

# Bus & Motorcoach NEWS

November 1, 2004

OFFICIAL PUBLICATION OF MOTORCOACH EXPO EXPO 2005

## Volvo becomes huge force in North America

GOTEBORG, Sweden — In a far-reaching move, Volvo Group, the world's largest manufacturer of heavy-duty diesel engines and a major producer of trucks and buses, has become the leading force in North American bus manufacturing.

Volvo Bus Corp., a division of Volvo Group of Goteborg, has obtained 100 percent ownership of Prevost Car and its Nova Bus division, plus it becomes the principal owner of Blue Bird Corp., the largest school bus maker in the U.S., with an extended product line of motorcoaches and commercial, transit and RV buses.

At the same time, the deal marks the demise of the Henlys Group PLC of England, both as the largest manufacturer of buses and coaches in the U.S. and Canada, and as a going concern.

Henlys, which collapsed early this past summer under crushing debt and continuing losses resulting from a number of factors, including a major slump and makeover at Blue Bird, is being liquidated at the conclusion of the deal.

A small army of bankers, financial advisers, attorneys and executives from Henlys, Volvo, Blue Bird and Prevost have been working for months to restructure Henlys assets and deal with its \$365 million in senior debt. Much of the debt was held by Volvo.

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**2005  
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on registration!*



**LOTS OF LOOT:** Scott Wolf of Lion Trailways in Rio Grande, N.J., center, was the top mechanic at the 14th annual Bus Rodeo sponsored by the South Jersey Transportation Authority in Atlantic City. Wolf won \$1,000 and other prizes, while runners-up Greg Wilson of Academy Bus, right, and William Groff of Cape Transit/Coach USA, won second and third, respectively. See story and more photos on page 13.

## Congressman recounts frustration with FTA Administrator Dorn

WASHINGTON — Perhaps the most frustrated man in Washington these days is a congressman from California who has had his fill of Jenna Dorn, administrator of the Federal Transit Administration.

Rep. Doug Ose, a Republican from Sacramento, says Dorn is deliberately subverting the will of Congress, failing to stop public transit agencies from violating FTA rules and not penalizing them when they do.

Additionally, he says Ms. Dorn is operating the FTA as if it were a private piggy bank for members of

Congress and public transit systems.

"I believe she (Ms. Dorn) has decided she knows better than the collective wisdom of Congress and 30 years of federal law," Ose said in an interview with *Bus & Motorcoach News*.

The three-term congressman clearly knows where of he speaks.

For the better part of the past year Ose has been probing the Federal Transit Administration, including chairing two hearings that covered an array of issues,

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## Broad investigation launched in deadly Arkansas coach crash

TURRELL, Ark. — The National Transportation Safety Board has launched a sweeping investigation into the deadliest U.S. bus crash in more than five years.

The inquiry into the Oct. 9 crash of a charter coach along an Interstate in eastern Arkansas likely will lead down a long, twisting road that could result in new calls for passenger seat belts, federal bus crash testing, more safety inspections, and better fatigue management.

Investigators are trying to learn why a coach owned by Walters Bus Service of Chicago left the highway and flipped upside-down, killing 14, injuring 17 others and leaving families and a church community devastated. Walters, which

had only the one coach, had been in business for almost 20 years and maintained a clean operating record.

Almost immediately, it was clear this crash was no "ordinary" tragedy.

On a personal basis, those killed and injured were from a South Chicago neighborhood and members of the same Baptist church. The wife of the owner of the company was killed, along with his brother, who was driving the bus, and many close friends.

The crash itself was particularly gruesome, with early news accounts describing how the bus either flipped over on its roof or cart-

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## Outlook for industry is bright, say leaders

WINTER GARDEN, Fla. — The motorcoach industry upturn that began during the middle of last year has become a genuine turnaround with positive signs popping up at every turn.

That was the message from key industry players attending a customer appreciation weekend here late last month sponsored by ABC Companies and a dozen or so important industry vendors.

Many coach operators are reporting that 2004 will be the best year they've ever had, said Bob Foley, chief operating officer of ABC, which distributes Van Hool and ABC-brand coaches throughout the U.S.

"The demand and supply of coaches in the market is heading in

### Survey is encouraging Page 3

the right direction. It's the best supply and demand balance since 1999. That helps with residual values. And, the financing climate is at an optimum level," Foley noted.

Foley also reported that ABC had "an excellent selling season this year. The first (good) one in three years," reflecting the improved business climate for motorcoach operators.

Peter Pantuso, president and CEO of the American Bus Association, offered a similarly optimistic outlook. "The future is very, very bright," he said. The motorcoach industry looks strong. The travel

CONTINUED ON PAGE 9 ▶

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## Survey points to improved year

WASHINGTON — Motorcoach operators are experiencing higher revenues this year compared to last, a survey of members of the American Bus Association shows.

Last year, 41 percent of operators participating in the ABA survey reported having annual average revenue per coach of \$100,000 or more. This year, 69 percent of operators completing surveys said they have had average revenue per coach of \$100,000 or more.

Nearly half — 46 percent — of the operators surveyed this year reported estimated average annual revenue per coach of \$130,000 or more.

ABA sends out a survey to its

operator members each September and publishes the results in the October issue of its motorcoach travel magazine, *Destinations*. Last year, 194 operators returned surveys; 184 participated this year.

Here are highlights from the latest survey. The estimated average:

- Wage for drivers this year was \$11.25 an hour, versus \$10.55-\$11.50 last year, and \$11.30 an hour in 2002.

- Wage for mechanics this year was \$16.80 per hour, versus \$15-16.99 last year and \$17.67 in 2002.

- Per-day coach charge for charters and tours was \$769 this year, versus \$703 last year and \$666

in severely depressed 2002.

- Per-mile coach charge for charter and tours was \$2.66 this year, versus \$2.63 last year and \$2.52 in 2002.

- Annual cost of liability of insurance per motorcoach was \$9,056 this year, versus \$8,000-\$9,000 last year.

- Annual fuel cost per motorcoach was \$16,690 this year, versus \$14,000-\$16,999 last year.

Included in this year's survey were questions seeking the average percentage of motorcoaches on the road each week day and weekend day. The average utilization rate on week days was 53 percent, while the weekend rate was 77 percent.



## B&O Railroad Museum to reopen this month

BALTIMORE — Twenty months after a winter storm collapsed its historic roundhouse, causing widespread damage, the B&O Railroad Museum reopens this month.

More than 20 inches of snow over President's Day weekend in February 2003, caused the roof of the roundhouse, built in 1884, to fall, forcing the museum to shut down completely.

The grand re-opening will be Nov. 13 and 14.

"Better than ever' has been the theme of all involved in the planning and execution of this tremendous restoration project," says museum Director Courtney B. Wilson. "New exhibits, activities, programs, visitor facilities and experiences

await" returning visitors, Wilson added.

Insurance covered part of the damage but the museum needed to come up with an additional \$10 million. More than \$5 million has been raised so far.

One of the museum's most popular events returns this year: The Holiday Festival of Trains, Nov. 26-Jan. 2.

The Baltimore & Ohio Railroad Museum contains one of the oldest and most comprehensive railroad collections in the western hemisphere. Its roster of rolling stock, historic buildings and artifacts make it a Mecca for rail fans.

For more information, go to [www.borail.org](http://www.borail.org).

## Pacific Coast Bus Service is latest CUSA purchase

SAN FRANCISCO — CUSA, the nation's largest charter and tour bus company, is buying Pacific Coast Bus Service, the company headed by Mike Waters, president of the California Bus Association.

As a result of the asset purchase, Pacific Coast's facility in South San Francisco is being closed and the 10-coach operation consolidated with that of CUSA at 300 Toland Street in San Francisco. Pacific Coast has been operating since 1987.

For Waters, the move is nostalgic. He essentially began his bus career at the Toland Street facility, which at one time was the San Francisco home of Continental Trailways and later Franciscan Lines, a company owned by Waters' uncle. Once upon a time, Waters washed buses for his uncle.

As part of the deal, Waters becomes vice president and general manager of CUSA's entire San Francisco operation, which includes Franciscan Lines, Gray Line

San Francisco and San Francisco Sightseeing.

One industry insider said CUSA wanted Waters — because of his management skills — as much as it wanted his company.

Pacific Coast Bus Service was very much a family business. Waters' brother, Mark, who had been maintenance superintendent and helped build a maintenance business for Pacific Coast, has been named assistant maintenance manager of the Toland Street facility, which has an eight-bay shop.

Waters' sister, Theresa, will continue to serve former Pacific Coast clients and assist Jim Casey, CUSA charter manager.

Waters' wife, Marybeth, is not moving with the company, however. She's the smart one; she's pursuing a career in mental health.

Pacific Coast is the third company acquired by CUSA in the past six weeks. The others are Gray Line Phoenix and Raz Transportation of Portland.

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# THE DOCKET

## Attorney urges Nevada regulators to revamp bus rules

LAS VEGAS — An attorney for CUSA, which operates two bus companies in Las Vegas, says he would rather work with the Transportation Services Authority in Nevada to revamp its rules regulating charter bus companies than file suit and have a federal court throw out the regulations.

Patrick V. Fagan, an attorney from Carson City who represents Gray Line of Southern Nevada and K-T Contract Services, made his comments last month at a workshop

sponsored by the Nevada TSA.

Fagan said he and his clients believe the TSA has no authority to regulate the operations of charter bus companies that are registered with the U.S. Department of Transportation. It lost that right in 1998 when Congress adopted the Transportation Equity Act for the 21st (TEA-21).

TEA-21 specifically and pointedly prohibits states, cities and counties from enacting or enforcing laws that regulate carriers subject to

FMCSA jurisdiction and those DOT-registered intrastate carriers operating on an interstate route.

The federal prohibition also blocks state and local governments from regulating rates for charter bus service and limiting the provision of such service.

Nevada statutes currently require charter bus companies, plus taxi and limousine operators, to have a state certificate of public convenience and necessity to be eligible to provide intrastate serv-

ice. The application for the certificate is not a simple name, rank and serial number affair; rather it requires all sorts of information from operators.

In addition, operators are supposed to file all of their rates or fares with the TSA.

Although TEA-21 essentially gutted state authority to regulate charter operators six years ago, it wasn't until the last year or so that resistance to state regulations began surfacing in Nevada.

Fagan challenged the TSA's authority to regulate K-T Contract Services, and an operator from northern Nevada, Bob Fairman, who has a shuttle and charter bus company called No Stress Express, began stirring up trouble.

Among other things, Fairman has attempted to enlist the support of the enforcement and litigation section of the Federal Motor Carrier Safety Administration in his fight with the TSA. He also has

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## Plenty of new rules coming

LAS VEGAS — The Federal Motor Carrier Safety Administration is cooking up a batch of new safety regulations that it expects to introduce in the next several years, says the agency's top administrator.

In addition to changes to driver hours-of-service rules, the FMCSA also will push out new regulations dealing with uniform vehicle registration and driver medical certification, says Administrator Annette Sandberg.

A number of the new rules will deal with driver health issues, according to Sandberg.

She said Congress has asked her agency to address about 30 commercial vehicle safety issues, and might soon ask her to examine 25 to 30 more. The additional issues are contained in the proposed new highway and public transportation reauthorization legislation that is bogged down in Congress.

"One of the things I caution

our agency on is to be careful about the pace of change. If we were to issue all 30 of these rules this year, or next year, I don't know that the industry would be able to absorb that pace of change," Sandberg said.

She spoke last month at the American Trucking Association's Management Conference & Exhibition here.

Sandberg indicated the new registration regulation would combine all commercial registrations into one system. While the medical rule would merge driver medical requirements with the commercial driver licensing process.

Changes to the hours-of-service rules, she said, will address the issues of driver health and the use of electronic onboard recorders as replacements for logbooks.

Sandberg urged commercial fleet operators to be prepared to offer input when the new rules are proposed.

## Transits seek charter firms

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

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

**Philadelphia, Pa.** Deadline: Nov. 12, 2004. Write to: John F. McGee, Chief Revenue and Market Development Officer, Southeastern Pennsylvania Transporta-

tion Authority, 1234 Market St., 9th Floor, Philadelphia, PA 19107-3780. Phone: (215) 580-7930.

**Cocoa, Fla.** Deadline: Nov. 15, 2004. Write to: James P. Liesenfelt, Transit Director, Space Coast Area Transit, 401 South Varr Ave., Cocoa, FL 32922. Phone: (321) 635-7815.

**Florence, S.C.** Deadline: Dec. 15, 2004. Write to: Janice M. Baroody, Deputy Executive Director, Pee Dee Regional Transportation Authority, P.O. Box 2071, Florence, SC 29503-2071. Phone: (843) 665-2227.

## Holy Toledo Ohio Turnpike to cut bus, truck tolls

BEREA, Ohio — Tolls for motorcoaches using the Ohio Turnpike will drop early next year as part of a plan to get more truckers to use the toll road.

Under an 18-month pilot program, a 40,000-pound motorcoach will pay \$21.50 to cross the state on the turnpike. That's 17 percent less than the current rate of \$25.95. The lower rate will apply to any coach with a gross weight of between 33,001 and 42,000 pounds.

Coaches weighing between 23,001 and 33,000 pounds will see a much more modest toll reduction. The rate for those buses also will be \$21.50, down from the current \$21.95.

The tolls are expected to go into effect by February and could be implemented sooner.

Gov. Bob Taft unveiled the toll plan last month as part of a strategy to get over-the-road trucks to use the turnpike and stop using secondary roads running parallel to the tollway.

In early September, Ohio officials hiked the speed limit on the turnpike for big trucks from 55 to 65 mph in an effort to attract truckers. (See Sept. 15 issue of *Bus & Motorcoach News*.) The higher speed limits did little to entice truckers to the turnpike, however.

(It was incorrectly reported in the Sept. 15 issue that turnpike speed limits for buses also were increased with those for truckers. A spokesman for the turnpike mistakenly informed *Bus & Motorcoach News* that buses and trucks were governed by the same speed

limit. Buses have had higher speed limits for years.)

After it became clear that truckers weren't interested in higher speed limits but in saving money, the state decided on a new strategy. It plans to test toll reductions of nearly 60 percent for 53,000-80,000 pound trucks and 127 percent for 80,000-90,000 pound trucks.

That change is being coupled with stepped up enforcement of truck-weight limits on highways running parallel to the turnpike. Twenty-five more Highway Patrol officers are being added to the state weight enforcement unit.

The Ohio Department of Transportation said it expects the new plan to result in a 30 percent reduction in truck traffic on the side highways.

## SBA loan fees are bumped higher

WASHINGTON — The U.S. Small Business Administration has increased the fees for its most popular loans — a program popular with motorcoach operators.

Fees levied on the flagship 7(a) loan program were returned last month to earlier higher rates.

At the same time, the 7(a) loan guaranty limit, which was temporarily increased from \$1 million to \$1.5 million, is again \$1 million, the SBA said.

The SBA also suspended its practice of allowing combination financing of a loan guaranteed under the 7(a) program and a com-

mercial loan not guaranteed by the federal government. Such combination financing is known as piggyback loans.

The 7(a) program is designed to provide long-term capital through commercial lenders. It provides 40 percent of the long-term lending done by the SBA, and businesses use the money at their discretion.

When combined with the SBA's 504 program, which provides small businesses with funding for real estate, machinery or equipment, the two programs are the nation's largest single source of long-term capital for

small businesses.

Under the fee structure re-adopted last month, loans of less than \$150,000 will have fees doubled from 1 to 2 percent. Loans from \$150,000 to \$700,000 will increase to 3 percent, up from 2.5 percent. Fees for loans of more than \$700,000 will not be increased.

"The smallest borrowers are getting hefty fee increases," said Tom Wilkinson, president and chief operating officer of the National Association of Government Guaranteed Lenders. "It's more than just a fee increase."

# Brake problems revealed during Florida inspection

WASHINGTON—More than half of the motorcoaches inspected in Florida during this year's Operation Air Brake were put out of service because of brake problems, figures released by the Commercial Vehicle Safety Alliance show.

Thirteen coaches were checked in Florida on Sept. 1, as part of the special, twice-yearly CVSA inspection of trucks and buses to make sure their brakes are safe.

Six of the coaches were put out of service because their brakes were out of adjustment, while another coach was ordered off Florida highways because brake components failed to meet CVSA criteria for being safe.

Significantly, two other coaches inspected in Florida were put out of service for non-brake-related items. That means that 9 of the 13 coaches inspected, or roughly 70 percent, were put out of service.

By comparison, motorcoaches inspected in Michigan and Hawaii on Sept. 1, fared much better. None of the 10 coaches inspected in Hawaii were put out of service, and only 1 of 8 coaches checked in Michigan was put out of service. The lone Michigan bus was parked because of a brake component problem.

CVSA's Operation Air Brake takes place at least twice a year, using what it calls "unannounced" and "announced" events. The September inspection was "announced," meaning CVSA announced the date of the inspection and periodicals like *Bus & Motorcoach News* published the information.

CVSA conducts Operation Air Brake to focus attention on the importance of keeping commercial vehicle brakes in safe condition. Brake-related defects continue to be the most significant and frequent violations safety inspectors discover during roadside checks.

CVSA-certified inspectors checked more than 14,650 over-the-road trucks in the United States and Canada on Sept. 1, plus

the 31 motorcoaches in Florida, Michigan and Hawaii. The overall out-of-service rate for big trucks in the U.S. was 17.9 percent. The truck out-of-service rate for brake-adjustment problems was 11.4 percent, while other brake issues

resulted in another 8.8 percent of the trucks being put out of service.

Truckers failed to improve their brake maintenance record this year over last. In 2003, 16.5 percent of the trucks inspected were placed out of service for brake

problems. Year-over-year comparisons for buses were not available.

The CVSA says that although there's no overwhelming evidence of a correlation between brake defects and their contribution to crashes, there is sufficient data to

show that reducing brake defect occurrences does improve vehicles' stopping capability. That, in turn, can have a positive effect on the crash rate.

Operation Air Brake has been operating since 1998.



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## Missouri to widen U.S. 65

HOLLISTER, Mo. — Construction has begun on a long-delayed project to widen U.S. 65 in southwest Missouri. A total of \$19.2 million will be spent during the next two years to widen U.S. 65 to four lanes from the south side of Lake Taneycomo to State Route 165.

**THE DOCKET****Nevada regulators**

CONTINUED FROM PAGE 4

formed an organization called the Nevada Transportation Coalition to press the fight.

Fairman and about a dozen other operators attended last month's TSA workshop but it was Fagan who did most of the talking. With the exception of Fairman, the other operators were content to sit on their hands and listen.

Fagan said the principal state statute regulating ground transportation companies in Nevada "should not include charter (bus) service." The TSA's "statutory scheme" needs to be re-examined, he said, with an eye toward developing separate statutes for the charter bus industry.

He also said the certificate of convenience and necessity is a "burden operators should not have to deal with." And the attorney suggested that the requirement to file rates and fares with the TSA was out of touch with reality, reflecting a lack of understanding of the charter bus business.

Rates, he explained, are negotiated and change regularly. One Nevada operator said after the meeting his company has 365 different rates, one for every day of the year. "We're just like the airlines," he said.

The operator speculated that the Nevada TSA only maintains

the rate and fare disclosure requirement because processing and filing the information provides job security for authority staff members.

Another operator interviewed after the meeting described the steps his company uses to circumvent the tariff reporting requirement. Otherwise, he said, the paperwork reporting burden would be horrendous and unmanageable.

While Fagan said the CUSA companies he represents would prefer to work constructively with the TSA to overhaul the charter bus regulations, he also indicated that a lawsuit is not out of the question. But Fagan also made clear that no one is questioning the right of the authority to regulate safety or verify insurance requirements.

In opening the workshop, TSA Commissioner Kimberly Maxon-Rushton said the authority was interested in improving its oversight and regulation of the charter bus industry.

And, at the end, she offered something of a mea culpa for the authority's failure to bring its regulations in line with federal law. "It takes times for states to catch up," she said.

Nevada is not the only state that continues to flaunt the TEA-21 prohibition against states regulating interstate bus operators. Colorado, New Mexico and Virginia also are hanging onto outdated regulations.

**FMCSA plans tech forums, seeks input**

WASHINGTON — The Federal Motor Carrier Safety Administration's Office of Research and Technology is conducting its third annual stakeholder forums next month in Washington and Phoenix, Az.

The forums are designed to gather input on the agency's research agenda from individuals and groups that have a stake in FMCSA programs.

The forums are scheduled for Nov. 17 in Washington and Nov. 30 in Phoenix.

This year's sessions will include presentations on FMCSA's Large Truck Crash Causation Study and its new strategic plan for the Office of Research and Technology, as well as break-out sessions focusing on factors affecting commercial motor vehicle safety.

To attend, e-mail your name, title, organization, address, e-mail address and phone number to Shelley Feese of Cambridge Systematics at [sfeese@camsys.com](mailto:sfeese@camsys.com). Alternatively, you can register by downloading and faxing a RSVP form — available at [www.fmcsa.dot.gov](http://www.fmcsa.dot.gov) — to Cambridge Systematics at (540) 338-4704.

**More U.S. millions for Highway Watch program**

WASHINGTON — The Highway Watch program continues to grow with more federal money and a commitment by one of the largest trucking companies to encourage its 13,000 drivers to participate.

The U.S. Department of Homeland Security has awarded an additional \$21 million to the program.

In announcing the grant, C. Suzanne Mencer, executive director of the Department of Homeland Security's Office for Domestic Preparedness, said transportation workers are in a unique position to contribute to homeland security.

"As they travel our nation's highways, they must be alert to a possible terrorist attack and know how to respond appropriately, how to take safety precautions, and how to report suspicious activity," said Ms. Mencer.

The new federal grant will help the American Trucking Associa-

tions expand the security training and awareness program, which trains truck and bus drivers, along with other highway professionals, to identify and report potential security situations on roads to first responders, law enforcement and the intelligence community.

Although Highway Watch began in 1998 as an ATA and Federal Motor Carrier Safety Administration highway safety initiative, the program has been expanded to link truck and bus drivers with law enforcement and intelligence agencies in an effort to reduce the possibility that a commercial vehicle is ever used as a weapon.

Late last month, Con-Way Transportation Services of Ann Arbor, Mich., said it would encourage all of its 13,000 drivers to participate in the program. ATA said Con-Way's action was the first corporate-wide effort by a national trucking company.

**Bill proposes tourism job in Homeland Security Dept.**

WASHINGTON — A bill has been introduced in the U.S. House of Representatives to create an undersecretary for local government and tourism in the Department of Homeland Security.

The bill was introduced by Rep. Jon Porter, R-Nev., at the urging of the National Tour Association and other associations.

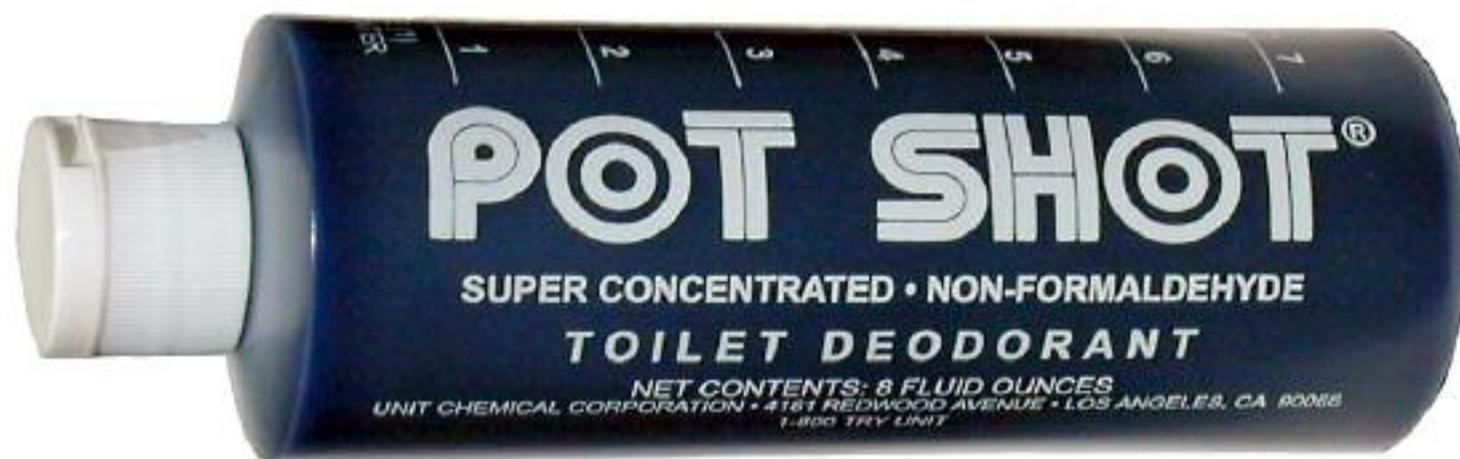
The NTA and its political action network are working to round up other sponsors for the bill, called the Local Government and Traveler Assistance Act of 2004 (HR 5007), and pushing for its adoption.

The proposed undersecretary for local government and tourism would be the third-ranking officer in the Department of Homeland Security and "provide a valuable link to the travel and tourism industry from this important government agency," says the NTA.

"Members of Congress need to hear from the industry right now. Having an undersecretary in the Department of Homeland Security with a tourism focus will ensure that our voice is heard on important safety and security measures, now and in the future," said NTA Legislative Counsel Jim Santini.

Added NTA President Hank Phillips: "This is a huge step forward in NTA and our partners' efforts to create a voice for the traveler and the travel industry within Homeland Security."

NTA has pressed for a tourism presence within the Department of Homeland Security for three years ago.

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## OPINION

# A little good news

One of the major highlights at a customer appreciation weekend sponsored late last month by ABC Companies, Van Hool, Caterpillar and a group of industry vendors was a series of panel discussions on coach financing, mechanical issues and insurance.

Melissa Brady, a claims specialist at Lancer Insurance Co., and Michelle Silvestro, marketing manager and assistant vice president at National Interstate Insurance, had — mostly — encouraging things to say during their presentations on insurance issues.

According to Ms. Silvestro, the insurance industry has largely stabilized from the post-9/11 meltdown that created havoc among reinsurers. Reinsurance is that huge sector of the insurance industry where insurance company risks are assumed by other companies in return for part of the premium paid by the insured. Reinsurance enables insurance companies to provide coverage that would be too great for any one company to assume. The net effect of the reinsurance system is oftentimes to reduce the cost of insurance for policyholders.

As a result of the progress made by reinsurers, Ms. Silvestro said operators should expect to see single-digit premium increases instead of the 30, 40 and 50 percent increases that have been commonplace during the past three or four years.

Still, insurance premiums will remain under pressure, says Ms. Silvestro, until there is genuine tort reform in the U.S. She noted that demands made in lawsuits stemming from crashes continue to far outpace the general rate of inflation.

Ms. Brady offered a litany of things operators can do to reduce their insurance premiums and cut losses. No. 1 on her hit parade was driver-related issues — hiring, training, pre-trip inspections, maintaining logs and the like.

She said it was critical that drivers be educated to always:

- Wait for all passengers to be seated before pulling away from the curb.

- Use an approved step-stool for assisting passengers with the bottom step.

- Be at the door when passengers are loading and unloading to provide assistance if needed.

- Remind passengers before stopping to remain seated until the coach has come to a complete stop at the destination.

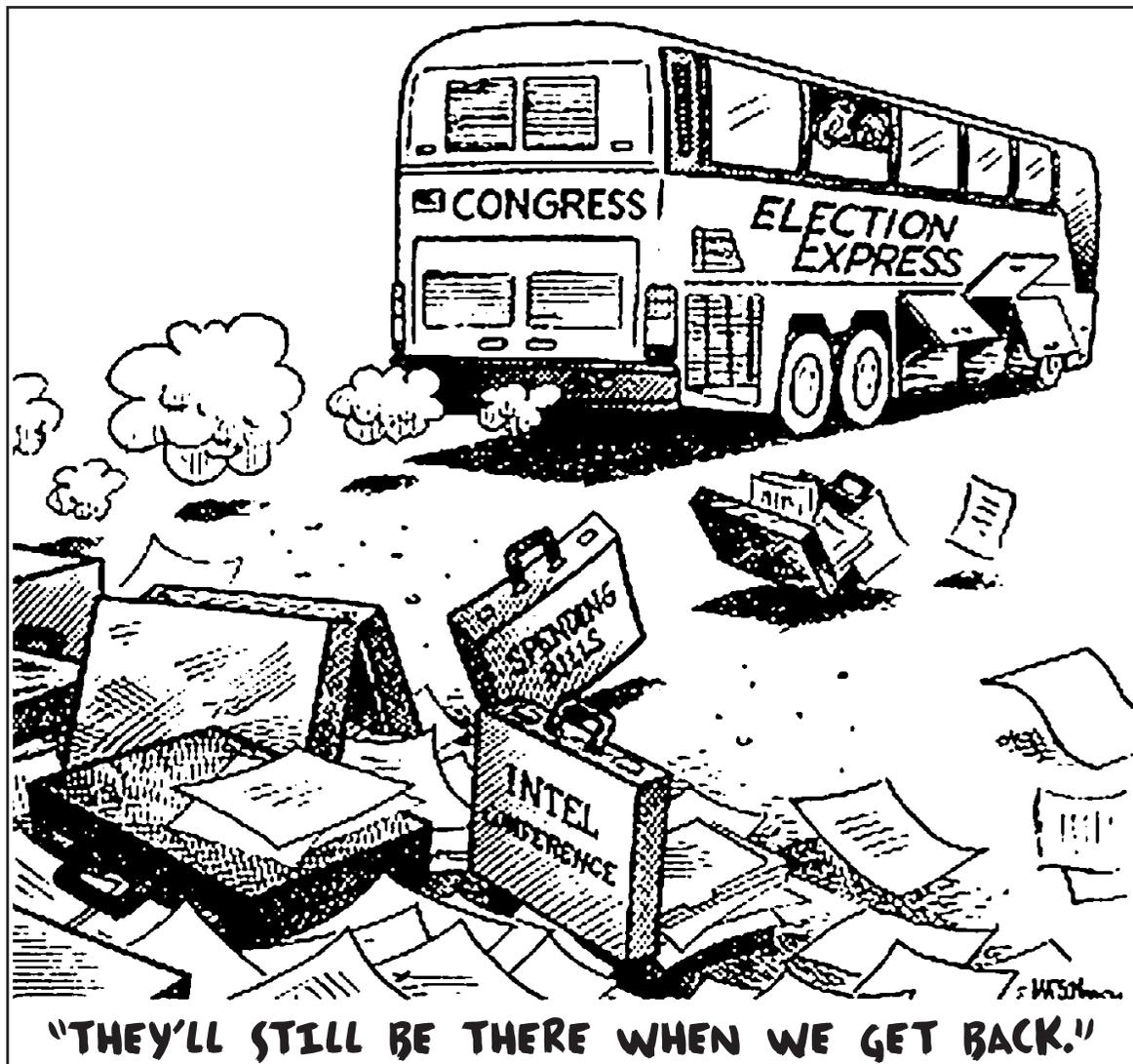
- Play the passenger safety video if you have one.

Having a passenger safety video and not playing it could be a big factor with a jury in a trial following a crash, Ms. Brady noted.

"The key," said Ms. Brady, "is to be consistent. That's true whether you have written or unwritten policies. Your drivers should know what to do every time."

A watchout: If a passenger slips and falls and complains about pain or injury, the driver should assist the passenger to the extent the passenger requests assistance, and encourage the individual to see a doctor. However, the driver should not apologize. An apology can be construed as an admission of liability.

As Ms. Silvestro said, the key to staying out of trouble is doing everything right and making sure all of your safety ducks are in a row.



## TSA destroys glamour of air travel

WASHINGTON, D.C. — The next time you're kicking yourself for having decided to operate a motorcoach company, consider this: You might have gone for the glamour and joined an airline. You want airline glamour? Consider this:

The Transportation Security Administration has announced rules "to ensure that cremated remains are safely and securely transported" through airport security checkpoints and onto airplanes.

Prior to February, TSA general-

ly accepted documentation from a funeral home about the contents of a crematory container. But the ever-vigilant folks at the TSA decided that funeral home documentation wasn't good enough to allow the containers through security checkpoints and onto planes.

So, for the past several months all crematory containers have had to pass through an X-ray machine before being lugged onto a plane. Even in death, it seems, you can't escape the ubiquitous X ray.

If a container is made of a material that prevents screeners from clearly seeing what's inside, the container will not be allowed through the security checkpoint. Out of respect for the deceased, screeners do not open containers, even if requested by the passenger.

The TSA recommends that passengers transport remains in temporary (i.e. cardboard) or "permanent, security-friendly" containers constructed of materials such as plastic or wood.

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# FTA spurns private sector, says former agency counsel

**Editor's Note:** On the last day of September, a subcommittee of the U.S. House of Representatives conducted a two-part hearing focusing on the failure of the Federal Transit Administration to enforce its charter service rules and involve private bus operators in developing public transportation.

The hearing by the House Subcommittee on Energy Policy, Natural Resources and Regulatory Affairs was chaired by Rep. Doug Ose, a Republican from Sacramento, Calif.

Among those who testified was Steven A. Diaz, an attorney and former chief counsel of the Federal Transit Administration. Diaz provided insight into how the Clinton and Bush administrations have moved away from private-sector involvement in public transportation. Here is what Diaz told the committee:

Mr. Chairman and members of the subcommittee:

I am Steven Diaz, an attorney in private practice in Washington, D.C. I served as chief counsel of the Federal Transit Administration from 1989-1993, and as a member of the U.S. Architectural and Transportation Barriers Compliance Board from 1985-1989. I also served as deputy city attorney of the City and County of San Francisco, Calif., from 1974-1985, and as the founding chairman of the Transit and Intermodal Transportation Law Committee of the Transportation Research Board.

I have spent half of my 30 years of practice in public service and half in private practice. I have spent all of the past 30 years practicing in the area of mass transportation law. I am honored by the subcommittee's request for my testimony.

My testimony today represents my own personal opinion of long-standing and is addressed to the issue of private-sector participation in the mass transportation programs of the federal government. Particularly, I will address the rescission by the Clinton Administration of the Private Enterprise Policy of the Federal Transit Administration which was adopted in the Reagan Administration.

I have separately submitted to the subcommittee a number of supplemental documents in support of my testimony.

It is beyond controversy to note that the need for mass transportation infrastructure in the United States continues to grow exponentially and far in excess of any reasonable expectation of public appropriations to support it. That is the reason that in 1991, a deeply bi-partisan majority passed the landmark Intermodal Surface Transportation Efficiency Act encouraging the leveraging of infrastructure appropriations with private investment.

As the single largest source of mass transportation investment, the federal government plays a central role in encouraging, leading and facilitating expenditures and policies used around the country to implement mass transportation programs.

From the beginning of the federal mass transit program, Congress has demanded that federally appropriated funds be used to increase the mass transportation available to our citizens, not merely to replace private ownership with public ownership, and not to duplicate or undermine existing

transportation facilities and activities offered by private investment.

The principle of leveraging public investment with private capital underlies the charter regulation and the school bus regulation of the Federal Transit Administration.

It is the same principle which brought into being the phrase "to the maximum extent feasible" with regard to the use of private operators of mass transportation services in the Federal Transit Act.

"...it defies common sense to say that billions of dollars of federally appropriated funds are simply given out with no concomitant federal fiduciary obligation."

Leveraging infrastructure investment is a matter of getting and keeping America moving, a practical matter, not a matter of ideology or partisan purpose. Both great Republicans and great Democrats have forged the policy of leveraging public with private efforts in the field of mass transportation.

As the supplemental materials I have supplied to the subcommittee demonstrate, the pursuit of the maximum use of private operators

and other private resources in mass transportation long has been supported by such leaders as Senators George Mitchell, Bob Dole, Mark Hatfield, Bob Graham of Florida and the late Daniel Patrick Moynihan of New York.

The Office of Advocacy of the Small Business Administration, one of Congress' unique watchdog agencies, also admonished the Department of Transportation not to abandon the private enterprise guidance. In a scholarly review of the sources for the guidance and a reasoned analysis of its impact, the Office of Advocacy spoke with candor and urgency in support of the policy regulations.

Each of these writers had a different emphasis in supporting a strong federal policy for the utilization of private sector operators, but the wide array of commentators and their separate reasons are themselves indications of the scope and significance of the contribution that private operators of mass transportation services have made. There is every reason to encourage such participation, and indeed to strengthen this important and vital element of our national transportation infrastructure which has always been a mandatory (if not always enforced) feature of the federal transit program.

You have heard from a number of witnesses who have given a good overview of why reform is needed. A federal mandate for the utilization of private sector transit operators, not in competition with public agencies, but as a natural community resource to assure more and more varied sources of mass transportation services will

help meet the nations' urgent transit requirements.

Although it is sometimes said that the Federal Transit Administration is "not a regulatory agency," it defies common sense to say that billions of dollars of federally appropriated funds are simply given out with no concomitant federal fiduciary obligation.

Money is appropriated by Congress for specific purposes and upon specified conditions hence the 18 existing FTA regulations already in the Code of Federal Regulations.

If Congress is serious about encouraging federal transit infrastructure investment with private equity, it must require an implementing regulation to that effect. This is especially true in light of the enforcement experience we have without such a regulation as demonstrated by the case studies which have been presented to the subcommittee.

There can be no reasonable objection to measuring the efficiency and economy of alternative service models if our common objective is more and better transit.

Competition, the engine of our economy, is necessarily the best way to challenge and encourage the development and implementation of the most efficient and economic mass transportation possible. After all, in management in the public sector, as in the private sector, it is always a question of getting the most "bang for the buck."

The Private Enterprise Policy was an invaluable fiscal tool which served the government and the people very well.

## Outlook

CONTINUED FROM PAGE 1

industry looks strong."

Pantuso said that figures he has seen suggest the industry will grow 5 to 7 percent this year and next.

And Victor Parra, president and CEO of the United Motorcoach Association, added that "things are definitely looking up on all fronts. I don't want to paint too rosy a picture, but I think we have good reason to be optimistic once again about our future."

Parra dialed down his enthusiasm a notch, however, by noting that "although things are improving ... it's still tough to make money."

Nevertheless, his observation that things are improving "on all fronts" was supported by others at

the ABC event.

For example, Michelle Silvestro, assistant vice president at National Insurance Co., said the days of 20-, 30- and 40-percent increases in annual insurance rates are gone. She predicted much more modest increases in the future — unless John F. Kerry is elected president.

She said the insurance industry is concerned about the impact a Kerry-Edwards Administration would have on tort reform and medical costs.

In the area of finance, Peter King, vice president of TCF Leasing Inc. of Minnetonka, Minn., said that "a lot of sense and sensibility is coming back to the industry. Terms are back in line with equipment (values)," he said.

And Matt Hotchkiss of Wells Fargo Bank, another coach industry lender, said that "money is still readily available — it's just not as easy to get as it was in the past."

But, said Hotchkiss, "this is good news for you, though, because the loose credit standards of the late 1990s into 2000 was one of the problems that negatively affected this industry. Too many companies that didn't deserve credit were able to get credit — even on new coaches — which I know impacted all of you," Hotchkiss told operators attending a panel discussion.

"A lot of those companies are out of business today, just like the companies that lent to them are out of this market. The bottom line though is if your company is doing well there is plenty of credit avail-

ability in the coach industry."

Parra said there was even reason to feel optimistic about the industry's ongoing battle with public transit agencies that want to offer charter bus service in violation of federal laws prohibiting it.

"We now have some victories to boast about and a coalition that may turn the tables on these renegade transit operators who are using taxpayer dollars to undermine your business," said Parra.

### New partnership

The big news at ABC's week-end event was an announcement that it has formed a strategic partnership with Caterpillar, the giant diesel engine and construction equipment manufacturer.

Caterpillar's C13 ACERT en-

gine is now available in C-model Van Hool coaches and the C7 CAT engine will become available in the ABC M1000 midsize bus during the first quarter of next year. T-model Van Hool coaches will get CAT C13 engines later next year.

"Our CAT partnership represents a true collaboration of design, technology and production," said ABC President and CEO Ron Cornell. "It forges another pathway to innovation and demonstrates our on-going drive toward excellence."

Chuck Avery, manager of Caterpillar's OEM Group On-Highway Engine Department, said Caterpillar was pleased to partner with ABC and Van Hool because the relationship will be based on integrity, loyalty and respect.

## INDUSTRY NEWS

## Bus crash

CONTINUED FROM PAGE 1

wheeled over an embankment and onto its roof. Those inside were thrown from the coach or crushed when the bus landed on its roof, or what was left of the roof.

Safety experts were hard-pressed to remember the last time a bus crash resulted in the coach ending up upside-down. The bus was smashed down to the tops of the seatbacks.

A dramatic photo transmitted from the scene by the Associated Press added to the horror. It showed the upside-down coach with the "torn-off" roof resting alongside the wreckage. Although the crash peeled back much of the roof, early press accounts failed to mention that it was rescue workers searching for victims who totally removed

the roof.

In the end, a wrecker lifted the bus so emergency workers could complete their tasks.

There also was an early rush by investigators and newspaper reporters to try to pinpoint causes for the disaster.

Preliminary news accounts said the driver had been driving all night without backup. Next it was reported the bus had not been inspected. Those turned out to be wrong.

Investigators said the driver, Herbert Walters, 67, left Chicago less than 10 hours before the crash, so he was not exceeding the hours-of-service driving limit.

Also, Mr. Walter's sister-in-law, Marean Walters, the owner's wife, was on the bus and she reportedly was the backup driver. Mrs. Walters held a valid CDL, according to the

Illinois Secretary of State's office.

Next it was learned the bus had passed an Illinois safety inspection in August.

News organizations and investigators also latched onto the discovery of engine-compartment frame rail cracks that were found during a post-crash inspection of the wreckage. Although no one suggested the cracks played a role in the incident, there were assertions that the 1988 MCI 102C3 should not have been on the road because of the pre-existing cracks.

It was not clear whether the private contractor that performed the inspection of the Walters' coach for the Illinois DOT in August used CVSA or federal motor carrier guidelines. However, the contractor, Wentworth Tire Service, was quoted as saying it stood behind its inspection.

The National Transportation Safety Board dispatched a team of 10 inspectors to the crash site. Their investigation is expected to take at least three months. The NTSB and Arkansas State Police indicated the probe will focus on a host of factors, including:

No. 1: The driver, Mr. Walters. Investigators are trying to learn his overall health; his condition at the time of the crash; what drugs he was taking, if any; whether he had been tested for drugs; whether he might have been fatigued; his experience and training, and whether he had a medical certificate.

Family members were quoted as saying Mr. Walters had asthma but no other medical condition. They also said he was conscientious about resting before trips. And there were reports he was alert and eating shortly before the crash.

Investigators learned fairly quickly that Mr. Walters did not have a medical card and there was no evidence he had had a medical exam. Investigators also soon found that Mr. Walters' log book was not up to date.

He did have a valid CDL and had no reported accidents.

No. 2: Mr. Walters' driving actions and what caused the bus to leave the roadway.

It is not at all clear why the bus veered off Interstate 55 at the 23-mile marker, about 25 miles north of West Memphis, Ark. But there are lots of theories.

"You could be exiting and do what he did," said Capt. Nathaniel Jackson of the Arkansas State Police.

One witness who was traveling in an auto behind the bus told police he thought the driver was attempting to take the U.S. 63 exit, which leads north to Marked Tree and Jonesboro, Ark.

However, investigators have found no compelling reason for Mr. Walters to want to exit the interstate at that point. There are no convenience stores, motels or service stations at that exit.

A Greyhound driver who passed by the scene about three hours after the crash said the U.S. 63 exit is at the end of a one-lane construction area and the highway turnoff is easy to miss.

"I suspect the driver at the last minute noticed he missed the turn and attempted to make the turn a little late," said the Greyhound operator.

However, another motorist behind the coach said the bus simply drifted off the road and didn't appear to have turned for the exit, said Tim Carter, an accident reconstructionist for the state police.

There also were suggestions Mr. Walters might have been trying to avoid something in the road or that he might have swerved slightly to avoid an auto trying to exit the highway.

There were conflicting reports supporting and refuting the various theories. According to police on the scene, there were no skid marks or evidence of hard braking. However, later reports said there were tire marks indicative of an evasive correction and hard braking just as the coach left the highway.

Initially, speed was ruled out as a significant factor. The speed limit was 65 mph. Witnesses told police the bus was traveling 70 mph when it failed to follow a left-hand curve in the road, running off the highway near the exit ramp. One of Mr. Walters' brothers was quoted as saying the bus was governed to go no faster than 62 mph.

Tracks in the grass showed where the bus drifted off the west side of the roadway, ran into a ditch and flipped. The bus did not blow a tire and no other vehicle was directly involved in the crash. A light mist was falling at the time of incident.

No. 3: What role seat belts might have played in reducing the death toll. Emergency workers reported that all but one of the 30 people on board the coach were thrown from the bus. The coach did not have seat belts for passengers. That fact is bound to provide fodder for the investigators from the NTSB, which has long favored seat belts for coaches. Mr. Walters was not ejected from the bus.

No. 4: The safety record of Walter's Bus Service. The company was last inspected by the Federal Motor Carrier Safety Administration in 1987. The company had not had a complaint, citation or accident in the past 24 months.

No. 5: The structural integrity of the coach and its maintenance. The collapse of the roof is expected to be a major focus. Windows, window security, roof supports and roof strength will be touchstones. There were reports the coach suffered roof damage in the past that had been repaired.

Many of those who died in the crash were senior citizens, friends of Roosevelt Walters, owner of the company, and members of the New Friendship Baptist Church on Chicago's South Side.

The coach was on its way to a casino in Tunica, Miss.

The last bus crash to kill so many people was the Mother's Day 1999 tragedy near New Orleans, killing 22.

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# Fear not '07 engines say big truck manufacturers

LAS VEGAS — There is nothing to fear about the 2007 reduced-emissions diesels being readied by U.S. engine makers, say the top executives of major truck manufacturers.

Two years ago, the technologies engine builders used to meet lowered emissions standards — cooled exhaust gas recirculation and Caterpillar's ACERT — were unproven. That's not the case for 2007, say the big truck makers.

"Both our partners, Caterpillar and Cummins, are ready to clear the next hurdle," said Paccar President Tom Plimpton.

"We are not very concerned about [07] technology," added Rainer Schmuekle, president and CEO of Freightliner, the corporate parent of Detroit Diesel, No. 1

engine supplier to the motorcoach industry. "We will have four and a half years of experience with the engines by 2007," Rainer noted.

The truck manufacturers made their comments during a panel discussion at the American Trucking Associations' 2004 Management

Conference & Exhibition last month in Las Vegas.

Paul Vikner, president and CEO of Mack Trucks, said Mack has more than 40,000 EGR engines in service today and he assured attendees that fuel economy for the 2007 engines will be "as good — or

better — than today."

Most engine makers have indicated they will meet the 2007 emissions standards by using advanced cooled EGR systems and diesel particulate filters.

While the truck builders expect the new engines to perform well,

there will be a high cost for the reduced emissions. Schmuekle estimated the new engines will cost between \$4,500 and \$6,000 more.

The trucking industry is expected to seek government incentives to help defray some of the increased cost of the engines.

## Crash suit is settled

CAMBRIDGE, Mass. — A settlement has ended a wrongful-death lawsuit stemming from a high-profile bus crash that killed four student band members more than three years ago.

The families of the young people who died settled their suit against two motorcoach companies and their drivers for \$15 million.

The agreement came one day before a trial was to begin against Crystal Transport of Brighton, Mass., and Kristine Travel and Tour of Boston, and drivers Hin C. Kan and Fred C. Pranger. Van Hool, which manufactured the coach, also is contributing to the settlement, lawyers for the families said.

The school reportedly booked the trip through Crystal Transport, which subcontracted Kristine Travel and Tour. The drivers were provided by Kristine.

The coach was carrying 42 children from Oak Hill Middle School in Newton, Mass., to a concert in Halifax, Nova Scotia, when it flipped on its side about 5 a.m. April 27, 2001, in Sussex, New Brunswick. The driver lost control after speeding into a hairpin turn on a highway exit, investigators said.

Elanie Alpert, who lost her 12-year-old son, Stephen Glidden, said she was relieved to avoid a trial that "would have been traumatic for the families.

Families of five survivors also sued. Two settled their suits, one for \$275,000 and another for \$130,000.

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## INDUSTRY NEWS

# Trailways grows West with addition of Via Adventures

MERCED, Calif. — Via Adventures Inc., a Merced-based motorcoach company with a major location in Phoenix, is the newest member-operator of the Trailways Transportation System.

The addition of Via aids Trailway's growth in the West, adding two distinct markets — central California between Fresno

and Sacramento, and Arizona.

"Via Trailways provides a double bonus for the organization and its network of nearly 70 independent transportation and travel-related operators," said Trailways President and CEO Gale Ellsworth.

"Via is a solid company with more than two decades of experience in the motorcoach industry.

The Riggs family's professionalism, experience, reputation and operating territories enhance our mission to regain Trailways' presence throughout North America as the premier provider of transportation and travel services to charter clients and the traveling public," Ms. Ellsworth added.

Via Trailways has been in busi-

ness for 22 years. Curtis Riggs founded the company with sister, Gaye, who is secretary-treasurer and co-owner. The company has 16 motorcoaches at each of its locations. In addition, Via operates midsize buses and vans. Videos and cellular telephones are standard fleet equipment.

"We believe our new Trailways

partnership enhances our already solid reputation in the tour-and-charter industry," said Curtis Riggs, president and co-owner. "Enlarging our business through networking with other Trailways team members and the trustworthiness associated with the brand name were just a few of the benefits that attracted us to Trailways, Riggs added.

## Volvo

CONTINUED FROM PAGE 1

Leading the restructuring effort was David James, a British executive who has spent the past 15 years revamping moribund corporations. He was appointed chairman of Henlys in May, as it was entering its death throes. One executive involved in the negotiations said James' leadership was essential to getting the deal done.

Under the agreement announced last month, Volvo acquires the 50 percent of Prevost that had been owned by Henlys. Volvo and Henlys jointly bought Prevost almost 10 years ago; they each owned 50 percent.

Along with Prevost, Volvo also gets Nova Bus, the transit coach

builder, which operates as a division of Prevost. The purchase price for Prevost (and Nova Bus) is \$83 million, which includes two loans, totaling \$40 million, made available to Prevost by Henlys. Prevost, which has been a consistent money maker for Henlys and Volvo, now becomes a wholly owned subsidiary of Volvo Bus.

Another key aspect of the deal involves Volvo converting part of a \$240 million loan issued to Henlys into shares of a newly established U.S.-based company that will own Blue Bird. With accrued interest of \$15 million, Volvo's total claim against Henlys was roughly \$255 million.

The conversion will force Volvo to write off \$170 million.

Henlys acquired Blue Bird at the inflated price of \$665 million in

1999. The purchase included assuming \$237 million in Blue Bird debt. Volvo was a partner in that deal.

Under the restructuring agreement, Volvo, plus a consortium of banks and the Henlys' pension fund, have each converted parts of their claims against Henlys PLC to common and preferred stock in a new company, called Peach County Holdings, that owns Blue Bird.

After conversion, Volvo and the bank consortium each received 42.5 percent of the common shares and the pension fund 5 percent. Management of Blue Bird received the remaining 10 percent.

The Blue Bird deal also includes a term loan and working capital arrangement that will help stabilize the company.

The managements of Prevost,

Nova Bus and Blue Bird appear thrilled by the deal.

"Since becoming involved with our company, Volvo Bus has been a model shareholder that has supported Prevost Car in its quest for quality, reliability and financial performance," said Gaetan Bolduc, president and CEO of Prevost.

"Volvo Bus' renewed commitment to our company ... represents a vote of confidence for Prevost Car Inc.," Bolduc said. "Being 100 percent owned by Volvo will create more opportunities for all kind of synergies," he added.

Blue Bird President and CEO Jeffrey Bust said the company will "now compete with the benefits of a solid balance sheet and can move forward with its improvement process at a faster rate than over the

last 12 months."

He said Blue Bird's employees, distributors and suppliers never lost focus on moving the company forward while the restructuring was being completed.

Gilles Dion, president and CEO of Nova Bus, said Volvo has consistently supported Nova Bus' principal corporate strategies of growth he expects that to continue and to accelerate.

In a statement, Volvo said the restructuring protects the interests of the company and its shareholders "in the best possible manner."

Volvo Bus is the world's second-largest bus and motorcoach builder, after DaimlerChrysler, selling 8,000 units annually. Its parent company, Volvo Group, is a \$22.5 billion company.

## Shuttle Bus Leasing

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## Drivers, mechanics win loot in Atlantic City

ATLANTIC CITY, N.J. — Thousands of dollars in prizes were presented last month to motorcoach drivers and mechanics competing in the 14th annual Bus Roadeo sponsored by the South Jersey Transportation Authority.

This year's competition, conducted at the Atlantic City Transportation Center, drew 21 drivers and 9 mechanics.

The first-place mechanic was Stephen Scott Wolf of Lion Trailways in Rio Grande, N.J.; the second-place mechanic was Greg Wilson of Academy Bus in Hoboken, N.J., and third place went to William Groff from Cape Transit Corp./Coach USA in Pleasantville, N.J.

The three mechanics won prizes of \$1,000, \$750 and \$500, respectively.

The first-place driver was Michael A. Barksdale from Greyhound Lines; second place went to Daniel Earl LeSane of Suburban Transit of New Brunswick, N.J., and third place was captured by Wyeth D. Lisby from Greyhound.

The top three drivers also won prizes of \$1,000, \$750 and \$500.

The first place driver also took home a 13-inch TV/DVD combo, and tickets for a dolphin watch cruise around Atlantic City and a passport ride in Atlantic City. The first prize mechanic won a DVD player, plus the dolphin watch and passport ride tickets.

All 30 participants were given overnight stays, meals and grab-bag items from Atlantic City casino and non-casino properties and businesses that co-sponsor the event. Also sponsoring the competition were the Greater New Jersey Motorcoach Association (formerly Atlantic City Bus Operator's Association), and the Atlantic City Convention & Visitors Authority.

Participating and providing technical expertise were the Federal Motor Carrier Safety Administration, the New Jersey State Police and the U.S. Department of Transportation.

Motor Coach Industries supplied the buses used in the competition.

Drivers take both a written and driving test, while the competing mechanics must take a written test and ferret out engine defects.



**Top:** Drivers used a new J4500 coach from MCI for the skills testing.  
**Bottom:** Michael Barksdale, above right; Daniel LeSane, left; and Wyeth Lisby captured the top driving awards.

## Tolls to rise under Chicago Skyway lease

CHICAGO — Tolls will be going up on the Chicago Skyway during the next decade in the wake of a \$1.8 billion deal to let a private consortium operate the road.

Under the unusual arrangement, the city says it will save money on maintenance and pay off millions in debt.

Cintra-Macquarie, a Spanish-Australian consortium, put in the winning bid to operate the Skyway for 99 years. Under the lease, the consortium will be allowed to double the \$4 toll over the next decade, and keep raising it thereafter.

The city will use receipts from the lease to pay off the Skyway's \$400 million debt and other city debt and create a reserve fund.

The nearly eight-mile-long, elevated Skyway links the Indiana Toll Road with an expressway that leads into the Loop business district. The Skyway opened in 1959 and was a money loser until the 1990s, when it became a more convenient route into the city from points east.

Last year, it generated \$39.7 million in toll revenue.

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## Board tentatively approves Raz sale

WASHINGTON — The U.S. Surface Transportation Board has given tentative approval to the purchase of Raz Transportation of Portland, Ore., by CUSA RAZ LLC, a new company formed by CUSA of Dallas. (See Oct. 15 *Bus & Motorcoach News*.)

In issuing its notice of preliminary approval, the board said any-

one wishing to oppose the deal should file comments. If no opposing comments are filed by the deadline, the approval becomes final.

Comments must be filed by Nov. 22. An original and 10 copies of opposing comments should be sent, referring to STB Docket No. MC-F-21007, to: Surface Transportation Board, 1925 K Street,

N.W., Washington, DC 20423-0001.

In addition, one copy should be sent to CUSA's representative: Stephen Flott, Flott & Co. PC, P.O. Box 17655, Arlington, VA 22216-7655.

Information is also available from Eric S. Davis at the Surface Transportation Board, (202) 565-1600.

## Frustration

CONTINUED FROM PAGE 1

ranging from the FTA's resistance to write rules that reign in rogue transit agencies, to its lackadaisical oversight of the billions of tax dollars the FTA doles out to transit systems.

What Ose has learned at the hearings and during the investigations he and his staff have conducted has convinced him drastic action may be needed to halt Ms. Dorn's lax and profligate ways.

Congress, he says, may have "to cut the FTA back, and take away her discretion to get her attention, and to implement constructive oversight of the agency."

At the most recent hearing conducted by Ose at the end of

September, Ms. Dorn testified the FTA "has worked hard to ensure that the private sector does not face unfair competition from public transit agencies" and that the "Bush Administration strongly supports continued involvement of the private sector in planning and delivering transportation services."

Ose didn't believe a word she said. "You have to look at what she does, not what she says," he said. "She has no intention of maximizing the intent of Congress" to encourage private-sector participation in public transportation planning and service delivery.

But the FTA's failure to enforce private-sector participation requirements is only one aspect of Ose's frustration with Ms. Dorn. Just as aggravating is her failure to impose



Rep. Doug Ose, R-Cal.

penalties on agency's that violate federal charter and other FTA rules, and the agency's complete unwillingness to monitor the spending of federal dollars by transit systems.

He said the FTA is the "most egregious case" he has seen of a federal agency failing to police the organizations that get its money.

"Oversight is tough, dirty work," he said. "You have to stick your nose in and understand the issues." The FTA, under Ms. Dorn, simply sits on its hands and lets transit agencies spend their huge federal grants as they see fit.

"The FTA doesn't understand what the role of a grant-making agency is," said a federal official who has examined its practices. "They just don't get it."

Adds Ose: "With oversight, you can't do it once a month. It's like raising hogs. You're either in the hog business or you're not. You can't go in and out of it."

Meanwhile, Ose and his committee intend to continue shining a bright light on Ms. Dorn and the FTA, and enlisting the support of other congressional committees with oversight over the agency, including appropriations committees.

Ose also is keeping up the pressure by submitting 10 pages of questions that follow up on Ms. Dorn's appearance before his subcommittee. The questions can be found on the Internet at: <http://reform.house.gov/GovReform/oversight/DocumentQuery.aspx?DocumentTypeID=66&CategoryID=118>.

Although Ose is retiring from Congress in January, he expects others in the House to continue probing and pressuring Ms. Dorn and the FTA.

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# Video system helps operator reduce insurance losses

BOHEMIA, N.Y. — Classic Transportation, an eastern Long Island-based motorcoach operator, says it has cut its insurance losses by more than 50 percent in the year since it installed a system that records unsafe driving behavior.

Classic, which operates a diversified fleet of more than 100 motorcoaches, midsize buses, vans, limousines, sedans and trolley buses, purchased the DriveCam Driving Feedback System for its vehicles. The program is designed to help operators reduce operating costs by identifying and improving driving behavior.

"We are showing a more than a 50 percent reduction in losses since installing DriveCam; it has saved us \$200,000 in the first year," said Bill Schoolman, president of Classic Transportation. "Since our insurance rates are based on a five-year average, we expect even bigger savings to come."

The DriveCam system uses a small video camera mounted behind the rear view mirror to capture unsafe driving behavior. Risky driving automatically triggers recordings that are downloaded to a computer for frame-by-frame analysis using a special software that is part of the system. When drivers receive direct feedback on their driving habits, they quickly improve.

Schoolman is such a believer in the system that he had it installed in every one of his vehicles, including service vehicles. It was an

expensive proposition.

"I took out an equity line of credit on my house for the purchase but I knew that anything that I could do to reduce accidents would provide an immediate cash benefit," he said.

Schoolman says the main ben-

efit of the DriveCam system is in preventing collisions. When crashes occur, DriveCam recordings can help determine who was at fault.

In one tragic incident involving a fatality, the DriveCam recording proved there was nothing the driver could have done to prevent

the accident. The ability to reconstruct what was happening in the 10 seconds prior to the incident was critical to understanding what happened.

"When we recently added 10 new buses, I would not put them on the road until they had DriveCam

installed," said Schoolman.

Classic's experience "provides an example of how DriveCam dramatically improves a fleet's bottom line and operations efficiency by reducing the costs associated with unsafe driving behaviors," said Bruce Moeller, CEO of DriveCam.



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## Union Pacific to record every trip

OMAHA, Neb. — Union Pacific Corp., the nation's largest railroad, says it plans to install digital cameras and microphones on its locomotives to record every trip for accident investigation purposes.

Earlier this year, seven courts penalized Union Pacific for destroying or tampering with crash-related evidence to dodge responsibility for railway-crossing accidents, according to published reports.

UP said it didn't intentionally destroy evidence and followed federal accident-reporting rules.

At least 1,000 cameras are to be installed by the end of next year, with the goal of putting cameras on all of its 6,700 locomotives that travel between cities.

The Department of Transportation blames automobile drivers for most railway-crossing accidents, which killed 324 people last year.

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