

Bus & Motorcoach NEWS

June 15, 2003

THE NEWS RESOURCE FOR THE BUS AND MOTORCOACH INDUSTRY

Transit competition, safety are industry targets

WASHINGTON, D.C. — The long-term viability of the U.S. motorcoach industry is being threatened by two critical public policy issues: transit competition and safety enforcement.

That message was forcefully emphasized last week before two key committees of the U.S. Senate by the two associations that repre-

sent over-the-road bus operators across the United States.

Harry "Woody" Blunt, president of Concord Coach Lines in Concord, N.H., and chairman of the policy committee of the American Bus Association, delivered the message to the Senate Committee on Banking, Housing and Urban Affairs.

Blunt, appearing before the panel on behalf of the ABA, testified on the Bush Administration's public transportation and highway reauthorization bill, officially known as the Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2003, or SAFETEA.

A few days earlier, Norman

Little, senior vice president of the United Motorcoach Association, had briefed the staff directors of the Senate Commerce, Science & Transportation Committee about the coach industry's position on various aspects of the \$247 billion transportation and highway bill.

Blunt told the banking committee that while there is much to

like in the proposed SAFETEA bill, there also are sections that "are largely a disaster for the over-the-road bus industry."

The first and foremost problem, he said, has to do with competition from public transit systems.

"The private bus industry is under assault," Blunt told the sen-

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Driver given prison term in N.Y. crash

CANANDAIGUA, N.Y. — The driver of a motorcoach that crashed one year ago in western New York, killing five people, has been sentenced to up to 10 years in prison.

William Hovan, 60, admitted he had been gambling and got almost no sleep before he crashed an Arrow Coach USA bus down a 75-foot embankment on June 23, sending 23 people to a hospital and fatally injuring five. Forty-four people were onboard the coach.

The crash occurred along the New York State Thruway near the small town of Victor, N.Y., which is about 16 miles southeast of Rochester. Passengers injured in the crash were taken to a hospital in Rochester. Hovan was not seriously injured.

In March of this year, Hovan pleaded guilty to manslaughter, assault, reckless driving and reckless endangerment. By pleading, his sentence was 3 1/3rd to 10 years. Had he gone to trial, the sentence could have run from 5 to 15 years.

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Investor to buy 18 units of Coach USA

PERTH, Scotland — Stagecoach Group PLC has agreed to sell 18 Coach USA operating companies in 10 western and south central states for \$155 million.

The buyer is a newly formed affiliate of Kohlberg & Co. of New York, one of the foremost acquisition and recapitalization companies in the U.S.

The Coach USA operations being sold produced revenues of \$215.9 million during the year ended April 30, and an operating profit, before goodwill amortization,

No longer No. 1? Page 11

of \$14.6 million, or an operating margin of more than 6.5 percent. Net earnings were not disclosed.

Coach USA's West region consists of California, Colorado, Nevada, Arizona, Wyoming and North Dakota, where more than a dozen companies operate 1,153 vehicles and employ 2,200 people. The South Central region encompasses Coach USA units in Texas, Tennessee, Arkansas and Louisiana, running about 400

vehicles and employing more than 800 people.

Stagecoach declined to identify the operations being sold, but the list most certainly includes Coach USA companies from following roster:

- Arrow Stage Lines, Phoenix
- All West Coachlines Inc., Sacramento, Calif.
- Coach USA Los Angeles, which includes California Charters Inc. of Long Beach and Antelope Valley Bus of Long Beach and Sylmar, Calif.

• Coach USA San Francisco, which includes Grosvenor Bus Lines

• Goodall's Charter Bus Service and Royal West Tours & Cruises of San Diego

• Coach USA Sightseeing and Pacific Coast Sightseeing in Anaheim

• Coach USA Denver and Ace Express Inc. of Golden, Colo.

• Coach USA Las Vegas and Nevada Charter in Las Vegas

• Bismarck Transportation in

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THE DOCKET

Illinois Wrap-up

On July 1, operators in Illinois will see their annual licensing fees jump 36 percent. They keep their rolling stock tax exemption, however. **Page 4**

The governor of Illinois is expected to sign one of two bills that eliminate an onerous requirement that motorcoach drivers must have a school bus driver license. **Page 4**

Cease and Desist

The public transit agency in

Lansing, Mich., must stop providing charter service, says the Federal Transit Administration. **Page 5**

Message to Senators

Greater private sector involvement in public transit is urged. **Page 6**

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High-profile operator fails

ASHVILLE, N.C. — Travel Professionals Inc., a high-profile tour and charter company operating from its base in western North Carolina, has been shut down and is being liquidated under federal bankruptcy laws.

The sudden Charter 7 bankruptcy filing stunned fellow operators throughout North Carolina and elsewhere. Company President Brenda Sherlin had given Travel Professionals an elevated profile by virtue of her industry activities and aggressive marketing.

Ms. Sherlin is the immediate past president of the North Carolina Motorcoach Association and a member of the board of the American Bus Association.

Travel Professionals was positioned by Ms. Sherlin as a “premier, full-service motorcoach company,” operating the “newest fleet of modern luxury coaches” in the area. A year ago, the company had a dozen “Star Ships” (coaches) before repossessions cut the size of the fleet in half.

The company’s troubles stemmed in large measure from being over extended. The goal of operating the “newest fleet” came at a high price. The company couldn’t charge enough to



cover its financing costs.

“They brought it on themselves; they got in over their heads,” said one North Carolina motorcoach operator. “They weren’t charging enough for those \$400,000 motorcoaches, and were attempting to undercut the competition.”

Brenda Sherlin founded Travel Professionals 20 years ago, building the company from virtually nothing. She was widely admired for her accomplishment. Her husband, John, joined her in the business in the 1990s.

Travel Professionals’ services ran the gamut, including charters; group, individual and special interest tours, and convention and receptive services. Two specialties were educational tours and providing transportation services to motion picture makers.

The long list of creditors submitted to the bankruptcy court includes four coach operators that are owed \$6,000 or more each.

One operator that tried to help the company reportedly is owed more than \$20,000. The list also includes hotels, restaurants, attractions and credit card companies that are owed upwards of \$130,000.

More than one operator contacted about the collapse of Travel Professionals expressed concern about the impact of the liquidation on the industry at large. The problem, he said, is that suppliers won’t know who they can trust and will begin tightening up credit for everyone.

“This is going to hurt the industry, this is going to hurt the North Carolina motorcoach industry,” said another operator. “Hotels are going to begin demanding full payment and ask for it far enough in advance that the check will have cleared,” the operator predicted.

Travel Professionals owed one hotel \$15,000.

Insurance outlook remains grim

The bleak liability insurance picture that has burdened coach operators for more than two years shows few signs of brightening soon.

While operators may have noticed that the availability and rates for some commercial and property insurance have improved, the liability insurance market for the coach industry remains, in two words, the pits.

About the best that can be said about the outlook for coach liability insurance is that the worst is probably over—for the better companies. Operators that have suffered heavy losses are likely to face even tougher insurance days ahead.

A glimmer of optimism had surfaced a few weeks ago when Moody’s Investor Services reported that the availability of commercial insurance had improved and premiums were declining.

That hopefulness stemmed in part from the impact of the terrorism insurance program that was adopted by Congress last year. Moody’s said the terrorism insurance program was helping insurers diversify their exposures, increase the availability of commercial insurance, and ease up on commercial and property insurance premiums.

But the good news on the commercial and property front doesn’t extend to coach liability insurance because of the complex nature of the industry and the way it is segmented.

“Passenger transportation operations, especially tour and charter bus operators, have never been prone to an insurance industry catastrophic loss due to terrorism, explains Alan Spachman, president of National Interstate Insurance Co. of Richfield, Ohio.

“If one plane or one bus were subject to attack, it would not be a significant enough loss to jeopardize the entire industry,” he says. “Bus risks are more prone to significant liability losses due to accidents than they are to a large loss due to a terrorist attack. Large losses resulting from a crash can happen at any time and they have happened at an alarming and increasing rate during the past few years.

“These are the large losses bus operators need to fund and the ones the insurance industry has found to be increasingly more expensive and less predictable,” says Spachman. “Much of the increase in large crash losses has been the result of aggressive action on the part of the plaintiff’s bar and runaway jury awards. The new terrorism insurance legislation has nothing to do with everyday losses resulting from accidents,” Spachman adds.

Timothy D. Delaney, executive vice president of Lancer Insurance, says it remains unclear whether liability insurance rates have yet to reach “adequate levels” in the coach industry. The reason for the lack of clarity, he says, is because insurance companies continue to face major unknowns.

“First, many large claims are still outstanding from the 1999 to 2002 years, making it very difficult to determine rate levels on a go-forward basis.”

The second factor weighing heavily on coach liability insurance market, says Delaney, is reinsurance. He says the reinsurance situation is so serious that the industry may be facing a “reinsurance crisis.”

Total reinsurance recoverables (that is receivables) for the U.S. insurance industry is presently over \$200 billion, which exceeds the entire net worth of the property casualty industry right now.

“The State Guaranty Funds in New York, Pennsylvania and California all appear to be insolvent with unknown ramifications for the future,” Delaney notes.

While Delaney and Spachman obviously aren’t out to sugar-coat the coach industry insurance picture, they do offer modest points of optimism.

“We at Lancer believe the worst is over for the better bus operators, but caution that operators with heavy losses will have a much harder go of it than in the past,” says Delaney.

Adds Spachman: “Significant tort reform, on the other hand, could go a long way toward helping to reduce the cost of motorcoach insurance.”

‘These are the large losses bus operators need to fund.’

Ambiguity reigns in Atlanta HOV lanes

ATLANTA — Wouldn’t it be great if there was no need for the word *ambiguous*?

We ask that rhetorical question because of the ambiguous issue of motorcoach use of HOV lanes in metropolitan Atlanta.

A month ago, an article in *Bus & Motorcoach News* reported that county sheriff deputies were ticketing motorcoaches using the 102 miles of high-occupancy vehicle lanes around metro Atlanta.

Georgia has an unambiguous law designed to keep over-the-road trucks out of that state’s HOV lanes. The law accomplishes this by banning any vehicle with three or more axles from HOV lanes. Apparently, when the law was being written, no one raised a red flag, pointing out that over-the-road buses also have three axles.

The law is reinforced with intermittent but obscure signage along some highways stating that vehicles

with three or more axles cannot use HOV lanes.

However, with persistence, one can also learn that despite what the

‘The Web page states clearly that buses may use HOV lanes.’

law and the signs state, the folks at the Georgia Department of Motor Vehicle Safety say its okay for buses to use HOV lanes and they should not be ticketed for doing so.

Greg Davison of Executive Coach in North East, Md., reports he exchanged several e-mails with legal counsel at the Georgia Department of Motor Vehicle Safety, finally getting word that it’s permissible for motorcoaches to use

the HOV lanes.

That same message also is buried on the Georgia DMVS Web site. Go to www.dmv.ga.gov/enforce.hov.asp. The Web page states clearly, with no ambiguity, that buses may use HOV lanes.

So, what’s a driver to do? You’ve got the Georgia DMVS saying its okay for buses to use HOV lanes while county mounties are handing out tickets for violating the law.

One operator who called *Bus & Motorcoach News* had a suggestion. He equips his drivers with a print-out of the page from the Georgia DMVS Web site. He doesn’t know whether it will convince an overzealous sheriff’s deputy not to write a ticket, but it’s worth a try. It might avoid a \$250-\$275 fine.

Another word of advice: Watch how you exit the HOV lanes. Don’t cross the solid double lines that separate HOV lanes, and avoid entering the No Truck lanes.

THE DOCKET

Two licensing bills await decision of Illinois governor

SPRINGFIELD, Ill. — The Illinois legislature passed two separate bills that revise a six-month-old Illinois law requiring coach drivers to have state school bus driver's licenses before transporting children on school trips.

Both bills are sitting on the desk of Gov. Rod Blagojevich awaiting his signature on one of them.

House Bill 2840 is the one that was pushed by the Illinois motorcoach industry, while Senate Bill 150 got its impetus from the Illinois State Police.

The two bills are virtually identical except for provisions the State Police got inserted in the Senate version. The state patrol wanted language that spells out how the law's fingerprinting requirements are handled, and it wanted to be reimbursed for the cost of processing fingerprint requests. The motorcoach industry didn't oppose the Senate bill.

It is widely believed that Gov. Blagojevich will sign the Senate version. "SB 150 will probably be the one he

signs,' said Tim Hennessey, a lobbyist hired by the United Motorcoach Association and the American Bus Association to fight for changes to the Illinois school bus licensing law.

Both bills provide that as long as motorcoach driver's have current, valid commercial driver licenses, they can transport children on school activity trips. The law that went into effect Jan. 1, required coach drivers to have a school bus driver's license before transporting school children.

The bills also require schools that contract for charter bus service with Illinois-based operators to insert a clause in their contracts requiring that the coach drivers providing transportation have been fingerprinted, have had a criminal background check, and have submitted to a medical examination, including drug testing.

Out-of-state operators that contract with Illinois school districts must affirm their drivers have submitted to background checks and a medical examination.

Illinois adopts costly new fee for buses, commercial vehicles

SPRINGFIELD, Ill. — On July 1, motorcoach operators in Illinois will begin paying sharply higher licensing fees under a bill adopted in the final days of this year's session of the state legislature.

A new Commercial Distribution Fee, approved by legislators, will be tacked onto the annual state licensing fee, resulting in a combined fee that is 36 percent higher than operators currently pay.

Creating the Commercial Distribution Fee was a compromise to Illinois Gov. Rod Blagojevich's aggressive plan to eliminate the state sales tax exemption on rolling stock.

Blagojevich wanted to get rid of the rolling stock exemption, which he called a tax loophole, as part of his plan for balancing the state budget, which is \$5.2 billion in the red. It was estimated that eliminating the rolling stock exemption would produce \$92 million to \$120 million annually for the state.

The exemption applies to sales of passenger buses, trucks, truck-tractors, trailers, aircraft and railroad equipment used in interstate transportation. The exemption also extends to parts that become a component of a vehicle, including such items as brakes and anti-freeze.

A large coalition of truckers, railroads and others that would be impacted by elimination of the rolling stock exemption organized to fight the governor's plan. A group of Illinois motorcoach operators joined in the fray, hiring a lobbying firm, Consulting 4Biz Inc. of Springfield, to represent them and work with the Illinois Rolling Stock Alliance.

However, it was clear from the start that the coalition faced a near impossible task because the governor held the upper hand. Consulting 4Biz lobbyist Tim Hennessey said "everyone worked very, very hard" on the issue and "we came close to getting passenger buses excluded." The passenger bus exclusion was derailed when questions were raised whether it was constitutional to exclude buses.

In the end, the governor didn't win elimination of the rolling stock exemption but he got the costly Commercial Distribution Fee. The trade-off is a sort of pay me now or pay me later proposition.

Eliminating the rolling stock exemption would have boosted the price of a new coach by \$20,000 to \$25,000. The Commercial Distribution Fee increases the annual licensing fee for a 45-foot motorcoach by more than \$550. That means that over a 10-year peri-

od an operator will pay more than \$5,500 in additional licensing fees for a 45-foot coach.

But the story doesn't end there. The legislation setting up the Commercial Distribution Fee makes other changes that will impact operators.

For example, it sets a higher standard for applying the rolling stock exemption to repairs and replacement parts used on coaches. Starting July 1, the buses and coaches having exempt repairs and parts must be used primarily in interstate commerce. In other words, 51 percent of the buses' trips must be across state lines to qualify for the exemption on parts and repairs.

The law also provides for a \$50 income tax credit for each full time driver who is an Illinois resident. Full time is defined as 30 or more hours weekly.

The Illinois Department of Revenue and the office of the Secretary of State, which will enforce the Commercial Distribution Fee, are working feverishly to develop emergency rules to implement the fee. Among questions the new rules must answer are:

- Will the Commercial Distribution Fee be charged mid-year or at the time of renewal?
- What exactly is included in "repair and replacement parts"?
- How will bookkeeping requirements work for repair and replacement parts?
- Are "used" coaches included in the purchase exemption?
- Will any tax be assessed on trade-ins?

Here are the new licensing fees for vehicles weighing more than 16,000 pounds.

Plate	Current Fee	36% Increase	New Fee
H (16,001-26,000 lbs.)	\$490	\$176.40	\$666.40
J (26,001-28,000 lbs.)	\$630	\$226.80	\$856.80
K (28,001-32,000 lbs.)	\$842	\$303.12	\$1145.12
L (32,001-36,000 lbs.)	\$982	\$353.52	\$1335.52
N (36,001-40,000 lbs.)	\$1202	\$432.72	\$1634.72
P (40,000-45,000 lbs.)	\$1390	\$500.40	\$1890.40
Q (45,001-50,000 lbs.)	\$1538	\$553.68	\$2091.68
R (50,001-54,999 lbs.)	\$1698	\$611.28	\$2309.28

While motorcoach and other commercial vehicle operators won only a partial victory on the rolling stock exemption issue, they fully escaped a plan by Gov. Blagojevich to impose a new weight-distance or mileage tax on vehicles weighing more than 26,000 pounds. That last-minute ploy didn't go anywhere.

Public agencies issue notices

The following public transit providers have informed the United Motorcoach Association of their intent to provide charter service unless willing and able private charter operators step forward to offer their services, or to bid on contract opportunities.

Operators are urged to take the time to respond to these public notices:

Albany, N.Y. Deadline June 30, 2003. Write to Stephen Bland, Executive Director, Capital District Transportation Authority, 110 Watervliet Ave., Albany, NY 12206. Phone: (518) 482-1125.

Columbia, S.C. Deadline June

30, 2003. Write to Del Lambert, Manager of Customer Service & Scheduling, Central Midlands Regional Transit Authority, Connex South, 1409 Huger St., Columbia, SC 29201. Phone: (803) 376-5390.

Conway, S.C. Deadline June 24, 2003. Write to General Manager, Waccamaw Regional Transportation Authority, 1418 Third Ave., Conway, SC 29526. Phone: (843) 488-0865.

Erie, Pa. Deadline July 1, 2003. Write to Dennis Solensky, Executive Director, Erie Metropolitan Transit Authority, P.O. Box 2057, Erie, PA 16512-2057. Phone: (814) 459-4287.

Montana makes hefty hike to room tax

BILLINGS, Mont. — The bed tax in Montana nearly doubled the first of this month, going from 4 percent on lodging facilities and campgrounds to 7 percent.

However, for room and campground contracts entered into

before April 30, the 4 percent tax will apply only if the contract specifically states the room/campground tax is to be 4 percent. That provision applies if the room is used by Oct. 1.

If a pre-April 30 contract is

nebulous about the tax rate, the 7 percent tax will apply.

After Oct. 1, all rooms and campgrounds will be charged the 7 percent rate regardless of when the contract or reservation was made or what it said regarding taxes.

THE DOCKET**Lansing, Mich. transit agency caught violating charter rules**

WASHINGTON, D.C. — The Federal Transit Administration has slapped another public transit system for violating federal charter service rules, and issued another go-and-sin-no-more order.

The latest violator is Capital Area Transportation Authority of Lansing, Mich., which was ordered by the FTA to cease and desist from providing charter bus service.

An FTA inquiry found that CATA was blatantly violating the federal regulations that prohibit public transit agencies from providing charter service.

The issue with CATA was a trolley bus the agency was using to provide all sorts of services other than regular-route runs. For example, the trolley was used in a Parade of Homes Show and to transport wedding parties.

Three companies filed complaints about CATA with the FTA. The three were: Indian Trails Inc., a motorcoach operator based in Owosso, Mich.; Classic Caddy Limousine of Lansing, and The Tecumseh Trolley & Limousine Service in Tecumseh, Mich.

The limousine and trolley companies were losing wedding party business to the CATA trolley, which had been purchased with taxpayer money, and Indian Trails filed its own complaint when it found CATA was not being up front about what it was doing and CATA buses were turning up in front of the convention center in Lansing.

"Enough was enough," said Gordon Mackay, president of Indian Trails, one of Michigan's largest coach operators. "We had to draw the line somewhere."

The regional FTA administrator for Michigan, Joel Ettinger, issued an initial decision last October that found CATA in violation of the federal charter service rules. CATA appealed the decision and an amended version issued in November.

FTA Administrator Jenna Dorn rejected the appeal, noting CATA had presented no new facts or points of law. Therefore, the original cease and desist order stands.

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THE DOCKET

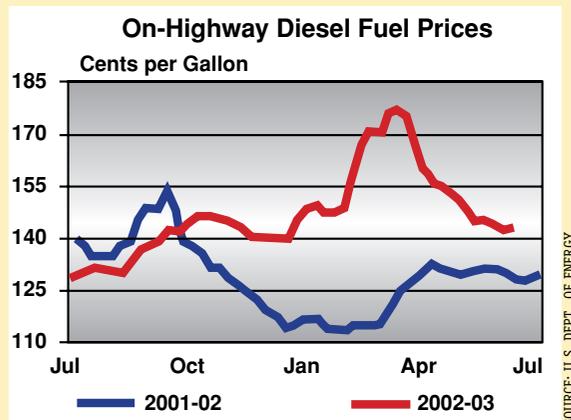
Diesel prices dip

Diesel fuel prices have hit another new low for the year, averaging just above \$1.42 a gallon across the U.S. The average price today is down two cents a gallon from mid May.

Exactly one year ago, diesel fuel prices reached their low point for 2002, averaging about \$1.28 a gallon. We're not likely to see prices that low again any time soon, but if history repeats itself, then the \$1.42 of the past two weeks may be the best price we'll see this year. Plan accordingly.

On the other hand, a few petroleum industry analysts are saying that because market conditions for diesel fuel continue to be favorable, additional modest price declines are not out of the question. The most encouraging sign is the record levels of crude oil imports flowing into the United States from Saudi Arabia, Mexico, Venezuela, Canada and Nigeria.

Diesel fuel prices remain the cheapest along the Gulf Coast and the highest in New England. The average retail price along the Gulf was just over \$1.36 a gallon, while the price in New England averaged \$1.56 a gallon. Prices in the Midwest and California bumped up slightly, with the price averaging \$1.42 a gallon in the Midwest and \$1.52 a gallon in California. The price in both Rocky Mountain and East Coast states averaged \$1.44 a gallon.



Diesel Fuel Prices

Cents per Gallon	Price	Change from	
		Week Ago	Year Ago
U.S.	142.2	▼-0.1	▲13.6
East Coast	144.1	▼-0.6	▲14.4
New England	156.3	▼-0.7	▲17.2
Central Atlantic	155.5	▼-0.2	▲17.9
Lower Atlantic	138.1	▼-0.8	▲12.7
Midwest	141.8	▲0.2	▲15.7
Gulf Coast	136.5	▲0.4	▲11.7
Rocky Mountain	144.0	▼-0.5	▲10.5
West Coast	147.3	▼-0.1	▲9.1
California	151.7	▲0.6	▲9.8

N.D. moves up taxes, fines, speeds

BISMARCK, N.D. — Things are looking up in North Dakota. Like speed limits, fines for speeding and vehicle registration fees.

On July 1, there is an across-the-board \$3 increase in the registration fee for buses, trucks and autos. About the only vehicles to escape the increase are snowmobiles.

The vehicle registration system in North Dakota is based on weight and age of the vehicle, but the \$3 fee increase adopted by the state legislature applies to all vehicles regardless of size and age.

Also on July 1, fines for speeding in construction zones double.

Anyone driving 1 to 10 miles per hour above the posted construction zone speed limit becomes subject to an \$80 fine. The fine for driving more than 10 miles per hour above the posted construction zone speed limit begins at \$80, plus \$1 for each mile per hour over the limit.

On Aug. 1, speed limits on all North Dakota four-lane highways, including Interstates, increase from 70 to 75 miles per hour.

The four-lane highways include U.S. 83 from Bismarck north to Minot Air Force Base, U.S. 2 from Grand Fork west to Burlington, and U.S. 52 from

Jamestown north to Buchanan.

To win Gov. John Hoeven's blessing for the speed-limit increases, the legislature had to increase a handful of speeding fines and restructure others.

Now, on most of North Dakota's two-lane highways, where the speed limit is 65 mph, the fine is \$2 per mile per hour over the limit. However, if a speeder exceeds the speed limit by 10 or more miles per hour, the fine jumps to \$5 for every mph over the limit.

On four-lane highways, the speeding fine begins at \$5 per mile per hour over the limit.

Blaze damages tax office, IRP, IFTA areas affected

JACKSON, Miss. — A fire late last month at the offices of the Mississippi Tax Commission severely disrupted the commission's ability to handle tax and related registration documents for commercial vehicles. The fire left about a third of the building with water and smoke damage.

Among the areas damaged were those dealing with the International Registration Plan and the International Fuel Tax Association.

Commission staff members are now able to issue temporary permits for new vehicles but are not yet capable of issuing full creden-

tials or renewals. The state has requested enforcement agencies to extend grace periods for vehicles registered in Mississippi.

The fire is believed to have started in a cubicle in the office's petroleum-tax area. Most of the damage was from water and smoke, not flames.

More private sector involvement urged for public transit

WASHINGTON, D.C. — A leading bus industry consultant has called on Congress to expand private sector participation in the planning, development and delivery of public transportation programs.

Jim Seal of San Mateo, Calif., told members of the Senate Banking, Housing and Urban Affairs Committee last week that having private entities involved in the creation of public transportation programs would result in more cost-effective solutions that increase mobility and reduce air pollution.

Seal, who is a consultant to the Federal Transit Administration and the California Bus Association, was invited to testify before the Senate Banking Committee, which is considering the public transportation aspects of the Bush Administration's proposed highway and transportation reauthorization bill.

The legislation is called the Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2003.

Seal told committee members that injecting competition and having the private sector take part in the delivery of public transportation invariably improves both service and efficiency. "Private transportation providers have assisted transit agencies to achieve efficient, customer-oriented service as called for by the president," said Seal.

One proposed SAFETEA initiative, the Planning Capacity

Building Program, would allow the private sector to be involved in innovative practices and enhancements in transportation planning, said Seal.

This "has the potential to facilitate more public/private cooperative ventures at the early planning stage of project development," he said.

Seal urged the senators to reinforce private enterprise involvement requirements in SAFETEA, pointing out that President Bush recently broadened the definition of what is inherently the work of the private sector.

He also said SAFETEA should knock down local barriers to the provision of new service by the private sector. Failure to eliminate such barriers should be a condition for receiving federal funding, he said.

Seal pointed out that private transportation carriers provide fixed-route, handicapped-accessible and charter services nationwide in urban and rural areas and, "therefore, private sector participation in federally funded activities should be greatly expanded."

"To allow federally funded agencies to provide new service presently operated by the private sector or potentially operated by private enterprise in the future would be inconsistent with existing federal statutes, regulation and administration policy," Seal said. Regardless of whether the services are subsidized or not, or whether the services are public transit or not.

DOT undecided on border appeal

WASHINGTON — The U.S. Department of Transportation hasn't yet decided whether to challenge a federal appeals court ruling that blocks opening the United States' southern border to Mexican buses and trucks.

DOT Secretary Norman Mineta told a congressional

hearing the department hasn't "come to a decision on which we will pursue," an appeal or completing the environmental impact statement the court says must be prepared before Mexican vehicles are permitted.

An appeal has to be made to the Supreme Court by July 9.

NEW COACH DELIVERIES



**Burlington Trailways
Burlington, Iowa**

Burlington Trailways has taken delivery of two wheelchair-lift-equipped J4500 coaches from Motor Coach Industries. Burlington's J-models also have Caterpillar C-12 engines and ZF Industries ASTronic transmissions.

Burlington, which operates a fleet of 18 buses, is the first coach operator to spec the CAT/ZF powertrain combination from MCI.

C-12/ASTronic package is about 1,000 pounds lighter than competitor powertrains, the equivalent of four passengers with luggage. The weight savings is expected to reduce fuel and operating costs. The new coaches also feature American Seating and Burlington Trailway's signature red flooring by RCA.

The family-owned company covers more than 3,500 miles of regular-route service in Iowa, Missouri, Illinois, Indiana and Nebraska.



**Carey Indiana
Indianapolis**

Carey Indiana has taken delivery of two of ABC M1035 midsize coaches, which are products of ABC Companies of Faribault, Minn. The coaches will be added to Carey's existing fleet of limousines, executive sedans and vans for use primarily for moves involving corporate entertainment, casino trips, private parties and local transfers. Founded 20 years ago as Indy Connection Limousines Inc., the company grew to a \$7 million,

60-vehicle operation. About six years ago, the firm was purchased by Carey International. Today, the company has more than 125 employees. Both ABC M1035 coaches have rear luggage compartments and 31-passenger seating. They are equipped with Cummins engines, Allison 2400 transmissions and ABC's enhanced noise-abatement package. Jeff Fregeau, vice president and general manager of Carey Indiana, said customers like the coaches, and he expects them to help the company expand into new markets.

**Greater Toronto Airport Authority
Toronto**

The Greater Toronto Airport Authority has placed 11 SLF 200 low-floor buses into service at Toronto Pearson International Airport. The 30-foot vehicles, manufactured by DaimlerChrysler Commercial Buses North Carolina, provide inter-terminal shuttle service for both airline pas-

sengers and airport personnel. The SLF 200's have 42-inch-wide front and rear doors for better accessibility, and the air-operated doors open inward for increased clearance. The coaches have Cummins ISB engines, Allison 2000 transmissions, Telma retarders and Freedman Citiseat seating.

**U.S. Airport Parking
Denver**

U.S. Airport Parking, a private parking facility serving Denver International Airport, has placed six new CL 100 shuttle buses in service and will add two more units

later in the year. The vehicles are manufactured by DaimlerChrysler Commercial Buses North Carolina. U.S. Airport Parking, headquartered in Commerce City,

Colo., operates an 18-vehicle fleet serving a parking lot with more than 4,000 spaces. The new CL 100's have a steel body cage wrapped in heavy-duty aluminum.

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OPINION

The importance of communicating with Congress

By Doug Thomas
Jefferson Government Relations

Not long ago, representatives of the major airlines returned to Congress seeking another bailout to bolster their slumping industry. Their efforts again drew nationwide attention to the problems facing the airlines and put Congress squarely on notice that help was urgently needed to avoid further damage to the economy.

There's a lesson here that should not be lost on the country's private bus companies. That is, members of Congress need to be made aware—and continually reminded—of both the issues confronting the motorcoach industry, as well as its contributions to the economic well being of the nation.

This is not to suggest that bus company chief executives should march before the respective transportation and appropriations committees of Congress, pleading for money, à la the airline executives after 9/11. However, the airlines do a good job of communicating their needs and importance to Congress.

This is a routine the motorcoach industry would do well to study and emulate.

There is no shortage of challenges confronting motorcoach operators. The conflict with Iraq caused a busload of cancellations, and reduced ridership makes access to capital for small operators nearly impossible because lenders have increasingly switched from equity to cash flow as a primary determinant for loans.

Revenue streams for many

motorcoach operators have dwindled with the decline in travel. High fuel costs and fuel taxes increase operating costs and further reduce profit margins. Competition from subsidized mass transit siphons business away from private carriers.

Given the plethora of critical issues, it's imperative that motorcoach carriers, manufacturers and suppliers drive home their concerns to federal lawmakers, including influential chairmen and ranking members of strategic committees. As a former staff director of a House standing committee, I cannot emphasize enough the importance of getting the ear and building relationships with key members of Congress and their staffs.

The United Motorcoach Association and others have done an exemplary job of getting Congress to focus on industry issues. However, nothing grabs the attention of an elected representative more effectively than contact from key constituents.

Most motorcoach companies are small businesses. Fortunately for the industry, the current Small Business Committee chairs in the House (Rep. Donald Manzullo (R-Ill.)) and Senate (Sen. Olympia Snowe (R-Maine)) are dogged in their determination that small businesses will not be ruined because of regulatory burdens, unfair competition and other obstacles to their viability.

Both chairs will hold hearings and pursue legislation to benefit small businesses. Make sure they are aware of the concerns facing the

motorcoach industry through letters, faxes and phone calls to the committee staffs.

The power of committees should not be underestimated. Committee chairs wield broad influence because they are the gatekeepers of the committees through which legislation must move before it has a chance of reaching the floors of the respective chambers for consideration by the entire body. They will

'It's imperative that motorcoach carriers, manufacturers and suppliers drive home their concerns to federal lawmakers.'

respond when approached by one of their colleagues bringing an issue raised by a constituent. Representatives and senators should be urged to contact committee leaders or rank-and-file members of relevant committees to discuss matters of importance to the industry.

Calls and faxes to committee offices, especially to senior staff members, can advance the industry's position and could lead to committee hearings.

But successful access need not be measured by hearings. There are other avenues of approach. For instance, identifying a key commit-

tee staff person (UMA and other national associations can help with this) to request that their boss disseminate a "Dear Colleague" letter—a correspondence to fellow lawmakers—that frames a critical issue and recommends a course of action.

Alternatively, everyone knows that members of Congress like to give speeches, so another effective means of getting your views heard is to ask that your representative deliver a "One Minute" speech or "Special Order" speech on the House floor (the Senate permits similar speeches during Morning Business). These afford lawmakers the opportunity to talk for a designated period of time on any topic—including those issues important to the motorcoach industry.

Industry members should be aware of important laws already on the books that can help their cause, especially when it comes to alleviating the effects of federal regulations. One such law is the Congressional Review Act. Enacted in 1996, the Congressional Review Act provides a 60-day window for Congress to reject final regulations issued by federal agencies.

Regulations that qualify for review are those that have an annual economic impact of \$100 million or more; entail a major increase in cost or price to consumers, and cause significant adverse impact on employment, productivity, competition or investment.

Operators, manufacturers and their support businesses also should be familiar with the Regulatory

Flexibility Act (RFA). This law requires all federal agencies to consider both the impact of their rules on small businesses and alternatives to reduce regulatory burdens.

The RFA was amended in 1996 through the Small Business Regulatory Enforcement Fairness Act (SBREFA).

The SBREFA amendments established small business advocacy panels to review Environmental Protection Agency and Occupational Safety and Health Administration rules that might affect small businesses.

Although there are factors that have prevented the expansion of SBREFA beyond EPA and OSHA, legislation is expected this year to come out of the congressional small business committees that would apply SBREFA to additional federal agencies.

The vast majority of the more than 4,000 motorcoach operators, manufacturers and suppliers are small businesses. More often than not, small businesses and the issues important to them have sat idling by the wayside as constituencies with bigger clout and louder voices vie for the attention of Congress. It need not be that way.

Remember, in politics, just as in motorcoach maintenance, the squeaky wheel gets the grease.

Doug Thomas is the former staff director of the Small Business Committee of the U.S. House of Representatives. He presently is a vice president at Jefferson Government Relations, a Washington D.C.-based public policy, consulting, and lobbying firm. He may be reached at (202) 626-8500.

How to contact us:

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Collision repair workshop covers key insurance issues

WINTER GARDEN, Fla. — A cross-section of claims adjusters and supervisors, safety officers, insurance executives, transit managers and heavy equipment specialists attended the 4th annual Collision Repair Workshop conducted by ABC Companies.

ABC's Winter Garden, Fla., location was the site earlier this spring of the annual workshop on key aspects of repairing coach and transit buses.

A highlight at this year's program was a presentation by featured speaker Bill Peck of William

Peck Investigations on the cause and origin of fires and other arson-related subjects.

Also on the agenda were workshops ranging from body panel replacement and glass repair, to collision repair for conversion coaches.

Comments from attendees were positive, with most saying they gained a better understanding of the specific job functions detailed during the workshop.

ABC Companies of Faribault, Minn., is one of the bus and motorcoach industry's largest



providers of collision repair services. It hosts the "hands-on" collision repair workshops on insurance adjuster-related issues to pro-

vide innovative strategies for reducing overall repair costs and accurately accessing accident damage.

Motor Coach Canada publishes member directory

TORONTO — Motor Coach Canada has published its annual directory of member motorcoach operators and tour companies.

The 43-page directory for 2003 is used to promote and increase the exposure of member coach and tour operators. Among those who distribute the directory are the Canadian Tourism Commission and overseas Canadian embassies. It's also distributed at trade shows.

The directory is produced by Baxter Travel Press for the trade association that represents operators and tour companies across Canada.

"Motor Coach Canada is very pleased to be able to provide this free member service," says Brian Crow, president of the association. "We want our members to garner the benefits from the worldwide exposure through our partnership with Baxter Travel Press."

Illini-Swallow Lines gets top Defense Department rating

CHAMPAIGN, Ill. — The U.S. Department of Defense Military Traffic Management Command has given Illini-Swallow Lines of Champaign its top rating following an inspection of company facilities.

The 1/Outstanding rating was given after Illini-Swallow's facility, terminal and equipment underwent an inspection by the Department of Defense safety contractor Consolidated Safety Services Inc.

The Department of Defense rates companies from one to five, with one being outstanding, after undergoing an intensive inspection of all aspects of a company's operations, procedures and equipment.

Since 1923, Illini-Swallow Lines has been operating coaches from Champaign and Indianapolis. The company got its start carrying fans to see Red Grange play in University of Illinois football games.



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INDUSTRY NEWS

Cooperation marks bus associations' lobbying efforts

WASHINGTON, D.C. — With Congress moving quickly to tackle the Bush Administration's \$247 billion public transportation and highway reauthorization bill, the two associations representing motorcoach operators have closed ranks to present a united industry front on key issues in the massive proposal.

After wading through the hundreds of items and initiatives in the reauthorization bill, the United Motorcoach Association and the American Bus Association have identified a half-dozen critical issues they intend to aggressively pursue between now and Oct. 1, when the current transportation legislation expires.

Key officials from the two associations met for two hours earlier this month to go over their positions and priorities, and they quickly discovered they largely were on the same page.

Transport bill

CONTINUED FROM PAGE 1

ators. "Today, we face illegal competition from transit agencies that ignore federal rules regarding the provision of transportation services provided by private bus operators, and from transit agencies that ignore Federal Transit Administration cease and desist orders and continue to provide illegal transportation. And, from short-sighted policies by local governments like that of the District of Columbia which wants to spend more than \$30 million in federal tax money to operate a tour bus service in a city that has three private sightseeing tour operators that have seen drastic declines in their own business.

"In short, we face withering competition from transit agencies that are provided significant federal and/or local funding. Agencies that then take that money and use it against the private operators and ultimately against the public," Blunt testified.

FTA rules require federally funded transit agencies to notify local private companies, industry trade associations and the FTA if there is a charter opportunity it wishes to pursue. The FTA rules also require the transit agency to allow a private, unsubsidized operator to provide the service if the private firm is "willing and able" to do so. If there is no private opera-

"It was a very good meeting; I was very encouraged," said Victor Parra, president and CEO of UMA. "There was a harmony of both views and approaches."

Peter Pantuso, president and CEO of the American Bus Association, was similarly enthusiastic. "It was a great session," said Pantuso. There are a number of legislative and regulatory issues that ABA and UMA agree are critical, he said.

At the top of the priority lists for both associations are provisions dealing with transit competition. (See related story on Page 1). The associations want to close loopholes in the current federal regulations that are supposed to prohibit transit agencies from providing charter services. Frequently, the rules are violated by transit agencies searching for new revenue.

"Unfair government competition is one area where we will be

tor available, then the transit agency can provide the service.

"As ABA has documented, transit agencies often do not follow these rules," Blunt stated. "Some transit organizations fail to follow the notification procedures at all; others provide the service before the determination of a "willing and able" private provider is made.

'This section is a dagger in the heart of the charter rules.'

"Further, publicly-funded transit agencies often use their heavily subsidized fleets to charge prices well below cost in order to win charter work. Most egregiously, ...at least one transit agency has ignored two FTA orders to stop operating its charter service."

Blunt was referring to the Rochester-Genesee Regional Transportation Authority in Rochester, N.Y., which was providing service to local supermarkets and golf tournaments before the FTA ordered it — twice — to stop. Arrogant officials at RGRTA ignored the FTA order and contin-

'There was a harmony of both views and approaches.'

Victor Parra of UMA

'It was a great session.'

Peter Pantuso of ABA

working closely with ABA," said Norm Littler, senior vice president of government and industry relations for UMA.

"Congress needs to redress this issue," added Clyde Hart, vice president of government affairs at ABA, who also attended the joint UMA-ABA session.

While UMA views transit com-

petition as a critical public policy issue, its No. 1 public policy priority is to win economic relief and financial restructuring assistance for the industry. Among other things, UMA is asking Congress to:

- Develop a meaningful guaranteed-loan program specifically tailored to the needs of the motorcoach industry in the current economic environment.

- Prohibit the charging of fees for coaches entering properties receiving federal funding or grants, including national parks and public airports.

- Prohibit states or political subdivisions of states from performing for-hire charter work with school buses that receive federal funding.

- Prohibit states or political subdivisions from operating state-subsidized school buses in interstate for-hire charter work without fully complying with provisions of

there must be real penalties when a transit agency violates the charter regulations. Finally, the industry needs a clear definition of "charter service" and "sightseeing service."

In his meeting with senior staff of the Senate Commerce Committee, Littler of UMA emphasized the adverse impact of unfair

'Carriers that care little about compliance are a threat to the entire industry.'

transit competition, but he also talked about the damaging effect on operators of the lack of enforcement of motorcoach safety, licensing and registration regulations by both federal and state agencies.

Littler told the staffers "there is considerable anecdotal evidence that this lack of enforcement has resulted in significant numbers of rogue motorcoach companies operating without proper insurance and registrations, safety and maintenance procedures, and meeting other legal requirements.

"The carriers that care little about compliance and use the

the federal motor carrier safety regulations.

Other key issues on the associations' priority lists are proposals to:

- Secure limited liability protection for medical providers who perform driver physical exams, against lawsuits filed by drivers that are found to have disqualifying medical conditions.

- Earmark \$80 million to develop intermodal transportation centers.

- Increase rural transportation funding by roughly 50 percent.

- Increase funding for installing wheelchair lifts on over-the-road buses. The Transportation Research Board says \$40 million is needed annually to help the industry offset the cost of mandated wheelchair lifts.

SAFETEA proposes continued funding of the ADA wheelchair lift program at the current \$7 million a year rate.

associated unfair and often illegal savings as a means of undercutting safe, quality carriers' prices are a genuine threat to the entire industry," Littler emphasized.

Littler made a handful of suggestions for remedying the situation. He said the Federal Motor Carrier Safety Administration and the state recipients of federal Motor Carrier Safety Assistance Program funds should be required to visit all motor carriers that have had their operating authority revoked. The visit should occur within 15 business days of receipt of the revocation order and it should assure compliance with the order.

He also said that Federal Motor Carrier Safety Administration funds should be tied to enforcement of serious moving violations. "Over the past number of years, numerous serious motorcoach crashes have been directly related to unsafe maneuvers, speeding and failing to maintain safe following distances," Littler said. Too many coach drivers get a free pass because of reluctance by enforcement officials to stop motorcoaches, Littler noted.

Littler also asked that all states be required to implement a bus inspection program. "Passenger carriers are motor carriers. UMA does not believe the Motor Carrier Safety Assistance Program was intended to be 'trucks only' in scope." Fewer than half of all states have a bus inspection program.

CoachUSA

CONTINUED FROM PAGE 1

Bismarck, N.D.

- Powder River Transportation Services of Gillette, Wyo.

- Coach USA Little Rock and Diamond Coaches/Diamond Bus Lines in Little Rock, Ark.

- AmeriCoach Tours of Memphis

- Coach USA Dallas & Fort Worth in Grand Prairie, Texas

- Coach USA San Antonio & Austin and Lonestar Trolley in San Antonio, Texas

- Coach USA Houston, Gulf Transportation, Texas Bus Lines and El Expresso Bus Co. in Houston

- Kerrville Bus Co., which operates in Texas and Louisiana

Martin Griffiths, Stagecoach Group finance director, said talks "are continuing with a number of interested parties regarding the sale of the other regional (Coach USA) businesses for which we announced plans to exit."

Next on the chopping block are coach operations in the southeastern U.S. and Canada, as well as the remaining taxi businesses.

Brian Souter, Stagecoach chief executive, said: "We have now completed or agreed to terms for approximately two-thirds of the sales program at Coach USA."

Stagecoach Group announced last December it planned a strategic restructuring of its Coach USA subsidiary, selling and closing a number of operations during the ensuing 12 to 18 months.

At the end of May, Stagecoach announced it was selling its transit division for \$22.5 million to First Transit Inc. of Cincinnati, Ohio.

Then, two weeks ago, Stagecoach said it had completed the previously announced sale of its New England region to Peter Pan Bus Lines of Springfield, Mass. That announcement revealed for the first time the terms of the Peter Pan deal.

Stagecoach said Peter Pan paid a total of \$40 million for five Coach USA bus and coach operations in Connecticut, Massachusetts, Maine and Rhode Island. Financial terms provide for a cash payment of \$33 million and interest-bearing notes of \$5 million and \$2 million repayable after three years and four years, respectively.

The Peter Pan sale, like the Kohlberg transaction, will not result in a material gain or loss for Stagecoach and proceeds will be used to reduce debt.

For the year ended April 30,

Coach USA loses position as largest coach operator

HOUSTON—It took Coach USA more than three years of aggressive acquisitions to become the largest motorcoach operator in North America—and six months to lose that position.

At the start of the year, Coach USA had more than 2,800 motorcoaches in its fleet, nearly 400 more than No. 2 Greyhound Lines Inc.

Since then, Coach USA has sold or announced agreements to sell units that operate more than 1,800 vehicles, most of which are motorcoaches.

The company has not revealed the exact fleet composition of the West and South Central regions it is selling. However, the New England region that was sold to Peter Pan Bus Lines included 255 coaches.

Coach USA's New England region had sales of \$49.5 million. Earnings before interest, taxes, depreciation and goodwill amortization for the year were \$2.8 million. However, the region produced an operating loss of \$800,000.

Together, the Coach USA companies in New England — Arrow Lines, Bonanza Lines, the Maine Line, Pawtuxet Valley Lines and Coach USA Boston — operate a total of 255 buses. They derive around 40 percent of their revenue from tour and charter operations, 40 percent from scheduled service and 20 percent from contract work.

Robert Schwarz, executive vice president of Peter Pan, said Peter Pan plans to begin an immediate program of co-branding the five companies it has acquired. That means, Arrow Lines will become Peter Pan/Arrow Lines; Bonanza Lines will become Peter Pan/Bonanza Lines and so on.

Additionally, a new livery has been developed by Peter Pan President Peter A. Picknelly that, among other things, does away with the Peter Pan characters that have adorned the side of company coaches for decades.

The purchase increases the number of buses in Peter Pan's fleet by 255 to more than 400, and the size of the company workforce from 750 to 1,500.

The Stagecoach deal with Kohlberg & Co. is subject to rou-

tine regulatory approvals, final confirmation of financing, and normal closing conditions. The \$155 million being paid by Kohlberg includes \$128.5 million in cash and an interest-bearing note of \$26.5 million repayable no later than 63 months from the date of the closing.

Stagecoach said the selling price "is broadly in line with the expected book value of the net assets at completion" of the deal, meaning the transaction will not result in a material gain or loss for Stagecoach Group. The cash will be used to reduce Stagecoach debt.

The sale of the western and south central regions of Coach USA to Kohlberg & Co. will bring a significant new player to the North American bus industry.

Kohlberg was formed 16 years ago by Jerome P. Kohlberg Jr., and his son, James A. Kohlberg. The senior Kohlberg is one of the founders of Kohlberg Kravis Roberts and Co., the private investment firm that is generally credited with creating the leveraged buyout industry in the United States in the 1970s.

Kohlberg & Co. says it specializes in purchasing high-quality manufacturing companies. With offices in New York and California, and headquarters in Mt. Kisco, N.Y., Kohlberg and its affiliates have completed more than 75 acquisitions and recapitalizations in a variety of industries. It has raised nearly \$1.4 billion to make its investments.

The company has directly acquired 30 companies since its founding, with most of the purchases having been what Kohlberg calls middle-market management buyouts.

Although the Coach USA purchase will be its first foray into the motorcoach industry, it has purchased companies with which many coach executives will have a passing familiarity.

In 1996, the company purchased Airport Satellite Parking, which operates off-airport parking facilities in Newark N.J., New York City (both Kennedy and LaGuardia airports), Philadelphia, Chicago and Hartford, Conn. That deal was valued at \$29 million and included a large number of shuttle buses.

Three years ago, Kohlberg paid \$189 million for Holley Performance Products, the legendary manufacturer of carburetors, fuel-injection systems and high-performance products for automobiles and off-road vehicles.



Lots of activity marks Bus Bash in Louisville

LOUISVILLE, Ky. — A display and tours of more than 40 motorcoaches was one of the highlights of the 44th annual Bus Bash on Sunday, June 1.

Motor Coach Industries and its MCI Service Parts facility in Louisville hosted the main activities of the three-day event that included tours of:

- MCI's sprawling automated parts center.

- The bus garage operated by the Free Enterprise System, a motorcoach operator based in

Jeffersonville, Ind.

- The maintenance facilities operated by the Transit Authority of River City, the public transit agency in Louisville.

There also was a parade of buses, a bus parts flea market, a reception, a guided tour of historic Louisville and a dinner theater show.

One attendee said it was a great event, with perfect weather, impressive buses and lavish food (thanks in large measure to MCI and Detroit Diesel).

Greyhound Museum adds four buses

HIBBING, Minn.—The Greyhound Bus Museum has added four historic buses to its fleet and announced plans to host the Greyhound Birthplace Bus Bash later this summer.

The additions increase the number of buses in the museum fleet to 10, ranging from a 1914 Hupmobile to a 1982 MC-9, which is the youngest bus.

The latest buses to arrive at the museum are a restored 1947 ACF Brill, a 1947 GMC PD3703 "Battle of Britain," a 1967 GMC PD4107 Buffalo, and the MC-9.

Historian Gene Nicoletti, curator at the museum, said many new artifacts and memorabilia have been added to the exhibit area.

On Aug. 22-24, the museum is hosting the Greyhound Birthplace Bus Bash, the long-running series of bus gatherings coordinated by *National Bus Trader* magazine.

Information about the museum and the Bus Bash can be found at www.greyhoundbusmuseum.org or by calling (218) 263-5814. The museum is open from 9 a.m. to 5 p.m. Monday-Saturday and 1 to 5 p.m. Sundays.

INDUSTRY NEWS

People



Kelly Hatcher



Brian Hill

Motor Coach Industries has beefed up its new-coach sales effort in the southern plains and south central states by naming new regional sales managers.

Kelley Hatcher joins MCI as new-coach regional sales manager for Louisiana, Arkansas, Mississippi, Alabama, Tennessee and Kentucky, while Brian Hill becomes regional new-coach sales manager for Kansas, Oklahoma and Texas.

Both sales executives will report to Robert Lessor, MCI southern regional vice president, and will be based at the company's sales and service branch in Dallas.

Hatcher previously was a sales representative with automotive and diesel motorhome

manufacturers, while Hill has been an MCI sales representative for the past six years.

Optima Bus Corporation of Wichita, Kan., announced that Michael Monteferrante has been appointed chief executive.

For the past three years, Monteferrante has been senior vice president at iRail LLC and its iRail/iBusExchange.com units, located in Parsippany, N.J. He was a founding officer of iRail, whose online procurement systems are used by transit agencies, railroads and other suppliers.

Previously, Monteferrante was vice president of business development for Morrison-Knudsen, CEO of J.T. Nelson, CEO of ALSTOM Canada Transport, and vice president of ALSTOM's North American service operations.

Optima, formerly known as Chance Coach Inc., is perhaps best known as the manufacturer of the American Heritage Streetcars. It also produces the Opus low-floor bus.

MCI restructures service units

SCHAUMBURG, Ill.—Motor Coach Industries has announced a restructuring of its after-market sales and service operation, including making major changes to the way it delivers field service and parts support.

MCI Fleet Support, a newly formed division, is consolidating several of the coach builder's operations — MCI Service Parts, MCI Service Centers, field service representatives, and the MCI warranty department.

The goal, says Joe Vandiver, vice president and general manager of MCI Fleet Services, is to

develop a single unit that can provide improved customer response. "This change is designed to enhance our level of aftermarket services to operators," Vandiver says.

"By linking field service and replacement parts sales more closely, we'll eliminate operational redundancies and be more responsive to our customers and the markets we serve."

As a result of the changes, MCI customers will see greater integration among parts, technical and field support, warranty, repair and maintenance programs. For exam-

ple, Vandiver says field service and parts sales representatives' responsibilities are being combined and a gradual change to a single point of contact for all parts and service needs will take place.

MCI Fleet Services also is being structured to reflect MCI's three principal markets: tour and charter, line-haul and public transit.

Replacement parts previously supplied by MCI Service Parts will now be provided by MCI Fleet Services, which also will handle the maintenance programs previously provided by MCI Service Centers.

Vermont operator joins Trailways system

BRISTOL, Vt. — Bristol Tours, a Bristol-based coach operator, has joined the charter and tour division of Trailways Transportation System, becoming Bristol Trailways.

Tony Grassano, president of Bristol Trailways, said he expects the Trailways brand name to help him expand his company.

Grassano started the business five years ago with one coach. Today he operates seven coaches providing charters and tours throughout the East Coast and Canada, as well as parts of the Midwest and South.

Bristol Trailways operates a division called "Classrooms on Wheels," which creates and plans educational and recreational tours

for school children. Working with teachers, the company plans a variety of tours, ranging from one to several days. Bristol takes care of all of the details, freeing teachers to participate in and enjoy the field trips.

Bristol Trailways is the first Trailways Transportation member from Vermont.

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Association is organized in Alabama

BIRMINGHAM, Ala. — Organization of a trade association to represent motorcoach operators in Alabama has officially been completed. Jim Thrasher, president of Thrasher Brothers Trailways and the first president of the Alabama Motorcoach Association, reports that a board of directors has been elected, bylaws have been adopted and a management contract has been accepted.

The association begins business with 75 members — 17 operator members and 58 associate (supplier) members. The associate members represent attractions, hotels, restaurants, theaters, tour receptives, tourism agencies, vendors and companies that sell, service and supply parts for motorcoaches.

“The association was established to provide a way of uniting operators to achieve common legislative, educational and networking goals,” said Thrasher.

In addition to Thrasher, the association officers are: Pat Moon, vice president, New Direction Charter Corp., Pinson, Ala.; Tom Payne, treasurer, Adventure Bus Charters & Tours, Sumiton, Ala., and Frank Montgomery, secretary, Colonial Trailways, Mobile.

Directors are: Bucky Ferrel, Alabama Buses Unlimited, Prattville; Lynn Ledbetter, Southern Carriage Inc., Trafford; Charles Payne, Southern Charter Co., Trussville; Wayne Phillips, Capital Trailways, Montgomery, and Levi Wright, Wright’s Tours & Charter

Driver

CONTINUED FROM PAGE 1

Immediately after the crash, Hovan told police he had gotten eight hours sleep the night before. Later, he admitted to police he had spent the entire weekend gambling at a casino in Canada and gotten only three hours sleep in the two days before the crash.

Passengers reported seeing Hovan dozing off just prior to the crash and ignoring their repeated requests to pull over and rest.

Hovan, who had been a driver since 1967, did not speak at his sentencing.

In sentencing him, Judge Craig Doran said he couldn’t determine if Hovan was “an evil man” but said he had “committed an evil act.”

Service, Mobile. Associate representatives are Sara Fuller of the Greater Birmingham Convention and Visitors Bureau, and Ken Presley of Service Insurance Agency in Charlotte, N.C.

The association has signed a

management contract with Linda Morris of Morris Meeting Management in Glady, Va., which manages a number of state motorcoach associations.

The association has scheduled its first Meeting and MarketPlace

for Aug. 10-12 at the Wynfrey Hotel in Birmingham. Thrasher expects upwards of 200 people to attend.

The Alabama Motorcoach Association is committed to addressing key industry issues

“with a united voice and to aligning itself with other industry organizations to make a difference,” said Thrasher.

Information about the association can be obtained by calling (336) 495-4970.

Don't let the big one get away!

Transit competition, safety are industry targets
WASHINGTON, D.C. — The long-term viability of the U.S. motorcoach industry is being threatened by two critical public policy issues: transit competition and safety enforcement. That message was forcefully emphasized last week before two key committees of the U.S. Senate by the two associations that represent over-the-road bus operators across the United States. Henry “Woodie” Blunt, president of Concord Coach Lines in Concord, N.H., and chairman of the public committee of the American Bus Association, delivered the message to the Senate Committee on Banking, Housing and Urban Affairs. Blunt, appearing before the panel on behalf of the ABA, testified on the Bus Administration’s public transportation and highway reauthorization bill, officially known as the Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2003, or SAFETEA. A few days earlier, Norman Little, senior vice president of the United Motorcoach Association, had briefed the staff directors of the Senate Commerce, Science & Transportation Committee about various aspects of the \$247 billion transportation and highway bill. Blunt told the banking committee that while there is much to like in the proposed SAFETEA bill, there also are sections that “are largely a disaster for the over-the-road bus industry.” The fine and foremost problem, he said, has to do with competition from public transit systems. “The private bus industry is under assault,” Blunt told the senators. CONTINUED ON PAGE 11

Driver given prison term in N.Y. crash
CANANOTAUGA, N.Y. — The driver of a motorcoach that crashed one year ago in western New York, killing five people, has been sentenced to up to 10 years in prison. William Hovan, 62, admitted he had been gambling and got almost no sleep before he crashed an Arrow Coach USA bus down a 75-foot embankment on June 23, sending 23 people to a hospital and fatally injuring five. Forty-four people were onboard the coach. The crash occurred along the New York State Thruway near the small town of Veston, N.Y., which is about 16 miles southeast of Rochester. Passengers injured in the crash were taken to a hospital in Rochester. Hovan was not seriously injured. In March of this year, Hovan pleaded guilty to manslaughter, assault, reckless driving and truck law enforcement. By pleading his sentence was 3 1/2 to 10 years. Had he gone to trial, the sentence could have run from 5 to 15 years. CONTINUED ON PAGE 11

Investor to buy 18 units of Coach USA
PERTH, Scotland — Stagecoach Group PLC has agreed to sell 18 Coach USA operating companies in 10 western and south central states for \$155 million. The buyer is a newly formed affiliate of Kohlberg & Co. of New York, one of the largest acquisition and recapitalization companies in the U.S. The Coach USA operations being sold produced revenues of \$215.9 million during the year ended April 30, and an operating profit, before goodwill amortization, vehicles and employing more than 800 people. Stagecoach declined to identify the operations being sold, but the list most certainly includes Coach USA companies from following states: • Arrow Stage Lines, Phoenix, Sacramento, Calif. • Coach USA, Los Angeles, which includes California and Nevada Charter in Las Vegas and Nevada Charter in Las Vegas • Blinnick Transportation in CONTINUED ON PAGE 11

No longer No. 17 Page 11
The governor of Illinois is expected to sign one of two bills that eliminate an onerous requirement that motorcoach drivers must have a school bus driver license. **Page 4**

Cease and Desist
The public transit agency in Lansing, Mich., must stop providing charter service, says the Federal Transit Administration. **Page 5**

Message to Senators
Congress private sector involvement in public transit is urged. **Page 6**

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JULY 2003

18-20 Family Motor Coach Assn. Convention, Buffalo, N.Y. Info: (800) 543-3622 or go to www.fmca.com.

20-22 Georgia Motorcoach Operators Assn.: Annual Meeting & Marketplace, Marriott at Perimeter, Atlanta. Info: (404) 589-8783.

29-31 Florida Motorcoach Association Annual Meeting & Show, Ritz-Carlton Golf Resort, Naples, Fla. Info: (407) 647-2491 or go to www.floridamotorcoach.org.

AUGUST 2003

9-12 Pennsylvania Public Transportation Assn.: Summer Meeting and Roadeo, Erie, Pa. Info: (717) 234-7176 or go to www.ppta.net.

10-12 Alabama Motorcoach Assn.: Annual Meeting & Marketplace, Wynfrey Hotel, Birmingham, Ala. Info: (336) 495-4970.

11-17 International Motorcoach Group Inc.: Strategic Alliance Meeting, Keystone Resort & Conference Center, Keystone, Colo. Info: (913) 906-0111 or go to www.imgcoach.com.

17-20 South Carolina Motorcoach Assn.: Annual Meeting & Marketplace, Westin Resort, Savannah, Ga. Info: (336) 495-4970.

22-24 Greyhound Birthplace Bus Bash 2003, Hibbing, Minn. Info will be available at www.bus-mag.com, click on Bus Bash link, or call (815) 946-2341.

SEPTEMBER 2003

5-9 Virginia Motorcoach Assn.: Annual Convention, Dover Sheraton, Dover, Del. Info: (434) 376-1150, or go to www.vamotorcoach.com.

10 California Bus Assn: General Membership Meeting, LTBA, Calif. Info: (800) 664-2877 or go to www.cbabus.com.

14-16 Kansas Public Transit Assn.: Annual Conference and Expo, Overland Park, Kan. Info: (913) 491-9094 or go to www.ktransit.com.

OCTOBER 2003

11-12 The Motorcoach Bus Society: Annual Convention, Boston, Mass. Info: e-mail Jerry Squier, vice presi-

dent conventions, at glsquier@pacbell.net or go to www.motorbussociety.org.

12-16 American Public Transit Association: Annual Meeting, Salt Lake City, Utah. Info: (202) 496-

4800, or go to www.apta.com.

17-22 Busworld, Kortrijk, Belgium. Info: Go to www.busworld.org or e-mail info@busworld.org

26-28 BusCon 2003, Las Vegas. Info:

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1-5 California Bus Assn.: Convention & Trade Show, Doral Palm Springs Resort, Cathedral City, Calif. Info:

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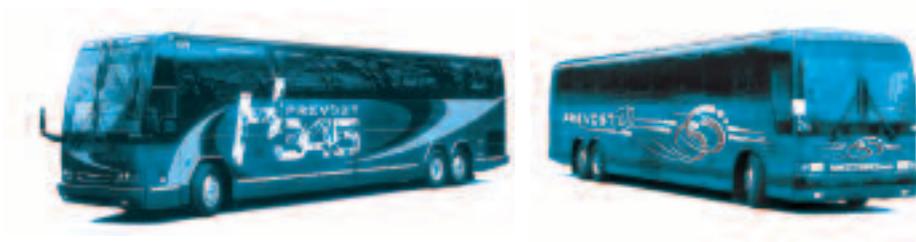
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