

# Bus & Motorcoach NEWS

WHAT'S GOING ON IN THE BUS INDUSTRY

## Evaluating your insurance company: No simple chore

When it comes to purchasing liability coverage for their fleets, motorcoach operators often have difficulty finding reliable information about insurance companies.

One challenge is that most such companies are privately held and generally only make their financial information available to independent rating agencies and state insurance regulators.

Insurance company ratings

often are based on the companies' overall business, not just their bus insurance segments.

In addition, only a few companies offer policies to bus companies directly or through their appointed agents. The rest write policies through what are called managing general agents, which act as wholesalers for insurance companies that don't want to create new divisions for bus insurance,

with in-house underwriters and claims adjusters.

Many such insurers are transient, moving in and out the bus liability market.

"One of the problems the industry has is that some companies manage to cobble together an "A" rating, contract with a (managing general agent), and then fold," said United Motorcoach Association Vice President Ken Presley, who

worked for years in the bus insurance industry.

"Bus insurance is some of the most volatile insurance an insurer can write," Presley observed. "Losses can catch up with you quickly because it doesn't take much to rack up claims. Approximately three-dozen companies have stopped writing bus insurance or have gone out of business."

The bus insurance industry has

changed dramatically during the past 25 to 30 years.

In the 1980s, there were only a few companies offering policies. Two of them — Lancer Insurance Co., which was established in the early 1980s, and National Interstate Insurance Co., which started in 1989 — are still writing policies in the industry, but bus insurance is only a part of their overall business today.

CONTINUED ON PAGE 24 ►

## Tour business remains tough for operators

Nearly two decades after the oldest members of the "Greatest Generation" began cutting back on their leisure travel, sending the bus tour business into a prolonged slide, motorcoach operators are still struggling to bolster the tour side of their operations.

Some have found success by targeting the "fly-and-ride" market, and by offering shorter, less-structured tours favored by younger, more independent travelers.

Others continue trying to lure Baby Boomers off planes and out of their autos and onto buses.

"In the last several years, the mature or senior market definitely went backwards," notes Don Oberle, president of Navigator Motor Coaches of Norfolk, Neb.

"They tend to be pretty conservative travelers. They don't want to pull money from their retirement investments to go on vacation. So we really haven't seen that market pick up."

Oberle and other operators have, however, seen business pick up with inbound foreign travelers from areas where the currency is stronger than the U.S. dollar, such as Asia, Australia and the United Kingdom.

Another growing segment has



**Museum bound.** Retired *PBS NewsHour* anchor and life-long bus nut Jim Lehrer is donating his 1946 FlixBus to the Museum of Bus Transportation in Hershey, Pa. Lehrer has owned the restored coach for 25 years. Below is how it appeared when Lehrer and his wife got it. Story on Page 25.



been domestic fly-and-ride travelers who fly into a city and then take short bus tours to area attractions.

"Fly-and-ride tours are becoming more popular because people want to get to their destination as fast as possible and use it as home base," said Greg Barnes, operations director at Holiday Vacations

in Eau Claire, Wis. "They want to fly to a city like New York or Los Angeles and then take bus tours from there."

Barnes, whose company sets up tours around the country and contracts with local motorcoach operators for buses, said longer bus tours that were popular in the

CONTINUED ON PAGE 22 ►

## Out-of-service rate moves higher during Roadcheck

GREENBELT, Md. — For seven straight years, starting in 2007, the out-of-service rate dropped for motorcoaches and buses inspected during the annual Commercial Vehicle Safety Alliance Roadcheck safety blitz.

The string of progressively lower out-of-service rates ended this year during Roadcheck 2014, and because of a shift in the way buses are picked for inspections now days it seems unlikely the industry will again experience declining out-of-service inspection rates.

During this year's Roadcheck, which operated over a three-day

period in early June, the out-of-service for motorcoaches and buses rose to 9.3 percent.

That was a 31 percentage-point increase from the 7.1 industry out-of-service rate posted a year ago during Roadcheck 2013. (See Oct. 1, 2013 *Bus & Motorcoach News*.)

The 2013 rate was 17 percentage points better than 2012 and the lowest rate posted during the past 14 years. Prior to last year, the previous low for buses — since 2000 — came in 2001 when it was 7.7 percent.

This year's 9.3 percent rate

CONTINUED ON PAGE 22 ►

## Coalition calls for FMCSA to pull CSA from public view

WASHINGTON — A coalition of 10 ground transportation industry groups, including the United Motorcoach and American Bus associations, has asked U.S. Department of Transportation Secretary Anthony Foxx to halt the public availability of the CSA safety ratings.

The coalition cited government research that found the scores unreliable.

The Government Accountability Office said the FMCSA system lacks sufficient safety-perfor-

mance information that would enable anyone to reliably compare one carrier with another.

But beyond that, the "scores do not represent an accurate or precise safety assessment for a carrier," the coalition wrote.

The industry groups are seeking removal — from public viewing — of motor carriers' Compliance, Safety, Accountability scores that are compiled and promulgated by the Federal Motor Carrier Safety Administration through its Safety

CONTINUED ON PAGE 22 ►

PREVOST

<https://www.prevostcar.com/pre-owned>

THE RIGHT PRE-OWNED COACH FOR YOUR NEEDS

CONTACT FOR MORE INFORMATION:

Michel Dery 418.831.2046 CANADA

Carl Stevens 800.874.7740 EAST U.S.

Mark Lein 800.421.9958 WEST U.S.

ALL MAKES  
& MODELS  
AVAILABLE



ENGINEERED

# LUXURY

+sensibility



## Van Hool TX

### Can a luxurious touring coach be sensible to operate?

With Van Hool, the answer is yes! Van Hool coaches are engineered to help owner/operators compete at their highest level by providing high quality, reliable and durable coach models built to optimize operating and ownership costs while delivering luxurious comfort and amenities for passengers.

LUXURY  
+sensibility

**VAN HOOOL**

Luxurious interior trim with plush leather seats and ambient lighting



Ergonomically engineered controls and features optimize the driver experience

© 2014 ABC Companies. All rights reserved.

For more information or to add Van Hool to your fleet, contact ABC Companies at: **877.427.7278** option 1, or visit **[www.abc-companies.com](http://www.abc-companies.com)**

**ABC**  
COMPANIES  
Exclusive U.S. **VAN HOOOL** Distributor

# West Coast industry legend Darlene Cochran retires

ANAHEIM, Calif. — While passengers on board luxury ocean liners are usually dazzled by blue-green seas and rugged coastlines, Darlene Cochran's attention on a recent Baltic cruise was drawn to the Setras, Volvos and Scania's that maneuvered near the pier when the ship pulled into port.

"I'd have fun counting the numbers of buses and watching how the tour company did the meet-and-greet," she said. "My sister said, 'don't you get enough of buses at home?'"

Cochran's interest in the commonplace details of land travel — even when she's on a cruise — isn't surprising.

A pioneering female in a male-dominated world, and a gifted manager and operator, she's a legend in the bus industry. Now, after 40 years in the business, she's retiring.

In her most recent position as general manager of Coach USA's operation here, Pacific Coast Sightseeing, she was one of two top female managers in the Coach USA network's 41 North American companies. The other is Kristin Martinez — and she credits Cochran as her role model and mentor.

"I think that everything she does comes from the heart, always," said Martinez, who will succeed Cochran as GM in Anaheim. "The decisions that she makes are business

based, but they're always in the best interest of the person who she's dealing with, as well as the company.

"The one thing I've learned from her is if you're fair, and you're treating people fairly, then everything else is going to come."

### Tributes aplenty

Similar tributes to Cochran flowed at her retirement party at Pacific Coast Sightseeing last month. Colleagues and others who worked with her praised everything from "her passion for this industry," to her even temper, to her ability to "talk the talk and walk the walk."

Her long-time colleague Mike Waters praised her organizational skills.

He said she called on them last year when the company won a major contract to provide Amtrak Thruway service for about 30 round-trip schedules, and ended up facing a tight, three-week deadline to get them running.

"Darlene was the one who got it done."



Darlene Cochran

CONTINUED ON PAGE 20

# Fung Wah owner decries federal regulator's 'death sentence'

BOSTON — Fung Wah, the legendary Chinese-American bus operation that pioneered curbside service and cheap fares between Boston and New York City more than a decade ago, has posted an incendiary letter on its website, decrying its treatment by federal safety regulators.

Fung Wah was shut down nearly 18 months ago after investigators were denied access to its safety records, according to the Federal Motor Carrier Safety Administration.

"In order to help the govern-

ment save face, we had not disclosed to the public the facts and circumstances of what happened that led to us losing our license to operate," reads the Fung Wah letter. "We have stayed silent, until now."

The Fung Wah letter details what it calls "serious wrongdoings" by the federal government that led to it being pulled off the road in March 2013 — and kept off ever since.

(See March 15, 2013; April 15, 2013; Sept. 1, 2013, and March 1, 2014 issues of *Bus & Motorcoach*

News.)

Pei Lin Liang, president of Fung Wah Bus Transportation Inc., cited several examples of what he called the government's "unjust and heavy hand," including giving the company less than two hours to respond to a subpoena for thousands of documents.

The letter claims Fung Wah has resolved every safety issue and was never given a "real legal reason" why it is not allowed back on the road.

The letter also noted that Liang

has a welding license and performed all of the welding repairs on company buses. A state inspection of Fung Wah coaches at the time the company was shutdown found frame cracks on several buses. One coach reportedly had a large hole in the floor.

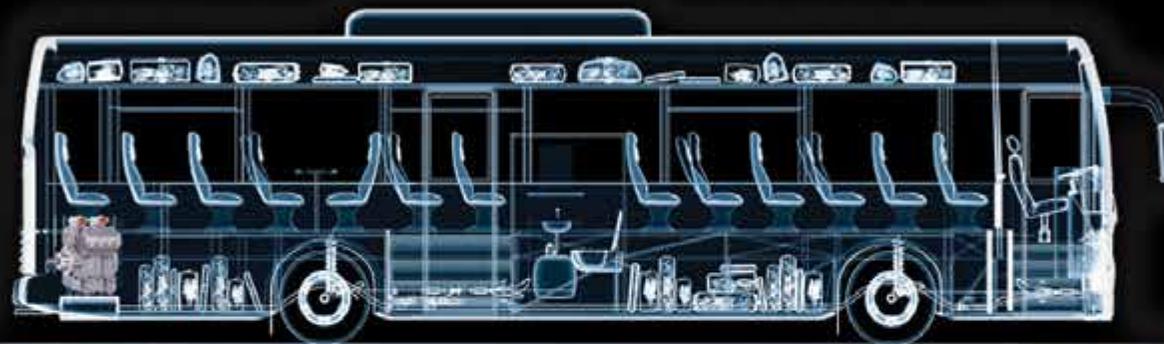
"Do not play games with us," Liang wrote. "We admit, we must accept some responsibility for our misgivings but nothing that we have done nor didn't do would ever account to an unqualified death sentence."

After Fung Wah denied investigators access to company safety records in February 2013, the FMCSA said it subpoenaed the files, which revealed shoddy repairs, falsified maintenance records, and a failure to monitor drivers' hours of service and screen them for drugs.

Fung Wah contends the federal agency gave it less than two hours to respond to a subpoena for 22,000 documents. The agency said the carrier had been notified

CONTINUED ON PAGE 24

You Purchase "State of the Art" Buses...  
Why not Demand a "State of the Art" A/C Compressor?



Demand a BITZER Compressor from Your Systems Provider

### Some of the Many Features:

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



BITZER U.S., Inc.

To learn more, visit [www.bitzerus.com](http://www.bitzerus.com)

Phone: 770-503-9226

Email: [sales@bitzerus.com](mailto:sales@bitzerus.com) / [mlich@bitzerus.com](mailto:mlich@bitzerus.com)

# THE DOCKET

## N.Y. operators face workers' comp liabilities

SCHENECTADY, N.Y. — An unknown number of motorcoach operators, plus scores of trucking companies, appear to be on the hook for thousands of dollars in workers' compensation liabilities.

The bus and truck operators began receiving bills last year from the State of New York Workers' Compensation Board, stating they owed the money and offering a payment plan.

Then, in April, a revised payment scheme was presented for members of at least one of the trusts, with options to pay the liability in a lump sum, or use a one-, two- or ten-year payment plan.

The genesis of the mushrooming financial fiasco was in the mid-1990s when New York set out to reform its workers' compensation system by allowing employers to form self-insured trusts.

"The hope in the beginning was that employers who had direct involvement in managing their employees could pool the risks, resulting in lower premiums," said one attorney who is working on the issue.

