

Dismal Price outlook for diesel isn't pretty

WASHINGTON — Not only is the current price of diesel fuel outrageous but the outlook has turned equally as disgusting.

Oil industry analysts, as well as the federal government, are predicting high prices both for the short and longer terms.

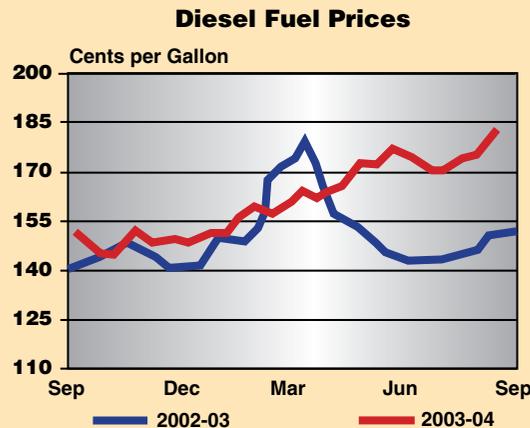
"The effects of higher oil prices are . . . being felt in the diesel market and it appears that relief is not imminent," says the U.S. Energy Information Administration.

Perhaps worse, with no relief from high-priced crude oil, diesel fuel and gasoline in sight, economists are now predicting the U.S. and world economies could slip into recession because of the pervasive impact of high energy costs. A worldwide economic slowdown would eventually reduce demand, causing prices to fall, but at an enormous cost in terms of jobs and consumer spending.

Meanwhile, motorcoach operators are forced to cope on a daily basis with diesel fuel prices that are at least 30 cents a gallon higher than they were one year ago.

A 30-cents-a-gallon difference means coach operators are paying \$60 more for a 200-gallon retail purchase today than they were last year.

About the only protection for operators is to build a fuel surcharge into charter contracts.



Upward price revisions

The latest Short-Term Energy Outlook published by the Energy Information Administration contains a substantial upward revision for diesel fuel and oil prices.

The EIA expects the price of diesel to average \$1.79 per gallon in both the third and fourth quarters of this year (revised up from \$1.66 and \$1.69, respectively), after averaging \$1.72 per gallon in the second quarter.

However, that forecast will likely have to be

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Tighter security slows coach border crossings, hassle-free days gone

Stepped up security measures are running up the time it takes motorcoaches to cross the borders between the United States and both Canada and Mexico, but carriers and their passengers appear to be taking the delays — of up to an hour or more — in stride.

"Certainly it's taking longer to cross the border, but we all recognize that it's because of the 9/11 situation and everything else we read about every day," said Brian Crow, executive director of the Ontario Motor Coach Association in Toronto. "We expect and accept that there has to be better security, and there is a bit better understanding now from the carrier and passenger points of view."

Antonio Labrado, owner of Sunset Coaches in El Paso agreed, noting that most passengers shrug off the delays because they're acutely aware of the security needs at border crossings. "They don't give

us too much hassle because they know it's coming up."

Most operators are handling the delays by building extra time into their itineraries, double checking to make sure their paperwork is in order, and prepping passengers for the waits that now routinely take from 20 minutes to more than an hour, a significant increase from the five to 10 minutes it used to take.

Passengers are told of the delays and border crossing procedures at the start of a trip and then reminded of them as the coach approaches a border station. "We have to do that otherwise they could start complaining," said Labrado.

Delays vary widely from border crossing to border crossing and usually depend on the time of day and amount of traffic coaches encounter when they reach a station.

"Sometimes you get there about

CONTINUED ON PAGE 10 ▶

Alabama coach association fights locally, nationally

Although the Alabama Motorcoach Association has only been around for two years, it's already in the thick of some of the hottest issues facing the motorcoach industry.

The fledging organization is doing battle with its home state over taxes and with the federal government over transit agencies gaining more authority to do charter work.

"Those are the biggest issues that our members and our industry face right now and we're working hard to get them fixed," says association President Jim Thrasher, president of Thrasher Brothers Trailways in Birmingham.

He said two critically important

Second in a series of reports on state bus associations

state tax matters — personal property taxes on the rolling stock of motor carriers, and sales taxes on new coaches — are the early targets of the organization, which wrapped up its second annual meeting last month.

Thrasher said both issues have the potential of raising serious financial problems for most motorcoach companies in the state and possibly even putting some out of business.

The property tax issue developed two years ago when the state



Jim Thrasher

sent out notices that it had raised the rates on the annual assessment

to levels that could push the tax on new and newer models to more than \$5,000, from about \$500.

"They gave us no explanation other than to say, 'That's how it is sometimes,'" said Thrasher, adding that the increase was put into place administratively, not legislatively. "No laws were passed to do it, they just did it. It was a Gestapo tactic, at least it seemed like that to me."

The increase triggered a series of meetings among motorcoach operators across the state, which led to the birth of the state association and a vow from members to challenge the state to reduce the tax to a more reasonable amount.

"It was our main reason for forming," said Thrasher, who was a leading figure in organizing fellow operators.

Since then, the association has worked closely with several state legislators and earlier this year managed to get legislation drafted that would trim the upper level of the property tax to between \$600 and \$800, which is the average that neighboring states charge.

Additionally, the measure would set the minimum tax for older coaches at \$400, up from the \$250 that was charged before the higher tax rate went into effect.

CONTINUED ON PAGE 14 ▶



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Charley turns Florida operators' world wrong side up

PUNTA GORDA, Fla. — Hurricane Charley, which dealt a devastating blow last month to hundreds of thousands of Florida residents and businesses, also delivered a harsh blow to many of that state's motorcoach operators.

"As a company operating its main terminal from Sarasota, Fla., with one-half of its equipment based on the west coast (of Florida), we thought we were prepared for the worst," said Maria Bankemper, president and general manager of Cruise Connection.

"As it turned out, I do not believe anyone was."

Several coach operators reported heavy loss of business because of the hurricane and Tropical Storm Bonnie that preceded it.

"While we did not incur any physical damage from Hurricane Charley, there was a financial loss of thousands of dollars," said Jeff Davis of Davis Tours in Ft. Lauderdale. "We had multiple Boy Scout trips in the Keys, church camps in Panama City, senior citizen groups in Ft. Myers, and several

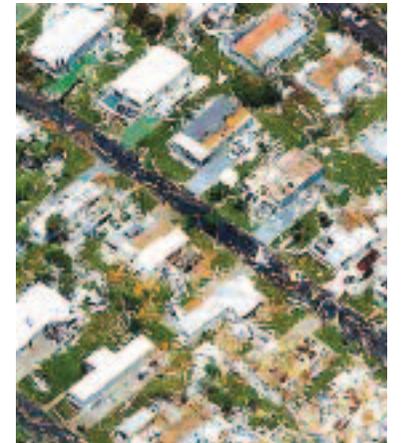
groups that were going to Busch Gardens and Universal Studios/Islands of Adventure.

"Of course, all groups that had already begun their trips were returned early and all groups that had trips scheduled were cancelled," said Davis.

"Everyone experienced a financial loss due to Charley," said Davis. "But our financial losses dim in comparison to what the physical victims of this hurricane are enduring, and I do not intend to make light of their situation."

Similar sentiment was expressed by Brian Scott of Escot Bus Lines in Largo, Fla. "While we feel extremely lucky, we at the same time feel tremendous loss for the folks that live south and east of us," he said.

Two well-known coach industry veterans, Bruce Matthews, the retired CEO of Upstate Tours and The Matthews Group in Saratoga Springs, N.Y., and Pete Worthington, a former senior executive at DATTCO in New Britain, Conn., have closeby homes in Punta



CONTINUED ON PAGE 13 ▶

Safety management seminar is planned for fall by UMA

ALEXANDRIA, Va. — The United Motorcoach Association is planning a major two-day, industry-wide safety seminar for managers and owners of motorcoach operations, as well as company safety directors.

The seminar will be Dec. 1 and 2, and take place at the training facility of the National Transportation Safety Board in Leesburg, Va. Participation by top NTSB officials is expected.

"This seminar will present comprehensive and usable information to persons who manage risks associated with motorcoach fleet operations," said Victor Parra, president and CEO of UMA. "The information to be presented will include principles and philosophies of risk management; 'how-to' ideas on application of risk-management principles, and samples of model policies, procedures, guidelines and forms.

"Attendees should return home with a better understanding of how to better manage fleet operations, with tools to help them do it," Parra added.

The seminar will consist of parallel programs with simultaneous presentations designed for two levels of safety knowledge: a basic or beginners-level program, and an

experienced or advanced program. Each session will involve two full days of classroom presentations.

The seminar will begin each day at 8 a.m. and conclude at 5 p.m. There will be an hour for lunch and half-hour breaks during the morning and afternoon sessions.

The programs each day will focus on a key management topic and multiple presenters will be involved. The agenda will include a whole range of topics related to risk management, including hiring, training, disciplinary and operational standards. Plus, reward, incentive and compliance issues.

There also will be sessions on accident investigation and analysis, managing safety performance information, compliance audits, vehicle breakdown information and analysis, and driver information.

The program is being designed and coordinated by The Daecher Consulting Group of Camp Hill, Pa., and its principal, Carmen Daecher, will be one of the presenters both days.

There also will be workshops for members of captive insurers.

Registration is expected to begin later this month. Watch for announcements in *Bus & Motorcoach News*, on UMA's Web site and elsewhere.

NYC tourism climbs despite challenges

NEW YORK — Fueled largely by domestic visitors, a record 37.8 million tourists visited New York City last year, up 7 percent from 2002, according to NYC & Co, the city's tourism marketing agency.

The figure exceeded the previous record year — 1999 — when the

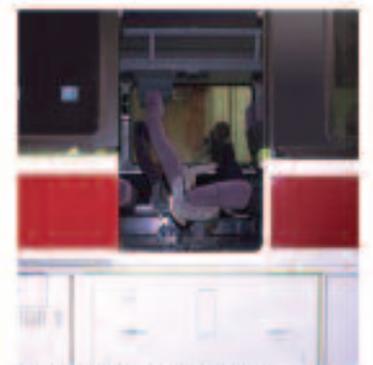
city hosted 36.4 million tourists. In 2003, the city welcomed a record 33 million domestic visitors, three million more than in 2002.

International arrivals continue to decline, says Travel Weekly, with 5.7 percent fewer foreign visitors in 2003, compared to 2002.

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THE DOCKET

Maine to raise turnpike tolls by nearly 30%

PORTLAND, Maine — Motorcoaches using the Maine Turnpike will begin paying significantly more next year to use the thoroughfare.

The Maine Turnpike Authority voted unanimously to boost tolls Feb. 1, to raise an additional \$13.5 million a year for improvements to the 109-mile roadway.

For three-axle motorcoaches, the toll rate will increase nearly 30 percent, going to 11 cents a mile from 8.5 cents, MTA spokesman Dan Paradee told *Bus & Motorcoach News*. Stated another way, beginning in February, a three-axle coach will pay a cash toll of \$12 to travel the entire 109 miles of the turnpike, compared to \$9.25 today.

For two-axle coaches, the rate goes from 6.1 cents per mile today to 9.2 cents in February. A two-axle coach traveling from one end of the turnpike to the other will pay \$10.05, versus \$6.70 today.

By comparison, a five-axle over-the-road truck will pay 15.1 cents per mile, a 78 percent increase from the current 8.5 cents. Cashpaying passenger cars will begin paying 3.8 cents per mile.

After the toll hike was approved, Turnpike Authority Chairman Gerald Conley Sr. said it made sense. "It's a rational increase. It's not one that has gone hog wild."

Concord Trailways, the New Hampshire-based intercity coach company that operates 12 daily round trips between Portland, Maine and Boston, voiced opposition to the toll hike and is seeking some relief from the increase.

Andrea Maker, an attorney for Concord Trailways, was quoted as saying the authority should



take into account the fact buses help reduce traffic congestion by keeping more than 180,000 cars off the turnpike each year.

"We're seeking the status quo with respect to our tolls because of the role we're playing in Maine's transportation policy," she said.

Turnpike officials said they will revisit Concord Trailways' request at their meeting later this month.

The rate increase is the first by the Maine Turnpike in six years. It was adopted after more than a year of study. Volume discounts of up to 20 percent are available for motorcoach companies and other commercial vehicle operators.

The new revenue will be used during a five-year capital improvement plan that includes \$32 million for construction of a replacement toll plaza at York, Maine, the gateway for most tourists entering the state from the south.

Other turnpike improvements include the rehabilitation of 15 to 20 bridges for \$27 million, the repaving of 37 miles of roadway for \$17 million, an expansion of park-and-ride lots for \$2 million and construction of a new turnpike authority headquarters building.

FMCSA seeks ideas for improving safety of motor carriers

WASHINGTON — Think the federal government can do a better job of regulating the safety of over-the-road buses and trucks?

Have an idea for getting unsafe truckers and bus operators off the nation's roadways?

Then the Federal Motor Carrier Safety Administration wants to hear from you.

The FMCSA has announced plans to conduct a comprehensive review of how it can best assess the safety of the nation's motor carriers and ensure their compliance with federal regulations.

The multi-year review project begins later this month with a series of public listening sessions. The first one will be in San Diego on Sept. 21, with the second a week later in Atlanta. The new FMCSA initiative has been dubbed the Comprehensive Safety Analysis-2010.

Here are the dates and locations of the sessions with addresses for the first two. Future issues of *Bus & Motorcoach News* will provide details on the sessions in October.

- Sept. 21, Doubletree Hotel San Diego/Mission Valley, 7450 Hazard Center Dr., San Diego, Calif. 92108. Phone: (619) 297-5466.

- Sept. 28, Sheraton Atlanta,

165 Courtland St., Atlanta, Ga. 30303. Phone: (404) 659-6500

- Oct. 5, Hampton Inn & Suites Dallas/Mesquite, Mesquite, Texas

- Oct. 12, Wyndham Chicago

- Oct. 19, Fairview Park Marriot, Falls Church, Va.

- Oct. 26, Sheraton Springfield, Springfield, Mass.

FMCSA expects motor carriers, insurance and safety advocacy groups, traffic enforcement professionals and the public to present their views on ways to measure the safety of truck and bus operations and take effective action.

"Today we are making great strides in improving motor carrier safety," said FMCSA Administrator Annette M. Sandberg in announcing the initiative. "Now is the time to look at every aspect of our safety program — how we use it, how we can improve it and how we can add to it — so we can be ready for the future."

Among ideas FMCSA officials will be looking for is ways the agency can keep pace with the growth of motor carriers. Just in the trucking sector alone, freight volume is expected to grow 50 percent in the next 20 years.

Details on the sessions will also be posted on the FMCSA Web Site: www.fmcsa.dot.gov.

Transits seek charter operators

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 their services, or to bid on contract opportunities.

UMA urges appropriate operators to take the time to respond to these notices:

Lycoming County (Williamsport), Pa. Deadline: Sept. 3, 2004. Write to: William E. Nichols Jr., General Manager, Williamsport Bureau of Transportation, 1500 W. Third St., Williamsport, PA 17701. Phone: (570) 326-2500.

Towanda-Athens, Pa. Deadline: Sept. 3, 2004. Write to: Karen Graber, General Manager, Endless Mountains Transportation Authority,

One Progress Plaza, Suite 5, Towanda, PA 18848. Phone: (570) 265-4057.

Floyd County (Rome), Ga. Deadline: Sept. 10, 2004. Write to: Director, Rome Transit Department, City of Rome, 168 North Ave., Rome, GA 30161. Phone: (706) 236-4523.

Memphis, Tenn. Deadline: Sept. 13, 2004. Write to: William Hudson, President & General Manager, Memphis Area Transit Authority, 1370 Levee Rd., Memphis, TN 38108. Phone: (901) 722-7111.

Placer County (Auburn), Calif. Deadline: Sept. 13, 2004. Write to: Will Garner, Senior Transportation Systems Supervisor, Placer County Department of Public Works, 11444 B Ave.,

Auburn, CA 95603. Phone: (530) 889-7500.

Riverside County (Blythe), Calif. Deadline: Sept. 13, 2004. Write to: John Andoh, Transit Manager, Palo Verde Valley Transit Agency, 125 W. Murphy St., Blythe, CA 92225. Phone: (760) 922-4900.

Texarkana, Ark. and Texas. Deadline: Sept. 14, 2004. Write to: General Manager, Texarkana Urban Transit District, 818 Elm St., Texarkana, TX 75501. Phone: (903) 794-8883.

Ottawa County (Port Clinton), Ohio. Deadline: Sept. 17, 2004. Write to: Max Wheaton, Director, Ottawa County Transportation Authority, 1702 W. Lakeshore Dr., Port Clinton, OH 43452. Phone: (419) 732-7433.

Truckers to ask court to keep HOS rules during rulemaking

WASHINGTON — The American Trucking Associations plans to ask the federal appeals court that threw out the hours-of-service rules to keep the new ones in effect until the Federal Motor Carrier Safety Administration comes up with revised rules.

In July, a federal appeals court in the District of Columbia vacated the hours-of-service rules that truckers began operating under in January.

The ATA thinks the court decision will likely result in a renewed hours-of-service rulemaking process by the FMCSA. But

See editorial, Page 8

while the safety agency is cooking up new rules, the ATA doesn't want the court to order a transition back to the old HOS rules.

