September 1, 2012

Bus & Motorcoach NEWS

WHAT'S GOING ON IN THE BUS INDUSTRY

Warning from CVSA: Keep driver booze off the coach

One of the lessons from the increasingly picky and hardnosed safety inspections motorcoach operators are experiencing these days is that drivers need to stop carrying their own booze anywhere on their coach.

That's the word from the head of the nation's top highway safety enforcement organization.

"I think it's clear, either you have it or you don't. If it's anywhere on the bus," said Stephen Keppler, executive director of the Commercial Vehicle Safety Alliance, the consortium of highway safety and law enforcement officers and industry executives.

He said no driver onboard booze is the law — Federal Motor Carrier Safety Regulation 392.5 — and it has always been the law. The exceptions are for alcohol manifested and transported as part of a shipment, or possessed or used by bus passengers.

The issue of motorcoach drivers having liquor on board their coaches surfaced last month when a pair of drivers were ordered out of service after inspectors asked them — during routine checks — if they had liquor on the coaches they were driving.

When the drivers answered truthfully they had liquor on the coach, even though it was stowed in the luggage bay, the inspectors ordered the drivers out of service. (See Aug. 15 *Bus & Motorcoach News*.)

Keppler says operators should expect bus inspectors to enforce the letter of the law when it comes to coach drivers and alcohol possession, and that means no driver-owned booze anywhere onboard.

And, while he asserts that the regulation and its interpretation have not changed, enforcement has.

He said last month's citations may be a consequence of stepped-up inspections at port-of-entry sites and other roadside locations that are part of on-going efforts to stem the safety problems with curbside operators.

Many operators contacted by *Bus & Motorcoach News* aren't happy about the crackdown on drivers who have liquor on their coaches, and what they see as a change in inspection and enforcement policy that has been adopted with little consideration for — and

CONTINUED ON PAGE 10 ▶

Excursions Trailways of Fort Wayne, Ind., is among operators that have added a Temsa TS-35 to their fleet, making it a top seller.

New motorcoach deliveries slip lower in second quarter

After five consecutive quarterly increases, a slump in buying by public transit agencies during April, May and June resulted in the first decline in new motorcoach deliveries since the final three months of 2010.

Sales to private operators, however, remained ahead of last year.

National Bus Trader magazine reported that total second-quarter 2012 deliveries of new coaches were down 5.7 percent from the second quarter of last year.

A total of 384 coaches were sold during the second three months of this year, versus 407 delivered during the same period a year ago.

"The single biggest reason for the decline in sales is because of the lack of commuter coach deliveries," said *National Bus Trader* Editor Larry Plachno.

"Commuter coach deliveries were substantially lower" in the second quarter of this year, compared to a year ago…"more than account(ing) for the 23 fewer coaches" sold during the most recent quarter.

This year's second quarter produced a handful of interesting sales factors.

All of the imported coach models tracked by *National Bus Trader* had higher sales in the

CONTINUED ON PAGE 14 ▶

NTSB: Fatal 2011 coach crash 'never should have happened'

WASHINGTON — The crash early last year of a motorcoach operated by Sky Express of Charlotte, N.C., that miraculously killed only four passengers, was the fault of a fatigued driver and the failure of the company to develop and implement safe driving practices, the National Transportation Safety Board has found.

The board also unleashed blistering criticism of the Federal Motor Carrier Safety Administration, accusing it of "lax safety oversight" of the line-run operator.

On May 31, 2011, a 2000 Setra operated by Sky Express was heading northbound on Interstate 95 from Greensboro, N.C., to New York City when it crossed rumble strips, wandered onto the right shoulder, striking a cable barrier and flipping over onto its roof, according to the NTSB investigation and accident reconstruction. Four passengers died, and 49 of the 58 passengers were injured, 14 seriously.

"This crash never should have happened," said NTSB Chairman Deborah Hersman. "It was entirely preventable. Those travelers were failed at three levels: by the driver, the operator, and the regulator."

The NTSB's 13-month investigation found the driver's work schedule, sleep times and cell phone use revealed "limited" opportunity for sleep in the 72 hours prior to the crash, resulting in "acute sleep loss, poor sleep quality and circadian disruption."

The driver admitted after the crash he had fallen asleep at the wheel; he is facing criminal prosecution.

The investigation also found Sky Express had inadequate or nonexistent safety practices and oversight of the driver.

"Sky Express's failure to exercise even minimal oversight of its drivers' rest and sleep activities enabled the drivers to drive while dangerously fatigued," the safety board said.

FMCSA was cited as contributing to the accident because of its "repeated failure to enforce federal safety regulations against the company."

At the time of the crash, the company was operating only because it had been granted a

CONTINUED ON PAGE 10 ▶

DETROIT™ ENGINES PREFER TO RIDE IN STYLE.

Van Hool motorcoaches from ABC Companies are known for style and comfort. And when they're powered by a Detroit™ DD13® engine, they also offer a lower cost of operation. The DD13 allows for a low-ratio differential to increase fuel economy. It has the longest service intervals in its class. And the engine is easily accessible when service is needed. No wonder 80%* of customers buy Van Hool coaches with a Detroit engine. ABC Companies has seven locations across the U.S. to service your vehicles. To learn more, visit www.abc-companies.com/detroit.

SCAN QR CODE TO LEARN MORE.

ABC COMPANIES®
Exclusive U.S. VAN HOOL Distributor

ABC LOCATIONS

NORTHEAST	800-222-2873
SOUTHEAST	800-222-2871
SOUTHWEST	800-222-2877
WEST	800-322-2877
MIDWEST	800-222-2875
CANADA	800-345-1287

DETROIT™
DEMAND PERFORMANCE™

Pennsylvania tax collectors targeting coach industry

HARRISBURG, Pa. — Judging by phone calls and emails to the United Motorcoach Association, Pennsylvania has stepped up efforts to collect corporate income or franchise taxes from motorcoach operators.

The state is targeting out-of-state operators whose sightseeing, tour or charter coaches are traveling into Pennsylvania and making stops.

When the Pennsylvania Department of Revenue finds an operator it suspects may be making enough trips into the state to create a tax nexus, it sends a letter saying it has information indicating the company is operating in the state without properly registering to pay taxes.

Along with the letter comes a five-page Business Activities Questionnaire and a four-page tax bulletin.

It's believed the Pennsylvania Department of Revenue is picking up operator names from International Fuel Tax Agreement and International Registration Plan filings. But, it's also possible the state has "tax discovery specialists" checking popular motorcoach destinations.

Basically, a non-Pennsylvania-based coach company has a tax nexus with the state if the operator travels more than 50,000 loaded miles in Pennsylvania and makes at least one trip where passengers are picked up or dropped off, or the operator has a Pennsylvania IFTA-apportionment fraction of more than 5 percent and has more than 12 trips with pickups or drop-offs in Pennsylvania.

One operator that recently got caught in the Pennsylvania dragnet barely avoided the state taxing nexus. The operator exceeded the 12-trip maximum, but his IFTA miles in Pennsylvania last year were under 4 percent.

"For what it's worth, this would be a good incentive to not add any new Pennsylvania group tours to my catalogue," said the operator.

"And, in the long run, what Pennsylvania might gain in tax revenue, it will more than lose out in hotel, restaurant and sightseeing revenue and the associated sales and hotel taxes."

The operator's response has happened before in other states that have targeted the industry in similar fashion. Operators stop going and find other destinations. This could particularly hurt Pennsylvania which is trying to grow its gaming industry.

Pennsylvania has published a tax bulletin specifically designed to help bus and truck operators determine if their activities meet Pennsylvania's "de minimis activities for purposes of filing tax reports under the corporate net income tax and foreign franchise tax."

The bulletin includes a Q&A section that covers a variety of specific issues and questions related to determining a taxing nexus with Pennsylvania.

To find the bulletin, go to the home page of the Pennsylvania Department of Revenue (*www.revenue.state.pa.us/*). Type in CT Bulletin 2004-01 in the search box in the lower left corner of the home page. The box is labeled "— search Revenue."