More than two dozen of the self-insured trusts, including at least three transporta-

tion-related trusts, have gone insolvent but retain huge liabilities.

According to one attorney, there are more than 7,000 members of the trusts. The estimated liabilities are around \$1 billion.

The three readily identifiable transportation trusts have liabilities of \$56 million, \$66 million and \$42 million.

### Poor management, oversight

The problems with the trusts apparently developed because they were often managed by individuals or companies that had little experience with insurance regulations, and few regulatory controls were in place to ensure proper monitoring because the concept was so new.

"Ultimately, the optimistic goals of the trusts went by the wayside," said an attorney. "With few regulatory controls in place to ensure proper monitoring, the trusts started underreporting liabilities, claims reserves and failed to disclose the true liabilities of the trusts."

It took years before the State of New York Workers' Compensation Board realized the magnitude of the problems associ-

ated with the trusts.

In the mid-2000s, the trusts began to fail and the board began taking over the trusts that were in the worst shape.

Since then, the board has hired forensic accountants to look at the books in an attempt to restructure the debt of the trusts and calculate the liabilities of each trust. The methodology the board used to come up with the amounts trust members owe reportedly is very complicated.

### In the mail: Big bills

Motorcoach operators and truckers who have received letters from the Workers Compensation Board report they have received bills ranging from \$14,000 to \$58,000.

The trust program was terminated in 2010.

It is known that motorcoach operators were members of the Empire State Transportation Workers' Compensation Trust. It is not known whether coach operators may have been members of the other trusts: The Transportation Industry Workers Compensation Trust and the Team Transportation

CONTINUED ON PAGE 8 ►

## Appeals court deals huge blow to FedEx driver hiring system

OAKLAND, Calif. — FedEx has lost another misclassification-of-independent-contractors court case.

The Ninth Circuit U.S. Court of Appeals ruled that a class of 2,300 individuals working for FedEx Ground was misclassified as independent contractors instead of employees.

As a result, FedEx may owe its workforce of drivers tens (if not hundreds) of millions of dollars for illegally shifting to them the costs of such things as the FedEx-branded trucks, FedEx-branded uniforms, and FedEx scanners, as well as missed meal and rest-period pay, overtime compensation, and penalties.

The case, known as *Alexander v. FedEx Ground*, covers employees in California from 2000-07.

The court's majority opinion was clear on the question of whether the workers were employees or independent contractors, stating "We hold that plaintiffs are employees as a matter of law under California's right-to-control test."

The court decision is the most recent in a series of cases that have challenged FedEx Ground's independent contractor model, with rulings generally holding that the model is built on a legal fiction that FedEx drivers are in business for themselves.

The Ninth Circuit decisively rejected the notion.

The court's finding that drivers in California are covered by California's workplace protection statutes not only impacts one of FedEx Ground's largest workforces but could influence the outcome in over two-dozen cases nationwide in which FedEx Ground drivers are challenging the legality of their independent contractor classification, according to one attorney involved in the case.

Hundreds of thousands of packages are delivered every day across California under the control, direction, and supervision of FedEx Ground.

The FedEx case could have implications for the bus industry. Those operators that use so-called independent contractor drivers could be at risk. The thought being that the drivers are under the control, direction and supervision of the company that contracts for them.

One attorney said FedEx now requires its contractors in California to hire a secondary workforce of FedEx drivers, who do the same work as the plaintiffs under the same contract.

The attorney contends that the Alexander decision calls into question FedEx's strategy of making plaintiffs the middle men between the secondary workforce of drivers and FedEx.

## Maine Turnpike speed limit is increased to 70, drivers already there

PORTLAND, Maine — The maximum speed limit on the Maine Turnpike has been increased from 65 to 70 miles per hour in many locations.

In announcing the changes, the Maine Turnpike Authority said that while much of Interstate 95 along the turnpike will become 70 mph, there are exceptions:

- South of mile 2.1 on I-95 in Kittery, the maximum speed will remain at 65 mph
- Through Greater Portland, north of mile 44.1 in Scarborough and south of mile 52.3 in Falmouth the maximum speed will go from 55 mph to 60 mph
- On the Falmouth Spur the maximum speed will move from 50 to 60 mph

"With the improvements that have made Maine's interstates safer, such as added guardrails in the median and clearing along the highway, it makes sense to raise the speed limit to the rate at which most people are already traveling, if it is safe to do so," said turnpike authority Executive Director Peter Mills.

The increased speed limits meant roughly 100 signs needed to be changed.

The move follows a decision in May increasing the maximum speed limit along other routes in Maine, following legislation that was signed into law last year. (See June 1, 2013, *Bus & Motorcoach News*.)

LCD MONITORS | AUDIO • VIDEO SOLUTIONS | RADIO • PA SYSTEMS | OBSERVATION SYSTEMS | LCD MONITORS



Game On.

JENSEN® 15" LCD Bus Monitor

and now...

Buy 3 or more, get 1 FREE!

Promotion runs 9/1-11/30

Come visit us at BUS CON booth #912  
or at APTA booth #3161.

For more information contact:

www.BusElectronics.com • Toll-free: 877.378.2267 • Tim@RVCams.com

# Scott Darling becomes acting administrator at FMCSA



Scott Darling

WASHINGTON — Scott Darling, chief counsel of the Federal Motor Carrier Safety Administration for the past two years, became acting administrator of the agency late last month.

He succeeded, at least on a temporary basis, Anne Ferro, who departed after nearly five years to become president of the American

Association of Motor Vehicle Administrators.

Another major change looming at the agency is the departure of Deputy Administrator Bill Bronrott, who will leave his job by the end of the year.

Bronrott had been mentioned in a few outlying circles as a possible successor to Ferro.

Darling, as chief counsel, held one of four political appointee positions at the FMCSA. He was appointed by President Obama in September 2012.

He 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.

Obama has not indicated if he will nominate Darling to be the permanent FMCSA head, which would require Senate confirmation.

“That’s obviously an option,” Steve Kepler, executive director of the Commercial Vehicle Safety Alliance, told one trucking publica-

tion. The CVSA represents the state and local police agencies that enforce federal bus and truck safety regulations.

CONTINUED ON PAGE 8

## FMCSA proposes to negotiate a rule for driver training

WASHINGTON — The Federal Motor Carrier Safety Administration announced it will consider trying to come up with a training rule for commercial vehicle drivers using negotiations to resolve details that sidelined its earlier efforts.

For seven years the agency has been attempting to come up with standards for entry-level driver training.

A year ago the agency pulled its proposal because of disagreements over how it should work, even though there was general agreement with the concept.

Now, the agency is proposing a negotiated rulemaking.

It has hired a “convener,” Richard Parker of the University of Connecticut School of Law, to see if agreement is possible among carriers, driver groups, trainers, state agencies, safety advocates and insurance companies.

Parker will interview the various parties and assess the possibility of agreement. The agency will use his report to determine whether or not to proceed with negotiations.

If the agency decides to go forward, it will invite representatives of the interest groups to collaborate on a draft of a proposed rule. If they can do that, the draft would be posted for public comment.

The negotiation will have to resolve differences over basic details such as whether training should be measured by hours or by performance.

Other issues are how driver training schools should be accredited, if there should be a graduated licensing program and how the behind-the-wheel portion of the training would be conducted.

In addition, the 2012 highway bill, MAP-21, requires the agency to establish a training regime that addresses safety performance and hazmat operations, and it must certify that applicants and trainers meet federal standards.



Before you take a turn for the worst...

Get Lancer behind your fleet!

Since 1985, motor coach companies have known that, when disaster strikes, no insurer has their back like Lancer. Today, more than 1,250 industry clients rely on lightning on-site support from our exclusive Catastrophic Response (CAT) Team...and over 100 nationwide bus claims specialists whose only job is to get them back on the road to profits fast!

For a premium quote, call your agent or 800-782-8902 x3264.

Email: bus@lancerinsurance.com

Learn more: [lancerinsurance.com](http://lancerinsurance.com)



**LANCER**  
INSURANCE  
The Difference is Our Attitude.



# Report: Many rural roads in poor shape, risky to drive

WASHINGTON — A new report finds that it's not just Interstates, urban highways and congested city roadways that are in need of repair and upgrading.

The study says the nation's rural transportation system also demands modernization to address deficient roads and bridges, due in part to increased truck traffic.

Plus, rural roadways suffer from high crash rates and inadequate capacity.

"Rural Connections: Chal-

lenges and Opportunities in America's Heartland," was released by The Road Information Program, a national non-profit transportation research and pro-road building lobby group based in Washington.

The report finds that traffic crashes and fatalities on rural roads are disproportionately high, occurring at a rate nearly three times higher than all other roads.

In 2012, the most recent year for which figures are available, non-Interstate rural roads had a

traffic fatality rate of 2.21 deaths for every 100 million vehicle miles of travel, compared to a fatality rate on all other roads of 0.78 deaths per 100 million vehicle miles of travel.

Rural traffic fatality rates remain stubbornly high, despite a substantial decrease in the number of overall fatalities, according to the report.

The Road Information Program defines rural America as counties that lack an urban area of

at least 50,000 in population or lack a large commuting flow to an urban county.

In addition to disproportionately high traffic fatality rates, the roads and bridges in rural America have significant deficiencies. In 2012, 15 percent of the nation's major rural roads were rated in poor condition and another 40 percent were rated in mediocre or fair condition.

In 2013, 12 percent of the nation's rural bridges were rated as

structurally deficient and 10 percent were functionally obsolete.

Connecticut had the highest percentage of rural roads in poor condition, 35 percent, followed by Rhode Island and West Virginia, each at 33 percent, and Hawaii and Michigan, each at 32 percent.

Pennsylvania and Rhode Island have the highest percentage of deficient bridges at 25 percent, followed by Iowa at 22 percent, South Dakota at 21 percent and Oklahoma at 20 percent.

When it comes to the fatality rate on rural roads, South Carolina is the highest at 3.99 per 100 million vehicle miles travelled, followed by Florida at 3.55, West Virginia at 2.8, Texas at 2.76 and Arkansas at 2.71.

All of these fatality rates are more than twice as high, to more than five times, each state's fatality rate for all other roads.

The report also finds that the development of major new oil and gas fields in numerous areas, as well as increased agricultural production, are placing significantly increased traffic loads by large trucks on non-Interstate rural roads, which often have not been constructed to carry such high load volumes.

# Audit: Federal bridge oversight is lagging

WASHINGTON — Another example of business as usual in the federal bureaucracy?

The Federal Highway Administration has implemented only half of the congressionally mandated recommendations to improve oversight and safety mechanisms for the nation's bridge programs, an audit by the USDOT Office of Inspector General revealed.

The audit, released late last month, indicated the highway agency has responded to only 12 of 24 recommendations enacted by Congress in the 2012 highway bill, known as MAP-21, Moving Ahead

for Progress in the 21st Century.

The recommendations range from collecting bridge data from states to re-evaluating the signage that marks vertical clearance underneath bridges.

"(The Federal Highway Administration) has 12 actions in progress to address MAP-21 bridge safety and funding provisions. These actions include issuing rule-makings, submitting reports to Congress, and providing guidance to the states," the audit stated.

"Of the 12 actions, the most significant are related to two rule-makings regarding MAP-21's per-

formance and accountability requirements for (National Highway System) bridges."

Among other findings, the Federal Highway Administration has lagged behind in holding states accountable for sending their National Highway System bridge data to the feds.

"Our analysis shows that, if (a) penalty were in place, 10 states and the District of Columbia may have been required to dedicate funds to improve their NHS bridges," the audit shows.

The audit also noted that the Federal Highway Administration

has implemented only four of 16 previous recommendations made by the Office of Inspector General in 2006.

The ranking Democrat on the House Transportation and Infrastructure Committee criticized the Obama administration for its handling of bridge safety reform, citing the USDOT inspector general audit.

Rep. Nick Rahall of West Virginia said the administration has been slow in implementing bridge safety reforms.

It was Rahall who requested the audit in 2013.

## PRE-OWNED TRANSIT BUSES FOR SALE & LEASE

- WORLD'S LARGEST INVENTORY
- HIGH & LOW FLOOR MODELS
- CERTIFIED CNG/EPA COMPLIANT
- ALL SEATING CONFIGURATIONS
- CUSTOM INTERIOR OPTIONS
- QUALITY DELIVERED ON TIME



**YOUR TURNKEY SOLUTION**

transitsales.com | sbibus.com  
800-BUS-SALE





## No country for unproven motors and pumps.



Whether your coach is running tours through the Badlands or passengers between cities, choosing brushless motors and pumps on price alone could cost you way more than the dollars you saved on the initial buy. That's why ROTRON's brushless products are always the best value, providing the lowest overall

**ROTRON®**

cost-of-ownership. Lasting two to three times longer than bargain brushless products, ROTRON motors and pumps — featuring our 60,000-hour signature pump design—let you spend more time on the road, less in the shop.