So, the ATA plans to ask for a stay of its decision. If granted, a stay would allow the new rules to remain in effect during the FMCSA's new rulemaking process.

The ATA says it's worried about unintended safety consequences and unnecessary costs to the trucking industry that could result from a transition back to the old rules.

Incentives are being sought for 2007 diesel engines

WASHINGTON — Major players in the trucking industry are trying to forge a consensus over what financial incentives they will ask Congress to provide to encourage the use of cleaner-burning diesel engines as the effective date of new federal pollution rules draws closer.

Several of the largest truck equipment manufacturers have agreed to use the American Trucking Associations as the focal point for their drive to win incentives from Congress to help reduce the higher price tags that will be on the next generation of heavy-duty engines, beginning in the fall of 2007.

“We have all decided to use the ATA as a venue to field our cause and bring ... [incentives] to the attention of Capitol Hill late this

Panel proposes dumping CARB

SACRAMENTO, Calif. — A California government review panel has recommended replacing the powerful California Air Resources Board with a single director in a newly-created division of air quality inside the California Environmental Protection Agency.

The proposal, one of 1,200 recommendations in a 2,500-page report to Gov. Arnold Schwarzenegger, would be part of a “vertical integration” of California’s environmental regulatory structure, said Chris Reynolds, leader of the group that wrote the proposals.

If the plan is approved, there would no longer be a board structure; there would be a director of air quality, reporting to the secretary of the Cal-EPA.

The Cal-EPA secretary would report to the governor’s office. Under the current structure, CARB is an independent agency with 11 members appointed by the governor.

For 37 years, CARB has set and enforced the nation’s toughest emission standards for motor vehicles, fuels and consumer products. It also has set air quality standards, conducted research, monitored air quality and established control measures for toxic air contaminants.

Additionally, it has pushed alternatively fueled vehicles, including those powered by natural gas and hybrid systems. And, it has been an outspoken critic of diesel-powered vehicles.

year or early next year,” said Rainer Schmueckle, chief executive of Freightliner LLC, the largest U.S. heavy-duty truck manufacturer.

In Oct. 2002, when the most recent generation of reduced-emissions diesel engines were intro-

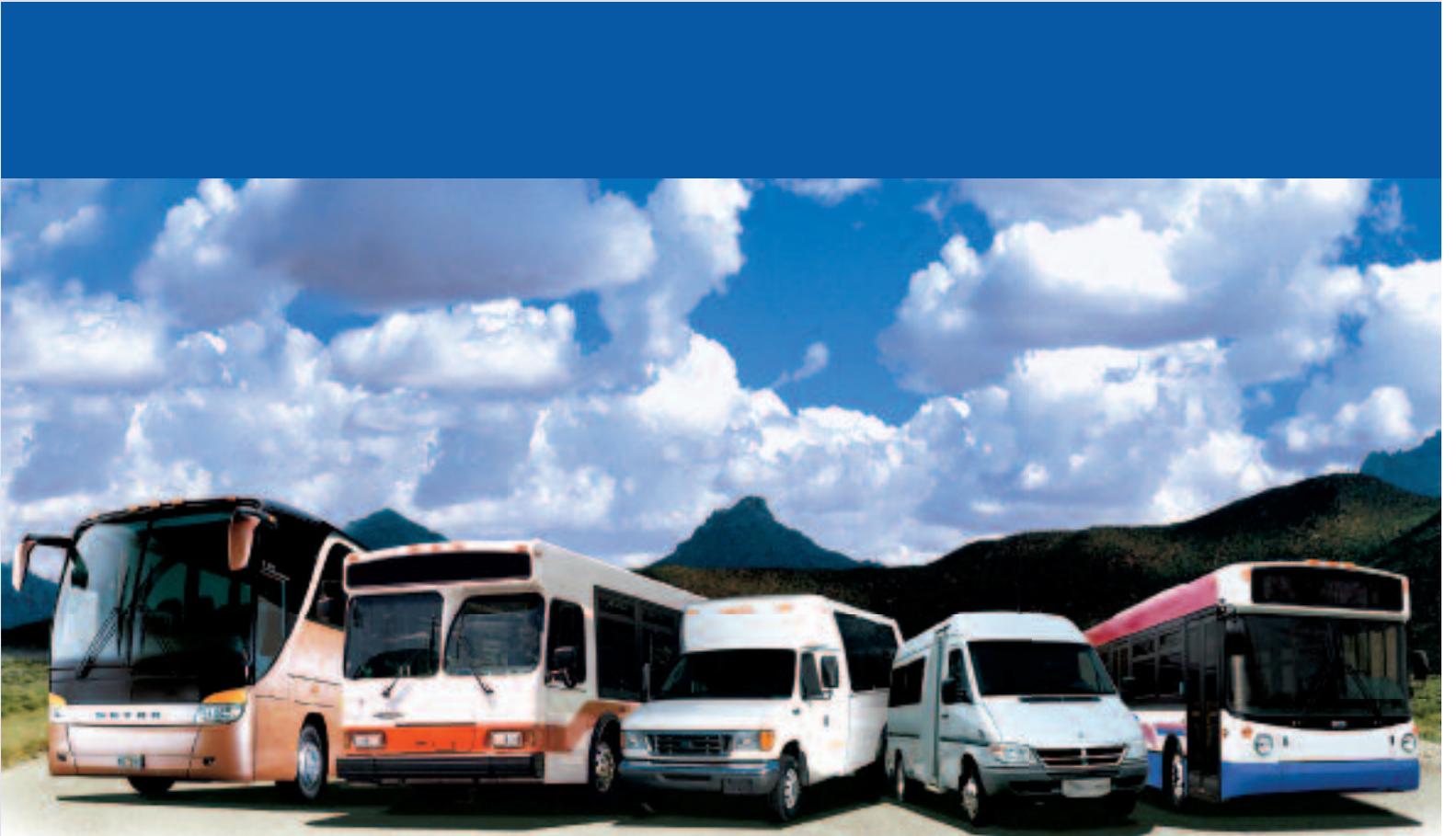
duced, coach manufacturers were forced to boost the prices for their buses by \$2,500 to \$6,500 to cover the cost of the higher-priced engines. The amount of the increase also depended in part on the extent to which the coaches

had to be modified to accept the new engines from Detroit Diesel and Cummins.

For example, most coach manufacturers were forced to boost radiator capacity because of the increased cooling requirements of

the new engines.

At least one coach manufacturer did not raise its prices when the new engines were introduced. Instead, that company converted some standard equipment to options.



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THE DOCKET

Traffic restrictions D.C., N.Y., N.J. tighten security

NEW YORK CITY — With school back in session and the fall travel season close at hand, coach operators bringing charters into the northeastern U.S. should be aware of the following travel restrictions:

1. New York State MTA Police have closed the Manhattan-Bound Brooklyn Battery Tunnel to all commercial traffic, including for-hire vans, service trucks and heavy trucks. Buses will be searched by police at the toll plaza on a random basis.

2. The Williamsburg Bridge between Brooklyn to Manhattan is closed to commercial vehicles and will be inspected by the NYPD; Brooklyn-bound traffic is not affected.

3. The New York City Police

Department has restricted the south (eastbound) side of Canal St. for commercial traffic, diverting trucks and doing random searches of vans, buses and service vehicles.

4. The Port Authority Police of NY/NJ has closed the New York-bound Holland Tunnel to trucks and is doing random searches of vans, SUVs, service vehicles and buses at the toll plazas.

5. New Jersey State Police, Port Authority Police and Newark Police are conducting random stops and searches of commercial vehicles, buses, vans, SUVs and service vehicles in a 10–20 mile radius of downtown Newark, including Newark-Liberty International Airport, especially off the New Jersey Turnpike and Garden State Parkway exits in the direc-

tion of Newark.

6. District of Columbia Metropolitan Police have closed the inner turn-off lane at Pennsylvania Avenue NW at 20th St. NW, and have K-9 units on scene to search commercial vehicles that stop at that location.

All commercial drivers, including bus drivers, in these areas are being required to have their documents (ID, registration, etc.) on board and ready to present to law enforcement at all times, and to be prepared for and allow extra travel time for possible stops and searches by law enforcement authorities.

The Highway Information Sharing and Analysis Center posts updates to this list at www.highwayisac.org.

Security tightens for foreign visitors

WASHINGTON — U.S. Customs & Border Protection is stepping up screening at the end of this month of travelers from countries that have not needed a visa to visit the U.S.

Security screening will be enhanced starting Sept. 30, for visitors from Germany, France and 20 other European countries, Japan,

Australia, New Zealand, Singapore and Brunei.

Visitors from these countries will now be photographed and fingerprinted when they enter the U.S. at major international airports and seaports.

Customs officials currently fingerprint and photograph visitors who are required to have a visa

before entering the U.S. Now, visitors from so-called visa waiver countries also will get the police booking routine.

The next step up in security screening of foreigners occurs at the end of October when all travelers from the visa waiver countries must have passports that are machine readable.

TSA highway center offers security ideas

WASHINGTON — Federal transportation security officials are asking motorcoach operators to consider adopting special operating procedures whenever the Department of Homeland Security elevates the terrorism threat level.

The Highway Information Sharing and Analysis Center has come up with a list of specific measures it would like to see operators adopt — “with a sense of urgency” — when the threat level goes from yellow to orange or higher.

The Highway ISAC is a unit of the Transportation Security Administration and an adjunct of the TSA’s Highway Watch program. (See Aug. 15 issue of *Bus & Motorcoach News*.)

Early last month, the Department of Homeland Security issued regional terrorism threat bulletins for Washington, D.C., New Jersey and New York and a number of financial institutions within those areas.

Here is what the Highway ISAC is suggesting coach operators do when such bulletins are issued:

- Verify the location and status of all buses in or headed to the affected region. Those vehicles without tracking devices can be

tracked by establishing a regular telephone (not cell) check-in procedure.

- Where possible or feasible consider altering, suspending or adding protective measures to routes to the affected areas or places that fit the profile of the targets identified by the Department of Homeland Security or the FBI. Pay special attention to routes that are in close proximity to potential terrorist targets that have been identified by the government.

- Carriers should communicate with clients to that appropriate security measures are in place and to articulate any security-related business continuity issues. Verify the identity of drivers, as well as the times for passenger pick up or unloading.

- Inspect any and all buses or other vehicles that have been unattended for an extended period of time.

- Establish a protocol that will allow for security personnel to locate buses (ongoing).

- Immediately report any and all missing buses to local authorities and the Highway ISAC at (877) USA-SAFE (872-7233).

- Report all incidents of potential surveillance or intelligence gathering.

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Feds set final test phase for transport card

WASHINGTON — The U.S. Transportation Security Administration has hired a consulting firm to begin the third and final test phase of its Transportation Worker Identification Card program.

TSA said it would work with BearingPoint Inc. of McLean, Va., on a “seven-month prototype ... to analyze the administrative and business processes involved in collecting transportation worker data, performing background checks, issuing credentials and studying the day-to-day use of the cards.”

TSA plans to eventually require all transportation workers in the U.S. to have a worker identification card, including bus drivers and support personnel.

The testing is expected to involve 150,000 truckers, long-shoremen and personnel working at airports and container terminals.

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OPINION

Bad moon rising

Lawyers seldom deliver welcome news, and attorney David Sauvey of Evansville, Ind., certainly is no exception.

Sauvey has written a sobering assessment of the U.S. Court of Appeals decision that struck down the new hours-of-service rules for truckers.

"If trucking companies, owner-operators and shippers did not like the hours-of-service regulations that went into effect Jan. 4, they could hate what the Federal Motor Carrier Safety Administration comes up with following the decision in *Public Citizen v. FMCSA*," Sauvey writes in a recent issue of *Transport Topics*, a leading trucking industry publication.

"There are many who think this is an easy problem to fix," says Sauvey. "Simply have FMCSA issue additional findings that say it has considered the health effects of the regulations and they have no adverse effect on driver health."

"However, this approach ignores the bulk of the court's opinion in which the judges pointed out all the other problems they saw with the new rules and why they considered them to be arbitrary and capricious. Any one of these other problems would have been sufficient to declare the regulations void."

"The appellate court gave FMCSA a road map that will lead it safely to judicial approval of new hours-of-service regulations. However, as I read that map, it leads to only one place: fewer hours of both driving and total work time for truck drivers. The whole point of changing the old regulations was to address the problem of driver fatigue and in the court's view the

new rules did not come close to solving that problem," Sauvey maintains.

The three-judge panel also did not believe the justifications presented by FMCSA for increasing the number of driving hours to 11 from 10 were legally sufficient. The studies cited by FMCSA showed that driver performance begins to degrade between the eighth and 10th hours and degrades "geometrically between hours 10 and 11."

Sauvey says the FMCSA cannot go back to the old rules because it was directed by Congress to make changes. Keeping the new rules also is out, even if it could come up with some "health-of-the-driver" justification. "Anything it produces would certainly be suspect in the eyes of the court, and would not solve all the other problems identified by the judges," says the attorney.

"In other words, the only option left to FMCSA is to come up with yet another new regulation."

And, according to Sauvey, the appellate court has given FMCSA the perfect political and legal cover. "It can now ignore all outside interests and promulgate a rule based solely on the science of fatigue."

"If I were a betting man, I would say that the number of driving hours will be reduced to nine, the total number of working hours will be reduced to 12, and the total number of rest hours increased to 12 — at least 10 of which have to be taken in a single block."

The motorcoach industry escaped the new hours-of-service rules. It may not be so lucky next time if the FMCSA decides Congress wanted all over-the-road drivers to drive fewer hours.

Gobbledygook

Understanding your insurance policy



By Thomas D. DeMatteo
Vice President &
General Counsel
ABC Companies

Reading and understanding an insurance policy is extremely difficult because it is written in arcane language and the words have meaning particular to the insurance business. This column will explain the typical structure of an insurance policy so you can better understand what it contains.

All policies consist of four sections: declarations, insuring agreements, exclusions and conditions. The declaration section provides fundamental information: the named policy holder, who the insurance company is, the limits, the types of coverage and the premiums. It also contains policy numbers, policy periods, deductibles and the type of insurance plan, including additional insureds.

The next section generally contains the agreement of the insurance company about what

subjects of insurance are covered in the policy. There are two main areas in this section, one relates to property and the other relates to third-party liability. There are two parts to a property section: (1) the type of property covered, and (2) the perils insured against. Clearly you will be looking for the identification of the buildings and structures including, fixtures, machinery and equipment.

You would then look for additional endorsements to cover personal property such as, equipment, furniture, property of others, newly acquired property, and the like. The next area in the property section identifies the perils insured against, such as fire, vandalism, wind storms, etc. You may need extended coverage endorsements for earthquakes and water damage.

The liability section is where the insurance company agrees to pay for bodily injury or property damage of others. The injury must be caused by a covered occurrence and the occurrence must take place in the territory covered by the policy. This is also where you find the insurance company's duty to defend a lawsuit.

The next important section is the exclusions section. Under this section there will be two categories: (1) property excluded, and (2) perils excluded. Some examples of property that is excluded

are vehicles, aircraft, watercraft, crops, outdoor signs, fences and retaining walls, roads and paving.

Some examples of perils excluded are frost, cold weather, ruptures of water pipes, floods and earthquakes in particular states. Please keep in mind the exclusions can be brought back in under an insurance policy but it will likely cost you more money and would be included in an extended endorsement. Typical exclusions in a liability policy are discrimination in employee matters, punitive damages, product liability and certain types of auto liability.

The conditions section contains cancellation provisions ranging from 30 to 60 days. It also outlines the policyholder's duties in case of a loss or a claim under the policy, defines the territory of the policy, and deals with such subjects as subrogation, other insurance and co-insurance.

Lastly, you should review your policy every year with your broker and keep your policy in a safety deposit box as part of your company's permanent records because many times neither the brokers nor insurance companies retain old policies.

Thomas D. DeMatteo is also an adjunct professor at Hamline University School of Law in St. Paul, Minn.

Footnote: *Practical Risk Management, ARM Tech, Vol. 1 (1998)*

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ABC Companies supplies CUSA with 44 coaches

DALLAS — CUSA, the start-up company that purchased the western and south central regions of Coach USA, has added 42 new Van Hool coaches, plus two ABC-brand midsize buses.

Thirty of the Van Hools are C2045 models and have been delivered to CUSA Las Vegas, where they are being used to transport U.S. Department of Energy employees to and from one of DOE's Nevada test facilities.

John Busskohl, CUSA executive vice president for the West Coast, said a primary reason Van Hool C2045s were chosen for the contract was their state-of-the-art Carrier-Sutrak integrated HVAC systems. He said it was imperative the climate-control systems be capable of handling the extremes of Nevada's harsh desert climate.

All 30 of the C2045 coaches are equipped with Detroit Diesel Series 60 engines, Allison B500 transmissions and Goodyear tires. The coaches were reconfigured to seat 49 passengers, with roller-type curtains installed at the side win-



John Busskohl, executive vice president, West Coast CUSA (left) and Clint Guth, account executive, ABC Companies, Western Region

S&S Coach Company Lexington, Ohio

S&S Coach has taken delivery of a new 2004 MCI D4000 intercity motorcoach.

The enhanced 2004-model has National seating for 47 passengers and is equipped with a lavatory, and a REI A/V system with six monitors, public address system with 16-channel cordless mike, and AM/FM/CD player.

The coach also is equipped with a Caterpillar C13 engine with ACERT technology, Allison B500 transmission, Jake Brake, RCA flooring, Carrier A/C system, dual Bosch alternators, and National driver seat. The overhead luggage compartment is enclosed.

S&S Coach specializes in pre-formed group transportation. The

family-operated company, headed by Earl and Margaret Swigart, provides charter service to destinations throughout North America.

The staff also includes the Swigart's daughter, Stephanie, who is an administrative assistant, and another daughter, Katherine, who joined the company this summer.

S&S operates an all MCI fleet of three 45-foot coaches and five 40-footers. One of its coaches is lift equipped. It plans to add a ninth coach later this summer.

All S&S coaches are driven by professionals, who undergo extensive pre-employment testing and training. The drivers also participate in annual training sessions.

dows, and Monogram flush-type recirculating toilets.

Two of the coaches are lift equipped and have Amaya seats, while the remaining non-lift coaches are fitted with Van Hool seating.

Other branches of CUSA also completed purchases of Van Hool and ABC coaches:

- CUSA Phoenix has added four Van Hool T2145s — two of which were wheelchair-equipped. Ron Waller, general manager of CUSA Phoenix, was instrumental in the purchase and worked with

ABC to develop and complete the equipment specifications.

- CUSA Long Beach, managed by Dave Dwight, added four Van Hool T2145s and four C2045s.

- CUSA Sacramento, managed by Daniel Eisentrager, added two of the ABC-brand mid-size coaches — one of which is lift equipped.

Dallas-based CUSA LLC is one of the nation's leading providers of motorcoach services. The company operates in 9 states and 17 markets and operates roughly 1,650 units.

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INDUSTRY NEWS

Oregon group tries to fill gaps in Greyhound service

PORTLAND, Ore. — A state transportation planning committee is trying to devise a plan for filling service gaps in rural Oregon communities left when Greyhound abandoned 36 stops in the state last month.

The cutbacks in Oregon were part of the plan Greyhound announced at the end of June to eliminate service in 267 communities across the West and Midwest.

Greyhound said its system overhaul, which began last month, was instituted to cut costs and stem losses.

"We can no longer run schedules that cost us more to run than they bring in," said Lynn Brown, vice president of corporate communications at Greyhound.

Greyhound wrapped up the transformation of its north central and western region on Aug. 17, the

last day it ran buses to the communities it eliminated from its route system.

The abandonments by Greyhound in Oregon left the bus line serving only 14 cities in that state.

According to one published report, more than 52,000 passengers arrived and departed last year from the cities that lost their Greyhound service.

Oregon's Public Transportation

Advisory Committee plans to work with legislators to secure state funding to help sustain intercity service.

The committee also is writing letters to cities, towns and transportation providers to ask them their plans for filling the service gaps, barriers to providing service and how quickly they may be able to take over service.

Meanwhile, Greyhound has

discontinued a regional route through northeastern Tennessee and northwestern North Carolina because of declining revenue and the loss of a state subsidy that helped finance the service.

In a letter to Elizabethton (Tenn.) Mayor Sam LaPorte, Greyhound announced the service from Johnson City, Tenn., to Boone, N.C., with a stop in Elizabethton, was ending Aug. 18.

Border crossings

CONTINUED FROM PAGE 1

10 at night and you can get right through, while other times of the day you might find 35 buses waiting in line and you have to wait your turn," said Greg Hanson, safety manager at Sundance Stage Lines in San Diego.

U.S. customs officials have added new lanes at some border crossings in an effort to ease the situation, but the security checks still add to the crossing time.

Hanson said that getting into Mexico from California usually is pretty much hassle-free and on a good day can take less than five minutes. "Usually you just roll up, open up the luggage bin so they can look inside and then roll away," he said. "The longest delay is usually waiting for an inspector to come over to the coach."

Returning to the U.S., however, is much more difficult, he said, noting that passengers have to unload and cross the border on foot, passing through an inspection center where they are quizzed and their carry-on luggage searched. The coach, meanwhile, gets a close examination by inspectors and, frequently, drug-sniffing dogs.

In Arizona, border crossings in both directions have been going smoothly and delays generally have not been unreasonable, reports to Steve Wallenmeyer, charter coordinator for Gray Line Tours in Tucson.

However, he said if traffic is heavy or a customs agent is having a bad day or is in a bad mood, delays of at least an hour can easily occur. "There are so many factors with security now, if the inspectors feel nuts or if they just received to a memo about something, then they'll drag off all of the passengers and bring on the dogs, which will delay us," he said. "But usually we have no trouble and not too many extended delays."

Labrado said crossing the border into Mexico usually goes pretty well and takes little time, but

returning to the U.S. through some inspection stations, including the one in El Paso, can be a problem. "Some times it is a hassle to get through. They'll remove panels on the bus, recheck all of the passengers and go through all of the luggage and that can delay you for two or three hours," he said.

While getting into Mexico can be quick and easy, that's usually not the case for U.S. coaches traveling deep into Mexico. They get stopped regularly, according to some operators.

"When you cross the border you are legal and cleared to enter the country," said Labrado. "But along the way every little hick town will stop you on the pretense that something is wrong with your license or something is wrong with your coach."

The reason?

Labrado says the stops are made so an agent can hit on the driver for a bribe. "We end up paying them a little something, too, otherwise they'll hold you up and it will delay our trip," he said.

Wallenmeyer said his drivers have the same experience as they travel south into Mexico. "There are some guards that are going to give you hints they want a few dollars or they'll hang you up a little bit," he said, adding that drivers usually oblige in order to speed up their trip and avoid possible problems. "But that's been going on for a long time," he said.

Crow said crossing into Canada has become even longer this summer because unionized customs agents have been staging occasional slowdowns as part of a labor dispute they are having with Canadian officials.

"They've created some long lineups that are adding to the woes of getting across the border," he said. "I guess they feel they can get more salary, more benefits and better work rules if they inconvenience the world."

Some of their actions, he said, have resulted in delays of up to

20th century's buses featured in new archive

SPOKANE, Wash. — Highway buses of the last century are the focus of the latest photo book from William A. Luke, the North American bus industry's best-known historian.

Luke and co-editor, Linda Metler, a former production manager at *Bus Ride* magazine, have selected more than 300 bus photos for their 160-page book, called *Highway Buses of the 20th Century*.

The book has 11 chapters of historical information, facts, trivia and photos, many of which have never been published before.

Buses pictured in the book are from many of the important manufacturers of the 20th century, including Aerocoach, Beck, Eagle, Fageol, FitzJohn, General Motors, Motor Coach Industries, Prevost, Reo, Van Hool, Western Flyer, White, Yellow Coach and others. There are big buses, small ones, vans and specialty vehicles.

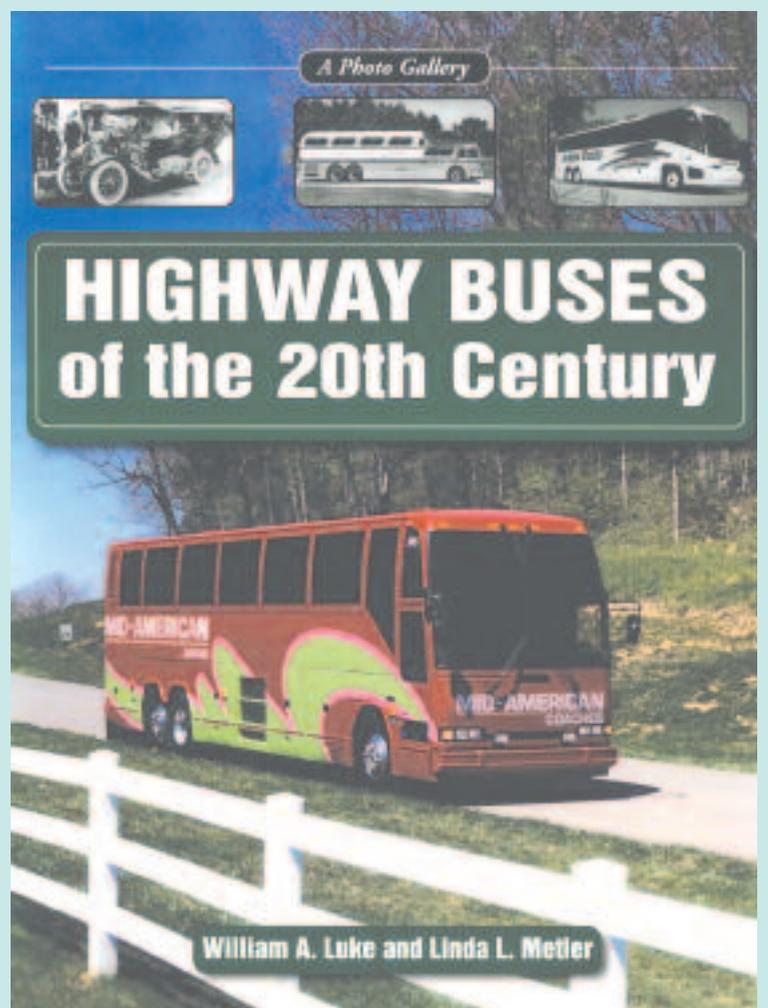
Greyhound and Trailways coaches also are pictured, along with buses operated by pioneer operators and many contemporary buses.

The book's lead editor,

three hours. "People remember the 30-minute delays, but they really remember those three-hour ones," he added.

If the inspectors are not conducting a slowdown, the crossing into Canada generally takes about 30 minutes, about the same amount of time it takes to get into the U.S. from Canada. "That's acceptable, although we would much rather see it back to the five or 10 minutes it used to be," he noted.

Crow said the association gets numerous telephone calls from U.S. carriers about Canadian rules,



William Luke, is a long-time bus industry publisher, editor, writer and historian. He founded and published *Bus Ride* magazine from 1965 to 1997, and has published at least eight other bus industry photo archives.

Luke's newest softbound, 8 1/2-by-11 inch book is available

directly from the editors. The price is \$28 in the U.S.; buyers in Canada and other countries should add \$4 for postage.

Orders may be sent to: William A. Luke, West 2627 Providence, Spokane, WA 99205. For additional information, e-mail: billluke@ztc.net.

regulations, permits and other transportation matters, but only a few complaints about delays getting into Canada. "Some are telling me that it takes longer to get back into the U.S., but nobody blames them for that," he said.

If the driver has all of the necessary paper work in order and has prepared the passengers so that they, too, have their identifications and any necessary travel papers at the ready, crossing in either direction usually goes smoothly. "Generally, the border official comes on the coach and asks the passengers if

they are all American or Canadian," said Crow. "If the driver or tour guide has done a good enough job, the border guy might say fine or walk up and down the aisle looking at identifications and then send them on their way."

While the operators don't appreciate the hassles and delays that do occur at the border crossings, they all seem to be accepting them as part of doing business in other countries.

"It's not such a problem that tours are being canceled," said Crow.

MCI relocates Montreal, Orlando support centers

SCHAUMBURG, Ill. — Motor Coach Industries has moved and enlarged its Montreal sales and service center and is transferring its Orlando support center to expanded quarters. The relocations will accommodate increased business in both regions.

MCI's new Montreal branch opened Aug. 23 at 1400 Rue Barre in downtown Montreal, near the Bell Center and Montreal's downtown line-haul bus terminal.

The 32,000-square-foot facility is three times larger than MCI's former location in St. Hubert, and includes a paint booth. It will serve as MCI's major collision, paint and repair facility in Canada.

More than 1,500 parts are available for delivery or installation. A driver's lounge has been added as well. New and pre-owned coach sales for eastern Canada also have relocated to the new facility.

The new telephone number is (514) 938-4510; the toll-free number remains the same [(800) 663-

3328]. Hours of operation are 6:30 a.m. to 11 p.m. weekdays and by appointment weekends.

MCI's new Florida facility, which opens Monday, Sept. 13, will be conveniently located off Interstate 4 at 3718 L.B. McLeod Road

in Orlando. Currently, MCI's Florida center is in Clermont.

The new facility includes six service bays, a bus wash and lavatory service. It offers repairs, routine maintenance and warranty service. The building housing the

new facility has undergone extensive remodeling and includes a driver's area and parts counter that has more than 1,500 in-stock parts.

The Orlando facility also includes MCI coach sales for the southeastern United States.

The new telephone number is (407) 246-1414 or (800) 390-0287. Hours of operation are 8 a.m. to 11 p.m. weekdays.

Both service facilities are equipped for service work on all types of motorcoaches.

Trailways to require DOD okay

FAIRFAX, Va. — The Trailways Transportation System has announced it will now require its member operators to obtain or maintain the U.S. Department of Defense approval rating for suppliers of personnel ground transportation.

Trailways' Chair Bill Steele said the policy change reflects the organization's commitment to passenger safety and the continuing threats of terrorist attacks.

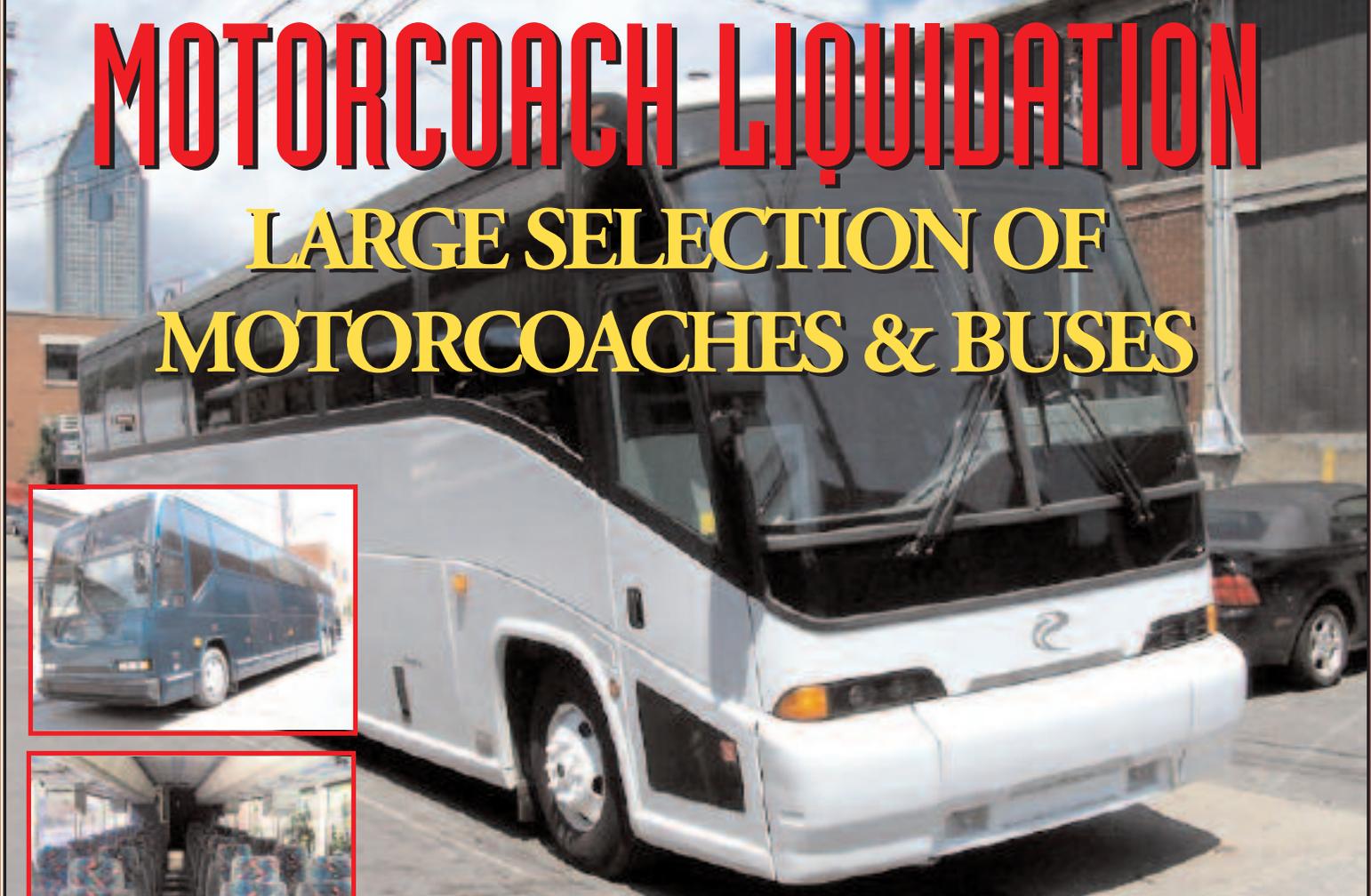
"Passenger safety has been a hallmark of Trailways' service throughout our nearly 70 years of existence," said Steele. "The recurring and menacing threats with which we all now live with have prompted us to take this action."

More than two-thirds of the 66 Trailways-branded companies already have DOD-approval ratings. Companies that have not yet received DOD approval will work with Trailways' military liaison, Beverly Cox, to achieve acceptable standards in coming months.

For companies that want to affiliate with Trailways in the future but do not have DOD approval, "conditional" membership status will be granted until the company's operation has been granted the appropriate DOD-approval status.

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- (4) 1996 MCI D3, Detroit Series 60 Engines, Allison Trans., 47 passengers, kneeling bus, 6 Monitors, P/A Systems, A/C, Restrooms.
- (1) 1994 MCI D3, Caterpillar Engine, Allison Trans., 47 passengers, kneeling bus, 6 Monitors, P/A Systems, A/C, Restrooms.
- (5) 1996 Prevost H3-45, Detroit Series 60 Engines (some with engine brake), Allison Trans. 56 passengers, kneeling bus, 4 Monitors, P/A Systems, A/C, Restrooms.
- (1) 1994 Prevost H3-40, Detroit Series 60 Engines, Allison Trans., 48 passengers, 3 Monitors, P/A Systems, A/C, Restrooms.
- (2) 1988 MCI 102-A3, Detroit 6V92, 5 speed trans., 47 passengers, 2 Monitors, P/A Systems, A/C, Restrooms.
- (1) 1985 MCI 96-A3, Detroit 6V92, 5 speed trans., 47 passengers, 3 Monitors, P/A Systems, A/C, Restrooms.
- (2) 1988 102-C3, Detroit 8V92, 5 speed trans., 47 passengers, 3 Monitors, P/A Systems, A/C, Restrooms.

If you should have any questions regarding the detailed information of any of these coaches, please feel free to call. Also to make an Inspection appointment, call:

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INDUSTRY NEWS

Diesel fuel

CONTINUED FROM PAGE 1

revised upward again given the oil market surge of recent weeks. The national average price of retail on-highway diesel stands above \$1.82 per gallon, an all-time high.

The EIA crude oil price projections also have been raised signifi-

cantly from earlier forecasts. Federal energy bureaucrats expect West Texas Intermediate Oil will average about \$41 a barrel (revised up from \$37) in the third quarter and then average \$39 per barrel (revised up from \$37) in the fourth quarter, after averaging \$38.35 in the second quarter.

That forecast appears to badly

understate the real world. West Texas crude has traded on domestic markets at around \$50 a barrel in recent weeks.

One thing is clear, however, the latest price increases result from a busload of factors, including oil market fears of increased global terrorism, worries about the reliability of oil supplies from Iraq, the con-

tinued legal problems of Russia's largest oil producer (Yukos), OPEC's apparent lack of excess production capacity, and increased worldwide oil demand.

Increased demand

The International Energy Agency, the oil adviser to 26 indus-

trialized nations, has raised its forecast for oil demand this year and next.

The IEA said oil demand this year would average 82.2 million barrels a day, 700,000 more than a July estimate, after changes to historical data. Next year, oil use would average 84 million barrels a day, also 700,000 more than earlier forecast.

The agency said it has underestimated oil use for years and is now recognizing that demand in an annual review. The change comes from higher-than-estimated use in nations outside the Organization for Economic Cooperation and Development.

Most people also like to blame higher gasoline and diesel fuel prices on the greedy oil companies. The problem with doing that, of course, is that oil companies have always been greedy. Their greed is nothing new.

Global slowdown?

The Wall Street Journal reported that record oil prices are pushing stocks and technology spending down around the world and are casting doubts on the global economic outlook.

A global slowdown is an added worry for the United States because a spending spree by domestic consumers is winding down, and economists had counted on higher exports to help keep the expansion on track, the *Journal* said.

Stephen Roach, chief economist for Morgan Stanley, told *The Washington Post* that the United States would likely fall into recession if oil prices hover near \$50 a barrel for three to six months.

A recent study by the National Energy Assistance Directors' Association found that if the price of oil hits \$50, households would see their weekly costs rise by an average \$14.80 per family.

However, Thorsten Fischer of *Economy.com* told *The Atlanta Journal-Constitution* that unless there is a major disruption of supplies, oil prices anywhere near \$50 are "unsustainable."

Adjusted for inflation, the price of oil remains far below a 1981 peak, when the level was equivalent to more than \$72 a barrel in today's dollars, John Felmy, chief economist at the American Petroleum Institute told the *Post*.

Meanwhile, the Bush Administration is urging Congress to pass the president's energy bill to make the economy less dependent on foreign oil.

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Hurricane Charley

CONTINUED FROM PAGE 3

Gorda, which was at the absolute epicenter of the hurricane.

Matthews and his wife, Lynne, were in their home as the hurricane leveled much of Punta Gorda with its 145-mile-per-hour winds, and the Worthingtons returned home a couple days after the storm blew through.

"The Matthews lived through it," said Pete Worthington in a phone interview. "They experienced it first hand and are pretty shattered by the experience." Efforts to contact the Matthews directly were unsuccessful — their phone service was knocked out.

At one point during the storm, the double front doors of the Matthews' home blew open, and it took the three people in the house an hour to get them closed, said Worthington. Had they not, the house would have been destroyed. The heaviest of the buzz-saw winds lasted more than 2½ hours.

A few days after the disaster, Worthington said of his friends: "They're doing well now."

Worthington said he and the Matthews were lucky compared to

many of their neighbors. They suffered mostly what he called a lot of cosmetic damage. "At every corner there is just total devastation. ... Houses are completely gone. ... There are no traffic lights. No power anywhere. ... Condos took the biggest hit. Anything above the first floor didn't survive. ... It's going to take a long time to get back to normal."

Worthington said he was gratified by all of the effort to clean-up, restore and rebuild. He said there were crews from North Carolina, Georgia, Texas and other states working to re-establish electrical and telephone service.

But the thing that warmed his heart the most, he said, was seeing a police car from Homestead, Fla., patrolling his neighborhood.

Homestead was ground zero for Hurricane Andrew in 1992, the most destructive hurricane in U.S. history. "They know what it's like," he said.

Twenty-five of Florida's 67 counties were designated federal disaster areas in the wake of Hurricane Charley. Officials estimate Charley caused at least \$11 billion in damage to insured homes alone. Total damage may exceed \$25 billion.

Several coach companies reported their employees, like the Matthews and Worthingtons, had homes damaged or destroyed.

"Some of our employees suffered significant property damage," said Mark Konttinen, chief executive of American Coach Lines in Lake Worth, Fla. "We'll do our best to assist them."

Maria Bankemper said one of her drivers, whose home in Port Charlotte took a direct hit that removed its roof, "was stuck in our Sarasota office and unable to travel due to the warnings. He's lucky he didn't travel because his home was destroyed," she said.

The driver and other Cruise Connection employees were displaced by the storm. "As a company, we are assisting our employees in whatever way we can at this point," she added.

Scott of Escot Bus Lines said his company's Orlando manager, Beau Langford, suffered damage to his home, and "we have a few drivers that live in Orlando and the Polk County area that sustained damage as well. Not total losses, but major inconvenience and expense nonetheless."

All coach companies contacted by *Bus & Motorcoach News* said

they took precautions in advance of the storm. Typical were the comments of Kat Feder, general manager of American Coach Lines in Orlando.

"We parked the vehicles tight together and on the East side of the building (opposite the wind), and secured everything inside and outside the building. Our front gate sprung and one piece of fence blew down," she said.

A number of operators reported helping move thousands of people before and after the hurricane hit.

"We have spent Saturday, Sunday, Monday and Tuesday moving thousands of passengers who were stranded in Orlando, Tampa and other Florida locations, and have had many calls from the military to mobilize people to various locations," said Ms. Feder. "Our biggest challenge has been communication because many of the cell systems, land lines and direct-connect lines have been down or intermittent. This makes driver contact difficult at best. We are working together as a team though and count ourselves very lucky," she added.

Scott of Escot Bus Lines said his company provided evacuation services in the Tampa Bay area

prior to the storm; Davis of Davis Tours said they helped bus airline passengers that had flights diverted to Ft. Lauderdale, and Travel Lovers Tours & Cruises in St. Petersburg and other companies reported they were helping transport emergency repair crews to Punta Gorda and other hard-hit areas after the storm. Such shuttle services are expected to continue for another month or more.

The timing of the hurricane added to the economic damage. It struck on the weekend before the first day of school, normally one of the busiest weekends of the year for many Florida coach operators and their drivers.

The erratic nature of Hurricane Charley even caused problems. "We thought Charley was headed for the Tampa Bay area and loaded a bus up with friends and family and headed off to Kissimmee," said Barac Wimberly, president of Travel Lovers Tours. "Unfortunately, it did not protect us but rather put us in harm's way, as Charley headed directly through Kissimmee."

Wimberly said they were lucky, however. The coach and its passengers were not harmed in any way.



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INDUSTRY NEWS

Thrasher

CONTINUED FROM PAGE 1

“Although that would be an increase from before, it would get them more in line with what other states are charging and help prevent the state from losing money,” said Thrasher.

The proposal currently is in legislative committees and is being readied for presentation to lawmakers when they open their 2005 session in February.

The association also got lawmakers to write a bill that would remove motorcoaches from the state property tax system entirely, but such a step would require voters to approve a constitutional amendment, reducing its chances of succeeding.

In addition to addressing the property tax issue, the association

managed to convince lawmakers to draft another bill that would exempt motorcoaches from being subject to state sales taxes. Sales taxes on new motorcoaches, which are either nonexistent or much lower in nearby states, can set back an operator in Alabama as much as \$17,000 for a new \$400,000 coach.

“Add that to the property tax and you really can’t afford to buy a new coach any more,” Thrasher emphasizes. “It has become almost impossible to afford one.”

To get around the extra expense, he said many operators are looking at leasing coaches rather than purchasing them. “And that costs you more money in the end because you are not investing anything in your business,” he said.

Thrasher sees support from lawmakers on reducing the motor-

coach property tax, but expects opposition to the sales tax measure. “That’s going to be controversial and a little tougher,” he acknowledges. “It remains to be seen if we are going to get that done or not, but we are going to try.”

Nationally, the association has been in the thick of the battle in Congress over efforts that would allow transit agencies to expand their ability to do charter work in competition with private motorcoach carriers.

Thrasher said the group has hired consultants who not only are experts on motorcoach and transit issues, but also who have worked closely for years with Alabama Republican Sen. Richard Shelby, who has taken up the cause for the industry. “Sen. Shelby said he didn’t have a clue this was going on

until we talked to him about it and now he’s trying to get it rectified, which we hope will be done by next session,” Thrasher said.

He warned that the charter business would never be the same if transit agencies get more into charter work. “We can’t compete when the federal government is funding our local transit authorities and we’re not getting anything,” he maintained.

Despite what he called pretty intense work ahead, Thrasher holds out hope that the two tax issues and the transit concerns will be resolved before too much damage is done to motorcoach operators in Alabama. “If we get those handled in the proper manner, then we will have accomplished what the association was formed for and it will make us much stronger down the road,” he said.

Meanwhile, even as the Alabama association continues to grow, the organization is aggressively seeking more members so it provides a unified push for the betterment of the industry. “We have most of the major bus operators, but not all of the smaller ones,” he said. “We want to make sure all of the legitimate operators are members so we all can work for the good of the cause, and that cause is to stay in business.”

The association has 131 members, including 24 motorcoach charter and tour operators and 97 associate members.

Thrasher pointed to insurance rates and fuel costs as other key issues that are creating problems for operators in the state and across the country. Both costs are at record highs, he said, a situation that is hurting the bottom line of most

companies. “Our profit margins are so small that these kinds of expenses can hurt,” he said.

Premiums for motorcoach business insurance in Alabama doubled two years ago and then went up another 20 percent last year before tapering off this year. At the same time, fuel costs have jumped to record highs, forcing most companies in the state to add a surcharge of 3 to 5 percent to their fares.

“We’ve tried to explain to our customers that the surcharge is only to cover what we have been hit with and is not an extra profit for us,” he said. “Most of them understand that because they’re paying higher fuel costs, too.”

To help sell their service to customers, Thrasher sees operators turning to more marketing programs.

For Thrasher, that means hitting the television airwaves, something he’s done in the past for his company’s line runs to casinos in Mississippi. But his newest commercials are directed toward the charter and tour aspect of his business.

“The ridership on our casino runs jumped tremendously after we ran television ads, and I think they will work now for our charter and tour business as well,” he said, adding that he’s been spreading the word to other operators about the advantages of using television as part of new marketing programs.

Meantime, business is up in the state, according to Thrasher, who noted that his own company saw only a small and temporary downturn after the 9/11 terrorists attacks and steady increases since then. “We’re having a great year,” he declared. “So, as far as the motorcoach business has been going in Alabama, it has been very healthy.”

Florida tourism agency pays big for Web address

TALLAHASSEE, Fla. — Visit Florida Inc., the state government’s nonprofit tourist marketing agency, has purchased the online address that bears its name. The price for www.visitflorida.com was \$186,000, the *St. Petersburg Times* reports.

Agency officials would describe the seller only as a New Jersey entrepreneur who had been using the domain name as a drawing card for links to other sites maintained by companies that sell Florida travel.

The agency had made several attempts over the last half-dozen years to acquire the Web name and didn’t have much choice but to pay. That’s because the domain name was in use when state tourist marketers decided to name their agency Visit Florida seven years

ago. “We saw it partly as a defensive move because this is our brand,” said Bud Nocera, chief executive of the agency. “We think it will become far more valuable over the next five to 10 years.”

The agency’s Web site, which contains vacation planning information, has been FLAUSA.com ever since Visit Florida decided to use it to promote its trademarked logo, which features the three-letter state abbreviation in block letters.

The logo, however, has fallen far short of becoming a household word. The logo and old domain name will continue to work online indefinitely. But in the future, [FLAUSA](http://FLAUSA.com) will be used as a promotional logo while visitflorida.com is promoted in all advertising.



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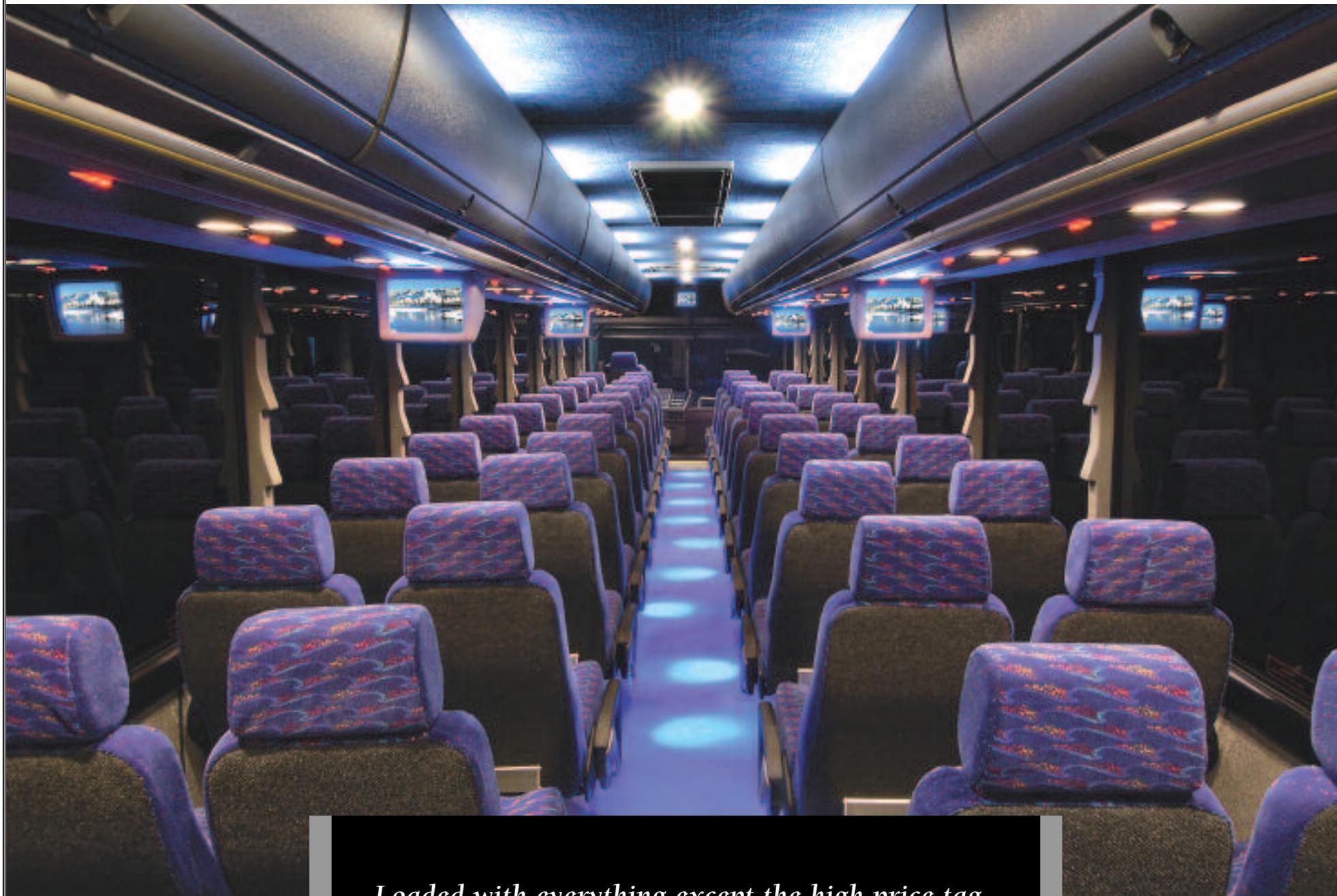
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