

# Bus & Motorcoach NEWS

WHAT'S GOING ON IN THE BUS INDUSTRY

## Privatizing transit could save millions, study finds

CAMBRIDGE, Mass. — Local governments could reduce expenditures on public transit by 30 percent — \$5.7 billion annually across the country — by privatizing local bus services. The savings could be found largely in labor costs, according to a paper published by the National Bureau of Economic Research.

Such savings would permit reduced fares that would in turn

make public transit more affordable and accessible for 1 billion additional riders each year. The paper placed the value of this “gain in social welfare” to be “at least \$524 million.”

Labor represents more than 80 percent of public transit costs, states “Efficient Local Government Service Provision: The Role of Privatization and Public Sector Unions.” Political influence boosts

labor costs at public sector transit operations, it argues.

“An inefficient transit agency can have a high operating cost per mile for two main reasons,” the paper said. “It can overpay bus drivers and mechanics relative to their local opportunity cost or it can hire too many drivers and mechanics relative to the efficient level of employment. While a for-profit firm in a competitive indus-

try would have sharp incentives to engage in cost minimization, non-profit public transit agencies have weaker incentives to do so as they face pressure from unions and local political leaders.

“Transit agencies can reduce per-mile operating costs by nearly 70 percent from privatizing the service provision, holding other factors constant...Private entities hire fewer laborers and engage in

less ‘featherbedding’ relative to public transit agencies. Privatization represents one strategy for checking local union power.”

The cost structures of public transit systems were studied by Matthew E. Kahn, professor of public policy and economics at the University of Southern California in Los Angeles; Shanjun Li, an associate professor of economics at

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**Fort McMurray Strong** — Diversified Transportation, which helped evacuate oil sands workers as a major wildfire raged through the Fort McMurray, Alberta, area in May and June, has unveiled a special tribute bus that honors the community's first responders. The 55-passenger coach includes images of Fort McMurray firefighters, Emergency Response Services, Alberta Forestry firefighters, RCMP officers and Phoenix Helicopters. The theme of the coach is “Together we are Fort McMurray Strong.”

## Coach operators dealing with new overtime rules

WASHINGTON — While U.S. lawmakers jockey to kill or delay full implementation of a new federal overtime rule scheduled to take effect Dec. 1, motorcoach operators are preparing to implement the new rule by, in some cases, converting salary staff to hourly to control costs.

The new rule focuses primarily on updating the salary and compensation levels needed for executive, administrative and professional workers to be exempt from overtime, according to the Department of Labor.

In short, it doubles the amount salaried workers must make to be

exempt from overtime from the current \$23,660 to \$47,476 on Dec. 1.

Executive Coach in Lancaster, Pa., has three salaried employees between the old and new thresholds that will be converted to hourly to keep its costs in line. Otherwise, it's faced with issuing 15 to 20 percent pay raises to meet the new threshold, said Dale McMichael, general manager and co-owner

Salaries are conducive for positions like on-call dispatchers who work evenings, for example, where hours can be fluid and people working extra hours can be

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## Driver sheds weight, exercises and feels '200% better'

BIRMINGHAM, Ala.— After more than two decades on the road, John Matthews III realized he had gotten as big as the stars he escorted to concerts around the country. That is VERY big.

In his work for Thrasher Brothers Trailways, Matthews has toured with Eric Clapton, Rod Stewart, Neil Diamond, the Black-Eyed Peas, Jimmy Cliff, Janet Jackson, Cher, Prince and other performers.

A year ago he was a nearly

340-pound diabetic who was close to losing the career he loved — driving a motorcoach.

His Type II diabetes was being treated with daily pills but his doctor told him, “If I didn't get myself together I would have to get on insulin and that messes with your CDL,” Matthews said.

The federal diabetes exemption process for commercial drivers was a hurdle he did not want to face.

“You should not want to drive if you are taking insulin,” Matthews said. “You don't want to hurt the people on the bus along with yourself.

“My dad was a truck driver and I tried doing that. It wasn't my cup of tea. Freight can't talk to you. I like people,” said Matthews, 46, who grew up in Birmingham. “I started driving with the Thrasher Brothers in 1994 and have been driving off and on for them since.”

The passion of driving charters still calls to Matthews. But as it does to many others, the road took its toll.

“I was kind of heavy when I started driving — 215 to 220 pounds. As the years progressed I continued to get bigger and bigger. And bigger,” he said. “Your passengers usually stop at fast food restaurants. Drivers eat free and sometimes you make the most of that.

“I drove mostly entertainer buses. You do the concert then drive eight to 10 hours to the next place. The first thing you want to do is eat, then you want to sleep to get ready for the next drive that night,” he said. “At one time the Thrasher Brothers had some 40-foot MCIs. I got into the bus and the driver's seat would only move back a little bit. It embarrassed me because I had to drive with the

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# Political wrangling in New Jersey upsets MCI production

WINNIPEG, Manitoba — A highway and public-transit funding dispute in New Jersey has forced Motor Coach Industries to wind down production on its largest commuter-coach order in nearly two decades.

In November, MCI was awarded a contract by New Jersey Transit that included options for more than 1,200 commuter coaches over six years.

After delivering three pilot coaches, which successfully passed an in-service testing and evaluation phase, MCI said it received a “notice to proceed” in May for the first year production of 184 commuter

coaches, of which 142 were to be delivered by year end.

Then, last month, New Jersey Transit informed MCI that the New Jersey Transportation Trust Fund was about to run out of money. The fund foots the bill for New Jersey Transit and New Jersey Department of Transportation capital projects.

By far, the largest line item in the fund is the New Jersey Transit contract for MCI coaches. However, hundreds of other projects to replace bridges, resurface roads and renovate transit stations across New Jersey also were impacted by the funding dispute.

New Jersey legislators and Gov. Chris Christie reached an impasse in early July over a plan for replenishing the Transportation Trust Fund with additional revenue.

That prompted Christie to issue an executive order declaring a state of emergency and directing the commissioner of the state Department of Transportation and the executive director of New Jersey Transit “to plan an immediate and orderly shutdown of all ongoing work that is funded by the TTFA.”

That was quickly followed by an order from Dennis J. Martin, executive director of New Jersey

Transit, that all contract work financed by TTFA funds begin an orderly shutdown, including work by MCI on the commuter coaches.

As of last month, MCI had delivered at least five commuter coaches to New Jersey Transit, with an additional 76 in various stages of production or completed and in transit, said Paul Soubry, MCI president and CEO.

Perhaps fortuitously, the timing of the New Jersey order coincided with the normal summer production shutdown at MCI, which typically occurs in late July and early August. This year’s shutdown was scheduled to run from July 18 to

Aug. 8.

Separately, New Flyer Industries, which owns MCI, said its management anticipates stable private-sector demand for motorcoaches throughout this year “given the stability of market dynamics, including the general economy, travel trends and credit markets.”

The master production schedule at New Flyer/MCI, combined with current backlog and orders anticipated to be awarded by customers under new procurements, is expected to enable the company to deliver roughly 3,450 buses and coaches this year.

## UMA operators report steady business over past year

ALEXANDRIA, Va. — The motorcoach industry’s gradual improvement appears to be continuing, with a majority of operators reporting increased revenue and a stronger financial status, according to the 2016 United Motorcoach Association Membership Survey & Industry Assessment.

The survey also found that more motorcoach operators have gotten involved in local, state and national political issues affecting

the industry, something UMA has strongly encouraged in recent years as a way of fending off new regulations.

Seventy-three percent of the survey’s respondents said their financial status was slightly or significantly better than last year, compared with 74 percent in the 2015 survey.

Another 12 percent of this year’s respondents reported a “slightly worse” financial status,

while none said their financial situation was “significantly worse.” The remaining 15 percent reported no change.

Nearly 64 percent of this year’s respondents said their revenue increased greatly or some, compared with 66 percent last year. Another 20 percent said their revenue was unchanged, while 16 percent said it “decreased some.” None said their revenue “decreased greatly.”

UMA members have an aver-

age of 16 motorcoaches in their fleets, up slightly from 15 last year. Forty-six percent of respondents said they plan to purchase new motorcoaches this year, the same percentage as in 2015.

The 2016 survey was emailed to UMA members beginning on April 28 and responses were accepted through May 20. There was a 14 percent response rate, down from 20 percent in 2015.

Answers to the survey’s 64

questions provide a snapshot of the motorcoach industry. The survey also gave operators a chance to offer their ideas and opinions about the industry and its challenges, UMA and its programs, and the federal regulatory climate.

One of the more encouraging survey results was the number of UMA operators getting involved in political issues. Nearly 55 percent of respondents said they have

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# THE DOCKET

## GOP platform calls for narrowing Highway Trust Fund

CLEVELAND — The Highway Trust Fund should be dedicated solely to building and maintaining roadway infrastructure and stop backing mass transit, bike sharing, recreational trails and historical renovations, Republican leaders contend.

During the party's national convention in Cleveland last month, Republicans also reaf-

firmed their opposition to raising taxes on gas and diesel fuel, which have served as the primary source of revenue for the trust fund.

Congress has not raised such taxes since 1993.

Prior to the passage of the FAST Act last December, which extended the trust fund's financing for five years, Congress had approved 36 short-term funding extensions since

2009 to keep the account afloat.

"More than a quarter of the fund's spending is diverted from its original purpose," the party wrote in its 2016 platform. "These worthwhile enterprises should be funded through other sources."

To expedite infrastructure projects, Republicans proposed minimizing regulatory requirements in public-private partner-

ships, which are ventures between government entities and investors.

They noted that such partnerships could potentially alleviate taxpayers' responsibility to pay for large-scale infrastructure projects.

"Recognizing that, over time, additional revenue will be needed to expand the carrying capacity of roads and bridges, we will remove legal roadblocks to public-private

partnership agreements that can save the taxpayers money and bring outside investment to meet a community's needs," they wrote.

Brian Scott of Escot Bus Lines said lowering barriers to private-sector participation "can also speed the implementation of new service by using existing private-sector capacity, which is good public policy all the way around."

## Brake Safety Week returns to North America next month

GREENBELT, Md. — Law enforcement agencies across North America will once again conduct inspections on large trucks and buses next month to identify out-of-adjustment brakes and brake-system and anti-lock braking system violations.

The Commercial Vehicle Safety Alliance's annual Brake Safety Week, an outreach and enforcement campaign designed to improve commercial motor vehicle brake safety, will be held Sept. 11 to 17.

Properly functioning brake systems are crucial to safe CMV operation. CMV brakes are designed to hold up under tough conditions, but they must be routinely

inspected and maintained carefully and consistently so they operate and perform properly throughout the vehicle's life.

Improperly installed or poorly maintained brake systems can reduce braking efficiency and increase the stopping distance of trucks and buses, posing serious risks to driver and public safety.

ABS systems help the vehicle, and thus the driver, maintain control in certain situations, which reduces the risk of some types of crashes.

Brake-related violations comprised the largest percentage (43 percent) of all out-of-service violations cited during Operation Airbrake's companion International

Roadcheck campaign in 2015, which focused on inspections of both vehicles and drivers.

Inspections conducted during Brake Safety Week include inspection of brake-system components to identify loose or missing parts, air or hydraulic fluid leaks, worn linings, pads, drums or rotors, and other faulty brake-system components.

ABS malfunction indicator lamps are also checked. Inspectors will inspect brake components and measure pushrod stroke where applicable. Defective or out-of-adjustment brakes will result in the vehicle being placed out of service.

Many inspectors will be conducting Level 1 inspections, and in

the 10 jurisdictions currently using performance-based brake testing equipment, vehicle braking efficiency will be measured. These systems include a slow speed roller dynamometer that measures total vehicle weight and total brake force from which braking efficiency is determined.

The minimum braking efficiency for trucks is 43.5 percent, required by U.S. federal regulation and the CVSA out-of-service criteria.

Outreach and educational efforts by CMV inspectors, participating motor carriers and others in the industry will also take place during Brake Safety Week and are integral to the success of the campaign.

More than 3.4 million brakes

have been inspected since the program's inception in 1998.

Brake Safety Week is part of the Operation Airbrake program sponsored by CVSA in partnership with the Federal Motor Carrier Safety Administration.

## Vehicle inspections highest in Maryland

WASHINGTON — Maryland led all states last year in inspecting commercial motor vehicles, followed by California.

At the other end of the spectrum, Idaho and Massachusetts had the least intense enforcement.

According to figures compiled by *Commercial Carrier Journal* and *Overdrive*, more than 3 million inspections were conducted nationwide in 2015, up 1 percent from 2014.

State rankings were determined by taking the total number of state-conducted inspections divided by the number of National Highway System lane miles within the state's border.

Data reported by the Federal Motor Carrier Safety Administration were used to compile the state rankings.

Maryland conducted 16.2 inspections per lane mile, the most of any other state. Rounding out the top 10 states for inspections were California, 12.8; Texas, 9.8; Arizona, 8.7; Washington, 8.1; New Mexico, 7.8; Kentucky, 6.6; Mississippi, 6.3; Connecticut, 5.8; and New York, 5.7.

The 10 states that conducted the least amount of inspections were Idaho, 1.4; Massachusetts, 1.5; North Dakota, 1.7; Wyoming, 1.8; Virginia, 2.2; Oklahoma, 2.3; Wisconsin, 2.4; Minnesota, 2.4; Alabama, 2.6; and Vermont, 2.7.

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# New Unified Registration System delayed until 2017

WASHINGTON — The Federal Motor Carrier Safety Administration is delaying implementation of the final stage of its simplified online registration process, called the Unified Registration System, until Jan. 14, 2017.

FMCSA also has pushed the full URS compliance date to April 14, 2017.

The system is designed to simplify the process of registering commercial motor vehicles, reduce paperwork and errors and make it possible to electronically screen all applications to identify

high-risk carriers, including “reincarnated” carriers.

In a conference call announcing the new dates, FMCSA said more time was needed to move records from the old system to the new one.

“The agency is currently updating its information technology systems and undertaking a complex migration of millions of records to remote storage servers,” Kelly Regal, FMCSA associate administrator for research and information technology, said during the conference call.

URS combines multiple reporting forms into a single, online “smart form” that is designed to streamline the registration and renewal process. The system was created to improve efficiency and reduce errors and was originally supposed to be fully implemented this year.

FMCSA said once the system is available for all carriers, there won’t be a need for separate provisions for new applicants. The system will then be available for submission of all new registration requests, tracking applications,

updating information and filing biennial updates, the agency said.

FMCSA said when fully implemented, the registration system will improve the registration process for motor carriers, property brokers, freight forwarders, intermodal equipment providers, hazardous materials safety permit applicants and cargo tank facilities required to register with the agency.

It also will streamline the existing federal registration processes to ensure FMCSA can more efficiently track these entities, identify unfit carriers and detect unsafe truck and

bus companies seeking to evade enforcement actions by attempting to regain USDOT registration by registering as a different or unrelated business entity.

FMCSA estimates the initial phase of URS, launched in December 2015, has saved the industry approximately \$1.6 million in processing time during the first six months. The agency estimates the system will ultimately reduce costs to the industry by approximately \$9 million in time saved and fees incurred over a 10-year period.

## Darling confirmed as FMCSA head after lengthy delay

WASHINGTON — The U.S. Senate finally confirmed Scott Darling as administrator of the Federal Motor Carrier Safety Administration, two years after he took over as acting administrator and nearly a year after President Obama nominated him to officially head the agency.

The Senate confirmed Darling by voice vote in a unanimous decision last month before adjourning for the next seven weeks.

Transportation Secretary Anthony Foxx, who oversees

FMCSA, said he was pleased by the Senate’s actions. He said Darling “has been laser-focused on the agency’s mission of reducing large bus and truck crashes and fatalities. He goes the extra mile to engage actively and personally with the agency’s stakeholders.

“His collaborative approach has moved the ball forward on commercial motor vehicle safety. I look forward to our continued work together and congratulate him on his confirmation.”

Darling was appointed in 2012

as chief counsel of FMCSA, which regulates the motorcoach and trucking industries. He was named acting administrator of the agency in August 2014, when former administrator Anne S. Ferro resigned.

His confirmation vote came almost five months after he was approved by the Senate Commerce, Science and Transportation Committee.

Although one lawmaker expressed doubts that Darling was up to the job after the confirma-

tion hearing, none of the committee members expressed opposition during the hearing.

Darling came to FMCSA from the Massachusetts Bay Transportation Authority, the public transit agency serving greater Boston, where he served as deputy chief of staff and assistant general counsel from 2009 to 2012. Before that he spent three years as the agency’s environmental and land use counsel.

While Darling has had a fairly good relationship with the indus-

tries the FMCSA regulates, leaders of the motorcoach and trucking industries disagree with him on such issues as driver hours

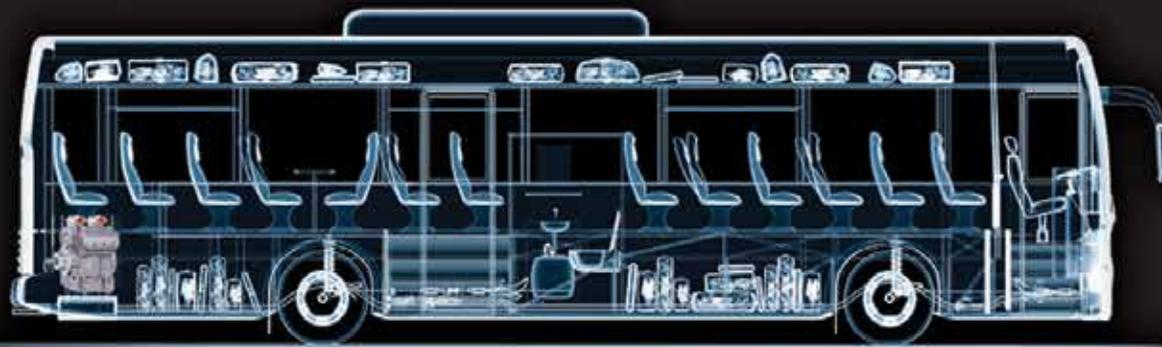
of service, raising mandatory insurance minimums, a proposed regulation on leasing motorcoaches, and the scoring system for the agency’s Compliance, Safety, Accountability program.



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# N.Y. operator mad as hell, not going to take it anymore

YONKERS, N.Y. — A southern New York operator has launched a quest to defeat the injustices he finds in his state's Motor Carrier Compliance Bureau.

Overly strict inspection criteria, nebulous standards and unaccountability have raised the ire of Sal DiPaolo, operator of Service Bus Company and Bronco Bus Corp., both based in Yonkers.

These inspection practices unfairly burden operators in southern New York with lower safety ratings, which can in turn cost them customers and business, he believes.

"Operators in other parts of the country don't have to put up with this nonsense," DiPaolo said. "Other regions in New York don't have the problems that we have."

"The fellows that run Region 8 in New York are very strict and trying to make a name for themselves. They have always been like this. My dad has been in the bus business since I was 9. I have always seen this stuff — my father went through it and now I am going through it."

New York's inspections are conducted with "safety as our first priority," said Carol Breen, spokeswoman for the New York Department of Transportation in Albany. "Without addressing specific incidents, I would say we have stringent standards. We owe it to the traveling public to make sure that buses we inspect are safe. If they aren't safe we take them off the road."

DiPaolo's favorite stories involve buses failing inspections because an item "doesn't work as designed," although the inspector couldn't explain how the device was designed to work.

For example, he faced disagreement over the acceptable timing for a buzzer to sound as the anti-lock braking system arms upon activation of the ignition switch.

"The inspector failed the bus because the buzzer went off. I said, 'How long is the buzzer supposed to stay on? Fifteen seconds? An hour? Two months?' He said it wasn't written in the book. Then why did he fail the bus? I don't know."

The swing-arm stop sign lights on a recently acquired pre-owned school bus exhibited an unusual flashing sequence, DiPaolo said.

"The lights flash on the top and bottom of the sign. This bus had both lights flashing at the same time. The inspector said they

are supposed to do an alternating flash. He used the phrase, 'doesn't work as designed.'

"I said, 'How was it designed. Do you know?' He said, 'No, I don't know.' So you can fail the bus for that? He didn't have an answer and kept looking in his book.

He still hasn't come up with an answer.

"This is an important issue. When I bid on a school contract the specs say if your safety profile is below 75 percent, don't bother bidding. They (New York inspectors) are costing me money, mak-

ing a mess out of my operator profile and preventing me from doing business."

## Above and beyond

DiPaolo said the whole system is antiquated, adding that New York motor carrier inspectors

"don't follow the federal out-of-service criteria. They have their own set of rules and regulations. It takes them an hour and 15 minutes to inspect a bus using their techniques. If they use the federal criteria it takes 20 minutes.

CONTINUED ON PAGE 17 ►

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# Millennials ditching cars; will they leave the driving to us?

By Victor S. Parra

I must confess. I'm a big fan of Robert J. Samuelson. He's a plain-speaking economist who writes a column every Monday in the *Washington Post*.

And although some would argue that the *Post* is a "liberal-leaning" newspaper, I find his columns totally devoid of any political slant; he'll criticize Democrats and Republicans equally.

Samuelson recently wrote a column titled, "Is the Car Culture Dying?" Needless to say, this really grabbed my attention.

Many in our industry (me included) believe the automobile is one of the biggest forms of competition we face. Americans are enamored with their cars. It's a critical possession. It provides us the individual freedom to travel where we want to go and when we want to go.

Well, that statement holds true for most Americans, with the possible exception of the Millennials, that elusive group whose needs and interests are very unique.

In his column, Samuelson points out that the "young Americans, particularly Millennials (ages 18-35) have lost their zest for buying and driving cars..."

He notes (and I can attest), "Getting your driver's license was a rite of passage."

I can recall growing up in New Jersey where the driving age was 17. You counted the months, weeks, days and hours before you could actually sit for the test to get your driver's permit.

Then you anxiously awaited your appointment to take the behind-the-wheel test. And when you passed both tests, you called all your friends to proudly announce

that you now have a driver's license. Freedom at last!

Samuelson cites figures from the Federal Highway Administration that show the number of young licensed drivers declined by 37 percent between 2009 and 2014 to the lowest number since the 1960s. He adds that this "trend seems long term."

There are a number of statistics he quotes as reasons for this trend, which I'll skip so I can get right to the reason why I wanted to write this column:

What does the fact that Millennials are less inclined to own and drive cars mean for our industry?

Well, first of all these Millennials still need a method to get around. Many probably rode one of your motorcoaches on field trips and class outings while they were still in school. And if they

don't have driver's licenses, it means they are dependent on other sources for transportation.

So I ask, does this trend present us with an opportunity to capture a new group of customers? If so, how would you reach these groups and introduce them to your services? What are the messages you can deliver that will resonate with them?

First, we know their smartphone is like the old American Express card commercial: they never leave home without it! So we know we can reach them at any time either through Facebook or some other form of social media.

What else do we know about Millennials?

- They were negatively affected by the recession that followed the 2007-2008 financial collapse. They have fewer financial resources

and tend to live in urban areas.

- Being environmentally responsible is a value Millennials hold near and dear.

- They are the largest generation since the Baby Boomers. More than 75 million Americans fall into this category — a huge untapped market.

- Millennials are skeptical of the media and get their news and form their views independent of the information they are fed through newspapers, TV and other media outlets. As noted earlier, they rely on social media.

- Be careful how you communicate with them; even though they are generally recognized as Millennials, they resent the term. They don't like to be labeled.

- Also, I learned in an EXPO session I moderated this year that Millennials would much rather re-

ceive a text from you than a phone call. They particularly don't like cold calls.

- Millennials account for 21 percent of the discretionary buying in the U.S. This is important to keep in mind since the tour and charter business is built largely on discretionary spending.

- More than 50 percent believe in social causes and will buy from companies that espouse such values, even if it means paying more.

- Here's something important to keep in mind when connecting with Millennials: they value brands that enhance their lives.

- They also feel it's important to share feedback with companies after a good or bad experience. Always leave them a comment card.

- And finally, 79 percent of Millennials would like to visit all 50 states.

I didn't intend this piece to be an exhaustive dissertation on Millennials. No doubt there's much more you can learn about them just by doing a Google search.

But our industry may have a unique opportunity to reach out and connect to this very large segment of the population that seems less interested in getting a driver's license or owning a car.

So I ask: What's your strategy for reaching out to and connecting with Millennials?

*Victor Parra is president and CEO of the United Motorcoach Association. If you'd like to give him some feedback, or even take a stab at answering this question, please contact him at vparra@uma.org.*



Victor Parra

## Millennials are tenacious travelers

By The National Post

Millennials might never buy a car or home, they might take a pass on marriage and child rearing, and they will most certainly never be offered the job stability or social benefits enjoyed by the generations that now like to yell at them to get off their phones.

But here's one thing Millennials have embraced in a thoroughly tenacious way: travel.

According to an Expedia study, Millennials travel more frequently than any other age group. And, like everything else, they're doing it their way.

And one such way is through group tours because they have developed a fondness for certain niche programs.

"We've seen an increase in group travel around special interests like hiking or going to see gorillas in Rwanda," said Leigh Barnes, regional director for North America for the Intrepid travel group.

Millennials also want authentic food experiences. "They want street food and to see how it's made," Barnes said.

Millennial travelers have embraced the sharing economy, and this ties in with a broader trend of seeking out more "authentic" experiences, including encounters with ordinary locals.

Plenty of services — many with companion apps — have popped up to help connect travelers with locals in any given place.

The presentation of a carefully

curated life in social media has also bled into the way Millennials travel. According to a survey of over 1,000 Millennials by Chase Bank, 97 percent post their travel adventures on social media; 73 percent post something every day while traveling.

"They're definitely a save to splurge generation," said David Kolner of Virtuoso.

While previous generations of travelers saw their 20s and early 30s as the ideal time to schlep a big backpack around the world, Millennials would rather blow their wad instead of scrimping to draw out the timeframe.

"They would rather spend two or three nights at the Four Seasons than two weeks in Mexico," Kolner said.

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# Too many regulations could send us into a deep-freeze

By Dave Millhouser

It was a great plan — in theory.

Dave was the driver for a ski trip from Atlanta to Colorado's high country, and had outfitted the 4106 he was driving with every known device for defeating winter.

He installed a block heater, tank heater, oil pan heater and battery heater. Take that, Mother Nature.

When he stopped at our garage in Buena Vista for service, we offered to let him park inside overnight. He snickered, pointed out his electronic force field, and headed for the ski lodge. After plugging in the plethora of paraphernalia, he retired for the evening.

The temperature that night bottomed somewhere south of zero and the massive electrical load blew the circuit breaker.

We had to tow the bus and stuff it in a garage bay, where it took two days for it to thaw enough to run.

Think this is about Mother Nature winning? Nope.

It's about too much of a "good" thing. Any one of Dave's gadgets would have helped, and two would

have been fine, but overdoing it produced an effect exactly the opposite of what he wanted.

Could we have crossed that line with regulation? No thinking person would advocate eliminating all of it.

We regularly read of horrendous accidents in Third-World countries, but largely avoid them here. That is due, in part, to well-crafted regulatory enforcement.

On the other hand, everyone reading this who has not committed a crime today, raise your hand. You know, speeding. Failing to report a bit of income. Drifting across a centerline.

Wow. I see very few hands.

We live in a society with so many rules that it's virtually impossible to obey them all. Don't believe it? Next time you drive by a police cruiser try not to look back. Police make us nervous because we're all occasional lawbreakers.

If every regulatory audit turned up some violations in an industry that is extremely safe, is it possible that the rules are so complex that compliance is impossible? Are all the rules relevant to safety? Or just to bureaucratic job security?

Could that struggle for compliance be taking attention and resources from other things that may have more implications for safety than an improperly signed logbook?

Everyone likes clean air, but the unforeseen consequences of striving for perfection have been the departure from the truck and bus market by a major diesel engine manufacturer, and a major cheating scandal involving one of the world's largest carmakers (with more likely to follow).

We all pay for this, directly or indirectly. Would we be better off with economically attainable rules?

Translated to our business, clearly some regulation is beneficial, but what happens when it crosses the line and becomes too much? Even worse, what happens when regulators become the playthings of legacy carriers and are used to stifle upstarts and competition?

Big guys can afford a battery of compliance employees. Little guys actually know their drivers. Which is better?

Most responsible operators acknowledge the need for a measure

of regulation, but when have you heard of a bureaucrat nudging towards fewer (but more effective) rules? And gee whiz, how about not having regulations conflict?

Make the environment too complex and operators are driven out, sometimes by fiat, sometimes by frustration. Either way, people are forced onto less safe modes of transportation, but those casualties don't show up in FMCSA statistics.

The point is that when we overregulate we cede power to bureaucrats. The fate of our business and industry is largely in the hands of people who've never actually worked in it, and have no real stake in the outcome.

Further, because they're on the side of the angels (who can be against safety?), who are we as mere mortals to question the actual effectiveness of their rules in reducing accidents? After all, we are in business to earn a profit and they — wait, they get paid too. I'm so confused.

We're looking for balance, fewer rules and ones that make sense. The ease of communicating on the Internet gives consumers and

insurers the power to handle a lot of "enforcement" by denying business to bad actors.

Here's the thing: when businesspeople screw up, they and their businesses suffer.

When regulators screw up, businesspeople and their businesses suffer. See a pattern?

My friend Dave might have made out better if he'd attempted a measured approach. Turning things on one at a time and waiting to see what worked. If a circuit breaker popped, back off a bit and reset and watch what happens.

I betcha if he had it to do over again, he'd try a couple of different configurations and pick one that actually worked.

If he'd done that, he wouldn't have been forced to listen to us laugh at him for the two days it took to thaw his bus.

*Dave Millhouser is a bus industry marketing consultant and freelance writer. Contact him by email at [Davemillhouser@gmail.com](mailto:Davemillhouser@gmail.com).*



Dave Millhouser

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# Salespeople shine when focusing on what they do best

By Christian Riddell  
Motorcoach Marketing Council

Imagine for a moment that you don't work in the transportation business.

Instead, your life has led you to be a salesman for General Motors. You've had a very successful career and your job is to ensure that your dealer network is ordering inventory.

OK, now let's imagine that it's Tuesday and things have gone wrong at the factory. The guy running the welding robots is a no show, the paint booth isn't working, union reps are grumbling about a strike and production is slowing to a crawl. (It's a bad day!)

So, Mr. or Ms. Salesperson, what do you think you will do today?

Do you think you will grab the controls of the welding robots? Perhaps don a white jumpsuit and head to the paint booth, launch negotiations with union officials or maybe run down to the factory and crack the proverbial whip to ramp up production?

No. No, you won't.

You will do the same thing you

do on any other given Tuesday or Wednesday, or Monday for that matter. You will make sure that your dealer network is ordering inventory.

Why is that? Why won't you run down and jump into the fray and help get things sorted out? Well, if you did, the entire system would fall apart.

## Nowhere to ship

You see, if the salespeople stopped actively selling the product every time something in the factory went wrong, it would only be a matter of time before production was working smoothly and there would be nowhere to ship all those freshly minted vehicles.

Doesn't it seem ridiculously obvious that Mr. or Ms. Salesperson wouldn't head down to the factory, negotiate with labor teams or manage the day-to-day operations of the production side of the company?

Their job is to focus on sales, which doesn't have anything to do with the production mechanics of how the company runs. They are "operationally unimportant," so to speak, and they shine when they're

Marketing Minute  
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allowed to focus on what they do best.

In our businesses, however, things can get a lot more complicated.

My first job in this industry was as a "salesperson" for a small satellite operation of a larger company. This meant I was actually the manager, dispatcher, bus washer and driver, as well as the guy who was expected to empty the trash, vacuum the office and talk drivers into taking late-night callouts (or take them myself).

## How are sales?

I also was expected to answer the "How are sales coming along?" question a few times a month.

I was not just "operationally important." If I wasn't there, there were no operations. Period.

Over the past few years, I have traveled North America talking to

operators large and small, and I've realized that my experience is the rule, not the exception.

In the motorcoach industry, the exception is to find companies that have invested in operationally unimportant staff.

Any time this conversation comes up, operators question the wisdom of that strategy. Given the amount of moving parts in a traditional motorcoach operation, and driver shortages being what they are, why would you take a perfectly capable person and leave him or her out of the operational loop?

Many companies I talk to bring people in with the intent of having them focus solely on sales, but then hectic days come along where all hands are needed on deck.

Soon, those "operationally unimportant" folks are in the daily dispatch rotation.

Imagine a day where you're dealing with a driver shortage and buses that need washing, and your dispatcher just stormed out because she got offended by another driver.

Can you picture the scenario that would happen at that point if you didn't call on your salespeople

to help?

That little knot in your stomach is the root of the problem.

The motorcoach business is an operational-centric business. We work day in and day out to overcome operational hurdles in order to provide a safe, quality experience for our customers.

## Battle stations

Some days are easier than others, but every day there are problems to resolve. It is this constant pushing that compels us to roll everyone we can into the battle so we can get through the days and weeks.

When was the last time you saw a drug commercial on TV? I recently saw one that was geared toward individuals who suffer from migraines. My ears perked up because I've had to deal with them in the past.

The commercial was filled with smiling people, not a migraine to be seen. It was perfect, until this:

"If you suffer from migraines, talk to your doctor about this drug and suffer no longer."

CONTINUED ON PAGE 11 ►

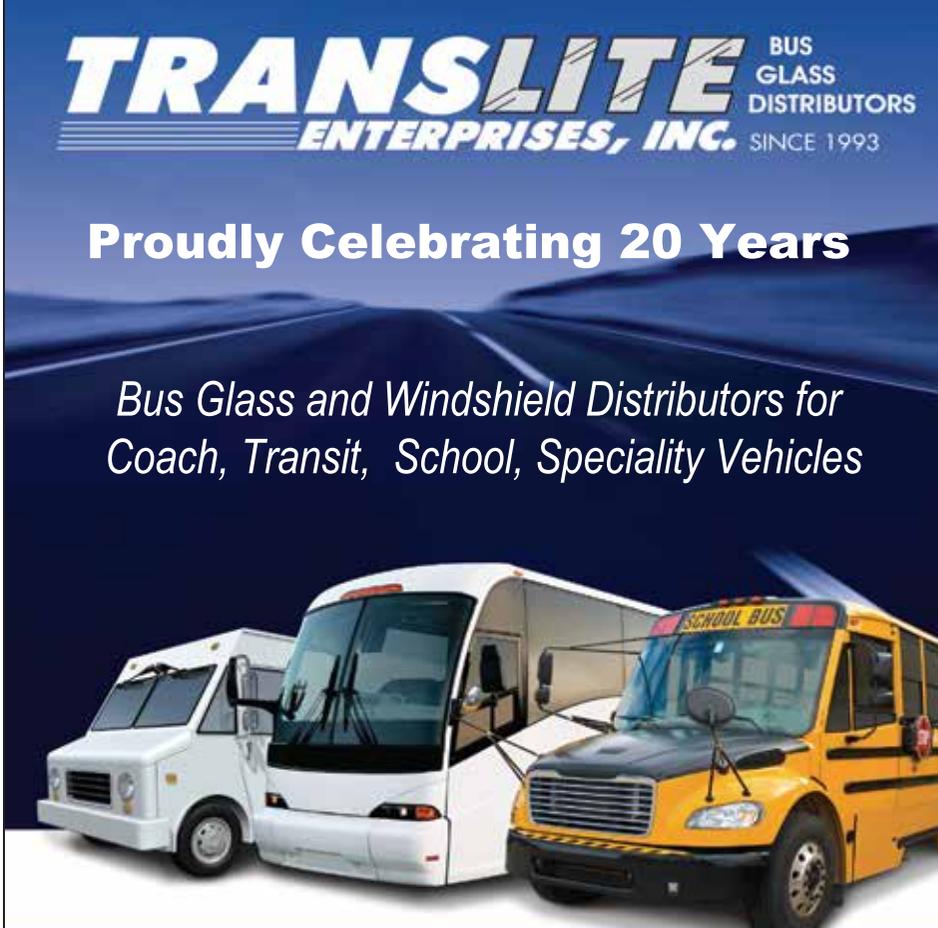


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Marketing Minute

CONTINUED FROM PAGE 10

Sounds good, right? But then, in a much quieter, faster voice, this is what followed:

“When taking this drug, do not drive or operate heavy machinery. Side effects may include dry mouth, dizziness, respiratory issues, blood clots, strokes or death. Do not take this drug if you are pregnant or could at some point become pregnant.”

BLOOD CLOTS? DEATH? I think I’ll stick with my occasional headache.

Side effects

Just like this commercial, stripping away your sales staff to man operational battle stations on a regular basis could have a disclaimer like this:

“If you suffer from operational shortages, talk to your CEO about using your sales staff to assist in easing operational burdens. When taking this route, however, do not attempt to grow your business or increase asset utilization.

“Side effects may include shrinking customer bases, stagnant growth, not reaching your sales objectives, demotivating sales staff, and increasing sales staff turnover. Do not take this route if you need to grow, or may need to grow, at some point in the future.”

Sales are critical to any healthy business, even in the motorcoach industry. The role that sales play can’t be outsourced or effectively put off until that magical day when everything is operationally as perfect as planned.

A salesperson in this industry goes out and fills in dispatch holes, but they also create partnerships and relationships that drive ongoing business.

Salespeople are not just folks that answer incoming phone calls and deliver quotes. (Those are order takers.)

Rather, good salespeople actually find and land new business that would not have booked if it hadn’t been for their efforts. They

can target certain types of business and help drive up prices and asset utilization.

Good salespeople are worth their weight in gold and their efforts are returned in terms of new customers, higher prices and better fleet utilization.

Selling isn’t easy

They should be protected from

the day-to-day operations of a company. The more they are removed, the more they can produce.

Selling is not an easy job. It requires building trust and relationships, work and consistency, and it can’t effectively be done when sandwiched in between other operations.

There is a groundswell happen-

ing toward operationally unimportant sales staff that I am very excited about. Think about the power that a person could bring to any operator if his or her sole job was to drive new business.

Imagine a person (or even a full team of people) whose only job was to sell more charters to more people for more money.

Those are people we are very

excited to work with. When you’ve got people like that, let us help you keep them on the path to selling more.

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## Tesla plans to develop electric buses

PALO ALTO, Calif. — Tesla CEO Elon Musk has announced that the electric-car company is planning to develop electric buses and semi-trucks.

Although he provided few details in his “master plan” published on the company’s website last month, Musk said the buses would feature a passenger layout that removes the traditional center aisle and adds seats where the entryways currently are found, and that it would be designed to deliver on-

demand service instead of running on a set route.

“With the advent of autonomy (self-driving systems), it will probably make sense to shrink the size of buses and transition the role of bus driver to that of fleet manager,” Musk said in his master plan.

“Traffic congestion would improve due to increased passenger areal density by eliminating the center aisle and putting seats where there are currently entryways, and matching acceleration

and braking to other vehicles, thus avoiding the inertial impedance to smooth traffic flow of traditional heavy buses.

“It would also take people all the way to their destination. Fixed summon buttons at existing bus stops would serve those who don’t have a phone. Design accommodates wheelchairs, strollers and bikes.”

Musk said the buses “are in the early stages of development at Tesla and should be ready for unveiling next year.”

## Mercedes-Benz successful in testing self-driving bus

AMSTERDAM — The Mercedes-Benz Future Bus, an autonomous self-driving bus that can navigate complicated routes without the aid of a human driver, completed its first successful test.

The bus ran a 12.4-mile route on its own, including navigating through obstacles such as tunnels and traffic lights, all while making stops for passengers.

Utilizing a series of radar sensors and cameras, the bus can detect obstacles like people or other vehicles, slowing down or stopping to avoid them, before continuing on its route. The Future Bus communicates with traffic lights, allowing it to know when it is safe to

move through intersections.

While there was a driver on the bus during its journey from Amsterdam’s Schiphol airport to the town of Haarlem, the bus made the trip on its own.

The human was merely there in case something went wrong and to start the vehicle’s automated mode.

There are a number of unanswered questions about the technology, including whether it makes sense to destroy bus-driving jobs for the sake of efficiency. There also are complicated legal questions, such as who would be at fault if a self-driving bus was involved in an accident.

## Overtime

CONTINUED FROM PAGE 1

rewarded with comp time or bonuses.

“We’ve never worked anybody extremely high overtime,” McMichael said. “This (being on salary) keeps it easier to track. Now I’m going to have to move everybody to tracking every hour, when they’re on call, what work did they do and everything,” he said of the new bookkeeping headache for the company and employees alike.

He’ll also need to be careful about letting employees access emails from home, which could be

counted as work.

“With this new rule I’m going to have to start requiring that we improve our documentation on after-hours calls and how much time was spent on (them) to make sure I’m compliant,” McMichael said. “So I’m sure the employees aren’t going to like it, as well as it’s going to be more of a pain for us doing all that.”

Dan Martin, co-owner of Karst Stage in Bozeman, Mont., saw the overtime rules coming a couple years ago and basically stopped hiring salaried people.

“I had some other exempt employees way back when, as either they cycled out or maybe their jobs

changed. I just moved them to hourly, so it wasn’t as big of an impact on us,” he said of the pending rule change.

He’s had to convert one employee to hourly as a result of the new rule.

As for the effect of the new rule on the industry, Martin expects prices will increase.

“It’s all fun and good to say that this is what people should be making to make a fair wage, but then people need to be prepared on the back side if they still want all the things that they perceive that they want, which is a nice, clean motorcoach and safe ride, and good drivers, all those things that

we do.

“And if you want to start imposing these types of rules on us, then the good operators who are going to comply with those things are going to raise rates,” Martin said. “I mean, we have to in order to recoup that and keep our equipment clean and keep it new and fresh and all those things.”

Jeff Arensdorf, president Vil-

lage Tours LLC in Wichita, Kan., and Lori Zern, human resources director, said the company isn’t affected by the new rules. Salaried employees already are over the new threshold and remaining employees are hourly.

“We were kind of worried about it when there was talk about it,” Arensdorf said of the new rule,

CONTINUED ON PAGE 13 ►

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# New York's mean streets both walkable and dangerous

CHICAGO — This probably won't come as a surprise to Manhattan motorcoach drivers, but New York City not only is considered the most walkable city in the nation, it also has the most distracted pedestrians.

According to a recent online survey conducted by Harris Poll on behalf of the Property Casualty Insurers Association of America (PCI), U.S. cities that are the most walkable also are the most dangerous for pedestrians.

The main culprit is, of course, the smartphone.

When asked which U.S. cities they might expect to witness distracted pedestrians, three in four Americans said New York City, while 57 percent also listed New York as the most walkable city.

Other walkable cities where high numbers of distracted pedestrians can be found strolling are Washington, D.C. (26 percent walkable, 41 percent distracted), Las Vegas (32 percent, 26 per-

cent), Chicago (19 percent, 31 percent), and San Francisco (27 percent, 27 percent).

"Distracted walking could be as dangerous as distracted driving," said Robert Passmore, PCI's assistant vice president for personal lines policy. "Urban areas are now faced with the growing threat of pedestrians glued to smartphones, putting themselves as well as motorists in greater danger."

State and federal policymakers are weighing solutions for prevent-

ing deaths and injuries linked to driver and pedestrian smartphone distractions. While legislation may take time, PCI and auto insurers are pushing for the immediate benefits of education and awareness as to these expanding dangers.

"Multi-tasking while walking through downtown might seem like a time saver, but you're putting yourself in danger," Passmore said.

"Pedestrians on smartphones take longer to cross the street, and

even if they check for cars before crossing, all too often they turn their attention back to their phones while still in the middle of the intersection."

Studies have shown that teens are more likely than adults to walk — and drive — while distracted by cellphones.

"As a parent, these statistics are terrifying, which is why we must work together to educate our loved ones to put the phone down and pay attention," Passmore said.

## Overtime

CONTINUED FROM PAGE 12

"but then when the guidelines came out, it wasn't a big deal because I guess they didn't set the bar too high in our opinion and we don't put a lot of people on salary here — and so I guess that's made us fortunate, too."

On July 14, Reps. Kurt Schrader, D-Ore.; Jim Cooper, D-Tenn.; Henry Cuellar, D-Texas; and Collin Peterson, D-Minn., introduced legislation, H.R. 5813, that would initiate what they call a reasonable three-year phase-in of the new overtime rule.

The Overtime Reform and Enhancement Act would incrementally phase in the new threshold of \$47,476 over the next three years, beginning with a 50 percent increase this December to \$35,984. Each year following, the salary threshold would be raised by \$74 per week until Dec. 1, 2019, when it reaches the Department of Labor's proposed \$47,476 threshold.

"The current overtime threshold is horribly outdated and needs to be raised as both employees and employers navigate our changing economy," Schrader said in a news release. "This bill will do exactly that without disrupting the way

businesses operate and employees are paid."

The Department of Labor last updated the overtime regulations in 2004, when it set the annual salary level at \$23,660.

Others object to the new rule.

The Protecting Workplace Advancement and Opportunity Act, S. 2707/H.R. 4773, which was introduced in March by Sens. Tim Scott, R-S.C., and Lamar Alexander, R-Tenn., and Reps. Tim Walberg, R-Mich., and John Kline, R-Minn., would nullify the rule.

"The bill would require the department to conduct a comprehensive economic analysis on the im-

pact of mandatory overtime expansion to small businesses, non-profits, and public employers before issuing any subsequent rule," according to a news release from Scott's office. "It would also ensure future changes to the salary threshold would accurately reflect the economic realities facing workers and employers by making clear automatic increases without notice and comment are not allowed under current law."

Walberg, at a June hearing of the House Education and the Workforce Committee, said that "Because of this rule, many Americans will soon realize they have

fewer job prospects, less flexibility in the workplace, and fewer opportunities to climb the economic ladder. Thousands of salaried workers will be demoted to hourly status. These workers will feel as though they've taken a step back in their careers when they're forced to clock their hours, and they'll no longer have flexible schedules to balance work and family."

In June, Rep. Virginia Foxx, R-N.C., chairwoman of the House Subcommittee on Higher Education and Workforce Training, introduced a resolution (H.J. Res. 95) under the Congressional Review Act to block the rule.

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# Tourists attracted to Canada's local food – and wine

Katherine Radin  
MultiBriefs

Breakfast, lunch and dinner. Snack time. These are meals tourists must factor into any trip. Tourists often venture to cities and countries alike for a literal taste of something new and authentic. Parisian macarons? New England clam chowder? Of course.

A recent business development event hosted by the Adventure Travel Trade Association in Saguenay, Quebec, stated that 71 percent of adventure itineraries included an experiential food focus.

With so many tourists devoting their travels to tasting local favorites, it is no surprise that local businesses are looking for new ways to innovate and draw tourists to their culinary offerings.

From classic to unexpected, here are five Canadian indulgences attracting tourists this summer.

## Niagara's vineyards

With more than 180 wineries, the Niagara Peninsula and neighboring regions have attracted travelers with tours, wine tastings, special getaways and more. In 2014, \$395 million was made in Ontario

wine sales, accounting for the 17.5 million liters produced.

As the industry matures, maintaining innovation is the key to success. Nearby education institutions such as Brock University and Niagara College now offer programs in oenology and viticulture and winemaking, allowing students to learn about the region and the business of operating a winery.

What's to come for the Niagara Region? Many locals, as well as hockey fans, are familiar with Wayne Gretzky Estates.

It was announced last fall that new ground has been broken on a Wayne Gretzky Estates Winery, which pays homage to his hockey-playing past by featuring a skating rink on site.

This isn't just another celebrity-endorsed venture — Gretzky shared that his father, Walter, used to prune grapes for his grandfather's winery back in the 1940s. Hoping to attract hockey fans that normally drink beer, the winery promises to be a great enhancement to the region's offerings.

## Flying with fruit

Local produce and farmer's markets can be found in several

cities across Canada. But how about something for tourists to bring home as a reminder of their travels?

The Kelowna International Airport recently introduced its Farm to Flight program, allowing tourists to board their flights with a box of Okanagan cherries. As the seasons change, more fruits will be offered — peaches, nectarines, apples and pears. Worried about bruising? The fruit will be packaged in a box that allows for easy storage under a plane's seat.

The program hopes for return visits, as well as word-of-mouth promotion. The Okanagan Vacation Guide also outlines each fruit, and shares some facts and recipes for each item.

## Lobster...for dessert?

Lobster rolls. Lobster bisque. Lobster Thermidor. These are all seaside offerings you might find in Prince Edward Island.

But what about lobster for dessert? A restaurant in Summerside has created a sweet and savory offering with its lobster ice cream. Alex Clark, owner of OpenEats, says visitors have been enjoying the \$11 dish.

What's the secret? The *Chronicle Herald* reports that the "chef poaches it in molasses butter to draw out the flavor of the lobster and then serves it on a homemade shortbread biscuit with strawberries, toffee and crumbled potato chips on top."

This probably won't be sparking any seafood ice cream trends anytime soon, though — Clark states oyster ice cream probably wouldn't work out.

## A hip food truck festival

Canadians have heard about and probably experienced the immediate sell-out of tickets for the Tragically Hip's farewell tour this summer. Even extra rounds of tickets were scooped up quickly.

As the CBC has volunteered to stream the final show Aug. 20 in Kingston, Ontario, across all of its platforms, the Columbia StrEAT Food Truck Festival in New Westminster, British Columbia, plans to have a public airing of the show with a television hoisted on a crane.

Councilmember Patrick Johnstone says the decision came as a result of several requests from festival-goers. He cites that a natural synergy among the crowd will help

make the event a success.

## Winnipeg's food scene

What is Winnipeg's number one cultural dish? Well, it may not be so obvious. Winnipeg's growing culinary scene is trying to shake its "meat-and-potatoes reputation" by extending the boundaries of the average dining experience.

The Forks, a tourist destination where the Red and Assiniboine rivers meet, has obtained a liquor license to span its entire market area. Tourism Winnipeg's Mike Green says of the experience, "You can grab a beer and go shopping, which is like, outrageous."

What about those looking for something to eat? Locally produced items have found their way onto menus, with restaurants offering items such as Birch syrup ice cream and fried chicken toast with pimented cheese, pickled squash and herbs.

The Forks just announced it will be hosting rotating food kiosks, with local chefs and restaurants being showcased.

The Ontario Culinary Tourism Alliance states that "interest in local, regional or national cuisine, heritage and culture is at an all-time high."



## Save the Date: December 7-8, 2016

### The Annual UMA Safety Management Seminar

Mark your calendar now for this yearly event that brings together everyone from the industry in a way that is helpful and informative. Hosted by the United Motorcoach Association, held at the National Transportation Safety Board Training Center, a must attend event for everyone serious about their business and the promotion of a safe operating environment.

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## Driver health

CONTINUED FROM PAGE 1

steering wheel against my stomach.”

While 31 percent of American workers are obese, the rate is 69 percent for long-haul truck drivers, according to a 2014 national survey conducted by the U.S. Centers for Disease Control and the National Institute for Occupational Safety and Health.

The prevalence of diabetes for commercial drivers is 14 percent, twice the rate for all workers. The prevalence of cigarette smoking is more than twice as high for drivers, 51 percent to 19 percent.

“Staying healthy on the road is really tough if you are not a health fanatic,” Matthews said.

Alan Thrasher, president and co-owner of Thrasher Brothers, said Matthews started with the company as a young man.

“And although he was kind of heavy, he wasn’t obese,” Thrasher said. “Over time I noticed John was getting heavier, and several times I had said something while trying to be polite. As I fought my own battle with weight, I may have even been harsh in my criticism. He is certainly not the only driver fighting the battle.”

After his doctor gave Matthews the ultimatum last year, he said, “At first I tried to lose weight on my own, but I wasn’t losing it as fast as I wanted to. My doctor recommended one of the gastric bypass surgeries and I did that in August. Between then and now I’ve lost 136 pounds and weigh 202.

“Man, I felt like I like I could run. I start-

ed running to see what I could happen. It felt good. I am no longer a diabetic. I used to take high blood pressure medicine and I don’t take that anymore.”

Thrasher said the change was amazing.

“Once he put his heart and mind to the effort, he accomplished what many drivers dream of — losing enough weight to equal a co-driver and finding himself looking like a different person,” Thrasher said. “A change in personality came as well. He was happier, more secure in himself, driven with a purpose towards goals.

“He equated the success with becoming a more professional driver. These accomplishments translated into more assignments with better clients and with newer buses now that he could fit behind the wheel. It resulted in a better income and the feeling he could live a longer, healthier and therefore happier life.”

Mathews will soon end a summer charter with the US Bank Community Possible Relay, “a nationwide initiative aimed to inspire 153,000-plus volunteers across the country to take part in rebuilding and revitalizing their communities. The three-month, 12,000-mile relay will include volunteer activities centered around work, home and play. The relay will visit 38 communities across 25 states.”

The program features philanthropic coach Dixey Sulisty, a former fishing champion, and former Tampa Bay Buccaneers defensive lineman Jibreel Black.

“I work out twice a day for 45 minutes,” Mathews said. “We stay in hotels every



John Matthews III, a driver for Thrasher Brothers, was a nearly 340-pound diabetic (left) a year ago who was close to losing the career he loved. He has since lost more than 130 pounds (right), started exercising and eating healthy foods, and now says he feels “200 percent better.” His boss said he hopes Matthews’ story inspires other motorcoach drivers.

night so I use the hotel fitness center.”

If their hotel does not have a fitness center, Matthews and Sulisty have fitness club memberships and usually find one of their clubs nearby, he said. “They have taught me a lot. Jibreel has given me a lot of weight-lifting exercises.”

Mathews also has changed his road diet. “I pack a lunch and take it with me. This bus has a fridge so we have a lot of health food on it. This has been a big life change for me. I feel 200-percent better. Driving these buses is my life. I wouldn’t want to do anything else.”

He advises other professional drivers to

do whatever they can to keep themselves fit.

“If you want to continue to drive and know you don’t want to do anything else, talk to your doctor. If you can’t lose weight on your own, see what your doctor can do to help you. It is not just so you can continue to drive, it is so you can continue to live.”

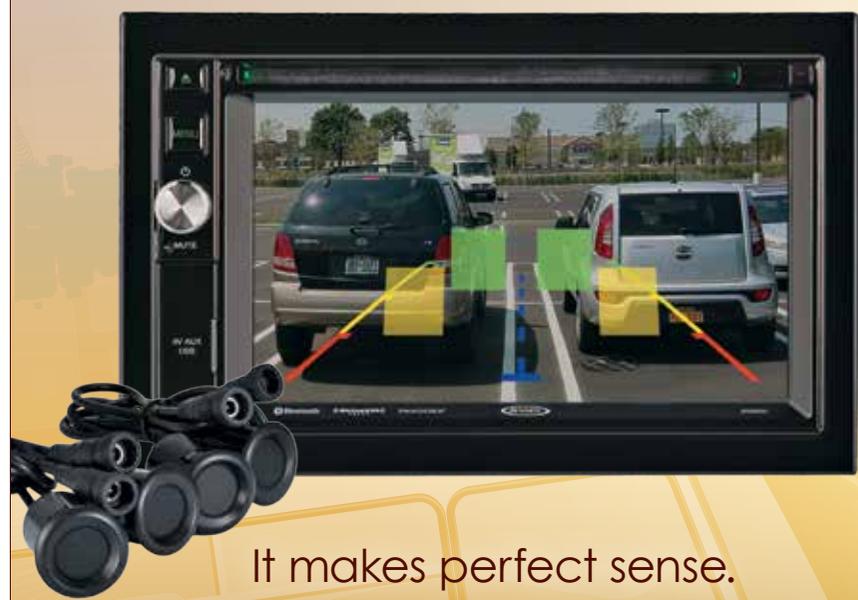
Thrasher said he hopes Matthews’ story inspires other motorcoach drivers.

“Diabetes, fatigue, stress and low self-esteem do not produce a great driver,” he said. “Finding a fellow driver who has made the extreme effort may encourage others that they, too, can improve their image and their health.”

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# Expo 2017 to feature party hosted by Anheuser-Busch

ST. LOUIS — This Expo is for you.

UMA Motorcoach Expo 2017 in St. Louis will feature an entertainment and networking event hosted by major beer brewer Anheuser-Busch.

On February 27, Expo attendees will be invited to the UMA Sneak Preview After Party at Anheuser-Busch's St. Louis headquarters. The event will include an evening tour of the company's flagship

brewery, and at least one of the world-famous and beloved Clydesdale horses will be in attendance.

Food and drinks will be provided and the gift shop will be open. Participants will be treated to live music and will be able to network in the lobby and in the indoor/outdoor temperature-controlled Biergarten.

The After Party has been one of the most popular events at Expo in recent years, offering attendees

a chance to experience local attractions while sharing good food, drink and conversation.

"In addition to providing industry leaders with an excellent forum for networking and information exchange, we want our attendees to enjoy themselves and have a memorable and positive experience," said UMA President and CEO Victor Parra. "This is sure to be an Expo highlight."

Earlier in the day, Anheuser-

Busch marketing official Tom Kraus will serve as an Expo guest speaker, addressing how the company became one of America's iconic brands. He also will discuss the company's marketing and branding strategies.

UMA's Motorcoach Expo is the largest gathering of bus and motorcoach owners and operators. Attendees are provided with all-inclusive access to top-of-mind topics in education sessions, the latest prod-

ucts and services in the exhibit hall, and networking opportunities with industry peers and colleagues.

UMA Motorcoach Expo 2017 will be held from Feb. 26 to March 2 at the America's Center Convention Complex in downtown St. Louis.

The location is close to numerous attractions, including the Gateway Arch. For more information and to register, visit [www.motorcoachexpo.com](http://www.motorcoachexpo.com) or contact UMA at 1-800-424-8262 or [info@uma.org](mailto:info@uma.org).

## UMA seeking education-session leaders for Expo

ST. LOUIS — Exhibitors at the 2017 UMA Motorcoach Expo in St. Louis are being offered the opportunity to present education sessions in the exhibit hall on February 28 and March 1.

The United Motorcoach Association is accepting proposals from exhibitors wanting to lead an education session on a topic that would help motorcoach operators be more successful.

UMA officials stress that the sessions are not sales opportunities but will focus on assisting members in growing their businesses.

UMA has offered educational

sessions in the exhibit hall for the past four years and is seeking to continue improving those sessions by offering exhibitors the chance to create educational experiences on success-oriented topics.

In submitting proposals, companies should include a summary and outline of the presentation; a suggested title for the session; names of planned speakers along with their company names, titles and any pertinent information that would qualify them as experts; time needed to complete the presentation (they typically run an hour); an explanation of how a

proposed topic will lead to success for motorcoach operators; and contact information for the person who will work with UMA staff to coordinate the session.

Proposals are due by August 30. Companies selected to present education sessions will be treated as sponsors of the sessions and will be responsible for paying a \$1,500 fee to cover audio-visual and other costs.

Questions about the proposals should be directed to Maggie Vander Eems, UMA meetings and operations director, at [mvandereems@uma.org](mailto:mvandereems@uma.org) or 703-838-2929.

## UMA survey

CONTINUED FROM PAGE 3

written to their congressional representatives over the past year, up from 32 percent last year.

Twenty-four percent said they were active in state political affairs, up from only 11 percent last year, and more than 40 percent said they have contributed to federal, state and local political campaigns over the past 12 months.

The increased political involvement stems from the success of UMA Capitol Hill Days, an annual event during which members meet with their congressional representatives in Washington, D.C., to seek their help in fighting proposed reg-

ulations that would adversely affect the motorcoach industry.

Here are some other key findings of the survey:

- The top three legislative and regulatory challenges facing operators are understanding Federal Motor Carrier Safety Regulations, the Federal Motor Carrier Safety Administration's Safety Management Cycle and federal tax exemptions for fuel and tires.

- The three top marketing issues facing members are maintaining customer base, reaching new customers with existing services and keeping up with online technology.

- *Bus & Motorcoach News* ranked at the top of UMA's services.



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# UMA MOTORCOACH EXPO 2017

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# Quarterly revenue at Greyhound continues to sputter

ABERDEEN, Scotland — The months-long slide in passenger revenue — triggered by lower gasoline prices — re-accelerated during the first fiscal quarter at Greyhound Lines.

The only nationwide operator of scheduled intercity motorcoach services in the U.S. and Canada saw like-for-like passenger revenue

fall by 5 percent during the three months ended June 27. The fiscal year at Greyhound begins April 1.

FirstGroup PLC, corporate parent of Greyhound, had reported in mid-June that overall like-for-like revenue had dipped by 2.1 percent at Greyhound during the quarter ended March 31, the final three

months of fiscal 2016. Earlier in the fiscal year, the decline had been more than double that rate.

The 21-month-long bottoming-out of fuel prices has led many potential bus riders to forego Greyhound — as well as other carriers — for autos and airplanes during that time.

In its first fiscal quarter trading

update, FirstGroup said that “as expected, Greyhound has continued to experience muted passenger demand” because of lower fuel prices.

“We expect year-on-year growth to remain challenging throughout the first half of the current year. We continue to take actions to reduce cost in response to

the demand environment.”

Corporate-wide revenue at FirstGroup decreased by 1.4 percent in constant currency during the first quarter. Revenue at FirstGroup’s other North American units, First Student and First Transit, were up 1.1 percent and 1 percent, respectively, during the fiscal first quarter compared with a year ago.

## Mad as hell

CONTINUED FROM PAGE 7

“Most states follow the federal criteria. The federal government spends a lot of money and time coming up with its out-of-service criteria and then New York figures they are going to make their own rules.”

Inspection failure statistics can become a self-fulfilling prophecy that build on themselves until a carrier’s performance ratings decline, DiPaolo said.

“New York reports back to the feds that there was a failure. When we are out on the road other inspectors see your bus in a parking lot, look at your records online and see ‘Service Bus.’ They think they

need to grab this bus because these buses have failed inspections a bunch of times.”

The safety ratings for his companies, which operate under separate federal DOT numbers, illustrate his point, he said.

The 51 power units of Service Bus Company have logged a 20-percent out-of-service rate over the past 24 months, according to the Federal Motor Carrier Safety Administration’s website. Bronco Bus Corporation, with 11 power units, has had no vehicles ordered out of service. Those numbers are based on 15 U.S. inspections for Service Bus and one for Bronco.

“How did that happen? The buses are in the same garage with the same stupid mechanics and the

same stupid owner,” DiPaolo said.

### FOIA request

To look for answers on such regulatory details, DiPaolo said he filed a freedom-of-information request with the New York Department of Transportation.

“On June 13, they sent me a letter directing me to websites,” he said. “I wanted documents, not websites. One of the website addresses was two lines long. Get the hell out of here! I’m not going to waste my time doing that. I asked for the documents and I am willing to pay so much a page for them.”

“I’m not satisfied with their answer on the FOIA request so I gave it to my lawyer. If an attorney does the appeal it has more clout.”

DOT spokeswoman Breen said, “Our regulations are provided to bus companies. They also are on our website.”

“If an operator has an issue he can ask our inspector directly for an explanation. If he does not agree with that explanation he can contact the inspector’s supervisor on a regional level,” she said.

“If he is still not happy he can contact our headquarters in Albany. We have bus inspection folks here who can address any issues. At that point if a company still disagrees about a vehicle put out of service, there is a formal appeal process.”

### Fear of retaliation?

However, DiPaolo said, “Everyone is afraid to go against these

people. Everybody is afraid of retaliation. Rather than argue with the inspector you call the supervisor. The supervisor comes, ruffles the inspector’s feathers and then the inspector gets mad at you and has an axe to grind every time he has an inspection.

“There are other operators who have similar stories but are afraid to say anything. I always said that when I retired I was going to go after them for all of this nonsense,” he said.

“Now I am at the point I have had it. I am 66 years old. I am at the stage of life where if I am wrong I will bow my head and say, ‘I’m sorry.’ If I’m right, don’t tell me I’m wrong. I am not going to accept that.”

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## Privatizing transit

CONTINUED FROM PAGE 1

Cornell University in Ithaca, N.Y.; and Rhiannon Jerch, a doctoral candidate at Cornell.

The National Bureau of Economic Research, based in Cambridge, describes itself as “a private, non-profit, non-partisan organiza-

tion dedicated to conducting economic research and to disseminating research findings among academics, public policy makers, and business professionals.”

The professors undertook this paper after a previous study into the roles played by energy prices, regulations and federal subsidies in the bus procurement choices of

public transit agencies.

“As you know, to travel in a bus requires having a bus, a driver and the fuel to move the bus and the repair guys to repair the bus if it breaks down,” Khan told *Bus & Motorcoach News*. “Back in 2015, Shan and I studied public transit systems’ choices of what buses to purchase and their use of energy. We wrote our new paper because we are well aware that public transit is a key service in urban life and because labor is roughly 70 percent of the cost of bus service.”

### Public costs

“A unionized transit agency is likely to pay a higher wage per hour and to have more drivers and mechanics on payroll than would be predicted by the cost-minimizing decision under competitive labor markets,” states the paper, which was issued earlier this year.

“Wages for bus transit workers depend upon local prevailing wages, as well as public sector union strength. There are two main avenues through which unions increase the costs of transit service provisions.

“First, the majority of transit union labor contracts place substantial limits on use of part-time workers. Contracts either stipulate minimum eight-hour shifts, or require a minimum ratio of all runs be ‘straight runs’ as opposed to ‘split runs.’ These rules work in direct opposition to the heavily peaked demand of transit service. During midday lulls, workers may be paid even when they are not driving. On the other hand, if a driver works more than an eight-hour shift — extending between morning and evening peak demand — the additional hours are compensated as overtime pay.

“The second avenue through which unions increase the cost-of-service provision is pensions and fringe benefits. The costs of union workers’ pensions can amount to 50 percent of their direct wage bill.”

The bus operating cost-per-mile in the 20 studied cities ranged from \$5.91 in San Antonio to \$18.67 in New York City, with a national average of \$9.25. The mean hourly wage for bus operators ranged from \$18.56 in Denver to \$42.89 in Boston.

The study used statistics from

the Federal Transit Administration’s National Transportation Database, which covered 328 transit agencies from 1998 through 2011.

“Transit agencies operating in states with strong union power have higher costs per mile,” the paper explains. In addition, the authors state, the portions of public transit services turned over to private carriers “are consistently lower in strong bargaining states.”

### Political pressure

Elected officials may be averse to considering transit privatization, the authors suggest.

“Transit unions are crucial political engines in major cities. The opponents of privatization often argue that the public sector provides steady, well-paying jobs for middle-class minorities. . . it is possible that public transit cost minimization is not the only objective of these larger agencies. For example, other political or social welfare objectives may render privatizing public transit suboptimal, even if it means leaving large sums of money on the table.”

Privatization reduces the influence of political pressure on operating costs, the study suggests.

“Because of their affiliations with a political organization, public unions have the power to increase and sustain levels of public employment as well as impact local finance policy to increase taxes and salaries. . . Strong union bargaining power in non-right-to-work states appears to increase the number of full-time employees on payroll.”

However, the report continues, “Private firms serve to create a disconnect between unionized transit employees and the transit authority responsible for budgeting and planning. Severing the tie between the policy-making institution and the employees is one of the most important mechanisms by which private firms reduce costs of public services.”

Privatized transit systems are likely to retain the same employees and unions but reduced political influence fosters negotiation of efficient work rules, the paper contends.

“Private contractors can hire part-time workers to meet the demand during peak hours while public transit agencies have more

limited ability to negotiate for part-time labor use in the face of public sector unions.”

Ideology is a factor in decisions to privatize public services. “A Republican mayor is more likely to engage in privatizing compared to a Democratic mayor,” they write.

Rep. Gerald Connolly, D-Va., addressed the conservative zeal for privatization during a congressional hearing earlier this summer that examined the procurement of federal services.

“We need to not approach this as a theological issue. We should look at it case-by-case on merit,” Connolly said.

How can government leaders go beyond “theology” to weigh a transit privatization proposal?

“This is an excellent question,” Kahn said in an interview. “My own view is: If a transit agency has an extremely high cost of service per bus mile or passenger mile relative to other agencies of the same size, then this is likely to be an agency whose union negotiations have sharply raised its costs. The threat of privatization must help such agencies to strike a better deal for themselves and for the taxpayers.”

### Quality and safety

Opponents of privatization also argue “that the services from private contractors are less safe, less reliable and, ultimately, more expensive,” the report says. The authors compared the transit accident statistics of metropolitan areas according to their privatized service percentages.

“None of the specifications produce a statistically significant relationship,” they concluded. “These results fail to show that privatization alters the safety and security of bus transit. . . These analyses suggest that private firms provide public bus transit at a lower cost than public operators, and these cost savings do not come at the expense of reduced miles of service or reduced quality.”

Privatization does not affect ridership, the authors found. On the other hand, due to lower fares, “Under efficient privatized operations, aggregate ridership would increase from 5.2 billion to 6.2 billion passenger trips.”

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### August 2016

**17-21 NCMA-VMA-MCASC Regional Meeting**, Embassy Suites Charlotte-Concord Golf Resort & Spa, Concord, N.C. Info: [www.scmotorcoach.org](http://www.scmotorcoach.org).

**18-21 National Association of Motorcoach Operators Annual Meeting**, Resorts Casino, Atlantic City, N.J. [www.namocoaches.org](http://www.namocoaches.org).

### September 2016

**11-14 American Public Transportation Assoc. Annual Meeting**, JW Marriott Los Angeles

L.A. Live, Los Angeles, Calif. Info: [www.apta.com](http://www.apta.com).

### October 2016

**10-13 Northwest Motorcoach Association Annual Bus ROAD-EO and Conference**, Red Lion Hotel, Olympia, Wash. Info: [www.nwmotorcoach.com](http://www.nwmotorcoach.com).

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