ROTRON reliability is also unsurpassed, with products backed by a warranty of up to five years and product support to quickly respond to any of your concerns. It all adds up to ROTRON products and people so proven, they're priceless.

**AMETEK®**  
PRECISION MOTION CONTROL

[www.ametektip.com](http://www.ametektip.com) | [info@ametektip.com](mailto:info@ametektip.com) | 330-673-3452



**dunkermotoren™**  
advanced motion solutions

**Haydon kerk™**  
Motion Solutions

**PITTMAN®**

**Windjammer®**  
BRUSHLESS BLOWERS

**Nautilair ROTRON®**

# Illinois veto triggers debate over mixed speed limits

SPRINGFIELD, Ill. — A veto by Illinois Gov. Pat Quinn has reignited debate over whether large differentials in truck and car maximum speed limits makes highways more dangerous for all travelers.

Quinn vetoed a bill last month that would have lowered the speed differential between cars and

trucks. The speed limit for trucks would have gone up to 60 mph from 55 mph on rural interstates in several counties.

By comparison, the top speed allowed for cars on the same highways is 70 mph — currently a difference of 15 mph.

Quinn said he issued the veto, which passed in the state House

and Senate without a single dissenting vote, because increased speeds for trucks on interstates “will result in the increased loss of human life.”

In a letter to legislators he said: “Higher travel speeds lengthen stopping distances, making it more difficult to react to an emergency in time.

“Speed also exacerbates the size and weight differences between large trucks and passenger vehicles, leading to more severe crashes.”

Quinn cited four fatal accidents in the state to support his veto, which is likely to be overridden by the legislature.

Matt Hart, executive director

of the Illinois Trucking Association, was quoted as saying the crashes the governor cited were not relevant because the speeds in all four crash locations were the same for trucks and cars.

Although research on the subject is not definitive, Hart is convinced the current 15-mph speed differential is dangerous.

## Workers' comp

CONTINUED FROM PAGE 4

Workers Compensation Trust, or Team Trust.

Team Trust reportedly had more than 760 members. The deficit for that trust is estimated at \$44.2 million.

The liability seems to go up every time the Workers' Compensation Board reanalyzes the numbers.

As would be expected, the New York Workers' Compensation Board is urging trust members to sign a memorandum of understanding, stating they will pay their assessment, using one of the payment plans.

The board's goal is to collect the amount owed to pay the assessed liabilities of each trust

each month.

### Tough choices

Some attorneys are warning that even if trust members sign the memorandum of understanding and pay a percentage each month, there is “no guarantee that the board won't come after them again.”

“Many of the members of the trust may never see a zero liability

bill,” said an attorney working with members of one of the transportation trusts. She said they may never be debt-free unless legislation is passed or an injunction is issued against the board, disallowing them from coming after the members of the trust for the trust deficits.

Of course, there are those who say the board should be aggres-

sively trying to collect the deficit from the third-party administrators who managed the trusts.

Trust members are caught between the proverbial rock and a hard place. The amount they owe could end up being less than the attorney fees they will accrue should they decide to fight the assessment.

The Workers' Compensation Board also notes that those who

do not sign the memorandum of understanding will have interest accrue on their final bill of 6 percent.

One attorney said that a May ruling by the New York Supreme Court in a case called Riccelli Enterprises et al. v. New York Workers' Compensation is promising case law for future cases brought by members of self-insured trusts.

In that case, the court upheld a lower court injunction against state efforts to assess members of another failed self-insured trust.

In any case, trust members who receive communications from the state seeking payment are being advised to consult an attorney before deciding what to do, and in any case to try to keep payments as low as possible for as long as possible.

## Scott Darling

CONTINUED FROM PAGE 5

“I don't know what the plan is; is it to get through the election or what?” Kepler said. “It's hard to tell.”

Darling is a 1984 graduate of Clark University in Worcester, Mass. His FMCSA biography says he holds a bachelor of arts degree from Clark in government, a mas-

ter's degree in public policy from Tufts University and a law degree from Suffolk University.

Bronrott joined the FMCSA in 2010. A longtime transportation safety advocate, Bronrott was elected to the Maryland General Assembly before coming to FMCSA.

During his career Bronrott has been a spokesman for the Truck Safety Coalition, a group that rep-

resents Parents Against Tired Truckers and Citizens for Reliable and Safe Highways.

He is credited with launching the Mothers Against Drunk Driving movement and had a key role in establishing the Presidential Commission on Drunk Driving and passage of the National Uniform 21 Minimum Age Act, according to FMCSA.



Don't miss this **FREE** seminar!



**PUBLIC  
TRANSPORTATION**

**CLAIMS +  
SAFETY**

**2014 SEMINAR**

**NOVEMBER 3 - 4, 2014**

## Get the knowledge to enhance your risk management solutions.

Hosted by Protective Insurance Company in Indianapolis, Ind., the **Public Transportation Claims + Safety Seminar** is your chance to hear from industry experts and network with other safety professionals. Seminar topics include, among others:

- creating a safety culture
- retaining drivers
- minimizing vehicle downtime

We'll also have a panel discussion, a networking session, and at least one bus simulator on site to demonstrate how simulators can be used as effective driver training tools. We hope to see you there!

**Register today!**

Space is limited! Contact **Stacy Renz** for details at **(800) 644-5501 ext. 2570** or **srenz@protectiveinsurance.com**.

# **Don Brown** BUS SALES, INC.



**Higher Quality**  
**Higher Profits**  
**More Business**

**GRECH**  
MOTORS LLC

**MERIDIAN**  
SPECIALTY VEHICLES

**TURTLETOP**

**SPRINTER**

Newport  
**coachworks**

BATTISTI  
CUSTOMS  
BC

**QVM**

**855-546-6060 • [www.DonBrownBus.com](http://www.DonBrownBus.com)**



**Carl Restivo**  
862-266-2923  
Carl@DonBrownBus.com



**Chris Swatt**  
202-660-2797  
Chris@DonBrownBus.com



**Terry McCart**  
518-774-5450  
Terry@DonBrownBus.com



**Ned Johnson**  
518-774-8193  
Ned@DonBrownBus.com

# FMCSA: Where due process is observed in the breach

By J. Hatcher Graham

The 14th amendment to the United States Constitution guarantees that no person's property shall be taken without due process of law.

The federal Administrative Procedures Act states that "a person suffering legal wrong because of agency action, or adversely affected or aggrieved by agency action within the meaning of a relevant statute, is entitled to judicial review thereof."

The U.S. Supreme Court has stated "we have held that the opportunity to be heard must be at a meaningful time and in a meaningful manner. (*Armstrong v. Manzo*, 380 U.S. 545, 552 (1965); *Barry v. Barchi*, 443 U.S. 55, 66, 99 S.Ct. 2642, 61 L.Ed. 2d 365 (1979).)

In a concurring opinion, Justice William Brennan stated: "Once licenses are issued ... their continued possession may become essential in the pursuit of a livelihood. Suspension of issued licenses ... involves state action that adjudicates important interests of the licensees. In such cases the licenses are not to be taken away without that procedural due process required by the 14th amendment." (*Barchi, id.*, at 69; *Dixon v. Love*, 431 U.S. 105, 112 (1977); *Gibson v. Berry-*

hill, 411 U.S. 564 (1973).

It is now established that once an entity has been issued a license to operate, (i.e., a USDOT registration number, license to operate a motor carrier, etc.) that license cannot be taken away without a due-process hearing. The license can be suspended for a short period of time; however, a post suspension hearing must be held promptly (*Barchi, id.* at 64).

## A prompt hearing, too

The reason for the requirement for a prompt, independent hearing was clearly stated in *Two Dayes Trucking (FMCSA-2013-0006)*:

"It appears undisputed that the issuance of an Imminent Hazard Out-of-Service Order is perhaps the most devastating action FMCSA can take against a motor carrier. An Imminent Hazard Out-of-Service Order, which immediately suspends an owner's business license, is issued by FMCSA when it deems a business to pose an imminent hazard to the public safety.

"This is rare agency action that deprives a business owner of a protected interest prior to affording the business owner an opportunity for a hearing. The business owner suffers not only a financial loss while out-of-

service, but also a loss of reputation. The business owner also suffers the possibility of the complete loss of its business. Even when the government's interests justify such immediate suspension action, a full hearing must be available promptly after the temporary deprivation occurs."

## FMCSA procedures

A review of the rules of the FMCSA reveals that there are two procedures whereby a motor carrier's permission to operate may be revoked.

One is the determination of a safety rating of "unsatisfactory" pursuant to 49 CFR §385.9 and the other is a designation of "Imminent Hazard" pursuant to 49 CFR §386.72 (hereafter referred to as Parts 385 and 386).

Under Part 386.72(a), Imminent Hazard Orders are allegedly only issued when it is determined that an imminent hazard exists as a result of the transportation by motor vehicle of a particular hazardous material. That would appear to exempt motor carriers that only transported passengers. However, an article in the *Bus & Motor Coach News* reported that five bus companies had been placed out of service through the issuance of an Imminent Hazard Out-of-Service Order, revocation of their federal operating author-

ity registration, and suspension of their USDOT number.

There has been some administrative "litigation" concerning the due process applicable when FMCSA issues an Imminent Hazard Out-of-Service Order.

Part 386.72(b)(4) dictates that upon issuance of an Imminent Hazard Out-of-Service Order an opportunity for a review of the order must be provided and the decision must be issued within 10 days of the issuance of the order.

The USDOT administrative law judge in *DND International, Inc. (FMCSA-2014-0159)* ruled that Congress had satisfied the "due-process" requirement by requiring an Administrative Procedure Act review within 10 days of the issuance of the Imminent Hazard Out-of-Service Order.

However, in that case, the agency did not afford the carrier a hearing and a decision within the 10-day time period. The administrative law judge also ruled that it was the issuance of the Imminent Hazard Out-of-Service Order that started the process, not a petition by the carrier, therefore, as the FMCSA had not begun the process within the 10-day period, the Imminent Hazard Out-of-Service Order and the registration

CONTINUED ON PAGE 12 ►

## Can your company survive a federal "tag-team" audit?

WASHINGTON — The federal Occupational Safety and Health Administration and the Federal Motor Carrier Safety Administration are now tag-teaming transportation employers.

They've signed a Memorandum of Understanding in which they agree to share information about allegations of safety, coercion and retaliation. (See Aug. 15 *Bus & Motorcoach News*.)

Last month, OSHA ordered a Michigan asphalt company to pay almost \$1 million to a foreman and two drivers who claimed they were fired in violation of the Surface Transportation Assistance Act for engaging in protected activity related to driver hours of service.

It's a mistake for bus and truck company owners to breathe a sigh of relief when an

FMCSA auditor drives away because the OSHA inspector may be right behind.

Here are a few areas you should look at before any auditor or inspector arrives:

- Terminal shop and fuel islands. These are considered "low-hanging fruit" for OSHA inspectors, who frequently find unguarded or unanchored grinders and drills, use of compressed air without safety nozzles, lack of eyewash facilities, bus roof repair work being done without fall protection, and unlabeled containers of oil, antifreeze and even window washer fluid.

- Safety shoes. OSHA inspectors have been known to cite employers for not requiring shop employees to wear safety shoes with protective toes.

- FMCSA compliance. The OSHA inspector may tell you in the closing confer-

ence that during the audit employees alleged FMCSA violations, such as exceeding hours of service, falsification of logs, or improper maintenance of vehicles.

- Whistleblowers. Of course, because the primary focus of the MOU is whistleblower protection, either an FMCSA auditor or an OSHA compliance officer would quickly refer any claim of safety-related retaliation to OSHA's Whistleblower Protection Programs division for investigation.

All bus driver employers should already have in place an effective whistleblower protection policy, with training for managers, supervisors, and employees.

One motorcoach operator who frequently consults with other operators on federal compliance issues predicts the FMCSA-OSHA agreement will be a disaster because

"most operators are not prepared."

To get prepared, operators need to make sure they establish or have established good safety and whistleblower policies.

The U.S. Department of Labor has reached a settlement with Gaines Motor Lines of Hickory, N.C., and its owners that includes paying more than a quarter of a million dollars to resolve findings made by the department's Occupational Safety and Health Administration.

A whistleblower complaint alleged that four former truck drivers were terminated for participating in an inspection audit conducted by the Federal Motor Carrier Safety Administration that identified log violations at the company's headquarters.

OSHA determined the firings were in

CONTINUED ON PAGE 18 ►

## 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](mailto: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](mailto:ebalm@busandmotorcoachnews.com)

Fax: (405) 942-6201

Mail: 3108 NW 54th Street  
Oklahoma City, OK 73112

Call: (866) 930-8421

To advertise: Interested in placing an ad, and new to Bus & Motorcoach News?

Call: Jamie Williams at (352) 333-3393

E-mail: [JWilliams@naylor.com](mailto:JWilliams@naylor.com)

Existing advertisers, or to submit advertising materials:

Call: Johnny Steger at (866) 930-8426

E-mail: [jsteger@busandmotorcoachnews.com](mailto:jsteger@busandmotorcoachnews.com)

Mail: 2200 N. Yarbrough, Suite B

Box No. 336, El Paso, TX 79925

To contact the United Motorcoach Association:

Call: (800) 424-8262

Online: [www.uma.org](http://www.uma.org)

## Bus & Motorcoach NEWS

A PUBLICATION OF THE UNITED MOTORCOACH ASSOCIATION

ISSUE NO. 269

### Staff

Editor & Publisher: Victor Parra

Senior Editor: Bruce Sankey

Sales Director: Johnny Steger

Industry Editor: Ken Presley

Associate Editor: Ellen Balm

Art Director: Mary E. McCarty

Editorial Assistant: Michele Nosko

Editorial Assistant: Maggie Vander Eems

Editorial Assistant: Greg Lange

Accountant: Ted Williford

### Advisory Board

William Allen  
Amador Trailways  
Sacramento, Calif.

Brian Annett  
Annett Bus Lines  
Sebring, Fla.

James Brown Sr.  
Magic Carpet Tours  
Richmond, Va.

Dave Dickson  
Elite Coach  
Ephrata, Pa.

Gladys Gillis  
Starline Luxury Coaches  
Seattle

Bob Greene  
Amaya-Astron Seating  
Omaha, Neb.

Callen Hotard  
Calco Travel  
Geismar, La.

Larry Hundt  
Great Canadian Trailways  
Kitchener, Ontario

Dale Krapf  
Krapf Coaches  
West Chester, Pa.

Godfrey Lebron  
Paradise Travel  
Hicksville, N.Y.

Joan Libby  
Cavalier Coach Trailways  
Boston, Mass.

Marcia Milton  
First Priority Trailways  
District Heights, Md.

David Moody  
Holiday Tours  
Randleman, N.C.

Michael Neustadt  
Coach Tours  
Brookfield, Conn.

Jeff Polzien  
Red Carpet Charters  
Oklahoma City

Tom Ready  
Ready Bus Lines  
LaCrescent, Minn.

Brian Scott  
Escot Bus Lines  
Largo, Fla.

Dennis Strief  
Vandalia Bus Lines  
Caseyville, Ill.

Alan Thrasher  
Thrasher Brothers Trailways  
Birmingham, Ala.

Tim Wayland  
ABC Companies  
Faribault, Minn.

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

# Employee training: It's not just drivers who need it

By Dave Millhouser

"You saved my life!" yelled Jay as he breathlessly barged into the office.

A couple of days earlier we had shipped him and four of his inexperienced driver colleagues from our garage in Colorado to Chicago to retrieve five tired buses we had purchased for shuttle work.

He and his buddies were chosen not for their skills — but for their naivety.

These guys thought that driving five empty OLD school buses a thousand miles across the prairie would be a fun adventure...and we shamelessly took advantage of them.

As the young men headed west, one by one the buses bit the dust.

Unaware of the unfolding mechanical calamity, we waited in the office with outsized hope we would hear the roar of the approaching convoy.

Instead, we were treated to the sound of the single bus that still ran, as it limped into the lot, with all five of our drivers on board. The other buses were abandoned along Interstate 80, bleaching their

bones like the remnants of a failed cattle drive

It's hard to find much in the way of hills between Chicago and Colorado, but Jay had found one. Descending, he recalled the sage advice given him by yours truly... "get your stopping done before you need it because the brakes don't always work."

Once you get past the shock of learning that once upon a time I'd been involved in training drivers, consider the fact that, at least this time, I was a prophet.

Jay's brakes did fail and because he idolized me (I did say he was naive), he'd slowed considerably before he needed them, and managed to roll harmlessly to a stop.

Training had saved him.

On a number of occasions this column has advocated for better driver training...and used the cliché (stolen from folks smarter than me) that your company is only as safe as your weakest driver.

I've also babbled about the fact that a single driver's failure can bury a whole company. All that is truer today than ever. But...

Training in many other parts of the business also has become critical.

In the current hyper-regulatory environment companies are being forced out of business or rated conditional because of poor paperwork. Logging violations, lousy record keeping (and storage), and inadequate maintenance documentation can literally close your business.

Operations people who schedule trips near the hours-of-service limits are doing you no favor and may hurt you badly in an audit.

A sales person who answers the phone incorrectly regarding a wheelchair accessible-coach request can cost you big time. And fines have been levied when an operator's website did not express and explain Americans with Disability Act policies in the approved manner.

We've always been aware that a driver's misstep could put us out of business, but at this moment in history, there are a ton more places where poorly trained employees can hurt us badly. If you don't believe it, look at the number of folks who've been rated conditional, or put out of service without having a major accident. It doesn't matter if the regulations actually relate to safety or safe operation of a bus.

They're the law.

As usual, answers are not my strong suit, but it seems clear that the "human resources" and training aspect of management, at least in the coach industry, has become critical to survival.

In ye olden days it was enough to run safe buses on time, now you have to be able to correctly document compliance with all sorts of regulations in an environment that considers you guilty until proven innocent.

These days a poorly trained clerk or sales person can damage your company severely with what used to be minor mistakes. Good intentions don't seem to count for much, and a weakness in virtually any part of your organization can create serious problems. Your company is now only as safe as your weakest employee.

This has implications both in who you hire and how you train and supervise them. A big first step is recognizing how serious the situation has become.

Another step (easy for ME to say) is to do all you can in terms of compensation to keep good people you have invested in training.

Perhaps our selection method

for choosing the five stalwarts who picked up the school buses can serve as an example of how NOT to select people.

When a bedraggled crew of potential drivers had arrived in Buena Vista, Colo., for pre-season driver training, we had an old Eagle sitting in front of the garage with no engine in it.

One wag had taken an old bicycle frame and set it on the cross member where a Detroit Diesel 8V-71 normally resides. A number of the recruits wondered what the bike was there for, and we explained that it was an "auxiliary power unit" that could be used to move the coach manually if the engine failed.

We judged that the five who actually believed the story had the requisite amount of inexperience to volunteer for the mission.

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



Dave Millhouser

**AMAYA**  
**ASTRON**

*Enjoy the journey  
in comfort and safety*

• AMAYA-ASTRON SEATING MEXICO

Phone: +52 (55) 5881 2007  
email: donovan@amaya-astron.com.mx

f Grupo Amaya-Astron

t @asientosamaya

• SALES REPRESENTATIVES FOR THE U.S. AND CANADA

George Farrell  
Phone: (864) 895 4127  
email: gfarr007@aol.com

Darrell Niswander  
Phone: (419) 892 2377  
email: darnis1@aol.com

Bob Greene  
Phone: (402) 639 4454  
email: bgreene45@cox.net

[www.amaya-astron.com.mx](http://www.amaya-astron.com.mx)

## Due processless

CONTINUED FROM PAGE 10

revocation were rescinded.

In addition, after conducting a hearing, the administrative law judge also ruled that the FMCSA had not supported its Imminent Hazard Out-of-Service Order and ruled that this was an additional reason for rescinding the order.

### Second FMCSA process

Part §385, however, is an entirely different process.

First, the FMCSA conducts a compliance review that may consist of a review of the carrier's paperwork and an inspection of its vehicles.

If the compliance review reveals alleged violations, the FMCSA will then issue a safety rating. The regulations require that the rating be issued within 30 days from the compliance review. (§385.11(a))

The rating for passenger carriers becomes final 45 days after the date of the notice. If the rating is "unsatisfactory," the carrier may request a change in the rating under §385.17 based on corrective action taken after the notice.

According to §385.17(e)(1), the FMCSA will make a decision on any request to change a rating within 30 days of receipt of the request. Obviously, the request for a change in the rating should be made within 15 days of receipt of the notice as the FMCSA historically will not delay the 45-day period for issuance of a final rating.

Under §385.17(h), if the FMCSA deter-

mines that the carrier has corrected the violations from the compliance review and currently meets the standards in §385.5 and §385.7, it is required to upgrade the rating.

### Beware of consent order

It should be stressed here that neither the statute nor the regulations require the carrier to enter into a consent order for the rating to be upgraded. However, it has been my personal experience that the FMCSA will threaten the carrier that, unless it signs a consent order, the FMCSA will not upgrade the rating.

Consent orders normally place carriers under stricter rules than the regulations and allow the FMCSA to order the carrier off of the road at a moment's notice.

The FMCSA also has a habit of stringing carriers along, making them think their corrections will be accepted and their safety status upgraded when, in fact, there is more the agency will require before the status is upgraded.

One carrier I am aware of has submitted at least four different revised safety plans only to have the FMCSA deny them and refuse to upgrade their status for insignificant reasons.

The status was only upgraded to "conditional" after signing a consent order, and then they could not get back on the road because their registration had been suspended and the process to get that returned took another few months.

A typical consent order usually does not provide for a lifting of the suspension of the registration or a return of the USDOT

number.

Pursuant to §385.15 the carrier can request the FMCSA for an administrative review of the rating process. This review must be requested within 90 days of the notice of the proposed rating, however, the regulations suggest that the request be made within 15 days of the notice as the FMCSA has 30 days to conduct the review which would exhaust the 45-day time limit between notice and the imposition of the cease order.

The "how" is missing

What is not stated is how the review is to be conducted. The request is sent to the chief safety officer of the FMCSA in Washington, D.C., who is actually an assistant administrator, but there is no requirement for the FMCSA to appoint an administrative law judge or provide any independent review.

In fact, the last few decisions issued under this regulation have been by an assistant administrator and not an administrative law judge. There is also no provision for a hearing on the merits or for the carrier to present witnesses.

It is apparent that, under Part 385, the agency is merely reviewing its own procedures and actions, which does not qualify as an independent review or as due process either under the U.S. Supreme Court cases, the Administrative Procedures Act, or even the agency's own administrative law judge's decisions.

I would also question whether or not the procedure under Part 386 complies with judicial due process, as the assistant administrator has the authority to review an administrative law judge's decision and can

overrule it, making the process futile.

### Going to court

The one avenue that is apparently open, but seldom if ever used, is a petition for a temporary restraining order or injunction in the local U.S. District Court.

The basis for the motion would be that the carrier has not been afforded, nor do the regulations provide for, a due-process hearing pursuant to the Administrative Procedures Act.

As none of the decisions generated from the field administrator (other than default orders) are classified as final orders, according to the regulations, the determination of an "unsatisfactory" safety rating does not have to be appealed to the Circuit Court of Appeals. It can therefore be challenged in District Court.

The carrier would then be entitled to an Administrative Procedures Act review of the agency actions and a reversal if it is found that they have not complied with their own regulations, or if their determinations were arbitrary, capricious, or without a substantial basis in fact.

### Unequal treatment

There is also the question of disparity in treatment.

Assume you have two passenger carriers, one of which has been issued an Imminent Hazard Out-of-Service Order and the other has been rated as "unsatisfactory" after a compliance review.

For the carrier issued an Imminent Hazard

CONTINUED ON PAGE 18 ►

## RELATIONAL BUS SYSTEMS

Charter & Tour Software

### g<sup>o</sup>Chart

Charter Management System

### g<sup>o</sup>Tour

Tour Management System

**g<sup>o</sup>Chart:** Features include customer and contract management, vehicle inventory, scheduling and dispatch, accounts receivables, and numerous accounting and operations reports. Additional modules include: Prophesy Mileage and Routing, g<sup>o</sup>Mile (IFTA reporting). Driver Duty (payroll and time management), Email, Advanced Accounting and Advance Dispatch management and reporting; and more!

**Web Manager Module:** Provides online credit card processing, integrated quote requests, online access to Drivers' schedules and other custom g<sup>o</sup>Chart data access via the web.

**Data Backup and Recovery:** Remote services includes daily, scheduled backup of RBS data files over a secure connection.

**g<sup>o</sup>Tour:** Our browser based tour management system designed specifically for the motorcoach industry. Manages reservations, itineraries, receivables, payables, produces management reports and escort, driver and customer documents for group and retail tours. Real time, fully integrated credit card processing is available using a secure and reliable gateway service. Accessible from any computer with internet access. Hosted at RBS secure data facility. RBS professional staff manages server hardware and software and performs all updates and daily backups.

**New release coming soon!**  
Visit [www.rbs2000.com](http://www.rbs2000.com) for the latest news, timeline, features, and more related to g<sup>o</sup>Tour version 3.

Call us today at 1-800-448-7001 or visit [www.rbs2000.com](http://www.rbs2000.com) to request an evaluation of g<sup>o</sup>Chart or g<sup>o</sup>Tour



**RBS** Relational Bus Systems  
[www.rbs2000.com](http://www.rbs2000.com)



## "WE Stand Behind Our Product So You Can Stand Safely Under Yours"

Offering the latest innovations in mobile lifting technology, SEFAC lifts come in capacities of 12,000lbs and 18,000lbs per column/48,000lbs and 72,000lbs set of four. With more than 30 years manufacturing mobile lifts we have proven that our lifts are built tough and to the highest quality. See for yourself at [sefac.com](http://sefac.com).



[sefac@sefac.com](mailto:sefac@sefac.com)  
1-800-826-3486 ext. 105  
[www.sefac.com](http://www.sefac.com)

Where  
the rubber  
meets the  
road...

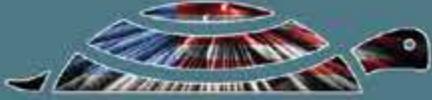


 **Foundational Checklist:**

- Steel Cage Verification
- Vehicle Component Testing
- FMVSS Compliance
- Made in the USA
- Warranty, Parts, & Service Support



...for over 50 years.

  
[www.TURTLETOP.com](http://www.TURTLETOP.com)

67819 State Road 15, New Paris, IN 800-296-2105



UMA MOTORCOACH  
**EXPO 2015**  
at **travel** exchange  
[www.motorcoachexpo.com](http://www.motorcoachexpo.com)

ERNEST N. MORIAL  
CONVENTION CENTER  
NEW ORLEANS, LA  
JANUARY 18 - 22, 2015



## UMA MOTORCOACH EXPO IS THE LARGEST ANNUAL GATHERING OF BUS OWNERS AND OPERATORS IN NORTH AMERICA!

### WHY DO SO MANY COMPANIES CHOOSE TO EXHIBIT AT UMA EXPO?

WHEN IT COMES TO QUALITY ATTENDEES READY TO BUY, UMA DELIVERS.

- \* Exhibit at EXPO and see nearly **2,000** bus and motorcoach industry personnel over just a few days.
- \* **4 out of 5** attendees are decision makers for their companies.
- \* Nearly **90%** of exhibitors reported they were satisfied with their experience at EXPO 2014.



Contact Brian Carsten at 770

Visit our

# THE INDUSTRY'S TOP BUYERS MEET AT UMA MOTORCOACH EXPO

Maximize your dollars through this critical sales channel!

## FACTS

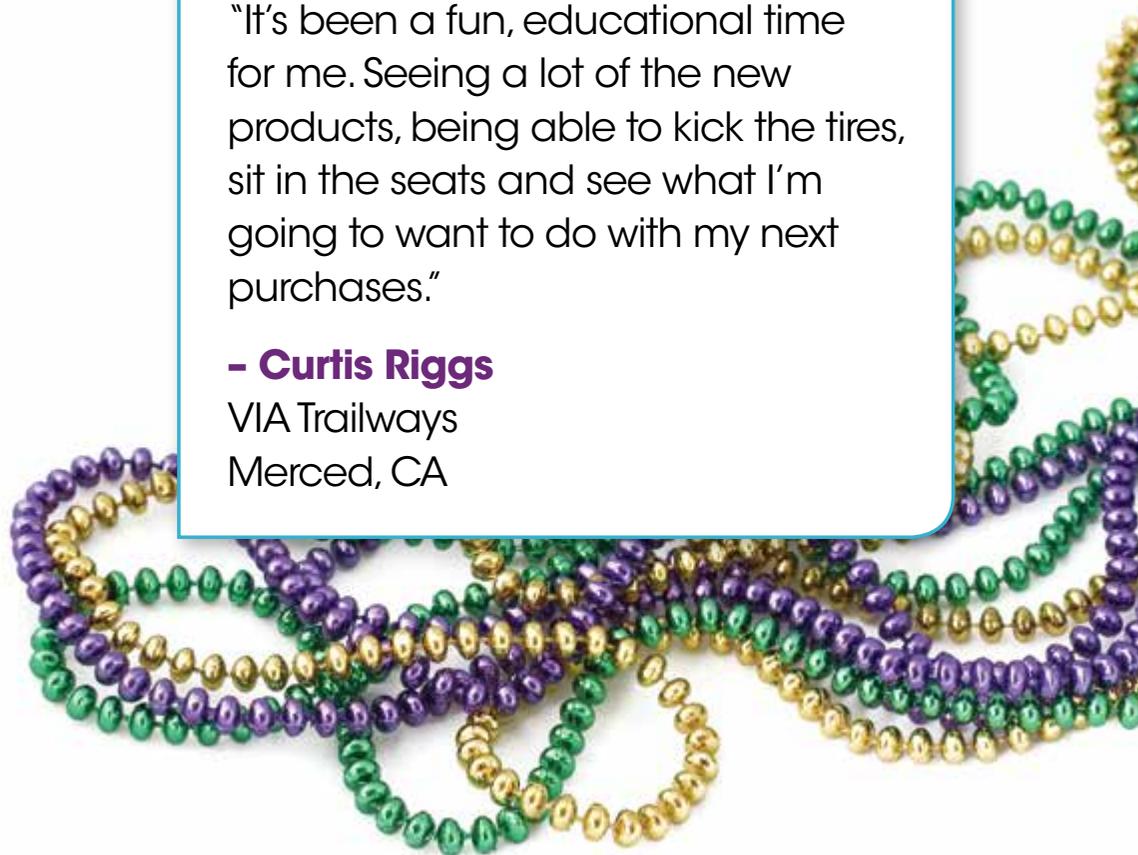
2014 EXPO attendees who came to make purchases spent an average of nearly **\$500,000** per company on equipment, products and services on-site.

2014 EXPO attendees who came to make purchases plan to spend more than **\$700,000** on average per company in the 3-12 months after EXPO based on what they saw.

**78%** of attendees are company Presidents, CEOs and Top Executives.

"It's been a fun, educational time for me. Seeing a lot of the new products, being able to kick the tires, sit in the seats and see what I'm going to want to do with my next purchases."

- **Curtis Riggs**  
VIA Trailways  
Merced, CA



## DON'T MISS OUT!

Companies are reserving their exhibit space now to make sure their products are seen in New Orleans.

**1.810.6974 or [uma@naylor.com](mailto:uma@naylor.com) for more information.**

website at [motorcoachexpo.com](http://motorcoachexpo.com)

# Trolling for customers is an awful lot like fishing

By Christian Riddell  
Motorcoach Marketing Council

I love fishing. Not just the catching part, which is great, but the chase is what gets me excited.

Fishing pits the fisherman against the fish. It's one on one, nowhere to hide, no one to blame for your failures. Often there is no one with whom to share your successes. Mostly it's just you and the fish.

For as long as I can remember, I have had this passion for fishing. I've fished streams, lakes and oceans all over the United States and Canada.

Now I fish primarily in the salt water off the Northwest Coast of Washington state, an awe inspiring part of the world.

No matter where you fish, finding the fish is always the first step in the journey. From spotting them in little streams, to fishing with high-tech electronics in the ocean, this is a big part of the chase.

Knowing right where the fish are, how big they are, what depth they are at, should make catching them easy, right? Well, yes, it should but it doesn't. Knowing

where they are is only a small portion of the battle.

As any non-fisherman who has ever set foot inside a fishing tackle store knows, the options of what to fish with are insanely diverse.

Big, small, shiny, colorful, plastic, metal, wood...the list of differences are as long as they are confusing and expensive. Thousands of options that often look very similar with only subtle variations like a spot of red paint on this one and no spot on the next.

So, does it matter? Does that little red dot mean anything to the fish or is it simply another way to get me to part with \$14?

The answer is that it does matter. I can remember time and time again swapping baits until my fingers bled from tying knots. Then I would finally stumble upon the perfect combination. Frustration was exchanged for the thrill of the pole-bending, line-stripping fight.

So, why the rambling on about fishing?

What in the world does it have to do with motorcoach marketing?

Good question. I thought you'd never ask.

I love marketing for the very

## Marketing Minute GoMotorcoach It's the Smart Move

same reason I love fishing. The chase.

You see, marketing is more like fishing than you might think. We all know where the fish are. We know that wedding planners, school districts, churches and many others will need coaches. We even have a great little device that will show us exactly where they are (think computer).

And, like fishing, we can spend untold amounts of time trying to woo them only to be frustrated with a complete lack of results.

Also, just like fishing, it all comes down to the bait.

My grandfather taught me how to fish. He was a one-bait fisherman. It did not matter what he was fishing for, what time of year it was, what the water was doing, he always fished exactly the same.

He grew up fishing in a different era, when the fish were more plentiful and there were signifi-

cantly fewer fisherman.

Today, fishing is different, you have to be more creative, you have to match what your prey are eating, and you have to present in a way that fish not only want to bite, but their instincts force them to.

Marketing is the same way.

Gone are the days when we can simply crank out a brochure that shows we do any number of 100 things, hand it to potential clients, and voila business.

Granted, just like those who still fish like my grandfather did, you will catch the occasional fish, but not enough to fill the proverbial freezer.

Today we, as marketers, must think like a fisherman.

We must tailor our bait to our prey. We must remember that a wedding planner doesn't care if we also can handle ski charters or school district-contract work.

What she will want to know is that we are the very best at handling her wedding business, that we will treat her clients like our own, and that when she works with us she will have a resource that will make her job just that much easier.

Presenting like this, we are no

longer a commodity, we are no longer competing with other providers, we are alone in the market of providing her a service she wants in a way that no one else can.

We have presented her with a bait that she wants and needs to be a better wedding planner herself.

This is art of marketing.

This is how we go from knowing where the fish are to booking business and this is the foundation of why the Motorcoach Marketing Council created the GoMotorcoachmarketing tool suite.

You may not love the chase of marketing as much as I do, but the good news is with these tools you don't have to.

They are easy, fast and wickedly effective. No need to stand staring into to marketing universe wondering what will work, what bait to use, tempted by that shiny doodad or fly-by-night idea.

These tools have been created by the industry for the industry and are here to make sure you sell more charters to more people.

Fast, simple and effective.

To learn about them, go to [www.motorcoachmarketing.org](http://www.motorcoachmarketing.org).

**TRANSLITE** BUS GLASS DISTRIBUTORS  
**ENTERPRISES, INC.** SINCE 1993

**Proudly Celebrating 20 Years**

*Bus Glass and Windshield Distributors for  
Coach, Transit, School, Speciality Vehicles*



Same Day Shipping • Customized Fleet Plans • Large Inventory  
Superb Customer Service • Options for All Budgets

**CALL TODAY!**

800.934.3450 • [www.translitebusglass.com](http://www.translitebusglass.com) • [info@transliteent.com](mailto:info@transliteent.com)

**COACH GLASS**

**IT'S NOT JUST OUR NAME  
IT'S WHAT WE DO**



ABC	NEW FLYER
BCI	NOVA
DINA	ORION
GILLIG	PREVOST
GLAVAL	SETRA
IRIZAR	STALLION
MCI	TEMSA
NABI	VAN HOOL
NEOPLAN	VOLVO

**Featuring**  
*The Industry's Deepest Inventory  
Quick Delivery & Shipping  
Great Pricing, Exceptional Service*

**Warehouse Locations**  
*Oregon, Indiana, Florida & Arizona*

**(800) 714-7171** **(541) 684-7868**  
[www.CoachGlass.com](http://www.CoachGlass.com) [Bus@CoachGlass.com](mailto:Bus@CoachGlass.com)

# Thruway bus routes put cities back on Amtrak's map

CHICAGO – Amtrak is expanding its network by linking service to more intercity bus connections.

Last month, the national rail line announced it had expanded its partnership with two carriers, making it possible for Amtrak customers to book travel to Jackson, Miss., the state capital; Tuscaloosa, Ala., home of the University of Alabama, and New Orleans.

Several other Gulf Coast communities were added, including Biloxi, Miss., and Mobile, Ala., which were served by Amtrak until 2005, when the service was suspended east of New Orleans following Hurricane Katrina.

Now, as a result of the new partnerships with Greyhound Lines and Capitol Trailways, bus connections in a number of cities and communities in Alabama, Louisiana and Mississippi to Amtrak's City of New Orleans, Crescent and Sunset Limited trains are available via Amtrak.com and other sales channels.

Reservation, ticketing, bus stop and station information is listed on the Amtrak website.

Amtrak says it's analyzing its entire national network to identify more opportunities to form partnerships with other bus carriers to expand connectivity, increase ridership and provide additional intercity travel options for more communities.

Mark Szyperki, spokesman for Capital Trailways of Montgomery, Ala., said the company is "really excited about the service.... Amtrak truly wants to expand services, and serve the public in the best way possible."

And linking up with intercity bus service is an efficient way for them to do it, says Szyperki. "For us, it works out really, really well."

Among the key issues in making the partnerships viable is coordinating schedules.

The new linkages not only provide improved travel options for

residents of the communities along the bus routes but also expand their horizons.

Take Thomasville, Ala., population 4,099, for instance.

Now, a resident of Thomasville can buy a one-way or round-trip ticket from Thomasville to New York City as easily as a New York

City resident can purchase a ticket from the Big Apple to Boston, metro population 4.5 million.

Thomasville residents can simply go to the Amtrak website, type "Thomasville" in the "from" box under "buy tickets," type New York in the "to" box, and hit the "find trains" button. Up pops the

start-to-end schedule, showing travel times and connections.

When checked early this month, the one-way, bus-train thruway fare from Thomasville to New York City's Penn Station was \$184. It's a 28-hour trip — 4 on a Capital Trailways coach and 24 on a train.



NAMED BY  
**FORBES** AS ONE OF  
AMERICA'S **MOST**  
**TRUSTWORTHY** COMPANIES.

Today's headlines are filled with news of corporate scandals, government bailouts, bankruptcy, and other financial and moral dilemmas. During these times, you need an insurance carrier with impeccable character and financial strength. Since our founding in 1989, integrity has been one of our core values, and we remain dedicated to honorable business practices, open communications, treating customers with respect, and providing a positive work environment for employees. Do business with us, and we're confident you'll agree.



AN INSURANCE EXPERIENCE BUILT AROUND YOU.

3250 Interstate Drive  
Richeld, Ohio 44286  
800-929-1500  
www.natl.com



NATIONAL  
INTERSTATE

## Calendar

### SEPTEMBER 2014

**15-17 BusCon**, Indiana Convention Center, Indianapolis. Info: [BusConExpo.com](http://BusConExpo.com).

**23 13th Annual Connecticut Bus Association Golf Tournament**, Norwich (Conn.) Golf Course. Info: (860) 347-9955.

### OCTOBER 2014

**12-15 APTA Expo and Annual Meeting**, George R. Brown Convention Center, Houston. Info: [www.aptaexpo.com](http://www.aptaexpo.com).

**14-17 Gray Line 2014 Annual General Meeting and Marketing Conference**, Four Seasons Hotel Denver. Info: [www.graylineconvention2014.com](http://www.graylineconvention2014.com).

**19-21 LCT-NLA Show East**, Atlantic City Convention Center and Caesars Atlantic City (N.J.) Info: [www.lcteast.com](http://www.lcteast.com).

# Temsa, CH Bus Sales extend distributorship agreement

FARIBAULT, Minn. — CH Bus Sales, which is based here, and Temsa Global of Istanbul, Turkey, have renewed and extended their distributor partnership.

Since February 2010, CH Bus Sales has been the exclusive distributor of Temsa motorcoaches in the United States, and more recently in Canada.

Beyond sales of Temsas, CH also provides service and after-sales support.

Until early this year, CH offered two midsize Temsa models to U.S. operators, the TS 30 and TS

35. In January and February, CH and Temsa introduced a 45-foot model, the Temsa TS 45.

Temsa is the only North American motorcoach brand to offer its coaches in three lengths — 30, 35 and 45 feet. All are of integral monocoque construction.

Dincer Celik, general manager of Temsa Global, said “we are pleased with the progress CH Bus Sales has made in this market the last few years and look forward to a long-term relationship.”

Added Bob Foley, president and CEO of CH Bus Sales: “Temsa

manufactures affordable but great quality products... We are excited about the future.” Foley said CH is focused on providing high-quality and reliable products and support to U.S. operators.

Temsa Global, one of Turkey’s leading automotive companies, manufactures and distributes buses and coaches to both domestic and international markets.

The company has an annual production capacity of 11,500 vehicles in one shift at its Adana manufacturing complex, including 4,000 buses and coaches, and

7,500 light trucks.

Temsa sells its products in 64 countries, in addition to Turkey. In France alone, upwards of 3,500 Temsa-branded buses are on the road.

The company’s major markets in Europe include Germany, Italy, Austria, Sweden, Lithuania and the Benelux region (Belgium, the Netherlands and Luxembourg).

In addition to distributing Temsa coaches and after-sales ser-

vice support, CH Bus Sales also provides warranty assistance and parts availability.

Administrative headquarters of CH Bus Sales are in Faribault, with full-service facilities and customer delivery locations in Orlando, Fla.; Las Vegas, Nev., and Dallas/Fort Worth.

The company is looking to expand to other locations in the Northeast and West Coast next year.

## Due processless

CONTINUED FROM PAGE 12

Out-of-Service Order, the agency is limited by §386.72(b)(2) to those restrictions which are required to abate the hazard. For the carrier issued an “unsatisfactory” rating, there is no such limitations on the punishment issued by the FMCSA and, therefore, no guidelines on which to judge the punishment.

Therefore, we have two passenger carriers that may have committed the same violations, treated very differently merely because the FMCSA field office decided to utilize different parts of the regulations. This is a violation of due process on its face.

What would be a fair resolution to this bureaucratic inequality?

The carrier industry should push for a system much akin to that used by federal agencies for contract disputes under the Contract Disputes Act. There a dispute, or claim, once decided by a contracting officer, is appealed to a Board of Contract Appeals composed of administrative law judges.

They are semi-independent in that while they are paid by the agencies, their decisions are not reviewed by agency personnel, but appealed to the U.S. Court of Appeals for the federal circuit.

Considering the economic damage that can occur to a carrier by an Imminent Hazard Out-of-Service Order or an “unsatisfactory” safety rating, the least the

USDOT can do is to provide a hearing whereby the carrier can challenge the violations or the ratings and receive an impartial hearing and resolution.

The USDOT already has administrative law judges on payroll, and it would only require a minor change in the regulations to provide the necessary, and required, due process.

## Call to action

The bus industry should marshal its legislative muscle to obtain such a change in the regulations.

Of course, all of this assumes the FMCSA has overreached in its evaluations of the carriers’ performance.

Ultimately the carrier will have to prove that the alleged violations did not occur; were minor or paperwork violations, or had been quickly corrected.

Therefore, the best advice is to make sure your safety plan is in order, the drivers are all qualified and are complying with the restrictions covering driving time, and your vehicles are properly maintained.

In addition, as I have advised all of my clients, do not let the FMCSA conduct their compliance reviews alone. Make sure you shadow them and ensure that any alleged violations are justified and any vehicle problems are corrected quickly.

*J. Hatcher Graham is an attorney practicing in Warner Robins, Ga. Contact him at (478) 953-5606, or by email at govlaw@hatcherlaw.mgacoxmail.com.*

## Tag-team audit

CONTINUED FROM PAGE 10

violation of the whistleblower protection provisions of the Surface Transportation Assistance Act, according to a news release.

The four employees were interviewed by the FMCSA during a safety audit.

The settlement requires Gaines to pay the four drivers a total of \$262,500, which includes all back pay and interest, and compensatory damages.

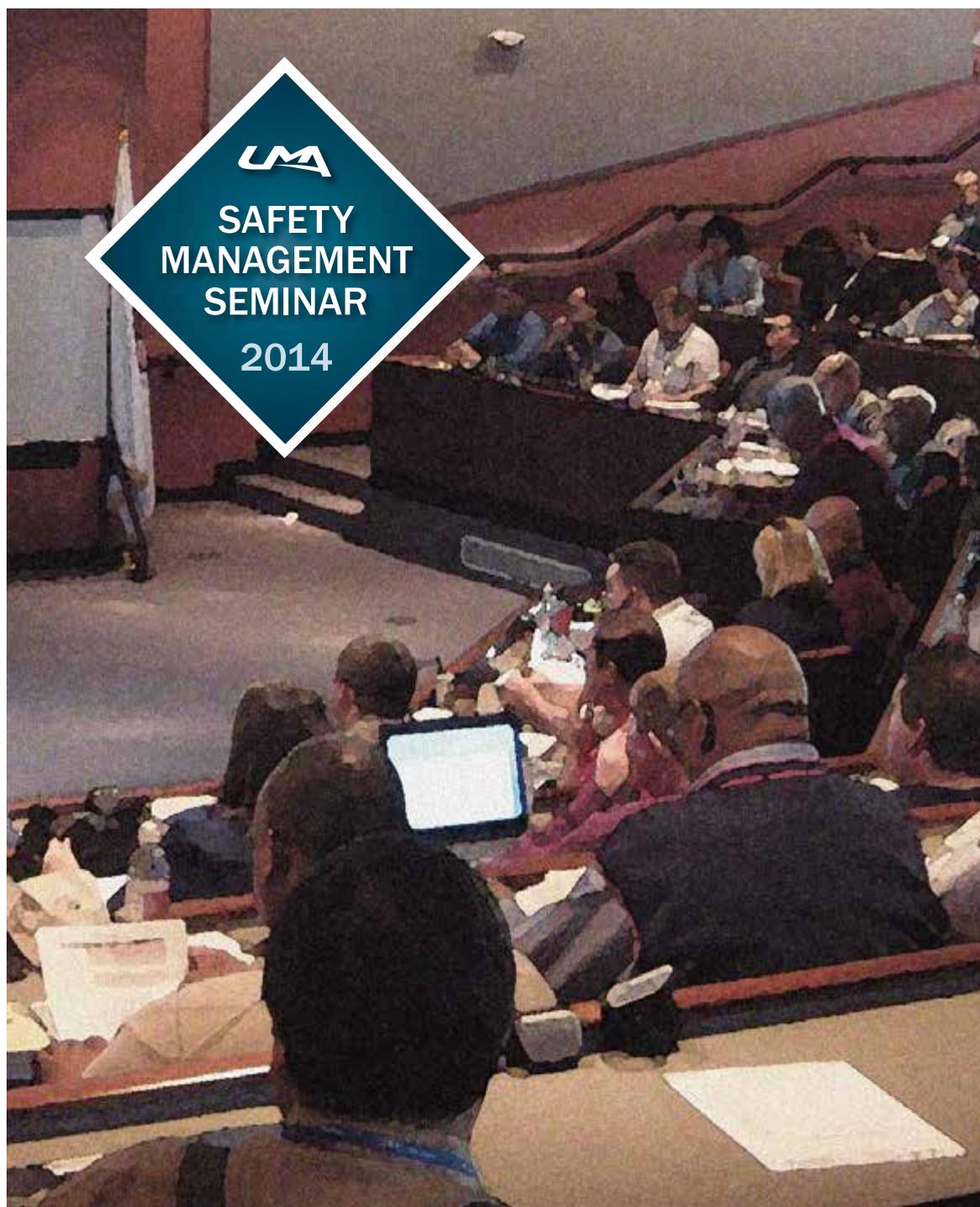
The settlement also names company owners Tim Gaines and Rick Tompkins, making them personally responsible for paying all

damages if the company closes.

The Surface Transportation Assistance Act covers private-sector drivers and other employees of commercial motor carriers.

Companies covered by the STAA may not discharge their employees or retaliate against them for refusing to operate a vehicle because doing so would either violate a federal commercial motor vehicle rule related to safety, health or security, or because the employee had a reasonable apprehension of serious injury to themselves or the public because of a vehicle’s safety or security condition.

This is often called the “whistleblower” provision of the law.



## UMA Safety Management Seminar

December 3-4, 2014

NTSB Training Center | Ashburn, Virginia

[www.uma.org](http://www.uma.org)

# Arrow Stage Lines creates transportation consulting unit

NORFOLK, Neb. — Arrow Stage Lines, the largest motorcoach operator in America's heartland, has given a formal business structure to a service it has been providing for years.

Arrow said it formed Arrow Nationwide Logistics, or ANGL, and is now marketing the service to the public.

Arrow considers ANGL a stand-alone brand that operates across the U.S., providing clients with ground transportation solutions and consulting.

"ANGL works to find top-tier transportation companies around the nation to serve clients' needs. Basically, anywhere you cannot find Arrow, ANGL has a safe, comparable alternative ready," Arrow said in announcing the brand.

"ANGL consultants handle all

## Coach USA/megabus sales climb in quarter

PERTH, Scotland — Stagecoach Group reported that revenue at Coach USA, Coach Canada and megabus.com rose 4.9 percent during the three months ended July 31.

The figures were included in Stagecoach Group's interim management statement for its first quarter of fiscal 2015.

Stagecoach said revenue growth in North America remained encouraging, reflecting the continued expansion of megabus, the company's intercity curbside service. Sales at megabus climbed 14.9 percent in the quarter.

"We are satisfied with the progress of our Florida megabus.com network, where operations began in May," Stagecoach Group noted in its statement.

"The operating environment in North America is competitive, but we remain positive on the division's prospects and the market opportunity."

Percentage growth figures for Coach USA/Coach Canada were not broken out.

Stagecoach also said the overall profitability of the company has remained satisfactory, "and there has been no material change to our expected adjusted earnings per share for the year ending April 30, 2015."

Among Stagecoach Group's other operating units, UK Bus (London) posted a 14.4 percent increase in revenue for the 12 weeks ended July 20, while Virgin Rail Group revenue rose 5.7 percent.

Stagecoach Group's New York City sightseeing joint venture, known as Twin America, continues to struggle as a result of the "highly competitive" market.

the details. Clients simply need to provide dates of travel, destinations and an itinerary. ANGL takes care of the rest," the announcement added.

"The main idea behind ANGL is to provide people with a less confusing, easier way to travel outside our areas and all over the na-

tion," said Arrow Chief Operations Officer Luke Busskohl.

"Choosing the right company can always be confusing and sometimes a gamble. We help decision makers and everyday people remove the uncertainty."

Arrow said it took roughly two years to develop and formalize

ANGL.

"We are thrilled with this new venture here at Arrow. We have pioneered a concept that will help us better serve our clients and bring business back into the industry," said Busskohl.

"We felt it was the right time to release ANGL to the public," added

Chuck Gunnels, Arrow vice president of sales. "We have worked over the years to establish relationships nationwide, and we have the right people in house to understand the needs of virtually any group."

While the ANGL brand is new, the idea behind it is not, said

CONTINUED ON PAGE 26 ►

## Putting Your Coach Financing Over the Top Since 1978...



### Coach Financing and Leasing Specialists

- Coach and School Bus Financing Terms up to 84 months
- Low Fixed Rate Equipment Financing
- Balloons and Skip Monthly Payments Available
- Fleet Refinancing
- 100% Financing available to Qualified Credits
- Used Equipment Financing
- Trac Leases Available



# Shore Funding Ltd.

1161 Broad Street, Shrewsbury, New Jersey 07702

[www.shorefundingltd.com](http://www.shorefundingltd.com)

**800-542-7467**

[info@shorefundingltd.com](mailto:info@shorefundingltd.com)

Tel: (732) 389-7500 Fax: (732) 389-7505



## Darlene Cochran

CONTINUED FROM PAGE 3

We had to get the safety department together, get trainers in from other locations, beef up staff in the shop, get the buses in and prepped and ready for service," he recalled.

"She's like the octopus, getting these things in and pulling it all together so that on the date of service, off it runs. I think Amtrak, they thanked their lucky stars we were able to pull it off."

Dan Eisentrager, Coach USA's Western regional vice president, said she is a talented communicator,

whether fielding questions from the media after a fatal accident or addressing lawmakers during hearings on proposed legislation.

"She had an ability to look at situations, whether it be legislatively or on a news article, and think, what is best for our industry. Her ability to find solutions and get through hardships has been superb," he said.

Waters speculated that her grandmotherly appearance worked to her advantage when she spoke with legislators and government officials.

"She goes in there, and I think

the sense is, 'here's the token woman, they got granny in to pull at the heartstrings,'" he said. "But once she starts speaking, they start asking questions, and she comes back with the answers, I think they come away with the same impression that everybody else does: She knows what she's talking about."

### Behind the wheel

Cochran got her start as a school bus driver with the Pinetree Corp. in her hometown of Long Beach, Calif., in 1973. After a few months behind the wheel, she got the attention of the company

owner, Keith Slingsby, when she proposed ideas on how to improve the company.

"I was so naive," she explains. "I wrote the owner a letter, and said, 'There are some things you need to pay attention to. You need a safety committee, you need a suggestion box, you need a newsletter, etc., etc.'"

"He brought me in, and said, give me your ideas. So I did, and he put me in charge of a few things. The next thing I knew, he took it upon himself to mentor me in the industry. I moved through various roles, dispatch and operations, sales and expanding our fleet, bidding on contracts," she said.

When Slingsby sold the company in 1989, it had grown to about 700 employees and about 500 buses, and Cochran had gained experience in virtually every aspect of the business.

### Ms. Fix It

In her career as a manager at Coach USA and Coach America, she was frequently tapped to use that experience and expertise as a corporate troubleshooter.

From her base in Long Beach, she traveled to under-performing operations in San Francisco, Denver, Las Vegas, San Diego and Phoenix. Over nine to 18 months, she evaluated the operations, proposed changes, and developed and trained management teams.

"You have to go in first and listen. You can't change things if you don't know what they're doing," she said. "You let everybody share with you, and you analyze the financials to see the consequences of their actions, and then you try to find what are the causes that are allowing it to be not as optimum as it could be. Then you develop solutions."

It was during one of her stints as a turn-around guru that she picked up a nickname.

"When I was sent to San Francisco, I had to let a lot of people go because every sales rep had a secretary, every payroll clerk had a secretary, etc. So I let 30 people go in the first month," she said.

"My people in Long Beach sent me a red ax that used to come in the buses. They wrapped it up, and sent it to me, and it was presented at a drivers' meeting. They called me 'Hatchet Granny.'"

### How to be tough

Though she professes to hate the nickname, she doesn't shirk from being called "tough."

"The drivers know I'm a nice person, the employees know I'm a nice person, but they also know if I draw a line in the sand, if you kick

## Midwest association re-elects leadership

IOWA CITY, Iowa — The incumbent officers and directors of the Midwest Bus and Motorcoach Association were re-elected at the association annual meeting here last month.

Re-elected to three-year director terms were: Tom Bazow of Excursions Trailways in Fort Wayne, Ind.; Kent Huskey of Huskey Trailways in Festus, Mo., and Thomas Vik of Prevost Car in Hudson, Wis.

Re-elected officers were: Chairman, Tom Bazow; vice chairman, Trent Stange of Compass Coach in Cedar Springs, Mich.; secretary, Ryan Cupp of Blue Lakes Charters & Tours in Clio, Mich., and treasurer, John Nichols of Heartland Trailways in St. Joseph, Mo.

The three-year-old association represents operators in Illinois, Indiana, Iowa, Michigan, Missouri, Ohio, South Dakota and Wisconsin.

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

my line, you're out of here.

"I can help you everyday, I can make your life better, I can get you work and keep you busier than you ever wanted to be, but I can also fire you. Tough, to me, means being able to do the hard stuff and not be loud or boisterous or obnoxious."

She does not seem eager, however, to accept the mantle of trail-blazing female.

"I've never felt that I've been excluded because I'm a woman or included because I'm a woman. I've just been accepted. I've always felt comfortable," she said.

### Equal assistance

She said she has always felt a responsibility to mentor women in the industry — and men, too.

"I'm more interested in mentoring talent than I am gender," she said.

Martinez, who counts herself lucky to be one of Cochran's protégées, offered a concrete example of what makes her mentor special.

"This is typical Darlene. For the last couple of weeks, my foot has been swollen, so she came in today with this," Martinez said, pointing to the orthopedic shoe she was wearing.

"That, right there, is typical Darlene. She sees something or hears something, and she reacts to make it better."

For more than 40 years she worked to make companies and their people better. Not a bad legacy.



Charter & Group Travel Directory

# Statistic Center

IN 2013, BUS OPERATORS ON BUSRATES.COM RECEIVED...	IN TOTAL, GROUP PLANNERS SEARCHED BUSRATES.COM FOR...
<b>223,820</b> Phone Calls	<b>Bus Trips</b> 1,351,298 viewed pages
<b>170,342</b> Company Webpage Visits	<b>Hotels</b> 18,046 viewed pages
<b>95,515</b> Direct Emails	<b>Event/Attractions</b> 32,084 viewed pages
<b>151,160</b> Form-Submitted Quote Requests	<b>Restaurants</b> 5,848 viewed pages
<b>FROM CHARTER-SEEKING CUSTOMERS WHO FOUND THEM ON BUSRATES.COM</b>	<b>Group Travel Tips</b> 27,949 viewed pages

## 2,030,962 BUSRATES.COM pages were viewed in 2013...

...from these regions:

New York	196,760
California	195,814
Texas	132,638
Florida	115,793
Ontario	103,831
Illinois	88,522
Pennsylvania	86,113
Georgia	65,440
Virginia	63,151
New Jersey	60,383
Everywhere Else	922,406

**FOR STATISTICS ON YOUR LOCAL GEOGRAPHIC AREA, CONTACT ERIC ELLIOTT AT 866-375-0800 OR EMAIL ERIC@BUSRATES.COM**

Add Your Company to BusRates.com | 866-375-0800 | [info@busrates.com](mailto:info@busrates.com)

# IMG picks operator of the year

BRANSON, Mo. — The International Motorcoach Group has named its Operator of the Year, added two members to its network, and picked officers for 2014-15.

IMG's top honor, the Operator of the Year award, was presented on the final night of group's annual Strategic Alliance Meeting here to John Adams, president of Southern Coaches of Dothan, Ala.

The award goes to a member company that demonstrates operational excellence, a strong safety record, best practices, community and industry involvement, and engagement within the International Motorcoach Group.

Founded in 1989 by John Adams' father, Milton, Southern Coaches remains a family-owned business that has grown to be one of Alabama's leading coach operations.

Bronwyn Wilson, IMG president, said "Southern Coaches, John, and all his team, represent the commitment to excellence, safety and maintenance that represent the core values of IMG."

Said John Adams: "It is such an honor to be selected by an elite group of operators and to know that your fellow members feel you excel in adhering to the high standards of IMG membership."

"This award is achieved by having a support staff of great drivers, superb maintenance personnel and an excellent office staff. It is definitely a team effort. I know my dad would have been so proud of this recognition."

IMG is a network of independently owned and operated charter bus companies located throughout North America.

It also was announced at the meeting here that two companies had joined the IMG network.

Wilson welcomed Niagara Scenic Tours of Hamburg, N.Y., and Ayr Coach Lines of Waterloo, Ontario. The network now represents 51 companies.

IMG Chairman Dennis Streif of Vandalia Bus Lines in Caseyville, Ill, said the additional companies "increases the coverage of our network, which benefits our customers and IMG operators alike. Niagara Scenic Tours and Ayr Coach Line are companies that have a strong commitment to customer service, safety, training and maintenance."

Niagara Scenic Tours is an 87-year-old company headed by President Keith Fisher. It has more than a dozen coaches and buses.

Ayr Coach Lines will mark its 50th anniversary in business next year and David Willis is company president. It has a fleet of 24 coaches and buses.

Streif, who is vice president of Vandalia Bus Lines and a member

of the board of the United Motorcoach Association, was elected chairman of IMG at the Branson meeting.

He succeeds Geoff Lynch of Hampton Jitney in Southampton, N.Y.

Joining Streif on 2014-15 IMG leadership team are Real Boissonneault, president of Autocar Excel-

lence in Quebec, as vice chairman, and Gary Krapf, president of Krapf's Coaches in West Chester, Pa., as secretary/treasurer. Lynch remains on the executive committee as past chairman.

Newly elected to the IMG board is Bill Winkler, president of Peoria (Ill.) Charter Coach Co.



Bronwyn Wilson of IMG, John Adams of Southern Coaches

## ANDERSON

Insurance Consultants, Inc.

Experience

Commitment

Value



©2011 Anderson Insurance Consultants, Inc.

### Insurance Brokerage Services Provided

- Auto Liability
- General Liability
- Worker's Compensation
- Garage Liability
- Physical Damage
- Garagekeepers Legal Liability
- Excess Umbrella Liability

"Rest assured we will treat your business like it is our own."

We are here for you. Contact us today for a quick evaluation of your transportation needs.

799 Roosevelt Road, Building 6,  
Suite 220, Glen Ellyn, IL 60137

Don Anderson:  
don@anderson-ins.net

Phone: 630.348.3380  
Fax: 630.790.3087

Bob Anderson:  
bob@anderson-ins.net

## Tour business

CONTINUED FROM PAGE 1

1980s — his company used to offer 30-day Alaska trips — “have gone by the wayside” in favor of short tours.

Oberle agrees, saying that longer tours of 10 to 15 days “have shrunk to a few a year.”

### Rare ray of sunshine

Tom Ready of Ready Bus Line in La Crescent, Minn., said that after a flat 2013, his company has seen increased charter business this year. He said part of the reason is that the military has increased its spending, sending recruits by bus to training.

But he also said there has been an upswing in bus tours to national parks, particularly Yellowstone

and Yosemite.

Ready, whose company provides buses to tour operators, said he has seen increased interest among Baby Boomers in taking bus tours. “We were worried Baby Boomers weren’t going to ride buses, but they are,” Ready said.

Others in the industry haven’t had the same experience with Baby Boomers, saying that generation has been a tough travel group to win over.

Baby Boomers, who are starting to retire in greater numbers, are used to traveling independently, as opposed to participating in organized group tours. They traditionally have tended to prefer driving their own cars or hopping a plane for vacation travel.

When they do take bus tours, they “almost exclusively take fly-

and-drive tours,” Barnes said. “A lot of them are still working and they want to maximize their time.”

### Boomer conundrum

Motorcoach operators generally agree that the key to attracting Baby Boomers to bus tours is to design tours differently. That means customizing tours and giving travelers more flexibility and options once they reach the tour destination.

Baby Boomers grew up rebelling against conformity, so the idea of following a group leader carrying a flag from attraction to attraction and eating only in restaurants selected by the tour company isn’t very appealing.

“We do everything for the older travelers,” Oberle said. “So we’ve had to adjust. Baby Boom-

ers don’t necessarily want that canned, prepackaged kind of tour.”

There have been some indications lately that a new, younger group of travelers could become the next breed of bus rider.

### The Millennials

Members of the millennial generation — the children of Baby Boomers — tend to be more open to bus transportation. They are more willing to have other people drive them, and they aren’t as tied to automobiles as their parents.

Curbside companies were the first motorcoach operators to latch onto millennials and even younger generations in large numbers.

Greyhound’s current makeover is aimed at appealing to millennial travelers, according to a recent article in *USA Today*. “This isn’t

your grandma’s Greyhound,” company CEO David Leach told the newspaper.

He said the company offers free Wi-Fi and power outlets on much of its fleet (as do most motorcoach operators), has added more non-stop or express routes, and is rolling out mobile apps for convenient booking.

Point-to-point bus service between major East Coast cities also is popular with younger riders, partly because of the low cost.

However, whether the willingness of millennials to use buses for transportation from point A to point B translates into their becoming future tour bus passengers remains to be seen.

Oberle thinks it’s possible.

“The next generation will be more open to bus travel,” he says.

## Roadcheck 2014

CONTINUED FROM PAGE 1

compares to an out-of-service rate of 8.6 percent for Roadcheck 2012, and 8.7 percent during Roadcheck 2011 (see Sept. 15, 2012 and July 15, 2011 issues of *Bus & Motorcoach News*).

In 2010, the bus out-of-service rate was 9 percent; in 2009, it was 11.5 percent; in 2008, it was 12.2 percent, and, in 2007, it was 12.3 percent.

### Truckers improve

The rate for buses this year was roughly one-half that of the overall out-of-service rate for all vehicles inspected — trucks and buses combined — of 18.7 percent, which was down from nearly 21 percent in 2013.

The out-of-service rate for bus and motorcoach drivers checked during this year’s Roadcheck also moved higher to 3.9 percent. Last year, the driver out-of-service rate was 3.1 percent. In 2012, it was 2.5 percent; in 2011, it was 2.6 percent, and it was 3.6 percent in both 2010 and 2009.

The lowest driver out-of-service rate in recent years came in 2003, when it was 1.7 percent.

The overall out-of-service rate for all drivers — truck and bus — checked during this year’s Roadcheck was 4.8 percent, up from 4.3 percent last year.

### Fewer buses checked

Four hundred fewer motorcoaches — 1,071 — were inspected during Roadcheck 2014 than last year when 1,471 were inspect-

ed. Only 652 buses were checked in 2012 during that year’s CVSA sweep. In 2011, 1,217 buses were inspected, 1,097 in 2010, and 932 in 2009.

Obviously, bus inspections were not the priority this year they were a year ago when stepped-up federal safety inspections of the industry were being launched.

A year ago, CVSA touted the fact it had collaborated with the International Association of Chiefs of Police to request its support in conducting enforcement of traffic safety laws on bus and motorcoach drivers. That didn’t happen this year.

Still, when buses were inspected during this year’s Roadcheck, more than a few nitpickers apparently were assigned to check them.

One industry executive who interacts with many motorcoach

company owners and managers said he had taken calls from operators “with stories like, ‘they put my coach out-of-service because the taillight was not bright enough.’”

“And ‘I was written up because a baggage bay handle was not working properly.’”

“Or, my favorite, ‘The coach came in late last night and that was the first one the FMCSA inspected. They wrote me up for having a dirty bathroom. Of course it had a dirty bathroom. We had not cleaned it yet. Can they do that?’”

Overall, buses only accounted for roughly 1.6 percent of all commercial vehicles inspected during Roadcheck 2014. In 2013, buses accounted for 2 percent of all vehicles checked.

A total of 73,475 trucks and buses were inspected this year by

more than 10,000 CVSA- and FMCSA-certified inspectors at roughly 2,500 locations across North America. Last year, 73,023 vehicles were checked, and in 2012 the number totaled 74,072.

### And the future?

How the motorcoach industry will fare in future Roadchecks appears to be problematic.

CVSA officials acknowledge that a majority of states are now “targeting” vehicles that inspectors think are running with violations.

And how is the targeting being done? By using information gleaned from FMCSA databases.

Companies with flags in the FMCSA CSA database, for example, are likely to find their coaches subjected to more inspections than other companies.

## CSA scores

CONTINUED FROM PAGE 1

Measurement System.

The coalition contends that shielding the information will spare motor carriers from the fallout resulting from erroneous scores and also prevent the public from being lulled into a false sense of security that they are hiring a safe motor carrier.

The justification behind the request is a report issued by the Government Accountability Office earlier this year. (See March 1 *Bus & Motorcoach News*.) That report kicked the CSA/SMS scoring regime in the teeth.

The coalition highlights the GAO’s core criticism of the CSA program: It doesn’t serve its purpose of identifying at-risk motor carriers.

Currently, the FMCSA collects violation data on 750 different regulations. The GAO analysis of that data determined that 593 of those regulations were violated by fewer than 1 percent of the carriers.

The GAO further drilled down and found that 13 of the regulations for which violations are cited had some association with crash risk in at least half the tests conducted.

There are only two violations — failing to wear a seatbelt and speeding — that had sufficient data to consistently establish a substantial and statistically reliable relationship with crash risk across all of the GAO tests.

### No relationships shown

“FMCSA has not demonstrated relationships between groups of violations and the risk that an individual motor carrier will crash,” the GAO report states.

Because of the potential for misrepresentation of a motor carrier’s crash risk — even in some cases misrepresenting them as being safer than they really are — the coalition is calling for removal of the scores from public view.

“We anticipate that FMCSA will contend, as it has done in the past, that other research shows that carriers with high scores in some

categories are more likely to be involved in a future crash,” said the coalition.

“Though accurate safety measurement scores can have numerous positive impacts, ... inaccurate scores, like those assigned to carriers by the CSA/SMS, have detrimental and counter-productive consequences,” the coalition’s letter states.

“Given the many identified data sufficiency and reliability issues outlined by the Government Accountability Office, we urge you to direct FMCSA to remove carriers’ SMS scores from public view. Doing so will not only spare motor carriers harm from erroneous scores, but also reduce the possibility that the marketplace will drive business to potentially risky carriers that are erroneously being painted as more safe,” the coalition added.

### UMA weighs in

Ken Presley, vice president of UMA, said a major shortcoming of the system is its failure to properly

compare and contrast compliance violations and the likelihood those violations will contribute to a consequential crash.

“Does a half-dozen ‘form-and-manner violations’ trump three speeding violations?” asked Presley.

“When it comes to FMCSA scorekeeping, everyone has been playing along for decades; however, once FMCSA decided to encourage consumers of commercial motor vehicle services to consider the scores before contracting for these services they raised the stakes; and an uneven, inaccurate portrayal of motor carriers neither serves the consumer nor enforcement community.

“Apparently the two words that dominate CSA/SMS is ‘more money;’ when they should have been ‘actuarial science.’”

“You have to wonder how long Congress will continue to feed this beast.”

### Feds defend system

The Federal Motor Carrier Safety System defended its CSA

scores.

“The Safety Measurement System has been a game changer in improving safety by making company violations and safety records publicly available to consumers, law enforcement and other businesses,” said Duane DeBruyne, deputy director of the FMCSA Office of Communications.

“The GAO’s one-size-fits-all approach to analyzing inspection data would require the agency to triple the number of inspections we finance each year to exceed more than 10 million nationwide, which is simply unrealistic under our budget, and would fail to assess the behavior of more than 90 percent of the entire motor carrier population.

“Our research shows that by focusing on the most at-risk carriers, we effectively remove the companies most often involved in crashes from the road. We continue to work with all partners to ensure an efficient, transparent system to provide safer transportation for everyone on the road,” said DeBruyne.

# Losses, reserve additions produce red ink at National Interstate

RICHFIELD, Ohio — National Interstate Corp., parent company of leading motorcoach industry insurer, National Interstate Insurance, had a rough second quarter and first six months of 2014.

The company said it lost 54 cents per share during this year's second quarter, compared to a net loss of 32 cents per share during the second quarter of last year.

Much of the second-quarter 2014 loss was attributed to National Interstate bumping up its reserves by \$20 million.

National Interstate also reported a net loss of 14 cents per share for the first six months of 2014, compared to net income of 9 cents per share for the first half of 2013.

All figures are on a fully diluted basis.

Gross premiums written by National Interstate increased 8 percent during the second quarter and first six months of this year, compared to the same periods last year.

The top-line growth was primarily attributed to premium increases and growth in the company's alternative risk transfer, or captive insurance, and transportation components.

That means if your coach company has its insurance through National Interstate, or you are a member of a captive program operated by National Interstate, and you saw a premium increase during the first half of this year, you helped feed National Interstate's revenue gain for the period.

In total, National Interstate lost \$10.74 million in the second quarter of this year, up from a loss of \$7.9 million during the second quarter of last year.

The total first-half 2014 loss was \$2.69 million, versus a profit of \$1.74 million during the first six months of last year.

Gains from investments partially offset losses from operations during both the second quarter and first half of this year.

National Interstate attributed its red-ink results for both the 2014 and 2013 second quarters to unfavorable loss developments from prior-year claims.

During the second quarter of this year, the company experienced roughly \$28.1 million in adverse prior-year claims development, which included reserve strengthening of \$20 million.

The company said it relied on advice from a leading independent global actuarial firm it had hired in determining the size of its loss and loss-adjustment-expense reserves.

National Interstate said other elements of its financial results,

including net investment income and underwriting expenses, were improved or stable compared to the same period prior-year results.

Commented Dave Michelson, National Interstate president and CEO: "I have been disappointed by the continuing unfavorable prior-year claims development we have experienced in recent quarters.

"Like the rest of the industry,

our commercial auto line is experiencing elevated combined ratios. Actual incurred-claims developed (was) higher than expected during the 2014 second quarter, which led us to undertake a comprehensive review of our reserves for losses and loss-adjustment expenses, including a review by a leading independent global actuarial firm," said Michelson.

"This comprehensive review contributed to our decision to further strengthen our loss reserves. We continue to believe our current pricing and risk selection have improved dramatically since 2012. Excluding prior-year development, we believe our current accident year is moving towards underwriting results that are more in line with our expectations."

Michelson touted National Interstate's growth in premium income: "We have experienced consistent top-line growth of about 8 percent for both of the first two quarters of this year.

"Much of the growth is attributable to continued rate increases that are averaging approximately 7 percent for the first six months,

CONTINUED ON PAGE 24



## Advantage Funding

Transportation Financing & Leasing Specialists

## