

Bus & Motorcoach NEWS

WHAT'S GOING ON IN THE BUS INDUSTRY

Deep in Texas is no picnic for evacuation drivers

The evacuation of thousands of people from the path of deadly Hurricane Ike in Texas last month has drawn mixed reviews from drivers and operators who took part in the operation.

Some said they were treated so poorly they have soured on getting involved in other large-scale rescue efforts in the state, while oth-

ers said the operation went as well as they had expected.

"It was a catastrophe for the bus drivers and that just shouldn't have happened," said Bill Austin, owner of Dallas-based Buses by Bill, who responded to the call for help from state officials with eight coaches and drivers.

He said his drivers were fed

very little, did not have toilet or shower facilities and were forced to sleep on their buses for most of the 10 days they were part of the evacuation effort that drew more than 1,000 commercial coaches and school buses from throughout the country.

Drivers from other carriers echoed the complaints, including

one who said drivers were required to shut down their engines at night so they would conserve fuel, which meant they could not run their air conditioning systems while they slept.

Most disturbing, according to Austin, was that bus drivers were treated differently than others who were involved in the evacuation

operation, including state troopers, medical personnel and state and federal officials. He said drivers on one occasion tried to enter a dining tent where other workers were eating, but were stopped by a sign that said they were not allowed inside.

"It is my opinion that esprit de

CONTINUED ON PAGE 10 ►



MCI's Bankruptcy

Company says filing will strengthen outlook

SCHAUMBURG, Ill. — Top executives at Motor Coach Industries expect the company to emerge from bankruptcy reorganization in February with a far more flexible financial structure that improves its competitiveness, allows it to diversify and make acquisitions, and bolsters product development.

MCI plunged itself into bankruptcy last month to thwart financial collapse and rid itself of much of the \$765 million in debt that has strangled it for the past 14 years.

The MCI bankruptcy filing, while expected, was somewhat unusual because it was in the form of a pre-negotiated or pre-packaged arrangement that includes a busload of new lenders, two new equity investors, a plan to throw its

owner for the past nine years under the bus, and an apparent agreement from its biggest creditors to go along with the whole deal.

"We made the strategic decision to significantly reduce our debt, strengthen our balance sheet and access new capital through a voluntary filing under Chapter 11 so we can build on our leadership position in the industry," said Tom Sorrells, MCI president and chief operating officer. MCI annually produces between 50 and 60 percent of the new over-the-road buses sold in North America.

MCI says its financial reorganization plan will reduce total company debt by \$420 million and cut its annual interest expenses by \$54 million.

One way to gauge the importance of that \$54 million is to think of it like this: MCI annually sells between 800 and 1,200 new coaches. During a year in which it sells 1,000 new buses, MCI will be able to save \$54,000 per bus in annual debt service.

The overarching goal of MCI's Chapter 11 reorganization is to completely revamp its financial structure but to do it without directly affecting employees, customers and day-to-day operations.

"The pre-negotiated Chapter 11 filing is expected to have no impact on the company's production facilities, delivery schedules, after-sale parts availability or service centers," says the company.

CONTINUED ON PAGE 12 ►

Industry seeks to block far-reaching seatbelt bill

WASHINGTON — Lobbyists for the motorcoach industry are trying to head off legislation in the U.S. Senate that would require all motorcoach companies to install seatbelts in all of their buses.

The draconian Senate bill was introduced 11 months ago but had been marking time until two deadly motorcoach crashes in August

moved it onto the front burner. (See Sept. 1 *Bus & Motorcoach News*.)

A subcommittee of the Senate Commerce, Science and Transportation Committee conducted a hearing on the measure in mid-September and a representative of the coach industry told senators that operators could not afford the

bill's mandates, and that it made no sense to impose such a tough requirement on the industry without rigorous testing.

While the seatbelt requirement in the Senate bill is bad enough, the measure also would mandate additional safety technology, such as interior impact protection, roll-over and stability control systems,

flammmability reduction, improved window glazing, collision avoidance equipment, and electronic onboard recorders. (See Dec. 1 *Bus & Motorcoach News*.)

Additionally, the bill would require the U.S. Department of Transportation to:

- Inspect all bus operators and assign each a safety rating at least

every three years.

- Establish a training curriculum for drivers to be adopted by state and local governments. Any driver seeking a commercial driver's license would need to attend a training program with an approved curricula.

CONTINUED ON PAGE 6 ►

THE 2009 MCI® J4500
NOW AVAILABLE



MOTOR COACH
INDUSTRIES

**SMOOTH.
SMART.
SOPHISTICATED.**

CALL 1-877 - I BUY MCI (428-9624)



Ready For Delivery— Quality Pre-Owned Equipment

from the Nation's #1 Pre-Owned Equipment Dealer



Bluebird LTC40



Dina Viaggio w/Lift



Setra S217



Krystal KK38



MCI 102C3

PASSENGER COACHES

- **1998 Bluebird LTC 40 (2) \$79,900 ea.**

New Paint / 1 Owner
Vin# 1BAGNB5A7WF079292

- **1999 Dina Viaggio 1000 \$74,900**

ADA
Vin# 3ABBBFHA9XS002158

- **1995 Setra S217HDH \$44,900**

West Coast Vehicle
Vin# WKK138TAXS1030417

- **2006 Krystal KK38 \$109,900**

1 Owner / Clean as New
Save \$60K from New!
Vin# 1HVBTAAN36H265273

- **1990 MCI 102C3 \$37,500**

1 Owner / West Coast Vehicle
New Audio/Video!
Vin# 1TUGCH8A2LR007713

- **Financing Available***

For details call Peter Oakman at 800-322-2877 x723

Customer Satisfaction
is our highest priority...

Used vehicles sold "as-is."
Actual coach may vary from photo.
No warranties expressed or implied.
*Financing available to qualified customers.



Exclusive U.S. Distributor

View hundreds of other pre-owned equipment at
www.abc-companies.com

Many Solutions. One Direction.

MIDWEST **NORTHEAST** **SOUTHEAST** **SOUTHWEST** **WESTERN**
800-222-2875 800-222-2873 800-222-2871 800-222-2877 800-322-2877

UMA, IMG challenge FTA on Denver charter decision

WASHINGTON — The United Motorcoach Association and the International Motor Coach Group have asked the administrator of the Federal Transit Administration to investigate whether he was duped into granting an exception under the new charter bus rule so the public transit agency in Denver could provide shuttle service for the Democratic National Convention.

In a letter to FTA Administrator James Simpson, UMA and IMG say they believe the request for an exception filed by Denver RTD "contained misrepresentations" that "subsequently misled" Simpson into making a decision that gave the transit agency authority to provide shuttles for the final night of the convention in late August.

Fixes

Smarter readers of *Bus & Motorcoach News* noticed that although the Oct. 1 issue was distributed in two sections it shouldn't have been. Our printer failed to insert the second section into the middle of the

"Is it fraud to mislead the Federal Transit Administration administrator?" asked UMA Vice President of Industry Relations Ken Presley and IMG President Steve Klika in their letter to Simpson..

"Was collusion involved? Were federal taxpayer resources misapplied? Should the USDOT Office of the Inspector General and the U.S. Department of Justice review these matters?" the pair asked.

Klika and Presley pointed out that hundreds of private buses were dispatched, with little advanced notice, to evacuate thousands during Hurricanes Ike and Gustav, dispelling any notion the private sector is incapable of providing time-sensitive service on short notice.

first section, producing a one-section paper. For readers who didn't catch the slip-up, we've placed a handful of typos in this issue for you to find and redeem yourself.

Mr. Fran Walsh of Lancer Insurance Co., was incorrectly referred to as she in a pair of second references.

Trucker blamed in fatal bus crash

WASHINGTON — The National Transportation Safety Board has fixed the blame for a fatal 2005 bus-semitrailer truck crash in Wisconsin on the truck's driver who fell asleep at the wheel.

The federal crash investigation agency urged the National Highway Traffic Safety Administration and the Federal Motor Carrier Safety Administration to develop plans for reducing driver fatigue and to look at requiring new safety technology, including mandating collision warning systems with active braking and electronic stability control systems.

The NTSB concluded that Mi-

chael J. Kozlowski caused the crash when he fell asleep at the wheel before a bus carrying members of the Chippewa Falls, Wis., high school band crashed into his overturned truck on Interstate 94.

The NTSB finding is at odds with a criminal trial in Hudson, Wis., last year, in which Kozlowski was acquitted of 12 felony and 21 misdemeanor charges.

Kozlowski's defense centered on attacking the bus driver, Paul Rasmus, who was killed in the crash and, therefore, unable to defend himself.

The NTSB report said Mr. Rasmus was "fit and qualified" to

drive and couldn't have avoided colliding with Kozlowski's overturned semitrailer.

"The probable cause of the truck-tractor semitrailer rollover, the precipitating event in the accident sequence, and the motorcoach's subsequent collision with the truck, was the truck driver's falling asleep at the wheel, drifting from the roadway, and losing control of his vehicle," the NTSB said.

"The motorcoach collided with the overturned truck because there were insufficient visual cues to permit the driver to identify the truck wreckage in time to avoid the collision."

Safety award nominations being sought

ORLANDO, Fla. — At UMA Motorcoach Expo in January, the United Motorcoach Association will honor an individual who has demonstrated leadership in the motorcoach safety field.

The award, sponsored by Daecher Consulting Group of Camp Hill, Pa., is given annually at Expo's Vision Awards banquet. The

2008 award will be presented Jan. 23.

Criteria for award nominees includes: Involvement in the industry for at least five years; active in industry initiatives and organizations, and demonstrated achievements for his or her company and/or the industry.

"A demonstrated commitment

to safety is the leading criteria for this honor," says Carmen Daecher, who created the award.

Nominations for the 2008 Safety Leader of the Year award are being sought. The deadline for nominations is Nov. 15.

To obtain a nomination form, call Daecher Consulting Group at (717) 975-9190.

PennTex Complete Line of Alternators



PX-833
50DN air-cooled upgrade

- The PX-833 offers higher output: 28 volts, 330 amps
- Increased fuel economy with air-cooled design
- Utilizes all existing hardware, electrical components & pulley



PX-4V SERIES

The PX-4V-220 is a drop-in upgrade for the 2005-2008 GM C3500, C4500, and C5500 chassis with a gas or diesel engine. Our system has a plug-in harness and is rated at 14 volts, 220 amps maximum output. There are 6 high temperature 60-amp positive diodes and 6 high temperature 60-amp negative diodes for superior cooling by increased rectification and larger heat sink area.



PX-5 SERIES

The PX-5 Series is an extra heavy-duty upgrade for the Ford E-Series chassis equipped with a gas or diesel engine including 2008 OEM applications. Our system is rated at 14 volts, 200 and 250 amps maximum output. It uses 12 high temperature 60-amp positive diodes and 6 high temperature 60-amp negative diodes in heat sinks designed for superior cooling.

The PennTex Advantage!

- Alternators from 200 to 350 amps at 14 volts and 130 to 330 amps at 28 volts
- External regulator design for maximum performance
- Charging systems that deliver more amps at idle for all shuttle and transit bus applications

PennTex
INDUSTRIES, INC.

Corporate Office:

202 Plaza Drive, Manchester, PA 17345
Phone: 717-266-8762 Fax: 717-266-7803

Manufacturing:
7620 Flagstone Drive, Ft. Worth, TX 76118
Phone: 817-590-2818 Fax: 817-590-0505

Toll Free: 877-590-7366
www.penntexusa.com
[email: sales@penntexusa.com](mailto:sales@penntexusa.com)

THE DOCKET

Congress shores up highway fund by adding \$8 billion

WASHINGTON — States will continue maintaining and building highways during the final quarter of this year at the same pace they did during the first three quarters because Congress pumped more than \$8 billion of general tax revenue into the Highway Trust Fund.

Lawmakers acted after an abrupt about-face by the Bush administration, which previously had resisted efforts to prop up the trust fund.

Fears about the trust fund's

health were exacerbated when the U.S. Department of Transportation announced in early September the fund could be out of cash by the end of the month.

Transportation Secretary Mary Peters said the highway account within the Highway Trust Fund "will not have cash available to reimburse state highway expenditures — not at some point in the distant future but as soon as this month."

Peters and other Bush adminis-

tration officials had earlier opposed the transfer, saying the president would veto a bill that used general tax revenue to bolster the highway fund. They pushed instead to shift money from the fund's transit account.

But the administration reversed course, with Peters saying Congress should pass legislation to shift general funds into the trust fund and Bush would sign the legislation.

"Make no mistake. This is far from an ideal solution. Taking

money from other pressing national priorities to plug a hole caused by poor fiscal discipline sets a dangerous and disturbing precedent," Peters said.

"But the state of the Highway Trust Fund has now moved from a theoretical to a practical problem, and states should not have to suffer the consequences."

The situation, which has been known about since the current highway legislation was signed in 2005,

became more pronounced this year because of a sharp decline in the miles traveled by American motorists and truckers, which reduced fuel-tax revenue.

The Senate approved a slightly modified version of a bill the House had passed in late July.

Peters, as well as Senate Republicans, also blame much of the shortfall on \$24.2 billion in earmarked spending in the current highway law.

Laptop-using drivers should not be cited under TV rule

WASHINGTON — Drivers of commercial vehicles shouldn't be cited for having a laptop within their view, at least not under the federal safety regulation that bans televisions, the Federal Motor Carrier Safety Administration has told state safety inspectors.

The FMCSA made its views known at the annual conference of

the Commercial Vehicle Safety Alliance in Winnipeg, Manitoba, last month.

Thomas Yager, FMCSA's chief of driver and carrier operations, detailed the laptop issue during a PowerPoint presentation at the CVSA meeting.

The bottom line of Yager's presentation was that the TV regulation

does not apply to laptop computers.

Last spring, commercial vehicle inspectors in Arizona briefly wrote tickets and issued warnings to truck drivers with laptops open in their cabs, citing the anti-TV rule in the Federal Motor Carrier Safety Regulations.

Arizona suspended its practice after a trucking publication ques-

tioned the citations. Next, the Arizona DOT sought legal guidance from the FMCSA as to whether the TV rule, FMCSR 393.88, applied to laptop computers.

Participants at the CVSA conference noted that technology is developing faster than regulations that govern commercial vehicle drivers.

"Micromanaging how people

use technology actually gets into driver behavior," said one trucking industry executive. "If somebody doesn't watch the road because they're watching a movie — well that's inattentive driving — so cite them for it. There's a big difference between attacking the technology, and criticizing someone for how it's being used."

Feds: No tolling on I-80 in Pa.

WASHINGTON — The Federal Highway Administration has rejected an application by the Pennsylvania Turnpike Commission to toll Interstate 80.

"Tolling interstates is a viable option for many states to fund highway improvements or to improve performance conditions," said federal highway Administrator Tom Madison.

"Because we are legally bound to ensure applications for this program meet all congressionally mandated requirements, however, we are regrettably unable to approve

this application," he said.

Pennsylvania had sought to toll I-80 as part of a multi-billion plan to fund infrastructure in the state. With the tolling application denied, the legislature is likely to re-examine a proposal to lease the Pennsylvania Turnpike to a consortium that includes CitiBank and a Spanish investment firm.

According to Transportation Secretary Mary Peters, the application to toll I-80 did not meet both technical and statutory requirements.

Public session set for safety plan

WASHINGTON — Motorcoach operators who want to be ahead of the curve when it comes to federal safety regulations should consider attending a "public listening session" this month in Arlington, Va.

The Federal Motor Carrier Safety Administration has scheduled the session to get feedback on its Comprehensive Safety Analysis 2010 initiative, a comprehensive restructuring of FMCSA's safety fitness and enforcement programs.

FMCSA officials will brief participants on the direction and progress of the safety initiative, which it refers to as CSA 2010, and obtain feedback from those attending.

For those who can't attend, the FMCSA is seeking comments on the CSA 2010 "operational model," which was published last month in the Federal Register and can be found on the FMCSA website. Go to www.fmcsa.gov,

fmcsa.dot.gov, click on Safety & Security and follow the links.

The listening session will be at the Key Bridge Marriott, 1401 Lee Highway, Arlington, Va., from 8 a.m. to 2:45 on Oct. 16.

Written comments, which must be received by Jan. 31, must be sent to Docket Management Facility, U.S. Department of Transportation, 1200 New Jersey Avenue, SE, West Building Ground Floor, Room W12-140, Washington, DC 20590-0001.

Or, they may be submitted electronically by going to the federal eRulemaking Portal at <http://www.regulations.gov>. Follow the on-line instructions for submitting comments.

FMCSA officials see the program as employing a new approach to using agency resources to identify drivers and motor carriers that pose safety risks.



California gets okay to require onboard diagnostics

WASHINGTON — The U.S. Environmental Protection Agency has issued a potentially far-reaching decision that grants California a waiver allowing environmental regulators in that state to implement stringent new onboard diagnostic rules for 2010 and beyond diesel engines.

The sweeping decision likely means that other states will adopt the California requirements, forcing

engine manufacturers to install much more sophisticated onboard diagnostic devices with tougher failure thresholds. (See June 15, 2007 *Bus & Motorcoach News*.)

Onboard diagnostic systems are comprised primarily of complex software designed into a vehicle's onboard computer to detect emission control system malfunctions as they occur.

I-35 bridge reopens in Minn.

MINNEAPOLIS — The Interstate-35W bridge over the Mississippi River here reopened the middle of last month.

The bridge collapsed during rush hour Aug. 1, 2007, killing 13 people and injuring about 100 others. The tragedy has led to calls for improved infrastructure funding all across the U.S.

Prior to opening the bridge, Minnesota state troopers lined up across the highway lanes at each end of the northbound and southbound spans of the bridge, allowing public traffic to line up behind them.

Once construction barricades

were removed, troopers drove slowly across the bridge, passing in the middle and allowing other vehicles to follow behind them and begin using the highway.

West River Parkway on the south side of the river, and Second Street on the north side, reopened to traffic concurrently with the new bridge.

The I-35W bridge was completed roughly 13 months after its predecessor collapsed. The cause of the collapse remains under investigation by the National Transportation Safety Board, which is expected to release a final report in November.

R.I. gives older drivers break

PROVIDENCE, R.I. — Rhode Island has a new law that gives drivers who turn 70 another five years before they're required to renew their driver's licenses every two years.

The law, previously SB2022, stops the practice of requiring those 70 and older to renew their driver's licenses, including CDLs, every two years. Younger drivers are required to renew their licenses every five years.

NYC to track vehicles in city

NEW YORK — New York City is developing a plan to track every vehicle that enters Manhattan in an effort to guard against potential terrorist attacks, the *New York Times* reports.

The proposal, dubbed Operation Sentinel, would rely on various technologies, some of which are still being perfected, and includes photographing and scanning the license plates of cars, trucks and buses at all bridges and tunnels into the city, and using sen-

sors to detect radioactivity, the *Times* said.

Data on each vehicle would be sent to a command center where it would be indexed and stored for at least a month as part of a broad security plan that emphasizes protecting the city's financial district, the paper reported, citing police officials.

If a registration or plate was not linked to a suspicious vehicle or a law enforcement investigation, it would be eliminated, the *Times* said.

Canadian PM wants diesel tax cut

QUEBEC CITY, Quebec — Canadian Prime Minister Stephen Harper says if he is re-elected he will cut the four-cent-per-liter federal excise tax on diesel fuel in half.

Canada, like the U.S., is in the midst of national elections and

California Air Resources Board regulations require that, among other things, onboard diagnostic systems monitor for engine misfires and emissions related to

various systems, including fuel, catalyst, turbo-charger, exhaust gas recirculation, particulate matter filter, cooling and variable timing and control.

Early last year, the USEPA said it would propose its own onboard diagnostic system requirements for heavy diesels but has not completed its final rule.

SPRINTER

Some Introductions,

Simply Need No Introduction



Sprinter Shuttle Bus

The all-new Dodge Sprinter shuttle bus from Daimler Buses North America has the versatility you have been looking for, only now with a refined look and overall increase in length and height. It can now comfortably seat up to 15 - plus driver, and provides superior ride and handling. With its roomy passenger cabin with plenty of standing room, effortless passenger boarding, and other optional onboard amenities, the Dodge Sprinter shuttle bus will become one of your most demanded shuttles in your fleet.

Continuing to lead the way, the all-new Dodge Sprinter shuttle bus offers extended maintenance intervals and provides exceptional fuel savings, making this the vehicle of choice. All-in-all, it opens new opportunities with endless possibilities – contact us today to discover the all-new Dodge Sprinter shuttle bus.

SPRINTER

DAIMLER BUSES NORTH AMERICA

contact us: 800.882.8054 | sales@dcbusna.com | www.dcbusna.com

Seatbelt bill

CONTINUED FROM PAGE 1

Sen. Kay Bailey Hutchison, R-Texas, is a co-sponsor of the legislation and has been pushing it. She says the safety improvements her bill would mandate, especially seatbelts, are sensible and already required in Europe and Australia.

"You can't tell me that putting seatbelts on a bus are too costly," Hutchison said. "We are not asking for business-breaking safety enhancements."

Both the United Motorcoach and American Bus associations are working to head off the Hutchinson bill, which is being co-sponsored by Ohio Sen. Sherrod Brown, a Democrat.

An article in the *Dallas Morning News*, published the same day as the Senate hearing, practically accused the two bus associations of trying to buy votes of U.S. House members who are sponsoring a separate House bill the industry generally favors.

The article noted that the ABA's Political Action Committee had sent two \$1,000 checks to the sponsor of the House measure, Rep. Bill Shuster, R-Pa., and UMA's PAC had sent a \$1,000 check to Shuster.

ABA's PAC also sent a \$1,000

check to a Democratic House member, Rep. Eddie Bernice Johnson of Texas, who two weeks after getting the money signed on as a co-sponsor of the House bill.

One way to slow down any legislation is to introduce a competing bill in the other House of Congress.

At the hearing last month of a Senate commerce subcommittee, representatives from federal transportation safety agencies voiced support for aspects of the Hutchinson-Brown legislation, saying the Bush administration was moving ahead with implementing some of the provisions.

"Certainly more needs to be done in terms of oversight," said Mark Rosenker, acting chairman of the National Transportation Safety Board. He said his agency supports improving safety standards, including barring cell phone use by drivers and strengthening motorcoach roofs.

John Hill, the administrator of the Federal Motor Carrier Safety Administration, noted his agency had stepped up its inspections of buses.

The driver in one of the August crashes — that spurred the Senate hearing — had been cited for numerous deficiencies, Hill said.

David Kelly, the acting administrator of the National Highway Safety Administration, said his

agency found in crash tests in December that injuries were more likely to be prevented when seatbelts are used.

But Peter Pantuso, the president of the ABA and testifying on behalf of the coach industry, said more testing should be done before seatbelts are required. The industry, he said, could not afford them.

"One cannot rush safety research, and one must look at all the evidence," Pantuso said. "We are an industry composed of small businesses, and the imposition of a seatbelt mandate for every bus will be a heavy one. It will be impossible to fulfill without federal funds."

There was emotional testimony at the hearing from those related to crash victims, including Stephen Foreman, whose daughter, Allison, was hospitalized after a bus carrying her and her high school teammates crashed in Divers, Texas, in 2006.

"My message to parents is: These buses are unsafe, and we put our children on them over and over again," Foreman said. "As parents, we have got to stop this."

Melanie Brown, whose daughter, Ashley, was killed in the crash, said she was proud that Texas passed a law requiring all school buses to have seatbelts and hoped

'Feds slam rogue operators'

Note: The following is a fictitious article we'd really like to be able publish one day.)

WASHINGTON — The Federal Motor Carrier Safety Administration found hundreds of violations of federal transportation regulations and assessed tens of thousands of dollars in fines during a special strike force investigation of more than 100 rogue bus companies operating across the U.S.

"Interstate bus companies with unsafe and illegal operations are hereby put on notice: Federal investigators will soon be knocking on your door and you will face serious legal and financial consequences," said John H. Hill, FMCSA administrator. "During this strike force alone, 50 companies received federal fines in excess of \$150,000."

From Sept. 15 through Sept. 25, the FMCSA, working in cooperation with state law enforcement agencies, conducted focused compliance reviews on suspected outlaw motorcoach companies.

Among the violations the FMCSA and state inspectors found were companies operating without

the federal government would follow for all motorcoaches.

federal authority, with no drug and alcohol testing programs, and with lousy or nonexistent records, poorly maintained buses with numerous out-of-service items, drivers with expired CDLs and/or medical certificates, deceptive log books, and buses with no or illegal license plates.

The United Motorcoach Association praised the strike force, saying in a statement: "UMA supports the efforts of the federal government in working to eliminate rogue operators and to ensure bus companies are in full compliance. We share this goal and continue to push for strong federal enforcement of interstate carriers."

"UMA has supported increased funding for the FMCSA to properly carry out its enforcement responsibilities, and will again do so during consideration of the federal highway reauthorization legislation during the next session of Congress."

The strike force focused on states that have a disproportionate number of rogue companies based on data generated during destination and roadside inspections.

"We can no longer express concern and do nothing," Brown said.



If it's already come to that, or if you want to protect your drivers and passengers from future video monotony, equip your buses with the KVH TracVision A7 mobile satellite TV system and live DIRECTV service brought to you by ASA Electronics.

The TracVision A7 is the lowest profile mobile satellite TV system on the market. Only 5" high and using groundbreaking phased array antenna technology, it offers outstanding reception of DIRECTV programming even as the bus cruises down the highway.

With the TracVision A7 and DIRECTV, your drivers and passengers will never have to miss the good stuff or deal with the hum-drum again! Contact your ASA Electronics Sales Rep at 800.688.3135 today for more information and purchasing details.

KEY FEATURES:

- 185 channels of standard-definition DIRECTV and commercial-free XM Satellite Radio
- Deluxe 12V mobile receiver with built-in GPS so it can also support local channels*
- Automatic satellite switching for even more channels
- Choice of high-gloss silver or black domes
- Easy rooftop mounting and only one cable

TRACVISION

For Bus OEMs and Coach Up-Fitters, contact:



800.866.3135 • www.asaelectronics.com

For bus operators, fleets, and public transportation authorities, contact:

ABC Parts Source • 877.427.7278

Ward Electronics • 800.695.1670

All other trademarks are property of their respective companies.

JENSEN
JHD3510 Heavy Duty Stereo

JENSEN
PADIN4 Controller

get a lot for a little

Stop overpaying for bus entertainment.

ASA/JENSEN® brings you a **full family** of Bus Entertainment products. We offer iPod® and SIRIUS® capable stereos with integrated PAs, mics, DVDs, 10" & 15" LCD monitors and retrofit kits as well as unique products **specifically designed** for the coach bus industry. With JENSEN, you can outfit or upgrade your buses with high-quality entertainment systems **without overpaying** for the other guy's stuff.

Contact our distributors listed below for more information on our complete bus product lineup.

ASA Electronics
THE MOBILE ELECTRONICS COMPANY SINCE 1977

Kingston (866) 733-2820 LTM Electronics (800) 447-6825 Ward Electronics (800) 695-1670

For 75 years, we've been going

your way



E4500: Ultimate Elegance

From our ground-breaking spiral entryway to the steerable tag axle that gives the E an unparalleled tight turning radius, this top model has it all: great looks, an unparalleled suite of passenger amenities and high-performance, high-tech specs.



J4500: Excellence Recognized

Great looks, top-tier amenities and simple componentry. Praised by operators for its ease of ownership, a favorite with drivers for its nimble handling, and popular with passengers, the J4500 is deservedly North America's best-selling touring coach. Now available as a conversion shell as well.

The D4505 and 4005: Redefining the Classics

For years, the D Series has performed reliably for tour and charter operators and has brought touring amenities to intercity commutes. No wonder it's the industry's all-time best-selling coach. Now, a hybrid electric-diesel commuter coach model joins the stable, offering even lower emissions and a greener way to go.

Today, the way is even greener

When Harry Zoltok put his first coach on the road in 1933, he started a tradition of bringing operators and riders together. Today, 75 years later, MCI is still giving operators the top-quality, reliable equipment they need to fill seats over the long haul. From dependable workhorses and top-of-the-line luxury models to a hybrid coach that's ready to take the industry to new places, MCI is there, with more powertrain options than anyone. Plus, we back every coach with our Pro Support network of technical support, service, financing and more. It's all to fulfill our Going further pledge: excellence at every turn.

POWERED BY
CLEAN-ENGINE
TECHNOLOGY

I-866-MCICOACH
www.mcicoach.com

©Motor Coach Industries, Inc. 2008, All Rights Reserved



MOTOR COACH
INDUSTRIES

Going further!™

Sarah Palin: Transit friend or foe?

By Steve Hirano

WASILLA, Alaska — Much has been reported about GOP vice presidential candidate Sarah Palin's experience as governor of Alaska and former mayor of Wasilla, but does that experience illustrate any significant support of public transportation?

Karen Walton, who served as executive director of Wasilla's community transportation agency, called Mat-Su Transit (or MASCOT), said Palin was a conservative and fiscally restrained mayor who was not inclined to invest heavily in social services.

"She was not against us, but she wasn't for us," Walton said.

Walton explained that MASCOT was founded in 1999, during Palin's term as mayor, as a private, nonprofit agency, not a city department. "She wasn't against the start-up of it, but she wasn't throwing money at it either," said Walton.

In fact, the city of Wasilla has not contributed any funding for MASCOT's operations, although it did donate five acres of land for the construction of a transit facility and acted as project manager.

The facility — an 8,500-square-

foot office building, dispatch center, training room and bus garage — opened in 2006.

Walton, who left MASCOT last year to manage the University of Texas, El Paso, transit system for First Transit, spent almost six years at the Wasilla agency, from 2001 to 2007, and was generally impressed by Palin, who was mayor from 1996 to 2002.

"She's a very competent, very smart lady," said Walton, adding that Palin's modest interest in transit reflects Alaska's overall perspective.

"Alaska isn't a big transit state. It's mostly rural, and transit is just not a big priority. I don't think Sarah's mind was wrapped around transit," she said.

Walton said she was surprised to hear reports in the national media that Palin was responsible for obtaining a federal earmark to help fund the construction of MASCOT's transit facility.

The transit facility was constructed with the assistance of a federal earmark obtained by Walton and the MASCOT board, although the media has attributed the earmark to Sarah Palin.

"She never had anything to do



Alaska Gov. Sarah Palin didn't throw money at public transit.

with that earmark," Walton said. "My board of directors and I went after the earmark, wrote the grant and found the match."

Walton said the building was constructed with federal and private grants and a loan from the Community Transportation Association of America. She said the city acted as the pass-through for the funds.

"As time went on, and MASCOT became a viable agency with ever increasing ridership, the city of Wasilla became more and more our friend," Walton said.

Steve Hirano is president of TransitTalent.com, an information resource and job bank for the public transportation industry.

Cummins builds market share as Cat's engine sales decline

COLUMBUS, Ind. — Cummins Inc. increased its market share in the heavy-duty engine market during the first half of this year, while sales at competitor Caterpillar Inc. declined, *Wards Auto.com* reports.

Cummins sold 40,329 over-the-road engines during the first six months of 2008, or just over 40 percent of the market and up from 32 percent a year ago.

Caterpillar, which last year lost its eight-year hold as the top independent truck- and bus-engine supplier, sold 11,906 units for a 12 percent market share during the first half of '08, down from about 20 percent in the first half of '07.

Two years ago, Caterpillar led the big engine market with 28.3 percent, versus 25 percent for Cummins.

In June, Caterpillar announced it would stop selling heavy-duty truck and bus engines in the United States after 2009. (See July 1 *Bus & Motorcoach News*.)

As the first half '08 figures indicate, many customers already were moving away from Cat prior to the announcement of its with-

drawal from the truck and bus market. Some analysts attribute the shift to problems Caterpillar had getting its engine up to standards.

All heavy-duty engine makers introduced new technology in 2007 to meet tightened federal emission standards. Several large trucking fleets complained of various computer and mechanical problems with all of the first new engines, but criticism about Caterpillar continued throughout 2007.

Caterpillar executives have promised the company will continue technical and parts support for all of its engines throughout their service life.

The market share for other engine brands during the first half of 2008 were: Detroit Diesel and Mercedes-Benz, 24,017 units for a 24.3 percent share; Volvo sold 13,772, or 13.9 percent of the market, and Navistar sold 8,654, or 8.8 percent of the market.

The heavy-engine market will see more changes next year. Daimler will stop importing Mercedes-Benz units, producing all North American engines under the Detroit Diesel brand in Michigan.

Gay neighborhood in San Francisco shuns tour buses

SAN FRANCISCO — Add San Francisco's Castro district, this city's best-known gay community, to the list of areas that have been invaded by tour buses and don't like it.

According to various news accounts, motorcoaches, mostly filled with tourists from the Far East, began showing up in the Castro district four or five months ago and now arrive twice weekly in the late afternoon.

Because Castro is different from anything the Asian and other visi-

tors can find at home, it has become a popular stop on some tour bus routes.

But while the visitors may consider themselves tourists just taking in another site, the Castro locals have taken to calling them something else: quick-hit voyeurs who disrupt traffic and parking, and rarely spend any money.

Residents and business owners say they've had enough, and have petitioned the city to put a stop to the practice. However, parking en-

forcement officials can't ticket the tour buses because there are no signs prohibiting private coaches from parking there, according to a spokeswoman for the San Francisco Municipal Transportation Agency.

A government advisory committee has recommended establishing tow-away zones and installing no-parking signs in the area.

But while officials deliberate the buses continue coming, off-loading tourists who want to experience the unique community.

The Castro district evolved as a distinctive neighborhood during the political and social activism of the 1960s and 1970s. One of its merchants, camera shop owner Harvey Milk, became San Francisco's first openly gay supervisor. Milk was assassinated in 1978, further uniting the community.

A movie based on his life is planned for release later this year, which may draw even more tourists to the neighborhood, residents say.

How to contact us

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

E-mail:
bsankey@busandmotorcoachnews.com
Fax: (405) 942-6201
Mail: 3108 NW 54th Street
Oklahoma City, OK 73112
Call: (866) 930-8421

To subscribe or inquire about your subscription:

E-mail:
ebalm@busandmotorcoachnews.com
Fax: (405) 942-6201
Mail: 3108 NW 54th Street
Oklahoma City, OK 73112
Call: (866) 930-8421

To advertise or to mail advertising-related materials:

Call: Johnny Steger at (866) 930-8426
E-mail:
jsteger@busandmotorcoachnews.com
Mail: 2200 N. Yarbrough, Suite B
Box No. 336
El Paso, TX 79925

To send advertisements or photographs via the Internet:

E-mail: BMNews@jezac.com

To contact the United Motorcoach Association:

Call: (800) 424-8262
Online: www.uma.org

ISSUE NO. 132 Bus & Motorcoach NEWS

A PUBLICATION OF THE UNITED MOTORCOACH ASSOCIATION

Staff

Editor & Publisher: Victor Parra

Senior Editor: Bruce Sankey

Sales Director: Johnny Steger

Industry Editor: Ken Presley

Accountant: Ted Williford

Associate Editor: Ellen Balm

Art Director: Mary E. McCarty

Editorial Assistant: Amy Stalknecht

Editorial Assistant: Mark Gedris

Advisory Board

William Allen
Sierra Trailways
Sacramento, Calif.

Larry Benjamin
Northfield Lines
Northfield, Minn.

Dave Bolen
New World Tours
Bristow, Va.

David Brown
Holiday Tours
Randlemann, N.C.

James Brown Sr.
Magic Carpet Tours
Richmond, Va.

Steve Brown
Brown Coach
Amsterdam, N.Y.

Bob Foley
ABC Companies
Faribault, Minn.

Gladys Gillis
Starline Transportation
Seattle

Robert Hume
Travel Mates Trailways
Harrisonburg, Va.

Daryl G. Johnson
J & J Charters
Crosby, Texas

Dale Krapf
Krapf Coaches
West Chester, Pa.

Godfrey Lebron
Paradise Trailways
Hicksville, N.Y.

Joan Libby
Cavalier Coach
Boston, Mass.

Marcia Milton
First Priority Trailways
District Heights, Md.

Michael Neustadt
Coach Tours
Brookfield, Conn.

Jeff Polzien
Red Carpet Tours
Oklahoma City

Tom Ready
Ready Bus Lines
LaCrescent, Minn.

Brian Scott
Escot Bus Lines
Largo, Fla.

Michelle Silvestro
National Interstate Insurance Co.
Richfield, Ohio

T. Ralph Young
Young Transportation
Ashville, N.C.

Canada's largest operator, Pacific Western, reorganizes

CALGARY, Alberta — Canada's largest private bus operator, Pacific Western Transportation, has reorganized its operation to improve service and position itself for future growth.

The company previously had been organized along geographic lines, reflecting operations that stretch from Toronto in eastern

Canada, to the western province of British Columbia.

The new structure focuses the company on its core business lines: motorcoach, student transportation, and transit. In Canada, Pacific Western is the largest motorcoach operator, second-largest transit operator, and a major school bus operator.

To manage and grow its three sectors, Pacific Western President and Chief Operating Officer Michael J. Colborne named a vice president for each unit.

Mark Hannah has been named vice president-motorcoach; Kevin Stinson has been named vice president-transit, and Tom Jezersek has been named vice president-student

transportation.

In his new position, Hanna will be responsible for the company's four coach operations — Red Arrow Intercity, Diversified Transportation, Northern Health Connections, and P.W. Transportation, plus its Professional Driver Training Center in Edmonton.

Hanna has spent his entire ca-

reer in the coach industry — the fourth generation of his family to do so. He joined Pacific Western's Toronto division as general manager 18 years ago and since that time has been responsible for building the operation and brand of P.W. Transportation in Toronto. Now he's responsible for coach operations in western Canada as well.

Building begins on Prevost center near to Nashville

GOODLETTSVILLE, Tenn. — Construction has begun on Prevost Car's new Tennessee Parts and Service Center here; it's expected to become operational next summer.

The 58,000-square-foot facility will be less than a 10-minute drive from downtown Nashville.

"This prime new location will offer expanded service in comparison to the original Tennessee location," said Christian Gagnon, Prevost construction project manager.

The Goodlettsville facility, which will be accessible from Interstate 65, is about eight miles from Prevost's current parts and service center in Whites Creek, Tenn. It will be more than twice the size of the Whites Creek operation, offering all types of maintenance, cosmetic upgrades and major accident repairs.

The facility will have 13 service bays, parts warehousing, conference and training rooms, and a luxury customer lounge.

The expanded warehouse space means Prevost will be able to distribute parts more efficiently throughout the U.S., and its large exterior space may be used for future expansion and to provide long-term parking for Prevost customer vehicles, said Gagnon.

People

Des Fuller has been appointed branch manager of the **Prevost Car Texas Parts and Service Center** in Fort Worth.

In announcing the appointment, Randy Castillo, Prevost service network manager, said Fuller brings a wealth of industry experience to the position, "including tenure with **Volvo Trucks** where he served as a regional vice president."

Fuller will oversee all aspects of the Fort Worth operation, which has five service bays.

It offers its services for all makes and models of coaches, recreational vehicles and buses.




Wilson Cellular Amplifiers – Increased Safety for Drivers, Added Convenience for Passengers

With an amplifier system from Wilson Electronics, you can maintain a reliable cellular signal on the open road.

Wilson amplifiers and antennas keep you connected. They provide an extra measure of safety during breakdowns or other emergencies, and passengers appreciate the ability to make calls and use laptop data cards in places they normally couldn't.

With the highest receiver sensitivity in the industry, and microprocessor-controlled power output, Wilson amplifiers ensure the best possible cellular performance on the go.

To learn how Wilson products can enhance your motorcoach fleet, contact a sales representative or log on to our website today.

Wilson
Electronics, Inc.

1-866-208-3898
www.wilsonelectronics.com/bus

Texas evacuation

CONTINUED FROM PAGE 1

corps could have been maintained during the effort by offering equal accommodations to all workers who were involved in the effort," he said.

"It is very disheartening for a driver who has only been allowed once during the day to travel into town to eat at a fast-food facility to observe other workers enjoying a fine meal served in a tent with a sign posted outside the tent which reads, "No Bus Drivers."

Not all experiences bad

In contrast to the complaints, Jeff Polzien of Red Carpet Charters in Oklahoma City said he sent 15 buses and drivers to Texas and he believes the operation went well.

"I was pretty happy with the way it went," he said, adding that his only issue is that it usually takes the state two to three months to pay for the service. "I don't like it but I understand where they're coming from."

There also were reports that the Salvation Army provided meals for some drivers, and shuttle service was occasionally available to

some nearby towns.

Both Buses by Bill and Red Carpet had individual contracts with the state for the evacuation operation.

The Texas Governor's Office of Emergency Management said it would not be able to respond to general questions about the evacuation procedures for several days. "Things are going on around the clock here on recovery and our emergency management people are focused on that and I can't pull them away," said spokeswoman Allison Castle.

How problems happened

All of the buses involved in the move initially were sent to a staging area in San Antonio three to four days before Ike was projected to reach the Texas Gulf Coast.

As the hurricane moved closer and shifted directions, state officials split up the buses and dispersed them to other areas closer to where weather forecasters thought the storm might hit.

It was at some of those close-by staging areas that most of the problems occurred.

Buses by Bill drivers Dwayne Holmgren, 61, and Jerry Scudder, 60, said they encountered most of

their problems near Beeville, about 60 miles from Corpus Christi, where several hundred buses and drivers were sent.

They said initially only snacks were available to them, there were no toilet or shower facilities, and they were forced to sleep in their buses. "All that they had for us were pretzels and Oreo cookies," said Holmgren.

The following day, the drivers were allowed to make a trip into town to purchase food and later state workers brought in six portable toilets. Still, they were without shower facilities.

After another day, they were ordered to move closer to the city of Victoria to be closer to Houston. According to the drivers, living conditions there initially were about the same as they were in Beeville, but they improved when residents of the community stepped up and offered them food, a place to shower and some lodging.

"They took really good care of us there," said Scudder. "If it weren't for them it would have been much worse."

More tribulations

After the storm passed through Galveston and Houston, they were

moved to two different locations in Houston for more stand-by duty. Holmgren was sent out once to transport six evacuees from Galveston, while Scudder remainder in the parking lot the entire time.

"I was listening to the radio and kept hearing there were people out there crying for food and water and here I am sitting in the parking lot and they wouldn't let us take anything out to them," said Scudder.

No medical care either

During the 10-day ordeal, Holmgren was bitten by a spider and sought medical attention, but was turned away. "They told me that I was not an evacuee and they could not treat me," he said.

Since his return to Dallas he has received treatment but has an infection in his arm that will require additional medical care.

Scudder said he and others had several run-ins with National Guard personnel, including one in which he was denied permission to empty the toilet on his coach.

"It was hot and stinky on the bus and they made me stay on it," he said.

He said he finally told the Guardsmen that he was going to

Coach America gets contracts

LOS ANGELES — The Los Angeles Board of Airport Commissioners has approved \$8.5 million worth of contracts with Coach America to oversee operations of two FlyAway bus routes operating out of Los Angeles International Airport.

The board signed off on a 15-month, \$7.4 million contract allowing Coach America to continue providing service between LAX and Van Nuys Airport, and a \$1.1 million, 13-month extension of its contract with Coach America to provide service between LAX and Westwood.

do it anyway and if they stood in front of his bus, they would find out just how serious he was about leaving. He then was allowed to drive away.

The entire experience soured Scudder enough that he doesn't want to take part in any future evacuation efforts. "I won't do it again unless I have a 50-caliber machine gun on top of my coach," he said.

NIMCO/Bus Division

973 589-9265 • Toll Free 800-526-8055
FAX 973-589-2253 • P.O. BOX 5157 • NEWARK, NJ 07105
www.nimcobus.com

*Supplying the Transportation Industry with
Used, Serviceable & Rebuildable Bus Parts
for Over 25 Years!*

VOLUME DISCOUNTS • PRIDE IN PERFORMANCE

**DEEP DISCOUNTS!
on all Detroit Diesel & Allison
Transmissions**

SAVE MONEY ~ SAVE TIME

We sell good running qualified bus components.

NO RISK PURCHASE PLAN

We unconditionally guarantee our customers satisfaction.

WE ALSO STOCK

- Front and Rear Axle Parts • Engine Accessories
- Alternators and other Electrical Components
- Air Conditioning Components • Body Parts

We Buy & Sell Buses... Call for a Quote

INCA GOLD

PRODUCTS LLC

You can always depend on INCA GOLD for bus restroom maintenance.
A trusted name in the Transportation Industry since 1971!

CONCENTRATED

CONVENIENT

COST EFFECTIVE

INCA GOLD Powder



- Pre-measured packaging-hermetically sealed pouches
- Allows toilet to be charged in remote locations
- Effective management control over product application (cost control)
- Original formaldehyde and non-formaldehyde formulas
- Fresh pine scent
- Bulk packaging also available - 30 lb. pails & 180 lb. kegs

INCA LIQUID GOLD II



- Non-formaldehyde
- Biodegradable - completely safe for discharge into sewage treatment facilities
- Concentrated
- Packaged in 1-gallon bottle with pump dispenser, shipped 4 per case
- Pleasant "Airy" scent

PUMP PERFORMANCE THAT'S SET IN STONE.

60,000-hour service life
18 years' field-proven experience
4.5-year warranty
Brushless, sealess design



**Only Rotron® coolant pumps deliver rock-solid reliability
that meets and exceeds APTA's 40,000-hour standard.**

Our brushless DC sealess water circulation pumps are rugged, magnetically coupled and designed specifically for harsh, heavy-duty transit environments. Available in a wide range of capacities, they also carry industry-leading 4.5-year warranties – more than double the warranties of other pumps.

Learn more about the complete line of Rotron performance pumps for your bus fleet. Each field-proven to deliver the industry's lowest overall life cycle cost. All the information you need is just a stone's throw away, at (330) 673-3452, or at our website.

www.rotrontransit.com

AMETEK®
TECHNICAL & INDUSTRIAL PRODUCTS

MCI bankruptcy

CONTINUED FROM PAGE 1

"During the Chapter 11 process, vendors should expect to be paid for post-petition purchases of goods and services in the ordinary course of business," it adds.

Warranties to be honored

The day after MCI filed its reorganization plan — in a Delaware federal bankruptcy court — the company got approval from a bankruptcy judge to honor warranty claims, and to make partial payments to "critical" vendors and suppliers.

Under federal bankruptcy law, all unsecured creditors, including suppliers and vendors, are to be treated equally unless the court grants the bankrupt company permission to make payments to certain vendors it considers absolutely critical to maintaining the ongoing operation of the company.

MCI received permission from the court to make such payments, and it is working with vendors to patch up relations and keep them on board as suppliers. "That process seems to be going fairly well," said Sorrells. "It's an on-going process."

In court documents, MCI listed its 26 largest trade creditors, most of which supply components needed to produce MCI coaches. MCI's total trade payables amount to around \$30 million, with Allison Transmission owed the most — nearly \$5 million.

"We intend to work with our current vendors and to continue operations without interruption to our customers," said Sorrells.

"We certainly don't want any disruptions and we want to partner with our vendors-suppliers to be part of our future vendor-supplier base," echoed Larry Killingsworth, MCI vice president of sales and marketing.

Getting court approval to honor warranty claims was, of course, vitally important to both MCI and its bus-buying customers. But that was just one of several confidence-building factors the company sought to address even as it was filing its bankruptcy documents.

How about coach financing?

Another was the potential reaction by banks and other lending companies that finance MCI coach purchases. Would these lenders continue to finance coaches built by a company that's attempting to reorganize in bankruptcy court?

"I don't think we're going to see a major change there," said Sorrells. ... "For the normal finance houses that MCI has been dealing with we haven't seen any change in their terms or rates. Banks today seem to like hard assets, things they can see and touch, versus buying intangible assets like mortgages, stock certificates and credit default swaps, that type of thing."

"So, I don't foresee, at least from what I know today, any major changes there," said Sorrells.

Added Killingsworth: "Our action, we think, is not going to have any negative impact on the ability to finance MCI coaches."

In the immediate aftermath of the bankruptcy filing, MCI unleashed something of a communications blitz — via meetings, e-mail, phone, web postings, news releases, webinars and media interviews — aimed at in-

forming, calming and reassuring employees, customers, vendors-suppliers, industry trade associations and publications, and the communities, states and provinces where it has manufacturing and other facilities.

It also hired one of the nation's largest public relations firms to help with the effort.

Since that initial communications salvo, MCI Vice President Pat Ziska says the company website, www.mcicoach.com, has become MCI's primary method of communicating with customers and vendors about the reorganization. Ziska says MCI regularly posts new information and updates existing material on the website.

The website has a special link to the reorganization information, which is displayed in English, French and Spanish. Particularly helpful, say MCI executives, is a regularly updated FAQ section.

Canada excluded

MCI's bankruptcy filing only applies to company financial operations in the United States, and not Canada, where 60 percent of its 1,915 employees work and where its major coach assembly facilities are located. That's because MCI has no debt in Canada, company executives explained.

"We don't have any debt in Canada; all debt resides in the U.S. company," said Sorrells. "So, Canadian vendors to our Winnipeg (Manitoba) facility will be paid per normal course, and they'll see no impact through this."

The province of Manitoba is one of MCI's unsecured creditors by virtue of a \$9.5 million loan it made to the company five years ago to help assure MCI would keep the doors open at its Winnipeg plant and not shift production to Mexico or the U.S. The province is still owed \$6.4 million.

Sorrells said Manitoba will continue receiving its loan repayment check around the first of each month.

Having many of its employees and much of its manufacturing and other operations centered in Canada — but most of its sales in the U.S. — has proven costly to MCI in recent years as the value of the U.S. dollar has plummeted.

Last year, the slumping U.S. dollar and rising Canadian dollar cost MCI roughly \$30 million. Every time the Canadian dollar rises in value — against the U.S. dollar — by one cent, MCI losses \$2 million in cash, according to information the company filed in bankruptcy court.

"Under our old credit agreements we were not allowed to hedge currency," said Sorrells. "We expect with our new balance sheet we'll be able to do some hedging strategies."

Why bankruptcy, why now?

The timing of MCI's decision to reorganize its financial structure through a voluntary bankruptcy proceeding was driven by a variety of factors, including weakening coach demand, rising costs for raw materials, the anemic U.S. dollar, a large chunk of debt that needed to be refinanced next year, a potential investor who wanted court approval of any reorganization, and deteriorating capital and financial markets that were routinely punishing highly leveraged companies like MCI.

MCI's long road to bankruptcy really

began in 1994 when Consorcio G Grupo Dina of Mexico bought control of the company. Within months of the purchase, the Mexican economy tanked, bus sales in that country went (further) south, and the peso was devalued.

Dina began taking on big-time debt, eventually piling \$700 million worth of debt on MCI's balance sheet.

By 1999, Dina needed a bailout and along came the New York investment firm of Joseph Littlejohn & Levy, commonly known simply as JLL. It bought control of MCI for relatively little equity, but its timing could not have been worse.

Sales of new motorcoaches had peaked in 1998, when 3,657 new over-the-road buses were sold in North America, but then began a six-year sales descent that included the travel slowdown year of 2000 and the aftermath of 9/11 in 2001. Sales bottomed out in 2004 when 1,668 new coaches were sold.

"JLL had the best intentions here (at MCI)," said Sorrells, who was hired by the investment firm to manage MCI. "They had goals they wanted to reach. When they bought the business, at that peak in '99, their expectation was that the business was still going to grow, and that was probably a missed expectation... So, out of the box, (MCI) became a strained investment."

The JLL experience

Also from the beginning, JLL's ownership of MCI was considered suspect by many in the industry. It was widely expected the investment firm planned to give MCI a quick business makeover and sell it or, worse, take as much money out of the company as it could and move on.

The plunge in coach sales dashed any such notions, forcing JLL to scramble just to keep the doors open and maintain the huge debt.

During the nine years it has owned MCI, JLL has invested roughly \$250 million in the coach builder and, according to Sorrells, gotten nothing in return.

"They've never taken any money, assets or anything out of this business in the ownership period they've had," said Sorrells.

And that situation will not change under the proposed bankruptcy reorganization. JLL will not only lose its entire \$250 million investment but its ownership of the company also will be completely wiped out.

Replacing JLL as owners of MCI will be Franklin Mutual Advisers LLC, an affiliate of Franklin Templeton Investments, the giant mutual fund company, and Monarch Alternative Capital LP, an investment advisory firm that manages distressed debt hedge funds.

If the bankruptcy court approves MCI's reorganization plan, Franklin Mutual and a group of its affiliates will end up owning roughly 90 percent of MCI, while Monarch will own the remaining 10 percent.

For its ownership share, Franklin Mutual is investing \$160 million in MCI, which will be used to pay off \$160 million in secured MCI debt. Plus, another \$200 million in secured debt is being converted into equity that will go to Franklin Mutual.

Monarch is part of a group of lenders, led by Goldman Sachs Credit Partners, that is loaning MCI \$145 million in what is called "junior debtor-in-possession financing."

Biggest MCI Unsecured Creditors

JLL Fund III, L.P.	11.25%	\$209,725,295
The Bank of New York Trust Co.	11.25%	59,151,065
Manitoba Dev Corp.	Term Loan	6,412,366
Allison Transmission Div.	Trade	4,992,057
Arvin Meritor	Trade	1,630,369
Cummins Engine Co. Inc.	Trade	959,653
Gilberto Cantu Garcia, et al.	Litigation	700,000
Caterpillar Corp. Inc.	Trade	614,535
Carrier Transicold	Trade	579,878
Webb Wheels Prod. Inc.	Trade	482,311
Arow Global Inc.	Trade	459,783
Detroit Diesel Corp.	Trade	444,591
Vansco Electronics L.P.	Trade	380,501
Hamilton Sundstrand	Trade	372,130
Hypower Systems	Trade	323,096
Toromont Cat	Trade	311,240
Caprock Mfg. Inc.	Trade	280,770
Johnson & Towers, Inc.	Trade	276,982
Modine Mfg. Co.	Trade	273,662
Romeo-Rim Inc.	Trade	227,434
American Seating Co.	Trade	201,796
Design Intent Eng., Inc.	Trade	201,094
Baldwin Filters	Trade	200,952
Linnig Corp.	Trade	190,497
Ricon Corp.	Trade	157,469
Marsh Electronics	Trade	157,075
ZF Sales & Serv. No. Am.	Trade	155,683
Bjornson Oil Co.	Trade	143,457
Guardian-Flat Glass	Trade	141,699
Thermo King Corp.	Trade	137,890

*Senior Subordinated Notes

Additionally, MCI is borrowing \$170 million from a group of lenders led by GE Capital. The \$170 million from this group, which is called "senior debtor-in-possession financing," will be used to refinance \$126 million in existing MCI debt and provide the company with a cash infusion to finance day-to-day operations.

New owner expectations

Franklin Mutual has been a major lender to MCI for the past four years, so it knows the company well.

"They know the industry, they are very familiar with the (company) leadership and the MCI brand, and the management team that is in place here," said Ziska. "The plan that has been presented to them for our ongoing business is something they support and are enthused about, and they are excited about the future for MCI," she added.

Sorrells thinks Franklin Mutual is eager to see MCI diversify, something it has been unable to do because of its mountain of debt.

"As we've talked to the Franklin Mutual people, I would see us probably acquiring some other ancillary-type businesses, maybe looking to expand the infrastructure we have in place and utilize that to do other things, either through acquisition or organic growth," said Sorrells.

"I think they want to see us build a wider and more diversified platform."

Meanwhile, Sorrells, Ziska and other MCI executives are putting a positive spin on the reorganization plan and outlook for the company.

"We are looking at this situation as the best-possible outcome for something that has been a struggle (coping with the debt)," said Ziska. ... "It really is business as usual," she asserted.

"Now, with really more resources at our side and not paying out so much interest, we'll be able to do more and grow our business more," added Sorrells.

Give customers good reasons to pay more for you

By Dave Millhouser

"Bus Company."

That was the way the phone was answered, for more years than I want to remember, by almost every charter company in the biggest U.S. market.

If you wanted to charter a bus and were working your way down the Yellow Pages listings, sometimes you struck a deal but forgot who you'd called.

Most of us agree that, in our industry, competing on price can be lethal.

Unless you've discovered a magic way to reduce overhead (that nobody else has thought of), most competitors have similar costs.

In real life, there seem to be two ways of pricing. The "chicken" method involves selling below your competitor, who then lowers its price, forcing you to...well, you get it. Sometimes called the "Last Man Standing" plan, the hope is to outlast the bugger down the street.

Once you've buried them (in tons of YOUR money), they or someone similar pops up again, like in a horror movie.

Meanwhile, the market has been

trained to expect cheap buses.

The alternate is to differentiate your company. Give customers reasons to pay a bit more...and feel good about it. We probably should begin by doing better than "Bus Company" when answering the phone.

Charter sales folks need to be trained to, well, sell. If a query begins and ends with a price, then your expensive coaches have become a commodity. If your folks don't tell a customer what makes your company great, who will?

It starts with drivers. Safety and operational training are a given, but airlines put accomplished pilots through Captain's School and teach them how to relate to passengers. Drivers are salespeople, and they'll either sell your company, or your competitors.

One bright bus executive has suggested that operators offer a guarantee that the customer's coach will arrive at the pickup point on time. Charter customers have bought expensive event tickets, made reservations, and planned based on a schedule. Lots of things can happen on the road, but can't we at LEAST pick up our custom-

ers on time?

My friend was appalled when most of the operators he discussed the idea with indicated they couldn't control drivers enough to afford such a thing.

In other words, someone trusted with a \$400,000 coach and 50+ lives might not be reliable enough to show up on time? Give me a break. Many things are difficult to do, but showing up ain't one of them.

You cannot afford unreliable drivers. If you can't get enough good ones, sell some buses. That'll perk up your good folks, and alert the mediocre ones.

In ye olden days, customers used the Yellow Pages, but that has largely been supplanted by searching "web sights."

Unfortunately, many good operators hire competent technical web hosts who can't spell or write. Even a retired bus salesman should know it's "website."

Electronic doodads can't compensate for poor spelling or goofy text. Many intelligent people aren't great writers, but the smart ones know it, and hire someone. Your website is the face of your com-

pany. It should be full of the things that make you worth more than your competitors — and all those adjectives should be spelled right.

It has become popular to book charters over the Internet, but that method offers few opportunities to sell your company's unique benefits. Have a live person respond to inquiries.

Curb appeal matters. I can't remember a single successful coach operator who didn't use his coaches as billboards with some sort graphics that made it clear whose coach it was. How can you tell someone your bus is worth more if he's just staggered out of a ball game trying to find his ride home, and is faced with dozens of monochromatic machines differentiated only by unit numbers and legal lettering?

Refined interiors and superior entertainment systems should be worth extra to a customer, but they have to work correctly. Drivers need to be able to — enthusiastically — operate them.

Years ago we were finishing a 10-day, 2,000-mile coach trip with a load of high schoolers. The natives were getting restless until, at

last, a tire blew. The spare turned out to be useless, and we told the kids we'd have to wait a couple of hours for a new tire.



Dave Millhouser

A cheer went up because most of their friends, on similar trips, had some sort of breakdown. Somehow, a flawless journey meant they were cheated out of extra time and adventure.

Clearly our little non-profit organization had differentiated itself, just not in a good way. If there was anything positive in the experience, it was that the passengers took cues from the drivers. If the driver saw a problem as an adventure, so did the kids.

You might not want to emulate our maintenance, but drivers and employees who are that effective in selling the company need to be found, cultivated and cloned.

Dave Millhouser is a bus industry marketing consultant and freelance writer. Contact him at: dave_millhouser@hotmail.com.

**You purchase "state of the art" buses...
Why not demand a "state of the art" a/c compressor?**

**Demand a BITZER compressor
from your systems provider.**



Some of the many features:

- Highest Reliability
- Lightest and most Compact Design in the World
- Highest Speed Range of any Transit Compressor in the World
- High-Tech Patented Shaft Seal Design
- German Designed, American Built



For more information on the world's most advanced bus a/c compressor or a tour of our plant in Georgia where we are building them, visit

www.bitzerus.com

BITZER
G·R·O·U·P O·F C·O·M·P·A·N·I·E·S

Hawkeye Stages acquires Northwest Iowa Transportation

FORT DODGE, Iowa — Loren Joes, who bought Northwest Iowa Transportation 20 years ago and has run the tour-and-charter coach

company since, sold his operation on the first of October to another Iowa operator, Hawkeye Stages of Decorah.

Jones bought Northwest Iowa Transportation in 1987 from its founder, Vernon Mersman, who had started the business as a tour

company in the 1970s. Mersman began operating buses in 1981 when he purchased a 22-year-old GM PD4104.

During the years Jones owned the company it grew from 5 coaches to 20. The growth was fueled in part by the acquisition of smaller companies. Ten years ago, Jones' company joined International Motor Coach Group.

Jones decided to sell his operation after weathering the strain of managing a motorcoach company in a tough business environment and years of contemplation.

"The last few years have been economically challenging," says Jones. "I've always been able to pay the bills and the employees, but there hasn't been a lot left over to update coaches, improve facilities and the like. God answered (my) prayers and brought me together with a great buyer."

The owner of Hawkeye Stages, Steve Tjossem, and Jones were introduced by a mutual industry friend three years ago. The two kept in touch and talked about ways they could co-promote or work together.

During talks in August about collaboration to fill fall tours, the talks eventually led to Hawkeye purchasing most of the assets of Jones' company.

Hawkeye Stages is a 50-year-old, family-owned tour-and-charter company headed by current-generation owner Tjossem. The acquisition of Northwest Iowa Transportation will increase total Hawkeye employment to roughly 110 and bring the number of coaches operated by the company to 32.

Tjossem has hired Jones to manage the combined Hawkeye-Northwest Iowa Transportation retail tour division; Jones will continue to work out of the Fort Dodge office.

Jones retained the real estate he owns in Fort Dodge and Waterloo, Iowa, and is leasing it to Hawkeye, which also has an office in Marshalltown, Iowa.

Calendar

OCTOBER 2008

19-22 18th National Conference on Rural Public and Intercity Bus Transportation, Omaha, Neb. Info: Go to www.trbruralconference.org.

19-23 Ontario Motor Coach Association Marketplace, Toronto. Info: Go to www.omca.com.

NOVEMBER 2008

1-4 California Bus Association 35th Annual Convention & Trade Show, Rancho Las Palmas Resort & Spa, Rancho Mirage, Calif. Info: www.cababus.com.

National Interstate reports investment losses

RICHFIELD, Ohio — National Interstate Corporation has announced it will sustain losses as a result of the current financial crisis impacting major investment firms.

The motorcoach industry's second-largest insurer said it holds investments in Fannie Mae, Freddie Mac, AIG, Lehman Brothers and Washington Mutual. All of its investments are in the form of senior debt or preferred stock.

As of the middle of September, National Interstate had incurred net, after-tax losses on its devalued investments of roughly \$200,000, and unrealized losses on the market value of securities of 22 cents per share.

National Interstate held \$57.6 million and \$65.4 million, respectively, of senior notes of Fannie Mae and Freddie Mac. It also held \$1 million of Fannie Mae subordi-

nated debt. Those securities were trading at approximately their amortized cost.

Dave Michelson, president and CEO of National Interstate, said that like many other investors, National Interstate had been impacted by the unprecedented financial markets. "We continue to closely monitor the developing issues and will assess our investment portfolio as of Sep. 30, 2008, to deter-

mine the appropriate amount of any impairment charges for these and other securities as of that date."

Last year, National Interstate had net income of \$11.1 million, or \$2.25 per share, and for the second quarter of this year, the company reported earnings of \$4.4 million, or 23 cents per share. As of June 30, National Interstate held investments totaling \$495.5 million.

CLASSIFIED ADVERTISING

2002 & 2003 MCI J Model Coaches



Indian Trails, Inc. has the following equipment available for immediate delivery:

Unit	Year	Mileage	Unit	Year	Mileage
3141	2002	352,000	317	2003	280,000
315	2002	313,000	318	2003	282,000
316	2003	274,000	319	2003	273,000

Coaches are either 48 or 56 passenger configuration.

Prices include all spare stock of seats. Equipped with beverage galley, cordless and cored microphone, DVD, CD and VCR with four monitors, Enclosed parcel racks.

2002 models - \$230,000 w/tires

2003 models - \$260,000 w/tires

Series 60w/Jake and Allison B-500. All coaches purchased new, complete maintenance histories.

Contact Ken Henry, Bob Erickson or Chad Cushman
1-800-292-3831

Clean, Straight, Well-maintained MCIs For Sale



- 1994 DL3, Series 60/B500, 590k miles, shades, DVD, wireless mic, central vac, excellent interior. **\$99,500**
- 1994 DL3, Series 60/HT740, 580k miles, shades, DVD, wireless mic, central vac, excellent interior, space-saving wheelchair lift. **\$105,000**

- 1993 C3, Cat 3176/HT746, 703k miles, shades, DVD, wireless mic, central vac, good interior. New-style rear deck. **\$49,900**
- 1989 C3, 8V92/HT740, 980k miles, shades, DVD, central vac, good interior, optional matching lounge units. **\$35,000**
- 1987 A3, 6V92/HT740, 1,275k miles, DVD, nice interior (1994 model seats). **\$20,000**

Call Loren (515) 570-1982

Or e-mail loren@nwitour.com for more photos

**REDUCED TO
\$175,000**

**2000 MCI
E4500
3 available!**



Extremely low miles, 1 owner, well cared for high-end charter coaches. You will not find any nicer! Series 60, B500R, 58 Seats with Lav, Michelins on Alcoa rims, CD & DVD Players, cordless mikes. \$175,000/offer.

Marc 808.832.6261 Will deliver to West Coast



**2003 MCI
E4500**

**Excellent
Condition**

LOW Mileage

\$265,000

DD Series 60, 400 hp, Allison B500, Jake Brake, 56 pass, AM/FM, CASS/8 Disc CD Changer/VCR/DVD/PA., Six Monitors, Enhanced Speaker System, Cruise Control, Enclosed Overhead Racks, Polished Alcoa Aluminum Wheels & Tires, Lavatory Holding Tank, National Seating with Foot Rests, Isringhausen Driver Seat, Dual Bosch Alternators, Window Shades, Card Table, Snack Trays, 181,000 miles

**Call David 1-888-382-8737 ext. 200
david@davidthomastours.com**

for more pictures go to: www.busesforsale.us

COACHES FOR SALE

- (1) Pristine 2008 MCI J4500 with 22,000 miles @ \$375,000
(12) XInt 2001 Van Hool T2145 @ \$225,000

Contact Mike @ 702-303-1341

REPOS FOR SALE

Variety of makes and models of "Bank Repos" across the United States and Priced to Sell!

1-877-737-2221 Ext. 716 for more information!

NYC tries double-decker Van Hool in transit service

NEW YORK—New York Metropolitan Transit Authority is running a month-long experiment using a Van Hool TD925 double-decker coach on a handful of city bus routes.

MTA officials are intrigued by the TD925 for a variety of reasons:

- It seats 83 people, or 21 more than the articulated buses the MTA is considering buying.

ABC Companies opens small bus get-ready center

MUNCIE, Ind.—ABC Companies has opened a four-bay, 6,250-square foot, facility here that will handle all deliveries of both models of ABC midsize buses, the M1235 and the 3035RE.

ABC says the new facility will enable it to better manage quality by delivering from a central location.

"We are duplicating the highly successful program used (by ABC) in Florida for Van Hools, where we do pre-delivery inspection quality checks, and install graphics and some options," said Ed Harmon, whose responsibilities include both delivery programs.

"These are fine coaches and customers have high expectations. A first-rate delivery experience sets the tone for a long-term relationship," Harmon added.

ABC expects to have stock units at the Muncie facility, allowing for quicker delivery of new coaches while still providing the opportunity to customize coaches with graphics and options.

The Muncie get-ready facility is adjacent to ABC's Indiana regional parts distribution center, and is approximately 300 miles from the factory in Imlay City, Mich., where ABC's midsize bus models are assembled.

"The drive from General Coach America's (manufacturing) facility in Imlay City to Muncie is a key part of the process. It amounts to a lengthy test drive in the hands of drivers who know our bus, and we're close enough to give them instant feedback," said the service manager of the new ABC center, Rick Doggett.

"Since every coach is now prepped at the same location, we're able to standardize installation of options. Not only does that offer a leg up on initial quality, it simplifies maintenance down the road," said Doggett, who has 26 years of fleet management experience.

- It costs \$650,000, substantially less than the \$920,000 price tag for the hybrid New Flyer artics the city is studying.

- It is 45 feet long vs. 60 feet for the articulateds.
- It is low floor and uses a ramp to board passengers in wheelchairs, eliminating the need for a

wheelchair lift.

Open-air, double-decker sightseeing buses loaded with tourists are a common sight in New York City but double-deckers have not been used in the city for regular transit service since the 1950s. An experiment with double-deckers in 1970s failed.

The streets of New York City are generally considered the toughest transit duty cycle in the United States. Crowded MTA transit buses often average less than 5-8 miles an hour on some of the worst streets in America.

The MTA is rotating the test Van Hool on designated routes that

include runs into the city from Staten Island and Yonkers; along First and Second avenues; up Manhattan's Westside, and along Fifth Avenue.

The test coach has a lavatory but the MTA says it will buy buses without a restroom if it decides to purchase TD925s.

NEW...External Observation System



For COLLISION AVOIDANCE

CAMERA FEATURES

- Multi-Position External Camera
- Easy Slide Bracket Mount
- Damage Safety Shield
- Weather Resistant
- Infrared Night View

7" MONITOR FEATURES & ACCESSORIES

- Wireless Capability
- Multi-Function Video/GPS
- Multi-Mount For All Applications
- Automatic Camera Switching
- Turn Signal/Reverse Activated



Pedestal Mount

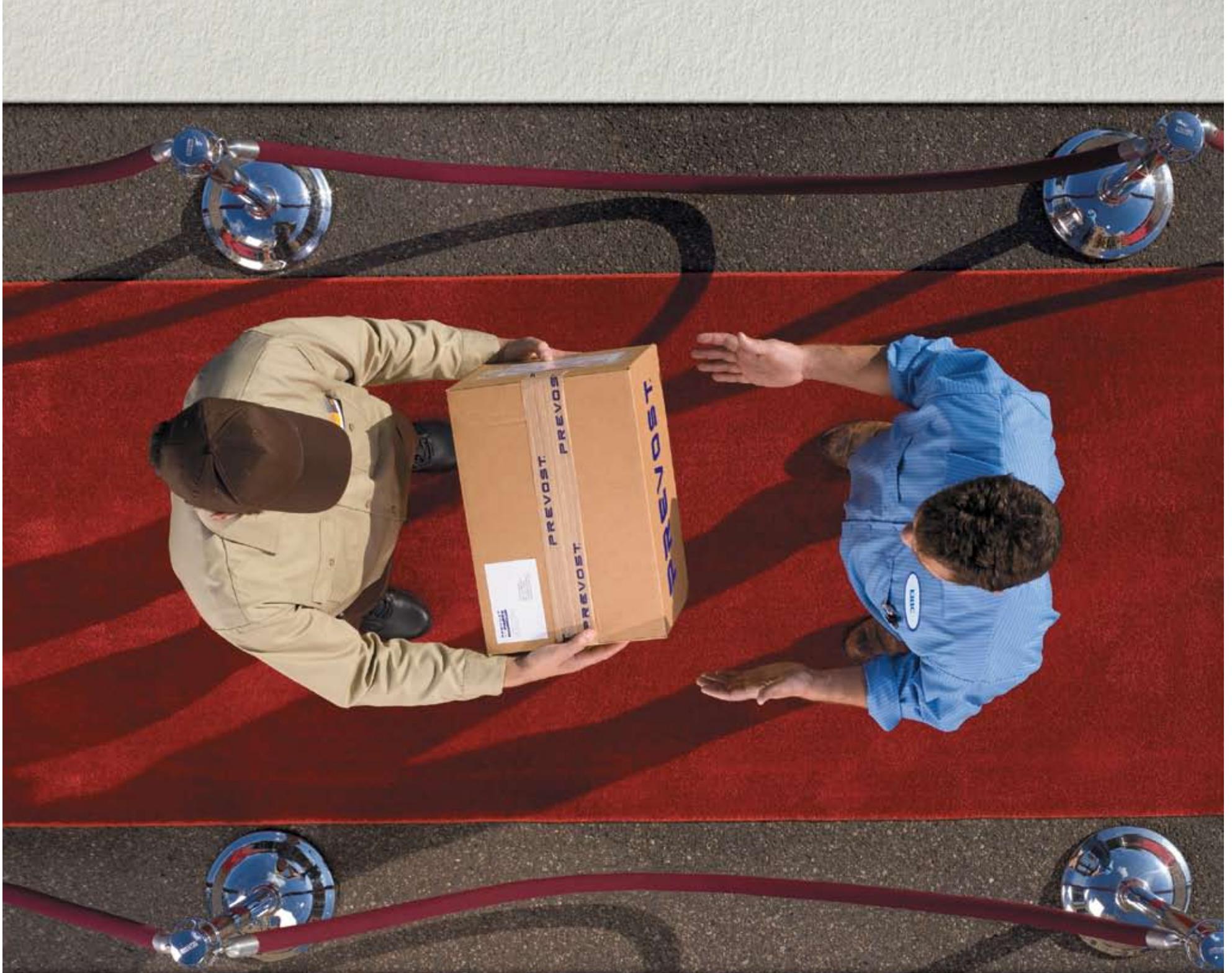


Multi-U-Mount



In-Dash Mount





WE GO TO GREAT LENGTHS SO YOU CAN GO THE DISTANCE.

Not only do we take care of your parts needs, we take care of you. We understand what it takes to run a smooth operation. That's why you depend on us. The Prevost Parts network, spanning all of North America, includes seven strategically located parts centers. Each center is staffed with a highly trained team of professionals ready to



assist you with all your parts needs. We know how important it is to get back on the road. It's our policy to make that happen without delay. We call it the Red Carpet Policy: Part corporate policy, part constant reminder that someone is always looking out for you. To learn more please visit prevostcar.com. **THE ULTIMATE CLASS**



The Prevost 24/7 Commitment:
24/7 Technical Advice
24/7 Emergency Parts Ordering and Shipping
24/7 Online Access To Parts Ordering

Parts Customer Service: United States 1 800 621-5519 & 1 877 999-8808
Canada 1 800 463-8876 • Online Ordering: www.prevostcar.com

©2007 PREVOST CAR, INC.

PREVOST.