ABC Companies acquires manufacturer of cutaway buses

ELKHART, Ind. — In a major diversification move, ABC Companies has purchased TMC Group Inc., a manufacturer of small and midsize buses sold under the Ameritrans brand name.

"We believe this investment complements our core transit and motorcoach business and strengthens and diversifies ABC," said company President and CEO Dane Cornell.

"We look forward to growing the business founder Al Foris and his team have built."

ABC has installed Barry Hines as general manager of Ameritrans Bus Inc., the new name of the company. Hines is an experienced, well-traveled bus engineer and manufacturing executive.

He is a former director of engineering at ElDorado National, the country's largest small bus manufacturer, Metrotrans, and Blue Bird Corp. He also held the title of vice president and general manager, commercial bus at Blue Bird.

Additionally, he spent nearly four years at Hadley Products as vice president in the transit business unit.

While terms of the purchase were not disclosed, ABC said it anticipates investing additional capital in the business to increase production and capacity.

TMC Group/Ameritrans began producing cutaway buses 14 years ago in a 7,500-square-foot block building. Today, the company occupies a 40,000-square-foot facility and has a dealer network from coast to coast.

ABC is expected to continue using Ameritrans' distribution network.

Ameritrans has nine basic models, ranging from a 15-passenger shuttle to a 39-foot, 36-passenger cutaway bus. Virtually all of its models are available in a variety of seating and floorplan configurations, including glitzy limousine-like interiors.

It uses Ford E350 and E450 chassis for its smaller models, and a Freightliner chassis for its large units.

It has models that are sold as shuttles, paratransit vehicles, limo buses, executive shuttles, passenger buses, prison transport, and mobile medical or computer labs.

Its vehicles are built with an all-steel wall, ceiling and floor frame. The aluminum bodies have a fiberglass front and rear cap and roof. It offers optional "glass ceiling touring windows" in some models.

Its product line also includes a Sprinter executive limousine conversion.

THE DOCKET

FMCSA revisiting EOBR analysis

WASHINGTON — The Federal Motor Carrier Safety Administration plans to re-examine the costs versus benefits of mandatory electronic onboard recorders.

The agency's efforts to mandate automated driver hours-of-service logs, as well as new federal legislation that does the same thing, have been attacked by many in the trucking and motorcoach industries.

Critics contend such a mandate would impose a $2 billion cost on the industries — a cost small motorcoach operators and truckers can ill afford — and require equipment the benefit of which has not been proven.

In a posting on its website, the FMCSA notes that the $2 billion cost figure is based on the agency's own "regulatory impact analysis" for the 2011 notice of proposed rulemaking on EOBRs, which estimated total costs of $2.377 billion per year.

However, the agency said it believes costs for the devices have come down since it made that estimate.

The agency notes that the 2011 regulatory impact analysis also estimated total benefits of $2.711 billion, resulting in an annual net benefit of $344 million.

A significant portion of these benefits, the agency says, would come from $1.965 billion in annual paperwork reduction — a savings of $688 per driver each year — due to drivers no longer completing and submitting logbooks.

The FMCSA web posting goes on to say the agency is currently preparing a supplemental notice of proposed rulemaking that will re-examine the estimated costs and benefits (both paperwork savings and safety) associated with an EOBR mandate for carriers currently using handwritten records of duty status.

The agency noted that the $2 billion-plus cost estimate was actually higher than the one in its 2010 final rule (which was subsequently vacated by the court), because the 2010 rule focused on the least expensive device determined to be compliant.

"The agency chose to base its calculations on the higher cost device in the 2011 (notice of proposed rulemaking) because it did not believe that a sufficient number of the cheapest units would be available for a broad industry mandate, which would cover approximately 2 million units."

Changing market

FMCSA used Qualcomm's Mobile Computing Platform 150, or MCP 150, to calculate that $2 billion cost in its 2011 proposed rule. It retails for approximately $1,775.

The agency says it now believes the market has changed since 2011, with the addition of new vendors supplying electronic logging devices without as many bells and whistles that are useful for fleet management.

"The availability of these cheaper devices should significantly decrease the estimated cost of the rule compared to that of the 2011 RIA," the agency says.

For example, Qualcomm's new MCP 50 retails for about $900.

"Other vendors are advertising EOBRs at even lower prices, although not yet in sufficient numbers to meet a broad industry mandate," including Continental's VDO Roadlog, which retails for about $500, and a device from J.J. Keller available by lease for a $199 initial fee, plus a monthly fee.

FMCSA status update: Report on rulemakings

BOCA RATON, Fla. — Anne S. Ferro, administrator of the Federal Motor Carrier Safety Administration, provided an update last month on what bus and truck operators can expect in the months ahead in the way of new regulations and changes to existing rules.

She spoke at the 10th annual PeopleNet User Conference here.

"Going forward, we want to increasingly focus our attention on those companies who need it," said Ferro. "We want to get bad actors off the road."

To accomplish that, Ferro said her agency is using the data it's collecting via CSA and other means to "make sure we are focusing our attention in the right direction."

Persistent violators can expect the agency to use its imminent hazard authority and other tools to bring unsafe operations into compliance or to shut them down, she promised.

The FMCSA has a number of revisions to existing regulations, as well as new rulemaking initiatives, underway, and Ferro provided updates on some of the most significant pending actions, including electronic onboard recorders (EOBRs), Safety Fitness Determination, and crash accountability.

"The Safety Fitness Determination rule is due next year," she said.

Essentially, this rule would allow the FMCSA to hand out safety ratings based on safety data from crashes, destination and roadside inspections, and violation histories rather than having to use the standard compliance review.

A major goal is to use safety data to assess the performance of more operators, reducing the number of labor-intensive compliance reviews.

Crash accountability is another hot button issue.

"We all know that not all crashes (involving commercial vehicles) are the fault of the commercial driver," Ferro said, "but we also know that crash history and unsafe driving are predictive of future (accidents).

"It will take about a year before we publish more modifications," she said, but made it clear changes were coming.

When it comes to electronic onboard recorders, Ferro said publication of the much-anticipated rule is on target for the first quarter of next year.

"The OOIDA lawsuit sent us back to the drawing board on driver harassment," she said. (See Sept. 15, 2011, *Bus & Motorcoach News*.)

"We have also been working to identify what the right technical specifications should be and looking at the supporting documents requirements, as well. The entire rulemaking process will take about two years, but "it is definitely on the way."

Other measures Ferro expects to go forward include the creation of a "drug and alcohol clearing house" to enable operators to know if a driver applicant has previously tested positive or refused to be tested for drug and alcohol use.

The new federal highway law calls for the FMCSA to establish standards for an "employer notification system" that would alert companies when an existing employee has been cited for a civil or criminal action, including for moving traffic violations.

Some states already have such systems, provided on a subscription basis, and Ferro encouraged companies to make use of them.

OSHA publishes 'whistleblower' rule

WASHINGTON — The U.S. Department of Labor Occupational Safety and Health Administration has published a final rule that addresses retaliation complaints under the "whistleblower" provision of the Surface Transportation Assistance Act.

According to the final rule, it is a violation for employers to "intimidate, threaten, restrain, coerce, blacklist, discharge, discipline, harass, suspend, demote, or in any other manner retaliate against any employee" for filing a complaint about an alleged safety or security violation.

In recent years, OSHA has actively pursued complaints — filed under the provisions in the Surface Transportation Assistance Act — by drivers who were terminated after they refused to drive when they were out of hours or in unsafe weather conditions.

However, to qualify for whistleblower protection under the new OSHA rule, employees "must have sought from the employer – and been unable to obtain – correction of the hazardous safety or security condition."

Whistleblower complaints must be filed — either orally or written — within 180 days after the alleged violation occurred.

Under the new rule, drivers cannot be retaliated against for cooperating with a safety or security investigation by the U.S. Secretary of Transportation; the Secretary of Homeland Security; the National Transportation Safety Board, or any federal, state or local regulatory or law enforcement agency "as to the facts resulting in injury or death to an individual or damage to property occurring in connection with commercial motor vehicle transportation."

The Federal Motor Carrier Safety Administration may "act as a friend of the court" during the proceedings and may receive copies of the documents in a case.

If an employer is found to have violated the law, the employer may be required to reinstate the employee to his/her former job with the same compensation, be required to issue back pay to former employees and pay their litigation costs, including attorney fees, and be forced to pay punitive damages of up to $250,000.

If companies fail to comply with the order, the U.S. Secretary of Labor may file a civil action seeking enforcement of the order in U.S. District Court.

OSHA orders driver reinstated, paid $190,000

KENNESAW, Ga. — The Occupational Safety and Health Administration has ordered Interline Logistics Corp. of Kennesaw to rehire a whistle-blowing driver who reported that his truck had brake problems and had been ordered by the company to take the rig to the shop in violation of federal hours-of-service regulations.

According to OSHA investigators, a dispatcher told the driver to take the truck to a repair shop. He refused, stating that doing so would force him to work more hours than U.S. Department of Transportation regulations allow.

The company fired him for refusing a dispatcher's order.

The driver filed a proper complaint with OSHA, which investigated the claims and ordered Interline Logistics to reinstate the driver and pay him more than $190,000 in back wages, compensatory damages, attorneys' fees and punitive damages.

N. Carolina legislators adopt workers' comp scofflaw law

RALEIGH, N.C. — North Carolina has a new law designed to crack down on companies that don't have workers' compensation coverage.

Lawmakers adopted the measure in response to public criticism over lax efforts to enforce the state workers' compensation law that's supposed to assure injured workers receive proper medical care and lost wages.

Under the law, information submitted by insurers on employers' coverage status, collected by the North Carolina Rate Bureau, must be shared with the state Industrial Commission, which is charged with assuring employers have coverage and adjudicating workers' compensation claims.

Impetus for the legislation came from newspaper investigations of lousy state enforcement efforts.

The Raleigh-based *News & Observer*, for example, ran a series of articles in May documenting how thousands of employers skipped coverage, leaving injured workers to fend for themselves.

The investigation found that although employers are required to inform the Industrial Commission when they purchase, renew or cancel a policy, the commission rarely accessed the information from the Rate Bureau until a claim was filed, and rarely penalized employers.

By requiring the commission to capture all the information from the Rate Bureau, lawmakers sought to improve the flow of employer data so the commission could enforce the law before a worker files a claim.

The measure was passed and signed by the governor despite opposition from media groups that objected to the fact the employer information will not be a public record.

By allowing the Rate Bureau to claim the employer data is proprietary, the media groups say it will block the transparency needed to inform the public about the workings of the workers' compensation system.

Workers in North Carolina can go to the Industrial Commission website and check on their employer's insurance status.

Voters in Georgia reject huge transportation plan

ATLANTA — Voters across Georgia resoundingly rejected a plan to tax themselves to pay for extensive transportation improvements.

Atlanta-area voters were among those who rebuffed a penny increase in the state sales tax to fund projects in the area.

The promise by tax advocates of new jobs, improved roads and safety with citizen oversight was not enough to sway support for as much as $18.7 billion in new money statewide for roads, bridges and transit, plus additional federal money.

The referendum vote was the result of years of work at the statehouse to come up with a funding mechanism to pay for expanded transportation work.

In 2010, then-Gov. Sonny Perdue signed into law a bill that gave residents the final say on a 10-year, penny increase in the state sales tax to get area projects done.

For the referendum, the state was broken into 12 multi-county regions, with separate votes to authorize a list of local projects.

Nine of the statewide regions rejected the tax plan with only the Central Savannah, River Valley and Heart of Georgia districts approving the measure.

Voter approval in the three regions will authorize more than $1.8 billion in transportation work.

Citing distrust of government and splintered transportation desires, Atlanta-area voters rejected a plan to raise $8.5 billion over 10 years for 157 projects in 10 counties surrounding the city. The tally was 63 percent opposed and 37 percent in favor.

The results put more responsibility on local governments to come up with funding for transportation work. The two-year old law that created the tax vote mandated that regions rejecting the tax increase must pay a 30 percent match to receive state transportation funds. Areas endorsing the tax are responsible for putting up a 10 percent match.

The match disparity could see a legal challenge.

Gov. Nathan Deal's administration has indicated the governor will work on a transportation plan for the state's metropolitan areas.

In Minnesota: Speeders get break

ST. PAUL, Minn. — A new law on the books in Minnesota covers a pair of items of interest to motorcoach operators — speeding and dealing with congestion.

One change that took effect last month could result in fewer speeding tickets on drivers' records during the next two years.

Minnesota law previously prohibited speeding violations of up to 10 mph in a 55 mph zone and up to 5 mph in a 60 mph zone from being reported to violators' insurance companies.

The rule change included in HF2685 applies the 10 mph cap in both speed zones until Aug. 1, 2014.

A report on the impact of the drivers' record change is due for legislative review by Jan. 15, 2015.

Alleviating traffic congestion is the focus of a separate provision in the new measure.

The law expands permission for buses to operate on freeway or expressway shoulders, sanctioning local road authorities (having jurisdiction over the roadways) to allow the practice.

Until now, the authority has been essentially limited to transit buses and to shoulders on Interstates and major intercity highways.

Now, buses with a seating capacity of 40 or more operated by a motor carrier of passengers, can be allowed to use shoulders but only when traffic speeds drop below 35 mph.

The buses are limited to traveling 15 mph faster than the flow of traffic, up to 35 mph.

The new law also permits speeds to be adjusted based on an engineering study conducted by the local authority.

Kansas dumps motor carrier ad valorem tax

TOPEKA, Kan. — The countdown has begun in Kansas for repealing the state's long-running ad valorem, or motor carrier property tax.

The 56-year-old tax is based on the value of rolling stock and is collected on motor carriers, regardless of base state, that use Kansas roads.

Effective Jan. 1, 2014, the state will cease collecting the tax in exchange for an additional registration fee applied to intrastate and interstate operations.

Out-of-state truck and bus operators will pay the tax through the International Registration Plan.

Until the change is implemented in 16 months the ad valorem tax will continue to be applied for the 2012 and 2013 tax years.

The change is expected to be a cost savings for bus operators and truckers, as well as the state.

According to a state analysis, although the new law will result in lost revenue for the state, it will save money that has been needed to keep the program running. Specifically, truck- and bus-related functions that are performed by three divisions at the Kansas Department of Revenue will be consolidated.

Advocates said there will be an increase in payments from interstate operations, which would pay the new fee along with the apportioned registration. As a result, they say the change amounts to a wash for the state.

The danger of suppressing entrepreneurial creativity

By Dave Millhouser

In the middle of a torrential downpour, I leaned against the rear of the old Scenicruiser — crying.

I was 23 and thought myself a manly man. But this was too much.

The bus had suffered an electrical seizure near Custer, Mont., which is just down the road from Bighorn, Mont. Forty-five passengers were waiting for their clueless driver (me) to "do something."

It was 9:50 p.m., and the only pay phone nearby was in a restaurant that closed at 10. If telephonic advice on how to fix the coach didn't come in ten minutes — it would be a long night.

The phone rang and my electrical whiz buddy, Oakie, told me to jam the "810 relay" with a matchbook, and the bus would charge. Don't try this at home folks, but in this case it got us going.

Driving a coach full of people clear across the country, in a tired bus, with resources a thousand miles away seems like a ton of risk and responsibility for a 23 year old.

What was I thinking? (Very little, of course, I was 23.)

In hindsight, it changed my understanding of risk and responsibility, and instilled a huge respect for the courage of people who accept them.

That would be YOU, the people who start and manage businesses.

A prominent politician has intimated that you "didn't do it alone." That public roads, employee contributions, protection offered by police and fire departments, and other infrastructure were key to your success.

Horse pucky.

All those things matter but you're the one who used them to build something. We all drive on the same highways, you're the one who manages to use them to move people and create jobs.

In case you missed it, you're at risk. When a business fails, employees lose their source of income, but are paid for everything they've done. Owners can lose literally everything.

When the poopie hits the fan, you're the one who gets the call, day or night. You're the one who misses holidays and family gatherings, without getting paid "overtime."

Please understand, I admire and respect good employees. Many try to do more than they're paid for, and take a genuine interest in their company.

They've made a choice. Either they are unwilling to accept the stress that comes with running their own business, or they've decided that other interests are more important to them.

We've all heard about actors who "wait tables" to support themselves, so they can pursue their dream. As long as they give their best at the "day job," they're good people.

Some folks want to devote extra time to their family; others have time-consuming hobbies, some want to be Olympic athletes. There are many admirable pursuits that benefit us all and that often preclude running a business.

We make choices and must live with them. When that choice involves working for someone else, it's not fair to expect the same benefits the company owner gets.

Choosing to be a "starving artist" sometimes means starving.

The people who own and operate businesses frequently make significant sacrifices in their private lives to keep things going. Sometimes they reap huge rewards, and sometimes they lose everything.

A problem arises when folks try to have it both ways.

It's wrong for a company and its owner to ignore the contributions of employees. Workers deserve to be rewarded for all they do. It's just as wrong for employees to assume that management somehow has it easy, and is getting more than its fair share.

If you want a larger share, start a business, and make the sacrifices and take the risks that entrepreneurs must make. The only job that is "yours" is one you create.

Class warfare is ugly and no one wins. If the entrepreneurs who start and run businesses are suppressed too much, they quit, and we all lose the jobs and creativity they offer.

My career in the coach industry spanned 40 years, and I was someone's employee during that whole time. Most of the folks I worked for were terrific, and made huge contributions to my life. Thanks. Hopefully you know who you are.

Dave Millhouser

A few were jerks.

I did my best for all of them and because I tried to be a good employee, if a job turned out to be destructive…I could move on.

Business owners don't have the luxury of moving on. For them it is sink or swim. Some sink.

I admire everyone who tries to run a company. For letting it all hang out. And I am grateful for the opportunities employers gave me.

This is a clumsy way of expressing how much I respect those who run businesses, and those who work diligently for them, and all who understand how it fits together.

Dave Millhouser is a bus industry marketing consultant and freelance writer. Contact him by email at: Davemillhouser@gmail.com.

'Cleaner diesel' engines less harmful, study concludes

BOSTON — The first comprehensive study of the health effects of exhaust from diesel engines built during the past five years found no evidence of genetic damage and only a few mild effects on lungs of laboratory animals.

The Advanced Collaborative Engine Study was conducted by the Health Effects Institute, a research organization that is based here and funded in part by the U.S. Environmental Protection Agency and industry groups.

Results of the study, in which rats and mice were exposed to emissions from 2007-model heavy-duty diesel engines, are expected to bolster the view that new "clean diesel" technology is effective in controlling emissions that are suspected of causing cancer in humans.

In a commentary on the study, a review panel wrote: "Overall, these results indicate that rats exposed to diesel exhaust for 16 hours a day, five days a week… showed few biologic effects related to diesel exhaust exposure."

The study results are "like a breath of fresh air," said Allen Schaeffer, executive director of the Diesel Technology Forum, an organization based in Frederick, Md., that represents fuel suppliers and vehicle and equipment manufacturers.

Schaeffer said all previous studies of the health effects of diesel exhaust were based on equipment built before EPA-mandated emissions reductions began in 2002.

"That's like looking in the rearview mirror to plot the course ahead," Schaeffer said. "Now we know where we are. We can look forward."

The first round of diesel emissions reductions in the United States began in 2002 with the introduction of emissions reducing technology. That was followed by the introduction of ultra-low-sulfur-diesel fuel.

> 'The study results are like a breath of fresh air.'

In 2007, engine manufacturers added specialized filters to trap small particles or soot, and since 2010, new engines have featured either selective catalytic reduction or advanced exhaust gas recirculation technologies to reduce nitrogen oxide emissions to near zero.

The study found that exposures up to 12 months had effects on only a few health markers, including mild hyperplasia (cell proliferation) in the lungs and slightly reduced lung function.

Testing of rats will continue for up to 30 months, until December 2012, providing the first systematic look at the effects of long-term exposure to diesel exhaust emitted by engines that meet EPA standards, HEI officials said.

Over-the-road motorcoaches with cleaner-burning diesel engines currently make up roughly 20 percent of the total industry fleet of charter, tour, sightseeing, airport shuttle, commuter and scheduled service motorcoaches.

Institute President Dan Greenbaum said results of the study could lead to new risk assessments for diesel emissions by public health agencies, including the International Agency for Research on Cancer, which last month said diesel was a "carcinogen." (See July 1 *Bus & Motorcoach News*.)

Also last month, the USEPA issued a new standard for soot. (See July 1 *Bus & Motorcoach News*.)

"We will be communicating these results to IARC, the U.S. National Toxicology Program and the EPA in order to ensure that the significant improvements in emissions and effects for these new diesel technologies are considered and compared with the data on older engines when those agencies reach their conclusions," Greenbaum said.

Study: EPA badly underestimates cost of engine rules

MC CLEAN, Va. — An examination of the impact of the 2004-10 federal emissions standards on commercial vehicles indicates the U.S. Environmental Protection Agency badly underestimated the cost of the rules.

The study by the National Automobile Dealers Association and the American Truck Dealers says the USEPA emissions rules for model-year 2004 to 2010 resulted in substantially higher prices for commercial vehicles, lower sales and delay of environmental benefits.

The study, "A Look Back at EPA's Cost and Other Impact Projections for (Model Year) 2004-2010 Heavy-Duty Truck Emissions Standards," said there has been little examination of EPA's cost predictions, compared with the actual cost of meeting its motor vehicle emissions mandates.

The report showed that EPA's original estimate of how much the new rules would cost vehicle makers and their customers was off by an average of two to five times, Doug Greenhaus, chief regulatory counsel for environment, health and safety issues for NADA and its ATD division, said in a conference call after the study was released.

For example, on average, the actual cost increases for model-year 2010-compliant medium-heavy trucks were more than twice what EPA projected, the study said.

The agency had estimated that manufacturer surcharges for the 2010 model year trucks would average $2,737, but ATD/NADA noted that the actual charges ranged from $3,868 to $7,300, depending on manufacturer.

EPA 2004-10 rules caused heavy-duty truck prices to spike by $21,000 over what tractors cost in 2000, the study said. That added cost was for regulatory compliance, although EPA had said those costs would be only $5,000, said Esteban Plaza-Jennings, the study's primary author.

> 'When faced with unreasonable federal regulatory mandates, buyers will seek less-expensive alternatives.'

"To work, fuel-economy improvements must be affordable. You can't dictate what customers will buy. If our customers do not want to purchase these vehicles, we all lose," said David Westcott, NADA's vice chairman and president of Westcott Automotive in Burlington, N.C.

The ATD/NADA report looked at the 2004-2010 medium- and heavy-duty truck emissions mandates. "It shows what can happen when a regulatory proposal — based on far-in-advance predictions — seeks to set mandates far in the future," the study said.

The primary goal of the EPA mandates was to reduce nitrogen oxides and particulate emissions, noted Dick Witcher, ATD chairman and CEO of Minuteman Trucks in Walpole, Mass.

But Witcher warned that setting emissions standards, whether they're large or small, is dangerous for any regulatory agency because the variables are too difficult to predict, at least with any accuracy.

"The risks are too high, and the unintended consequences are too great," Witcher said. "Any goals should be set in smaller increments of time."

ATD and NADA said the lessons learned from this study now apply to the proposed model years 2017-2025 fuel-economy regulations for light and heavy vehicles, including over-the-road buses.

"That rulemaking, combined with previous Obama administration fuel economy mandates, will raise the average price of a vehicle by $3,000, according to EPA and National Highway Traffic Safety Administration estimates," the groups said.

"When faced with unreasonable federal regulatory mandates that increase motor vehicle costs, buyers of light-duty vehicles — similar to what commercial truck buyers experienced — will seek out less-expensive alternatives in the marketplace," the study concluded.

How to contact us

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

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

To subscribe or inquire about your subscription:

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

To advertise or to mail advertising-related materials:

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

To send advertisements or photographs via the Internet:

E-mail: BMNews@jezac.com

To contact the United Motorcoach Association:

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

ISSUE NO. 222

Bus&MotorcoachNEWS

A PUBLICATION OF THE UNITED MOTORCOACH ASSOCIATION

Employment screening company is hit with $$$ penalty

IRVINE, Calif. — An employment background screening company that provides reports to companies nationwide is paying $2.6 million to settle Federal Trade Commission charges it violated the Fair Credit Reporting Act.

According to the FTC, the company failed to use reasonable procedures to assure the maximum possible accuracy of information it provided, failed to give consumers copies of its reports, and failed to reinvestigate consumer disputes, as required by law.

The case against HireRight Solutions Inc. represents the first time the FTC has charged an employment background screening firm with violating the Fair Credit Reporting Act. The FTC action is seen as sending a message to the industry to clean up its act. There have been calls for the industry to be federally regulated.

As a consumer reporting agency, HireRight Solutions provides background reports that contain information about prospective and current employees. Its reports are supposed to help employers make informed decisions about hiring and other employment-related issues.

Under the Fair Credit Reporting Act, the company's reports qualify as "consumer reports." They contain public-record information, including the individuals' criminal history.

The FTC said that in many cases, when it provided consumer reports to employers, HireRight Solutions failed to take reasonable steps to assure the information in the reports was current and reflected updates, such as expunged criminal records. Because of this, the FTC charged, employers sometimes received information that incorrectly listed criminal convictions on individuals' records.

In addition, according to the FTC complaint, HireRight Solutions failed to follow reasonable procedures to prevent the same criminal offense information from being included in a consumer report multiple times, failed to follow reasonable procedures to prevent obviously inaccurate information from being provided to employers, and in numerous cases even included the records of the wrong person.

The FTC alleged these failures led to consumers being denied employment or other employment-related benefits.

Under the Fair Credit Reporting Act, consumer reporting agencies must allow consumers to access their own information and dispute any inaccuracies.

In numerous instances, said the FTC, HireRight Solutions failed to comply with legal requirements. This includes failing to conduct investigations of disputed items in a consumer's file after being notified of a dispute, requiring consumers who wanted to dispute information in their file to have a copy of the report before the company would start a reinvestigation, and telling consumers who did not have a copy of their report to request one before they would reinvestigate, delaying the dispute process and making it more difficult.

In addition, according to the FTC, HireRight Solutions closed complaint investigations without providing written notice of the results to consumers, as required.

Finally, the complaint alleges HireRight Solutions failed to provide consumers with written notification it had reported public record information about them to employers when it was being reported, as the law requires.

In addition to the civil penalty, the settlement bars HireRight Solutions from engaging in a long list of prohibited activities.

Big truckers advocating for use of hair drug testing

ROCKVILLE, Md. — Major trucking outfits continue to advocate for the option of drug testing using hair — instead of urine — in federally mandated company driver pre-employment screening and random testing.

The federal Substance Abuse and Mental Health Services Administration sets mandatory guidelines for U.S. Department of Transportation commercial driver drug testing.

Eight years ago, the agency considered using hair testing but later concluded the proposal needed further research.

Hair testing is much more difficult to tamper with to avoid a positive result than urine analysis, a senior vice president of one of the nation's largest trucking companies, Schneider National's Don Osterberg, wrote last month in a leading trucking publication.

According to Osterberg, hair testing detects drug use over several months versus urine tests, which indicate drug use for just a few days.

Four years ago, Schneider began including hair testing in its pre-hiring process for drivers before adding it to the company's random-testing program in 2011.

As of this past June, 120 prospective drivers failed the urine test, but 1,400 prospective drivers had drug-positive hair tests.

J.B. Hunt, Gordon Trucking, C.R. England and Roehl Transport are among carriers that conduct hair tests, in addition to urine tests.

Last year, England added hair testing after the Utah carrier's trial run indicated hair tested positive at a rate of three times higher than urine alone.

American Trucking Association members that implemented hair testing detected drug use in nearly 2.4 to 10.4 percent more drivers than urine analysis alone, according to an ATA researcher.

In 2006, J.B. Hunt began using hair testing and by 2011, the Federal Motor Carrier Safety Administration indicated the Arkansas-based carrier's rate of positive urine tests had dropped 75 percent.

See also March 1 *Bus & Motorcoach News*.

USDOE: Potential diesel shortage averted in Northeast

WASHINGTON — The U.S. Department of Energy says an expected shortage of ultra-low-sulfur diesel fuel and gasoline in the Northeast will not be as bad as initially feared.

In late February, the USDOE Energy Information Administration warned supplies to the region would be significantly strained by the closing of two refineries and the potential closing of Sunoco's Philadelphia Refinery, which was responsible for 24 percent of the refining capacity on the East Coast. (See March 15 *Bus & Motorcoach News*.)

Since then, The Carlyle Group and Sunoco announced a joint venture that will keep the 335,000-barrels-a-day Philadelphia refinery operating, plus make upgrades and increase production.

In addition, Delta Air Lines is buying the 185,000-barrels-a-day Trainer, Pa., refinery from ConocoPhillips and plans to restart operations by mid-September.

The EIA had predicted a potential shortfall of 420,000 barrels a day of gasoline and ultra-low-sulfur diesel fuel. The gap "is now expected to be just 50,000 barrels a day of (ultra-low-sulfur diesel), with the gasoline gap disappearing almost entirely," the EIA said.

"Moving about 50,000 barrels a day of additional (ultra-low-sulfur diesel) to the Northeast should be well within the capacity of existing infrastructure," the agency added.

The reason diesel still faces a shortfall is largely because demand is expected to spike following New York's new requirement for ultra-low-sulfur diesel fuel instead of traditional home heating oil, which went into effect July 1.

Meanwhile, the national average retail diesel price has climbed above $3.85 a gallon, according to the EIA.

During 12 straight weekly declines from April 16 through July 2, the price of diesel dropped nearly 50 cents a gallon; since then the price has climbed more than 20 cents a gallon.

The average U.S. pump price of diesel exhaust fluid fell in July to the lowest level on record, according to Integer Research. The July price fell by 28 cents to $2.70 per gallon.

Driver liquor

CONTINUED FROM PAGE 1

no warning to — the industry.

Costly experience

Brian Scott of Escot Bus Lines in Largo, Fla., said one of his trusted, long-time drivers was asked by a state inspector at the U.S.-Canadian border in late July if any alcohol on board belonged to him.

When the driver answered he had beer and mini-bottles of spirits in an ice chest in the luggage bay, he was cited and put out of service for 24 hours.

Scott was forced to hire a replacement coach and driver while his driver sat idle in a hotel.

"This episode cost us several thousand dollars, and a ton of administrative headaches, and now we've got clients who are upset," Scott explained.

And he's concerned about the possible long-term consequences.

"(The driver's) going to have a record on his license. When you read the violation, it sounds terrible. It makes it sound like you're driving down the road in a bus, drunk," he said.

"It effects our CSA score. We're going to have a violation in the alcohol and controlled substances category of our CSA score. And that's publicly available. It's on the FMCSA website."

Expensive aftermath

He said he plans to hire an attorney to fight the ticket in Vermont, and to file a protest with the FMCSA and work to get the violation expunged from the driver's record.

"We've been in the bus business for almost 30 years and crossing the border for 25 of those years, and this never, ever happens," he said.

Scott and other long-time operators say inspectors have traditionally taken a low-key approach when enforcing the alcohol-possession rule during bus checks.

"Only if (inspectors) suspect that a driver has consumed drugs or alcohol will they go further. Their interpretation of possession was… 'within reach or in the driver's area,'" one veteran operator said.

Keppler insists that is not what inspectors should have been doing.

"The rule says possession and that means anyplace on the vehicle.… (T)here is no interpretative guidance from the FMCSA that says it has to be within reach," he said.

"So, without that regulatory guidance, the inspector asks the driver, and the driver says that it's his, so the inspector says that meets the rules, and that's the action he has to take."

The new reality

According to Keppler, the strict interpretation and enforcement is what operators should expect from now on as regulators attempt to weed out noncompliant curbside and other operators.

"Our members are being more aggressive in their enforcement wherever they can," he said. "Curbside operators are a big problem and that's part of what we're trying to deal with; to get at those operators because they are giving the entire industry a bad name."

He said the FMCSA has provided additional funding during the past two years to states to certify officers trained to conduct motorcoach inspections. "So that's part of this increased presence," he said.

What advice does he have for operators regarding alcohol and drivers?

"Obviously, once the driver is off duty and is using the coach in a personal conveyance capacity, then it's OK. It is no longer a part of the official move," he said.

"So if he or she has finished their run and they are no longer on duty, then they can go and purchase alcohol if they wish. But while it is under a commercial move, don't have it on the bus."

A new message

For his part, Scott has set down a strict no-alcohol policy for Escot Bus Lines' drivers.

"If you go through (a) duty free (store) and someone offers you a bottle of wine, you can't accept it. If you're off duty for a few days, and you have a six-pack of beer in your hotel, and you have two left, and you want to put that in your coach, don't do it," he said.

"Don't have any alcohol on the coach that belongs to you. You can't have it. It's not worth it."

Sky Express crash

CONTINUED FROM PAGE 1

temporary extension of its operating authority by the FMCSA.

"You have to ask why an overburdened regulator, like FMCSA, with resources to conduct compliance reviews on only 2-3 percent of operators each year, would visit the same operator year after year?" asked Hersman.

"And even more to the point — given all the reviews, that identified a myriad of safety deficiencies — why was Sky Express still operating?"

As a result of the crash, the NTSB is urging the FMCSA to be more assertive in monitoring fatigue management programs.

The board called for the FMCSA to establish a program to monitor and improve the fatigue management systems that bus and truck operators use.

This follows on an existing board recommendation that all carriers have a fatigue management program.

While fatigue management programs are widespread in the motorcoach industry, they are by no means universal.

UMA members and fatigue

The latest Membership Survey and Industry Assessment by the United Motorcoach Association found that just over 62 percent of the operators participating in the survey had a fatigue management program.

That means, of course, nearly 38 percent had no such program.

The NTSB also wants new-entrant safety audits to include a review of a structured safety management process so the new operators will know how to identify safety risks and maintain a safety assurance program.

"Sky Express passed the Federal Motor Carrier Safety Administration new-entrant safety assurance audit despite safety shortcomings in its operation, which indicates the new-entrant audit process is not always keeping unsafe carriers from entering the motor carrier industry," the board said.

Sky Express started operating in April 2005, but it didn't have a new-entrant safety audit until February 2007. It kept stalling the FMCSA and successfully putting off the new-operator inspection.

During its seven years of existence, Sky Express amassed a fleet of 31 coaches that were running up and down I-95 on a daily basis.

Additionally, the NTSB urged the FMCSA to incorporate fatigue mitigation strategies into the hours-of-service rules for bus drivers who work late at night, or during early morning hours.

In its recommendations the board referenced a joint FMCSA-Transport Canada project to develop a model fatigue management program.

The North American Fatigue Management Program, as it is called, aims to provide carriers with a best-practices manual for implementing fatigue management in their operations. (See March 1 *Bus & Motorcoach News*.)

Development of the program, which has taken longer than it took the U.S. to create and execute the program that sent a man to the moon and back safely, reportedly is nearing completion.

According to Rebecca Brewster, president and COO of the American Transportation Research Institute, the project expects to launch a website by November that will provide program materials at no charge.

The materials, which will include training for drivers, dispatchers and management, have been developed and tested by carriers in the U.S. and Canada.

FMCSA responds

The FMCSA issued a statement, commenting on the NTSB report.

"Protecting the traveling public by strengthening bus and truck safety is FMCSA's number one priority," said the agency.

"FMCSA closed the loophole that allowed 10-day extensions for passenger bus companies undergoing safety compliance reviews.

"It is also why our agency shut down 54 unsafe bus companies in 2011. And this year, we conducted an unprecedented investigation that put 26 unsafe bus operators out of service using a new rule that links unsafe companies to their affiliated entities. (See June 15 *Bus & Motorcoach News*.)

The statement pointed to the new federal highway and public transportation law, which the agency said will "enable FMCSA to enhance its registration system to better identify reincarnated bus companies, conduct safety audits on new bus companies within four months of operation, ensure new companies understand federal safety laws before they can operate, and improve hours-of-service compliance with a new rule on electronic onboard recorders.

"We will continue to use the full force of our enforcement, regulatory and consumer outreach tools to make bus travel safe," FMCSA said in the statement, "every trip, every time."

Disturbing viewing

Operators with strong stomachs, low blood pressure and an extra two plus hours might find it worthwhile to watch the video of the NTSB meeting at which the board reported its findings and made its recommendations regarding the Sky Express crash.

Go to *www.ntsb.gov*. Scroll to near the bottom of the page, find the headings "Upcoming Events" and "Webcast of Events." Click on Webcast of Events. Scroll to "View Archives" and stop at the first one, dated July 31. Click on either "Flash Media" or "Windows Media," at right, whichever works on your computer.

Enlarge the window and turn up the sound. Be prepared to be outraged and mindful of the implications of Sky Express' blatant noncompliance and rampant irresponsibility.

National Interstate disappoints shareholders, policyholders

RICHFIELD, Ohio — National Interstate Corporation has reported "disappointing" second-quarter financial results to its shareholders, as well as unwelcome news to its policyholders: higher rates are here or on the way.

Increased claims losses and a drop in premium income for one of its four principal business segments resulted in the lower second-quarter earnings at National Interstate, a leading motorcoach industry insurer.

The company said it earned $7.26 million during the three months ended June 30, or 37 cents per diluted share, compared to net income of $8.6 million, or 41 cents per diluted share, for the same period last year.

Said National Interstate President and CEO Dave Michelson: "We were disappointed with the underwriting results for the 2012 second quarter, which contributed to an elevated combined ratio for the first half of 2012.

"We have experienced severity in several of our commercial products, and our specialty personal lines products are not improving as quickly as we would like. The combination of timing of larger claims, loss cost inflation, and the delayed impact of the rate increases we are now getting in most products has contributed to the rise in our loss and loss-adjustment expense ratio.

"On the positive side, our underwriting expenses are well controlled and have remained flat," noted Michelson.

In both the first and second quarters of this year, National Interstate experienced higher-than-average claims in several of its commercial products, which the company said contributed to the higher-than-expected loss and loss-adjustment expense ratios.

Gross premiums written by National Interstate during this year's second quarter totaled $160.1 million, an increase of 2.3 percent over last year's second period.

Gross premiums for the first half of this year amounted to $290.4 million, essentially unchanged from the first six months of 2011.

National Interstate reported higher premium income from three of its four main business segments during the second quarter. Premium income rose 3.9 percent in its alternative risk transfer (captives) unit, 3 percent in its transportation component, and 4.3 percent in its Hawaii and Alaska division.

A portion of the increase posted by the transportation unit, which includes part of National Interstate's motorcoach insurance business, resulted from rate increases that "are starting to occur with some regularity."

National Interstate also insures motorcoach companies through its captive (alternative risk transfer) program.

Meanwhile, the company's specialty personal lines segment, which includes insurance for RVs and smaller commercial vehicles, saw premium income decline 8.7 percent during the first half of this year.

"We expected flat top-line results through the first half of 2012 because of the actions we took last year related to two products in the program business portion of the (alternative risk transfer) component, which comprised 8.2 percent of 2011 second-quarter gross premiums written, and underwriting actions related to the specialty personal lines products," said Michelson.

"However, we are encouraged by the modest overall increase in gross premiums written for the quarter and growth in three of the four components.

"Our top line is performing as expected and improved investment income has added to our profitability. However, our underwriting results for the first six months of 2012 are below our expectations of a combined ratio in the low-to-mid 90's.

"Adverse claims, including large claims in traditionally well-performing products have impacted the results. We have and will continue to closely monitor all large commercial accounts not meeting our underwriting expectations for appropriate action, and we are getting rate increases in most of our commercial products.

"In our specialty personal lines component, we have filed rate increases in virtually all states in both the recreation vehicle and commercial vehicle products. We believe all of these actions will have a favorable impact going forward," said Michelson.

National Interstate directors approved a dividend of 10 cents per common share, payable Sept. 4, to shareholders of record Aug. 20.

In a separate announcement, National Interstate said it is expanding its trucking insurance program by targeting heavy haul, crane and rigging operations.

The program is offering coverage for auto liability, physical damage, workers' compensation and general liability.

"The heavy haul, crane and rigging industry is highly specialized, and we have creative insurance solutions to meet the needs of this market," said George Skuggen, assistant vice president of truck products.

For information about the company, go to *www.nationalinterstate.com*.

New Jersey steps up efforts to catch speeders

TRENTON, N.J. — The administration of New Jersey Gov. Chris Christie has awarded $2 million in grants to bolster enforcement on the state's most dangerous highways.

A total of 53 municipalities will share the money to crack down on speeding and other driving infractions on 14 10-mile segments of highway determined to be the most prone to accidents, the state Department of Transportation said.

Segments of U.S. routes 1, 9, 22, 40, 46 and 206, as well as state routes 47 and 93, will receive money for the current fiscal year.

Lancer again named a top insurance industry performer

WOBURN, Mass. — For the second consecutive year, Lancer Insurance Co., a leading motorcoach industry insurer, has been named to Ward's Top 50 performing companies in the U.S. property casualty insurance industry.

The award for 2011 comes a year after Lancer was recognized by Ward's for its performance in 2010.

In making the announcement, Ward Group Partner Jeff Rieder noted that the 50 companies selected, which includes Chubb Group, Progressive Insurance, USAA, and The Travelers, distinguished themselves from the more than 3,000 companies analyzed by demonstrating the ability to thrive in challenging economic times.

The Ward Group is the leading provider of benchmarking and best practices research studies for insurance companies.

It specializes in analyzing staff levels, business practices and expenses for all areas of insurance company operations.

"In selecting the Ward's 50, we identify companies that pass financial stability requirements and measure their ability to grow while maintaining strong capital positions and underwriting results over a 5-year period," said Rieder.

Companies are measured and ranked in performance based on their five-year record for the following metrics, Average return on equity, average return on assets, average return on total revenue, growth in net premium written, improvement in leverage ratio, and average combined ratio.

In accepting the designation, Lancer President Dave Delaney commented on the company's performance during the challenging business environment of recent years.

He credited company management and staff for achieving the Ward's 50 benchmark of remaining profitable and strengthening surplus at a greater rate than the overall property casualty insurance industry.

Prevost coaches 'star' in TV ads

FORT McMURRAY, Alberta — Prevost motorcoaches are being featured in a television and print advertising campaign aimed at promoting Canada's homegrown oil and natural gas industry.

Developed by the Canadian Association of Petroleum Producers, the ads focus on the far-reaching economic impact energy producers have on the Canadian economy.

The ads also deliver a more subtle message that members of the association, which produce more than 90 percent of Canada's natural gas and crude oil, also are saving energy by using motorcoaches to transport their workers to Canada's famed oil sands in northern Alberta.

Roughly 400 Prevost motorcoaches move upwards of 20,000 workers daily from communities to mines and drilling operations in the oil sands region.

Prevost supplies between 25 and 45 new coaches annually to oil sands transportation companies.

"Prevost is extremely proud of the shared economic influence generated by Prevost and (the Canadian Association of Petroleum Producers)," said Gaetan Bolduc, Prevost CEO.

"Whenever I visit the Alberta oil sands and see the abundance of activity and hundreds of motorcoaches, I am reminded of the influence our industry has on the economy and the contribution Prevost makes to the people of Canada.

"Prevost recognizes the positive environmental impact our product has, and we applaud (the Canadian Association of Petroleum Producers) for incorporating this green solution into their strategy," added Bolduc.

One of the television ads can be viewed at: *http://youtu.be/MT-lSmfNVKw*.

Dixon Meyers Bus is acquired by Windstar Lines of Iowa

CARROLL, Iowa — Windstar Lines Inc. has purchased the assets and bookings of Rochelle, Ill.-based Dixon Meyers Bus Lines from long-time owners Marv and Bev Binkley.

With the acquisition, Windstar Lines opens its first terminal in Illinois, and sixth overall. The former Dixon Meyers facility is in Rochelle, which is roughly 80 miles west of Chicago near the junction of Interstates 39 and 88.

Windstar Lines has four locations in Iowa (its home base in Carroll, plus Cedar Rapids, Des Moines and Dubuque), as well as a location in Lincoln, Neb.

"Marv and Bev (Binkley) have been in the industry a long time, and decided it was best to focus on their trucking operation at this time," said Jeff Greteman, president of Windstar Lines.

"This acquisition will work out great as having a terminal near Chicago has always been on our radar; it's our most popular destination."

All former Dixon Meyers' drivers, office staff and shop personnel were offered employment by Windstar.

One of Dixon Meyers' four motorcoaches was acquired in the purchase, and that bus is being repainted, refurbished and branded with Windstar livery. The Dixon Meyers Bus name is disappearing.

Dixon Meyers Bus Lines was a family-owned charter bus operation serving northern Illinois, as well as metro Chicago, for nearly 40 years. It also was a long-running member of Trailways.

A sister trucking company, Dixon Meyers Transportation, continues to operate and is leasing part of the Windstar facility in Rochelle.

Windstar Lines is the largest motorcoach company based in Iowa, operating more than 50 coaches. Founded in 1995, Windstar was ranked as the 33rd largest motorcoach fleet in North America by *Metro Magazine*.

Early this year, Windstar was chosen as the 2012 winner of the United Motorcoach Association Vision Award for large operators at UMA Motorcoach Expo in Long Beach, Calif.

Three Twenty-One Capital Partners, LLC (321 Capital), a Baltimore-based investment banking firm, assisted the Binkleys with the sale of their coach company.

Calendar

AUGUST 2012

21 Bus Association of New York State Americans with Disabilities Act Training, 74 State Hotel, Albany. Info: Call (877) 699-7222 or (518) 383-4621, or email *bany@BANYbus.org*.

24-28 Student & Youth Travel Association Annual Conference, Gaylord Opryland Resort and Conference Center, Nashville, Tenn. Info: *www.syta.org*.

27-28 Midwest Bus & Motorcoach Association Annual Meeting and Bus Rodeo, The Riverfront Hotel, Grand Rapids, Mich. Info: *www.mbmca.org* or call (608) 354-7110.

SEPTEMBER 2012

10-12 17th annual BusCon, Navy Pier, Chicago. Info: *www.BusConExpo.com*.

12-14 2012 International Fuel Tax Association/International Registration Plan Managers and Law Enforcement Workshop, Hilton Phoenix East, Mesa, Ariz. Info: *www.iftach.org*.

13-16 2012 North Carolina Motorcoach Association/ Virginia Motorcoach Association Joint Annual Meeting & Marketplace, Benton Convention Center and Marriott Winston-Salem, Winston-Salem, N.C. Info: *www.ncmotorcoach.org* or *www.vamotorcoach.com*.

Coach sales

CONTINUED FROM PAGE 1

second quarter of 2012 than during the same quarter last year.

The Temsa TS-35 was the fourth-best-selling coach in North America during the most recent quarter, delivering 27 coaches. That means for the first half of 2012, 55 Temsas were sold, putting the Turkish-built coach and its distributor, CH Bus Sales, on track to sell more than 100 for the year, a genuine milestone.

All but four domestic models either equaled or exceeded sales in the second quarter of 2011. Two of the four models that had reduced sales were commuter coach models hit by the slowdown in public transit orders.

"Hence, our private-sector sales are doing fine and, except for (the) four models, we have an across-the-board increase from last year," said Plachno.

Developments at three North American motorcoach suppliers either impacted sales during this year's second quarter or will impact sales in future quarters.

Bailing out

ABC Companies, which distributes Van Hool coaches, informed Plachno it would no longer be supplying sales figures for its TD925 double-decker model.

"We will report on Cs (C2045 models) and Ts (T2145 models) but will not be reporting on TD's for competitive and confidential reasons," ABC said.

Most TD925s are purchased by megabus.com, which has adopted the double-decker with success on its intercity routes, but is locked in a tough competitive battle with Greyhound, BoltBus, Peter Pan, Chinatown and other discount operators, and a handful of Trailways companies.

Plachno has decided against adjusting delivery figures for previous quarters — to assure more accurate comparisons — "since it appears that most of the Van Hool double-decks either replaced conventional single-deck coaches or were expansion of new routes," he said.

> 'Three traditionally popular models – the MCI J4500, Prevost H3-45 and Van Hool C2045 – increased market share in the second quarter.'

This year's second quarter is the first that doesn't include TD925 deliveries.

Starting next quarter, sales of Setra coaches likely will be reported by Motor Coach Industries, which is taking over distribution of the German-made coaches from Daimler Buses North America (see May 15 *Bus & Motorcoach News*).

In addition to Setra, Van Hool and Temsa, National Bus Trader also tracks sales of new models produced and sold by MCI and Prevost Car, plus the Mexican-built Volvo 9700 sold by Prevost.

There is one new model being tracked by *National Bus Trader*, the Prevost X3-45 VIP conversion shell, which replaces the Prevost LeMirage XL II motor home conversion shell.

The magazine has published annual motorcoach industry sales figures since 1985 and issued quarterly sales reports since 2001.

Old favorites favored

Sales of MCI J4500s, Prevost H3-45s and Van Hool C2045s represented a combined market share of 50.5 percent of all seated coaches sold during this year's second quarter.

In recent quarters, the three best-selling seated coaches had a market share below 50 percent. In fact, during this year's first quarter, the three top-selling seated models had a market share of less than 36 percent. In the fourth quarter of last year, the market share was 39 percent.

The 50.5 percent figures means buyers concentrated their purchases on fewer models than at any time during the past year or so.

There were 143 Van Hool, Setra and Temsa coaches sold in the second quarter of 2012, up from 128 coaches in the second quarter of 2011.

The market share of imported coaches in this year's second quarter was 37.2 percent, compared with 31.4 percent a year ago.

"While the 37.2 percent market share for imported coaches is very high, it should be noted that since commuter coach sales are domestic coaches, the decline in public-sector sales in this second quarter would automatically increase the percentage of import sales to some extent," Plachno noted.

Canada is steady

Purchases by Canadian operators, traditionally around a 10 percent market share, have fluctuated in recent quarters. The Canadian market share came in at 41 coaches, or 10.7 percent of the total, in this year's second quarter.

The most popular seated coach models during this year's second quarter, following the MCI J4500, Prevost H3-45, Van Hool C2045 and the Temsa TS-35, were the MCI D4000, reflecting a large sale to Los Angeles DOT, the Van Hool T2145 and the Setra S 417.

All five of the reporting manufacturers had a model on Plachno's "Hit Parade" of most-popular seated models.

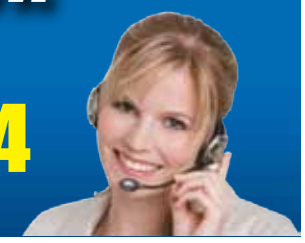
Conversion shell sales in this year's second quarter totaled 16 coaches, or a market share of 4.2 percent. That was up from 14 coaches in the second quarter of 2011, but down from 20 in the first quarter of this year.

Auto stick-shift transmissions were installed in 27 coaches in this year's second quarter, representing 7 percent of the total. This is down from 59 coaches, or 20.2 percent of the total, in the second quarter of 2011.

For more information, contact Plachno by email at *lplachno@busmag.com*.

Get a Close Look at a Reliable MCI Pre-Owned Coach.

Call our Coach Concierge at **1-877-428-9624**



One-year limited warranty, and 60 days/30,000 miles scheduled maintenance!*** — Certified++

*60-day limited warranty, plus 60 days/30,000 miles scheduled maintenance!*** — Select+

Low prices on all makes and models. These are some of our most amazing deals! — Deal

Deal

2005 Setra S417 HDH

DD S60 12.7L, Allison B-500R, Newly available. VIN #00281. **Only $207,800!**

Deal

2007 Setra S417 HDH

DD S60 12.7L, Allison B-500R, Newly available. VIN #00496. **Only $247,900!**

Deal

2003 Prevost H3-45

DD S60 12.7L, Allison B-500, Wheel chair lift, aluminum wheels. VIN #14506. **Only $162,800 (CDN)!**

Deal

2004 Prevost LeMirage XLII

DD S60 12.7L, ZF Astronic, Recently discounted. VIN #28135. **Was $146,000 (CDN) Now only $130,000 (CDN)!**

Deal

2010 Volvo 9700

Volvo D-13, Volvo I-Shift, Low mileage, aluminum wheels, warranty in effect on engine/transmission. VIN #40337. **Only $297,500!**

Deal

2007 Van Hool T2145

CAT C-13 410HP, Allison B-500, Competitor premium, west coast/southern unit, recently discounted. VIN #44838. **Was $275,000 Now only $254,000**

Deal

2006 Van Hool C2045

CAT C-13 410HP, ZF Astronic, Recently discounted. VIN #47144. **Was $208,000 Now only $170,000**

Deal

2004 MCI J4500

DD S60 12.7L, ZF Astronic, Steel wheels. VIN #62499. **Only $180,000!**

Deal

2006 MCI J4500

CAT C-13 410HP, ZF Astronic, West coast/southern unit, aluminum wheels. VIN #63428. **Only $201,000!**

MCI Sales & Service Centers

California	New Jersey	Illinois	Florida	Texas	Canada
800.777.4101	800.262.1287	800.428.7626	800.390.0287	800.248.4942	800.663.3328

*See www.mcicoach.com/preowned for complete POC limited warranty details.

**Scheduled preventative maintenance inspections and recommended fluid and filter changes at an MCI service center included for 60 Days/30,000 Miles, whichever comes first, as determined by the maintenance manual applicable to the coach. Service intervals assume mileage is zero at date of pre-owned coach delivery.

Price quoted is in U.S. dollars and does not include any applicable sales or excise tax, title, license, documentation or environmental fees or handling charges. All coaches are available for, and subject to, immediate sale to the first qualified buyer.

Introducing, MCI Re-Energized Pre-Owned Coaches

To our valued customers,

Get a coach the way you want it—Re-Energized and with the options you want. We choose sound coaches from the South and the West and put them through our 210-point inspection at MCI's repair facility in Loudonville, Ohio.

We do the body work, paint, perform mechanical repairs and update the powertrain as required, including installing new ECMs and harnesses. We clean or retrofit interiors, clean the A/C returns, scrub the floors and add the finishing touches. You can add desired options including 110-volt outlets, Wi-Fi, Satellite TV, new seats with seatbelts, a wheel chair lift or anything else we can install for you. A Re-Energized coach will offer many, many more years of great service to you and your customers. So please contact one of our Sales Representatives who will be able to assist and help you add one of these coaches to your fleet.

MCI Re-Energized Quality Preowned

Sincerely,

Mitch Guralnick
Director of Pre Owned Coach Sales

Log in to MCI Learn
MCI's FREE Webinar Training
www.mcicoach.com/webinar

MCI

Reliability Driven™

Find our latest news and offers: