents per mile,

there was a massive shift of traffic to alternative routes, including to less-safe secondary roads.

They warn that the 37-cents-per-mile toll being contemplated for I-81 would cause similar shifts, and they assert that the Virginia Department of Transportation conclusion that any diversion of traffic would be insignificant "demonstrates a fundamental lack of understanding of the trucking industry."

A top official of V-DOT confirmed to *Bus & Motorcoach News* late last month that no decision has been made regarding adding tolls to the highway, but he acknowledged that Virginia has applied to the federal government to be part of a pilot program that would allow tolling on selected interstates.

Meanwhile, the American Trucking Associations and the Virginia Trucking Association have mounted an aggressive campaign to generate opposition to any I-81 tolls. The associations say the tolls would have a negative impact on the ground transportation industry, as well as businesses and the economy along the I-81 corridor.

"Robust ... participation in this campaign is critical to the success of our efforts to stop tolls on I-81 and to prevent a precedent from

being set that could create a wave of interest in tolling throughout the country," the ATA said in a statement.

Before construction can begin on I-81, the National Environmental Policy Act requires V-DOT

to conduct a Draft Environmental Impact Study to determine what, if any, improvements should be made to the interstate. That is happening now.

The process includes public hearings, plus interested parties

can submit comments to V-DOT in writing or by e-mail. A half-dozen public hearings took place in communities along the I-81 corridor last month.

For more information, go to www.I-81.org.

Street work slows traffic along Washington Mall

WASHINGTON — Construction on major streets on both sides of the Washington Mall could cause headaches for operators sending coaches to the nation's capital this summer.

Construction on Independence Avenue between 14th and 17th streets, which is directly south of the Washington Monument, resumed last month.

The work is requiring lane closures in both directions. During rush hours, lane closures will be limited to the left lane only and during non-rush hours up to two lanes may be closed.

The project, which includes re-

paving and storm drain reconstruction, will be completed in the fall.

Meanwhile, construction continues on Constitution Avenue near The Ellipse, between 15th and 17th streets. That project, which involves closing the westbound curb lane, is part of a National Park Service plan to renovate The Ellipse area, including replacing sidewalks, curbing, street lights, benches and other features.

The project is the first rehabilitation of The Ellipse since the late 1940s and is expected to be completed by mid-July.

For additional information, call (202) 619-7400 or (202) 485-9877.

Transits seek charter firms

The following public transit providers have informed the United Motorcoach Association of their intent to provide charter bus service unless willing and able private operators step forward to offer service. UMA urges appropriate operators to take the time to respond to these notices:

Harrisonburg, Va., and surrounding area. Deadline: May 22,

2006. Write to: Vickie Conley, City of Harrisonburg Department of Public Transportation, 475 E. Washington St., Harrisonburg, VA 22802. Phone: (540) 432-0492.

Keene/Charlestown/Peterborough, N.H. Deadline: May 24, 2006. Write to: Harry Costick, Transportation Manager, P.O. Box 564, Keene, NH 03431. Phone: (603) 352-2253.

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FMCSA to renew reporting program for large operators

WASHINGTON — The Federal Motor Carrier Safety Administration has decided to renew a program that required the nation's largest motorcoach companies to report a bunch of financial and operational information to the feds each quarter and annually.

A year ago, the reporting program was quietly dropped without explanation by the FMCSA (see May 1, 2005 issue of *Bus & Motorcoach News*). Now, the agency wants to crank it back up.

Since the program was created nearly 25 years ago, it has covered all over-the-road bus operators with \$5 million or more in gross annual revenue from passenger carrying operations.

The FMCSA estimates there are 26 companies in the U.S. that

will be subject to the renewed reporting requirement. Such operators are categorized by the feds as "Class I Motor Carriers of Passengers," and the documents they will be required to complete and submit are known as *Form MP-1, Annual and Quarterly Reports*.

In late summer 2004, administration of the program was shifted from the Bureau of Transportation Statistics to the FMCSA (see 9/15/2004 *Bus & Motorcoach News*). Then, about nine months later, it was shelved.

In opting to ramp the program back up, the FMCSA is asking the public and industry to submit comments on any and all program aspects, including whether the:

- Information is necessary for the "FMCSA's performance."

- Agency has accurately estimated the burden the reporting puts on the big companies. (The FMCSA figures it takes roughly an hour and a half for someone to assemble the information each quarter and send it off to Washington.)

- FMCSA can improve the quality, usefulness and clarity of the collected information.

- Reporting burden could be minimized without reducing the quality of the information.

The comments the agency receives will be included in a package of documents the FMCSA submits to the White House Office of Management and Budget, which must give its blessing to the plan for reviving the program.

The FMCSA says it needs the information from the large opera-

tors to assess the health of the private bus industry and identify industry changes that may affect national transportation policy. Plus, it says it uses the information to evaluate the financial stability and traffic patterns of the companies.

The government's administration of the program has been widely criticized in the past. Most of the operators that were supposed to submit reports didn't, and when the information that was supplied was published it was invariably at least three years old. For a transportation sector as cyclical as the bus industry, such a lag in publishing the information, combined with the huge gaps in reported data, most certainly diminished its usefulness.

The feds also failed to penalize any operators that didn't send in

their MP-1 forms.

There's a deadline of June 9, to submit comments on the plan to revive the program. All comments should reference Docket No. FMCSA-2006-24624.

Comments may be mailed or hand delivered to the U.S. Department of Transportation, Dockets Management Facility, Room PL-401, 400 Seventh Street, SW, Washington, DC 20590. Comments also can be faxed to (202) 493-2251, or submitted electronically at <http://dms.dot.gov>.

For more information, contact (Ms.) Toni Proctor, Federal Motor Carrier Safety Administration Office of Research and Analysis, Washington, DC 20590. Phone: (202) 366-2998 or e-mail Toni.Proctor@fmcsa.dot.gov.

FMCSA

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- A description of the type of cargo transported and whether the carrier is a for-hire property carrier, a for-hire passenger carrier, private property carrier or private passenger carrier;

- The number of vehicles in the operator's fleet, including, if applicable, the number of school buses, motorcoaches, and num-

ber of 9-15 passenger vehicles;

- The number of vehicles in the fleet that are owned, leased or trip leased;

- The number of interstate or intrastate drivers that operate commercial motor vehicles within a 100 air-mile radius or beyond a 100 air-mile radius;

- The number of non-CDL drivers operating commercial motor vehicles within a 150 air-mile radius;

- If applicable, the number of trip leased

and CDL drivers it employs per monthly;

- A description of the motor carrier's controlled substances and alcohol testing program for CDL drivers, including the name of any consortium in which it participates and relevant contact persons, addresses and telephone numbers;

- A list of all drivers enrolled in the company's random alcohol and controlled substance testing program and a semi-annual aggregate statistical summary of the motor carrier's alcohol and controlled substance testing results;

- The name of the person(s) who hires drivers, oversees driver qualifications, monitors drivers hours-of-service, maintains trip related expense receipts, completes payroll, dispatches, oversees controlled substances testing, is responsible for the motor carrier's vehicle maintenance program, is responsible for maintenance records and is responsible for the motor carrier's accident records.

Additionally, motorcoach operators will have to complete a form that requires them to identify whether they operate vehicles designed to transport: (1) Eight passengers or less (including driver); (2) nine-to-15 passengers (including the driver, or (3) 16-or-more passengers (including the driver). The operator also will be asked whether it operates in interstate commerce.

This same process and system will be used for new operators, the so-called new entrants, that must undergo a safety review

during the first 18 months of operation.

The FMCSA is calling its planned new forms *Carrier Contact Information Sheets*.

Before the FMCSA can adopt the new process and *Carrier Contact Information Sheets*, it must receive approval from the White House Office of Management and Budget. Any new paperwork burden imposed by federal regulators has to be first run up the flag pole at the Office of Management and Budget.

Part of that political and bureaucratic process is getting public comments on the idea that will be submitted to the OMB. Here's how to submit comments on the proposal and the *Carrier Contact Information Sheets*.

Write or deliver comments to the U.S. Department of Transportation, Dockets Management Facility, Room PL-401, 400 Seventh Street, SW, Washington, DC 20590. Or, comments can be faxed to (202) 493-2251, or submitted electronically at <http://dms.dot.gov>.

All comments should reference Docket No. FMCSA-2006-23781 and must be submitted on or before June 12.

For more information, contact Arturo H. Ramirez, Division Chief, Enforcement and Compliance Division, Federal Motor Carrier Safety Administration, 400 7th Street SW., Suite 8214, Washington, DC 20590. Office hours 7 a.m. to 4:30 p.m. eastern time. Phone: (202) 366-3181.

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Operation Airbrake set for May

WASHINGTON — The first of two nationwide over-the-road bus and truck safety inspection programs will take place this month.

The first is the Commercial Vehicle Safety Alliance's annual Operation Airbrake program that will be conducted at locations throughout the United States and Canada on an "unannounced" day this month.

The "surprise" inspection is aimed at reducing brake-related crashes by encouraging drivers and motor carriers to increase their knowledge of brake inspection and maintenance, as well as their compliance with safety regulations and commercial

vehicle brake performance.

CVSA-certified inspectors will conduct inspections of over-the-road buses and trucks during a 12-hour period on an unannounced day this month. The unannounced date aspect is the "surprise" element of the program.

Next month, CVSA will conduct Roadcheck 2006 in Canada, the U.S. and Mexico. This year's Roadcheck will be during a 72-hour period June 6-8.

For more information, contact Steve Keppler at the CVSA by e-mail at stevk@cvsa.org, or 202-775-1623 Ext. 103.

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RSVP: marketing@mcicoach.com

Des Plaines, Ill., Thursday, June 8
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Vancouver, B.C., Canada, Thursday, June 15
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Calgary, Alberta, Canada, Friday, June 23
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For directions to the locations and prize rules and regulations, please visit www.mcicoach.com



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Debate over Indiana toll-road lease moves to court

INDIANAPOLIS — One of the most significant, as well as intriguing, sagas in the growing national debate over finding ways to finance future highway construction is being played out here in Indiana.

Led by the governor, the state is trying to lease its most important highway — the Indiana Toll Road — to a consortium of foreign investors.

The Spanish-Australian group plans to pay the state \$3.85 billion for the right to operate the road for the next 75 years.

The state intends to use the money to help finance a \$10.6 billion highway improvement program — called Major Moves — being pushed by Gov. Mitch Daniels.

The program proposes a slew of highway projects across the state, including building Interstate 69 between Evansville and Indianapolis. It also will provide \$150 million over two years to all 92 counties for roads and bridges.

Since the first of the year, the toll-road lease proposal has been political issue No. 1 in Indiana.

Despite the controversy, it won approval in the Indiana legislature and, in March, Gov. Daniels signed legislation into law allowing the deal.

Predictably, lawsuits were filed last month to block the plan. A citizens' coalition and a group of private citizens filed separate suits seeking to have the highway lease law declared unconstitutional.

The Citizens Action Coalition of Indiana and the seven individuals who sued also want a permanent injunction to block the deal.

The plaintiffs argue that the funding arrangement violates Indiana law, which stipulates that proceeds from the sale of public utilities must be used to repay public debt. The Daniels' administra-

tion contends the deal is not a sale but a lease.

"It's sad for all of us that one group of Hoosiers would file a lawsuit that would try to deprive their neighbors of job opportunities and the economic development opportunities that Major Moves will provide," said Jane Jankowski, spokeswoman for the governor.

In a dig at the governor, the plaintiffs put up a Web site, called www.majormoves.org. Its homepage headline reads: "Moving Indiana Jobs and Money to a Foreign Land."

If the deal withstands the court challenge, it will be the largest privatization of a highway project in U.S. history.

At times while the proposal was being debated by the legislature, Gov. Daniels seemed positively giddy over the idea, saying the bid by the consortium represented an unprecedented windfall for the state that would pay for virtually all of Indiana's road construction for the coming decade.

The proposal — from Cintra of Madrid and Macquarie Infrastructure Group of Sydney — was the best and highest of four bids the state received in response to a request for proposals to lease the 157-mile roadway.

What turned Daniels dizzy was the size of the consortium's proposal.

The state said it expected a bid of close to \$2 billion. The governor characterized the nearly \$4 billion bid as an "unprecedented and probably unrepeatable opportunity."

"Today marks an extraordinary moment in state history," Daniels gushed at a news conference. "A breakthrough like this may come but once in a public-service lifetime."

The lease would, for the first time, put the operation and maintenance of a major public Indiana road in the hands of private

investors. The state would retain a measure of control: The agreement caps toll increases from year to year and sets guidelines to assure the road is properly maintained.

Still, the deal would give the Cintra-Macquarie consortium jurisdiction over both the toll road across northern Indiana, as well as the 7.8-mile Chicago Skyway.

The consortium, which calls itself Statewide Mobility Partners, forged a \$1.8 billion lease with Chicago officials for the Skyway in 2004. (See Nov. 1, 2004 *Bus & Motorcoach News*.) The Skyway and Indiana Toll Road hook up in the northwest corner of Indiana.

Statewide Mobility's bid represents the largest infusion ever of

As originally written, the proposal lays out specific toll increases through 2010. Rates for:

- Three-axle motorcoaches will climb this year to \$9.25, from the current \$7.80. Next year, they will increase to \$10, \$10.75 in 2008 and \$11.75 in 2009.

- Five axle-trucks go to \$18 this year and top out at \$32 in 2009.

- Two-axle cars and trucks that go the toll road's entire 157-mile stretch are scheduled to rise to \$8 this year from \$4.65. Tolls would stay at \$8 until 2010.

However, a late addition to the plan could freeze some toll rates until electronic tolling is put in place.

In the lease law, long-term toll rates are pegged to vague inflationary indexes, such as the "per-capita nominal gross domestic product," making it difficult to determine toll rates in later years.

Critics of the proposal say the deal could "tie the hands of the state."

For instance, the proposal includes a "noncompete" provision that prohibits the state, along at least one stretch, from upgrading roads that parallel the toll road. The provision is meant to make the toll road a more attractive option for motorists.

Others have questioned whether the state got the best deal possible. Some have wondered why the Chicago Skyway was able to get almost \$2 billion for its seven miles, while Indiana is only getting double that for a highway that's more than 20 times longer.

The Indiana Toll Road collects about \$95 million annually from tolls and concessions. But because of rising operating and maintenance costs, the road has lost more than \$8 million each year since 2003, state figures show.

How much the Cintra-Macquarie consortium might make in

the deal is not clear. It would collect toll and concession money over the 75-year lease, and the consortium would have certain tax advantages.

Executives from Cintra and Macquarie say they intend to encourage drivers to use the road — by making upgrades and keeping tolls reasonable.

For example, the consortium is expected to spend more than \$200 million in upgrades in the next three years. That includes installing electronic pay-at-full-speed tolling.

Jose Maria Lopez de Fuentes, director of Cintra's U.S. operations, told the *Indianapolis Star* that toll roads are "very patient investments."

"Sometimes, you go years and decades without reaping a profit or a return," he told the newspaper. "But this is the business we are dedicated to. We're betting on the economics."

Cintra and Macquarie operate and maintain numerous roads around the world.

And while their road-investment strategy is relatively new in the United States, it has gained traction here as cash-strapped states have sought money for road construction.

In addition to the Skyway, Cintra and/or Macquarie have a hand in operating the Detroit-Windsor Tunnel, the Dulles Greenway near Washington, D.C., and the yet-to-be-built Trans-Texas Corridor.

Indiana officials note that the toll-road agreement, which runs about 200 pages, lays out binding guidelines on how the private consortium should operate and maintain the route: from pavement quality and police patrols, to landscaping standards.

Daniels said the toll road will be "better maintained, better patrolled, with better technology, than the state could ever provide."

Tolls for three-axle motorcoaches will climb this year to \$9.25, and \$10 next year.

private capital to Indiana's budget. The proposal is nearly double what Daniels set as a minimum benchmark for moving forward with a deal.

The state, which would get the payment upfront, would use the money for toll-road improvements, grants to communities near the route, and other road projects statewide.

Because such leasing deals are relatively new in the U.S., experts say it's too soon to gauge the full impact of the arrangement on the toll road and the state.

How to contact us:

To submit or report news, Letters to the Editor, articles, news releases:

E-mail: bsankey@busandmotorcoachnews.com

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Mail: 4930 W. Glendale Ave., Suite 6
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Grab 'em with graphics

Few marketing tools can improve or enhance a motorcoach company's image faster than new or updated fleet graphics. Here, and on page one, are examples of the latest trends that bold operators have adopted to strengthen their brand. Working with graphic designers, they have adopted innovative approaches that set them apart in a competitive marketplace.



Travel Kuz of Gill, Mass., contracted with Turbo Images to develop a very classy, yet high-tech, livery for its new C2045 Van Hool. The film is the latest high-reflective material that glistens at night.



For more than a decade, Gold Coast Tours of Brea, Calif., has set the standard for bold graphics. Its distinctive red-and-gold coaches have made it the most-recognizable tour operator in Southern California. It continues to refine its look as it has on this new MCI J4500.



There are few motorcoach companies older than Cyr Bus Lines of Old Town, Maine, which is in its fourth-generation of family ownership, and fewer still that out do it in terms of splashy graphics for its coaches. Current patriarch Joe Cyr had a company timeline-graphic created for this Setra S 417.



Autocar Excellence, a tour-and-charter operator based in the Quebec City area, promotes tourism in the markets it serves with bold bus wraps. This Prevost H3-45 depicts the stunning landscapes of New Brunswick.



Trans-Bridge Lines of Bethlehem, Pa., has had positive reaction from customers who ride this new MCI D4505 — and its twin — on commuter runs into New York City. The company has three coaches featuring the U.S. flag decal livery.

MCI opens maintenance center in Atlantic City on May 1

ATLANTIC CITY, N.J. — On May 1, Motor Coach Industries will increase to nine the number of service centers it operates, with the opening of a coach maintenance facility in the Atlantic City Transportation Center.

The Atlantic City location was formerly operated by Greyhound Lines for its coaches, and is the second center opened by MCI in

the past six months. It launched a new location near Nashville in November.

Having a maintenance shop on the same property as the Atlantic City Transportation Center will be convenient to thousands of coaches that use the facility monthly. Opened just over 20 years ago, the center is the parking hub, fueling station and bus wash facility for

coaches making casino runs to Atlantic City.

Improvements MCI has made to the 8,000-square-foot service center include additional space for parts and the opening of a parts will-call window.

MCI will provide routine maintenance and repair services for all makes and models of coaches; parts sales, and warranty

work for MCI models. Initially, the center will be open from 10 a.m. to 7 p.m. Monday-Friday, but will eventually be open seven days a week.

"In the past, we've had operators in Atlantic City who have traveled all the way to Blackwood. This will give them a more convenient option," said Jerry Cignarella, vice president of MCI Fleet

Support service centers. Blackwood is roughly 50 miles and an hour's drive from Atlantic City.

"We welcome the opportunity to serve all operators visiting Atlantic City," added Tom Sorrells, MCI president and CEO.

Dan Heath, general manager of MCI's Blackwood service center, will also manage the new center.

20 Group

CONTINUED FROM PAGE 1

Starline Luxury Coach in Seattle and chair of the group. "They came prepared and were not afraid to share their opinions or reach consensus."

And, she said, they followed through with their homework as well, noting that all of the members have already sent in their

newest reports. "You know sometimes people can make meetings and then not deliver after that," she said. "This group certainly did follow through and I think you can expect to see good things from us down the road."

Developed by Spader for the International Motor Coach Group, the program involves noncompeting coach operators getting together several times a year to review

each other's financial reports, develop benchmarks for performance, and discuss all aspects of their businesses. IMG members involved in the program say it has helped them improve their businesses immensely.

The UMA-sponsored group, which met in Sioux Falls for three days, put together 50-page reports on their companies that were used as the basis for opening discus-

sions and will be used at future meetings. The way the data is set up, members not only can carefully analyze their own businesses, but compare their numbers and business decisions to others.

"We can do overviews or be specific and pick out certain topics and zero in on them," said Spader.

Future meetings will be held in Seattle in June, Phoenix in November, Bristow, Va., in Febru-

ary and Cleveland in June 2007.

Meanwhile, UMA is working with Spader to modify the 20 Group concept so it can be adapted to and used by much smaller operators.

Initially dubbed 20 Group Lite, the program is likely to consider virtual meetings or Web-based meetings, eliminating the travel costs that conventional 20 Group meetings require.

Coach USA reduces scope in New York

CLINTON, N.Y. — For the second time in seven months, Coach USA has announced a downsizing of its operation in New York state.

The nation's largest motorcoach operator said it would layoff 100 employees by June 30, including about 35 in Clinton.

Company spokesman Lee Schissler said the layoffs are the result of a decision to cease charter

bus service in the Utica, Rochester, Syracuse and Elmira, N.Y. markets.

Most of those markets had been served by the old Utica-Rome Bus Company in Clinton and Syracuse & Oswego Coach Lines of East Syracuse, both of which Coach USA acquired in 1998.

Last October, Coach USA closed its operation in North Tonawanda, N.Y., a suburb of Buffalo.

That shutdown, which eliminated 120 jobs, came a few months after Coach USA lost a contract to provide shuttle services on the University of Buffalo campus.

Coach USA's domestic strategy is to focus on businesses with predictable revenue streams, including commuter and contract services. Except for a handful of notable exceptions, it largely shuns charter operations.



DaimlerChrysler bus units revamp, update Web sites

GREENSBORO, N.C. — The Web sites of Setra of North America and Orion Bus have been given complete makeovers as part of an updating of the Web home of their parent organization, DaimlerChrysler Commercial Buses North America.

"Since launching our Web sites in 2002, we have noticed an increase in Web traffic year-over-year," said Patrick Scully, chief commercial officer of DaimlerChrysler's North American bus unit. "Our customer base is becoming more and more Web-savvy, and they demand that our sites provide the resources and information

about our company."

The updated Setra and Orion Web sites communicate the latest product information about those brands, while the revamped DaimlerChrysler Commercial Buses Web site contains information about the Dodge Sprinter shuttle bus, plus Setra and Orion.

A user-friendly layout of the Setra site gives visitors easy-to-find information and provides resources such as search functions for pre-owned motorcoaches.

The addresses for the three Web sites are: www.dcbusna.com; www.setra-coaches.com, and www.orionbus.com.

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Insurance

CONTINUED FROM PAGE 1

public liability insurance on any coach with a seating capacity of 16 passengers or more.

Using bogus addresses

In another twist, one long-time coach company owner told *Bus & Motorcoach News* he knew of at least a half-dozen operators in northern New Jersey that have made a deal with an insurance broker in Massachusetts to buy their insurance in Massachusetts and list the broker's office address as their headquarters so they can register their coaches in Massachusetts.

The rogue operators save on both insurance premiums and registration fees because liability coverage and license plates are substantially cheaper in Massachusetts than in New Jersey.

"For \$19,000, some operators will make a pact with the devil," said one insurance man of such arrangements.

A Middle Atlantic insurance executive said he is seeing operators from the northeast "relocate" to his region — "at least on paper" — because of high insurance premiums in New York and New Jersey. "They've gotten a local address or moved their business in with a cousin," but they're still operating out of the Northeast, he said.

Insurance companies may be catching on to the fraud, however, by looking at International Fuel Tax Agreement reports and noticing that most of the highway miles racked up by the outlaws are in states other than where they claim to be domiciled. Another tip off: the operator will use a cell phone with a New York or New Jersey area code.

"That sort of thing scares the crap of out me," said the agent.

Forget regulators

The veteran operator said he attempted to call attention to the

apparent fraud by the New Jersey operators that were using the Massachusetts address by contacting the New Jersey Department of Transportation and the U.S. Department of Transportation. For his trouble, he got a classic government runaround.

He said he was told by New Jersey regulators that it was a federal issue, while a USDOT official told him "this is more or less a state affair." Then, he said, the federal official left him speechless by saying: "Until something really, really out of line happens, we can't do anything."

One leading insurance agency executive said he could have told the operator he was wasting his time calling state and federal regulators about the gypsies using a Massachusetts address.

"Turning them in to the USDOT is a waste of time. Turning them in to the FMCSA is a waste of time. And turning them in to state and local (officials) is a waste of time," said the insurance man.

The place to report them, he asserted, is to the company that issues the insurance policy for the operators. Insurance companies are eager to know when their insureds are committing fraud, he said.

The FMCSA maintains a publicly accessible database of motorcoach operators that identifies every operator and the name of the insurance company that writes the operator its \$5 million liability policy. (See related story on this page.)

Working the system

Another seemingly common fraud described by one insurance executive is gypsy operators who walk into an insurance office, sign up for liability coverage for a year or two, pay the first month's premium, and then cancel and get a refund for the unused premium.

The operators have an insurance certificate and ID card that has an expiration date of one or

two years down the road, and that's what they show to highway patrol officers, other safety inspectors, and customers who ask for proof of insurance. When the operator receives a routine inspection, "the cops don't know the insurance was cancelled," explained the insurance executive.

One slimy operator that attempted such a scheme was thwarted by its insurance agent when the insurance executive required the operator to pay one year's premium upfront, using a cashier's check. The agent also inserted a provision in the policy saying there would be no refund if the policy was cancelled during the first year.

"I at least kept the guy honest for a year," said the agent.

Gypsy companies that buy insurance, get certificates and ID cards, and then cancel their policy but continue operating present another significant problem for the insurers, said an agency executive.

When such operators crash a coach and their driver produces the proof of insurance, the insurance company typically will have to spend months and thousands of dollars having to prove to a court that the operator was not insured.

From the grave

That agent caught another slippery operator that was altering insurance documents by extending the dates on certificates of insurance and submitting them to local school districts. He said he discovered the ruse when he noticed one of the operator's buses at his child's school, picking up children for a field trip.

Knowing the operator no longer had valid insurance through his agency, he went to the school office and requested to see the operator's proof of insurance. The school produced a copy of the operator's certificate of insurance and it looked legitimate. The only problem: The supposed six-month-old certificate was signed

OPINION

A misplaced honor?

Note to U.S. Department of Transportation Secretary Norman Mineta: Pardon us if we don't join in the celebrating.

Late last month, Mineta recognized Landstar System Inc. of Jacksonville, Fla., "for its service to residents along the U.S. Gulf Coast in the aftermath of Hurricanes Katrina and Rita."

Here's what Mineta said while presenting a plaque to Landstar President and CEO Henry Gerken: "The partnership between Landstar and the Department of Transportation provided vital support to the Department of Homeland Security that positively impacted thousands of lives."

"Through their professionalism, dedication and perseverance, the men and women of Landstar reflect great credit upon themselves and the United States of America."

In case the name Landstar Systems doesn't ring a bell, it's the trucking logistics outfit that was in charge of evacuating residents of New Orleans in the wake of Hurricane Katrina.

It was Landstar that didn't know the difference between a motorcoach and a Winnebago, and went out and hired a limousine service to round up buses for what turned out to be the New Orleans evacuation fiasco.

by someone in the agent's office who had died two years earlier.

The agent urges legitimate operators to encourage schools and others they do business with to demand that certificates of insurance be submitted directly by each operator's insurance agent, not by the operator or by the operator's driver.

He said it is too easy for gypsy operators to submit altered or forged certificates.

Another agent said his firm has added internal computer safe-

The federal government paid Landstar more than \$1,500 a day for each of the hundreds of buses its subcontractors rounded up for the evacuation. Of course, the operators that took the huge risk of sending drivers and buses into the maelstrom received only \$700 a day — if they were lucky.

It comes as little wonder that Landstar continues to report record profits and revenue. Late last month, it said its earnings were 45 percent higher for the first quarter of this year and revenue 22 percent higher.

Must have been more of that "professionalism, dedication and perseverance" by Landstar employees that produced those results.

Couldn't possibly have resulted from the private bus operators that took it in the shorts — thanks to the "professionalism, dedication and perseverance" of Landstar employees.

In a statement, Gerken said Landstar was honored to be recognized by Secretary Mineta and, of course, proud to have been of service to the country. Then he said: "The government knows it can count on us to be there in times of need."

He might have added: "If there's a bus company we can gouge, we'll be first in line."

guards for date stamping insurance certificates to guard against sneaky operators.

There are potentially plenty of losers when operators commit insurance or registration fraud — passengers, other motorists, insurance companies, state governments and, of course, legitimate operators that must try to compete with the outlaws.

"I don't mind fair competition," said one operator. "But the playing field is getting more unlevel."

Finding insurance information about specific coach operators

To find insurance information about U.S. Department of Transportation-registered motorcoach companies, go to the Passenger Carrier Safety page of the Federal Motor Carrier Safety Administration Web site.

However, getting to Passenger Carrier Safety information page takes some diligence. Here's the process, step by step.

Go to www.fmcsa.dot.gov, which is the FMCSA home page.

Under the heading "Safety & Security," click on "Safety Data Analysis." From this page, click on the large box in the center labeled "a&i."

When the "Welcome to A&I Online" page displays, click on the "Passenger Carrier Safety" box in the Main Menu.

That takes you to the Passenger Carrier Safety page. Go down to No. 2: "Find interstate carriers in your area and evaluate their safety

information." Click on the link: "Click here to start your search."

Use the column on the left side of the page to find the carrier or carriers that interest you.

You can search this database by zip code, state, or carrier name.

Press the "Find Carriers" box, and you will be taken to a results page. Scroll down until you reach the list of company names.

From here you can select the print version to print out a list of

all companies in the area. Or, you can click on an individual company name to view information on that specific company.

At this point, you are at the Carrier Detail page, which gives individual contact and safety information on each company. At the bottom of this page is a box titled "Licensing & Insurance Data."

If you want more specific information than is contained on

this page, click on the "L&I (Licensing & Insurance)" link included in the box.

This takes you to the main FMCSA database. To view the details, click on "HTML" (if you want to view the info online), or click on "Report" if you want to print out a .pdf version of the information. When you click on HTML, you get an online report of the company's authority and insurance availability.

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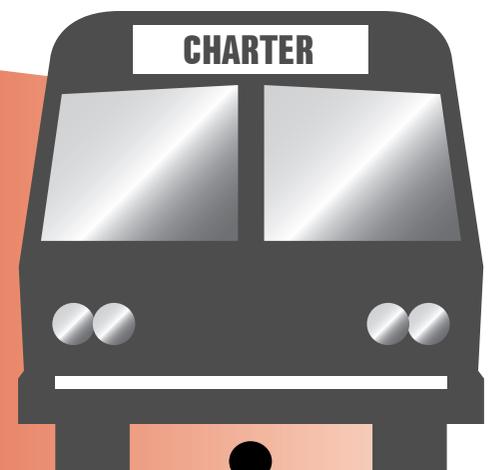
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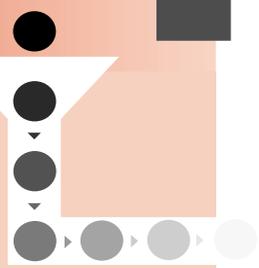
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Charter battle

CONTINUED FROM PAGE 1

able to do the job.

Motorcoach operators complain, however, that many transit agencies routinely ignore the rules and take on charter jobs without giving them a shot at them.

Unfair competition

Coach companies see transit agencies as unfair competition because they receive huge federal subsidies, allowing them to undercut and undercharge private carriers for charter work.

"It's a threat to our industry and it's getting worse and worse," added Parra, who is a member of the negotiated rulemaking panel. "We have to put a stop to it."

Transit officials contend they perform a valuable service to the public — especially for nonprofit organizations and local governments — that private carriers often times do not or will not provide. This "unmet need," they claim, is the key reason they get involved in charter work.

While motorcoach operators have long been eager to take part in formal government proceedings that address the issue, it appears that they are starting the negotiated rulemaking sessions at a disadvantage, according to the Coalition of Private Transportation Associations. The 21-month-old coalition, which is composed of the National School Transportation Association, the American Bus Association, the California Bus Association, UMA and more than a dozen other private passenger ground transportation associations and groups, maintains that the panel the FTA put together is stacked against private operators.

The coalition said that nine of the 18 committee members represent transit, while only seven represent the motorcoach industry, and one of the two members listed as

neutral — the Amalgamated Transit Union — actually represents transit interests, giving the public sector 10 seats. Additionally, it notes that the committee includes two transit agencies from California where many charter rules violations occur, but none from the motorcoach industry.

"Members of the coalition are concerned that private-sector entities constitute a minority of the total members of the Advisory Committee, despite the fact the charter rules at issue are designed to protect their interests," the group wrote in a letter to the FTA. "We do not believe this mix achieves the goal of 'balanced membership' as required by the statute."

The coalition urged the FTA to consider adding two more private-sector representatives, including one from California, who could furnish the panel with what it called the "complexities and nuances" of specific circumstances in that state.

Hurdles everywhere

Meantime, committee members will face a challenging agenda at their meetings, which will be managed by a facilitator hired by the FTA to help them reach consensus.

Key questions they will be asked to decide, according to a notice the FTA published in the Federal Register, include:

Are there potential limited conditions under which public transit agencies can provide community-based charter services directly to local governments and private nonprofit agencies that would not otherwise be served in a cost-effective manner by private operators?

How can the administration and enforcement of charter bus provisions be better communicated to the public, including use of Internet technology?

How can the enforcement of violations of the charter bus regulations be improved?

How can the charter complaint and administrative appeals process be improved?

In addition, they will consider a potential new exception to the rules for emergency services such as evacuations; a new electronic notification and response process to determine if private companies are available to handle a charter job that a transit company is prepared to do; a new exception for transporting government employees, elected officials and members of the transit industry, and clarification of regulatory terms.

Controversies aplenty

Many of the issues are certain to stir controversy, which likely will make the work of the panel even more difficult.

"All of the issues identified in the Federal Register notice are sticking points," suggested FTA spokesman Paul Griffo. "Basically, transit agencies want more flexibility to provide charter service and the private industry wants greater restrictions on transit agencies to prohibit them from providing charter service."

The panel will be armed with the recommendations and comments of nearly two dozen transit and motorcoach representatives who have expressed their opinions in letters written to the FTA as part of the rulemaking process. Their comments have varied widely and touched on each of the issues before the committee.

Several motorcoach operators objected to the use of the words "cost-effective" in the community-based charter services issue. They stressed that it cannot be equated with price because the cost of providing charter service is the about same for both public and private carriers, but the transit agencies often price their service below actual costs. This, they said, goes directly to the issue of unfair gov-

ernment competition.

Others stressed that the transit sector has yet to clearly demonstrate that there are charter needs that are not or cannot be met by the private sector. One indicated that if transit agencies could show there are such needs, then he could back adding more exceptions to the charter rules, but only if they were significantly limited and if the FTA would provide more aggressive enforcement of the rules.

The only real research on the issue is a study conducted by the FTA in the late 1990s and it found no unmet needs.

Exemption sought

Some public representatives are calling for transit agencies that contract out their day-to-day operations to private carriers to be exempt from the charter rules because they already support private charter operations.

Among suggestions for improving enforcement of the charter rules are calls for the FTA to provide copies of all complaints to state and national bus associations, and for federal regulators to have appropriate regional staffing to respond to complaints.

One public transportation agency recommended that warnings be issued for the first violation. For subsequent violations, it said the agency should forfeit the amount of federal money it received to purchase the bus used for the charter service.

Parra said the unmet needs issue, and the lack of enforcement when violations occur, are likely to be the major issues confronting the committee.

He called the unmet-needs argument presented by public transit agencies as bogus and said motorcoach operators have repeatedly asked for evidence, but have yet to see any. "The only evidence we find is their continued viola-

tions of the charter rules," he said. "So we are going to come in with a stack of violations to point out that there is a serious problem and that there really hasn't been much enforcement of the regulations."

A change at FTA?

The rulemaking sessions open at a time when the FTA is showing signs that it might possibly be stepping up its enforcement efforts.

A FTA regional administrator ruled in March that the Akron Metro Regional Transit Authority violated federal charter services regulations at least 475 times over three years and said the transit agency should forfeit \$622,500 in federal money. It was the first time regulators have used new legislation that allows them to withhold federal money for charter violations.

The transit authority is appealing the decision.

Parra said he hopes the FTA action is the start of more enforcement, but he doubts it because the Akron situation was not a typical violation. The case involved a dummy company that was used to provide charter service.

"I'm not sure this is an indication that the FTA is going to start stepping up its enforcement," he said. "I hope it is, but I think because of the uniqueness of the situation it was basically a fraud and it would have been horrendous had they not stepped in."

The meetings of the panel, which will be in Room 6248 of the U.S. Department of Transportation Building, 400 Seventh St. SW, will be open to the public. People wishing to attend should arrive between 9:15 and 9:30 a.m.

The public also may take part by telephone by writing to: David R. Horner, chief counsel, Federal Transit Administration, 400 Seventh St., SW, Room 9316, Washington D.C. 20590.

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Charleston

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that all it did was add buses to its three downtown trolley routes.

Howard Chapman said his agency did not create a charter service because the additional buses were added to existing routes and were open to all passengers, not just those with pre-paid event passes.

"We complied with FTA regulations," Chapman told the newspaper. "It wasn't a charter service."

The Motorcoach Association of South Carolina went to extraordinary lengths to blow Chapman out of the water.

Members of the association came to Charleston, observed the service, tried to board city buses providing the service, talked to CARTA drivers who were operat-

ing buses along the route, and called a special telephone number given to expo attendees.

"Despite four attempts to board buses and pay a fare, the drivers would not accept fares and insisted the buses were for Southeastern Wildlife Exhibition attendees only," the association said in its complaint.

"The (Southeastern Wildlife Exposition) buses did not stop at regular stops (our observers flagged them down in the middle of the road). It was later discovered that CARTA and the (Southeastern Wildlife Exposition) had placed portable signs around town to identify pick-up/drop-off points.

"Our observers experienced great difficulty in finding a 'regular-route' bus," the association noted in its complaint.

"CARTA and the (expo) fur-

nished a special brochure for the three-day event. The brochure offered a telephone number to call for assistance. Our observer called and advised the attendant of the difficulty incurred simply getting on a scheduled bus.

"The attendant was (told) that (the observer was) trying to follow the schedule but every time we boarded a bus the drivers would say we could not ride that bus. The lady asked if the buses said (Southeastern Wildlife Exposition) on them. The observer replied, 'yes.'

"The CARTA attendant stated: 'You can't ride those, they are charter buses.' The observer asked: 'What's a charter bus?' (The attendant) advised it was for 'private parties.' The observer then asked: 'You mean I cannot get on those buses, pay my fare and ride?' The

MAY 2006

4-7 New England Bus Association Annual Meeting, Hyatt Regency, Newport, R.I. Info: Go to www.newenglandbus.org.

JUNE 2006

3-6 Georgia Motorcoach Operators Association Annual Meeting and Marketplace, Pigeon Forge, Tenn. Info: Go to www.gamotorcoachoperators.org.

7 Texas Ground Transportation Council Get-Acquainted Reception & Meeting, Austin. Info: Doug Beach at (210) 247-4616 or e-mail DBeach@IMAX-SA.com, or Jerry Williams at (903) 561-6095 or e-mail lonestartw@aol.com.

Charleston

CONTINUED FROM PAGE 14

CARTA attendant hesitated and said, 'Hold on and let me make sure.' After a while, she returned to the telephone and stated, 'No, sir, those are charter buses for (the Southeastern Wildlife Exposition) only. You will have to wait for a regular (route) bus.'"

Conversations with CARTA drivers revealed that the expo buses were running on the same roads generally designated as regular routes, but "they were running in the opposite direction of the 'regular-route buses,'" the complaint said.

The FTA has given a preliminary indication the complaint has merit, and given officials with CARTA and the association until May 7 to work out their differences. If they don't, the FTA will launch an investigation.

"They competed unfairly with us," Linda Morris, executive director of the association, told the *Charlotte Post and Courier*. "This is not a cheap business, and when you have federally funded systems competing with private companies for business ... it's not right."

There is speculation that money woes may have driven CARTA to violate the rules. It is cutting routes and seeking additional local sales-tax revenue to save routes and service.

"I understand they are having money problems, which is probably why they did it. But the taxpayers essentially subsidized that weekend of service," said Ken Presley, a vice president with Service Insurance Agency.

Presley was instrumental in filing the complaint. Working with the United Motorcoach Association and South Carolina association members, Presley put the complaint together on behalf of the association.

11-15 Pennsylvania Bus Association Annual Meeting, Music Road Hospitality, Pigeon Forge, Tenn. Info: (717) 236-9042, or go to www.pabus.org.

20-22 FedFleet 2006, Los Angeles Convention Center, Los Angeles. Info: Go to www.fedfleet.org.

23-25 Bus History Association 2006 Convention, Holiday Inn Toronto-Markham, Toronto. Info: Go to www.bus-history.org.

JULY 2006

20-23 National Motorcoach Network 2006 Invitational 100, Stonewall Jackson Hotel & Conference Center, Staunton, Va. Info: (540) 477-3323 or go to www.motorcoach.com.

29-Aug. 3 International Motor Coach Group, 2006 Strategic Alliance Meeting, Carnival Cruise Lines' ship Carnival Victory, New York City. Info: Go to www.imgcoach.com.

AUGUST 2006

12-15 Alabama Motorcoach Association Annual Meeting and Marketplace, Riverview Plaza Hotel, Mobile. Info: Go to www.alabamamotorcoach.org.

20-24 Motorcoach Association of South Carolina Annual Meeting and Marketplace, Embassy Suites Airport Convention Center, Charleston, S.C. Info: Go to www.scmotorcoach.org.

29-31 Florida Motorcoach Association 2006 Appointment Show, Renaissance Resort at World Golf Village, St. Augustine, Fla. Info: Go to www.floridamotorcoach.org.

SEPTEMBER 2006

1-3 Bus Bash 2006, Grand Rapids, Mich. Info: (815) 946-2341, or go to www.busmag.com.

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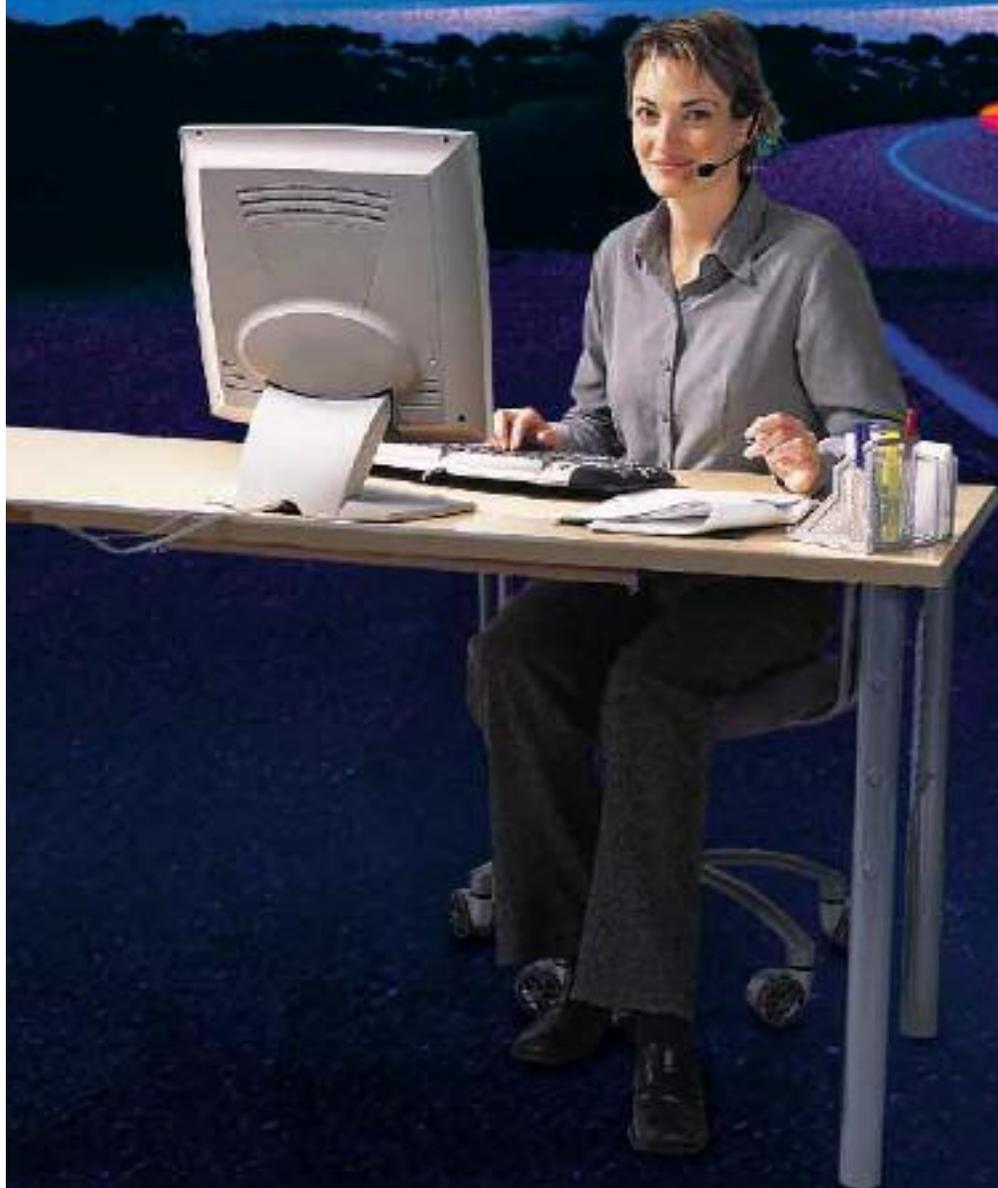
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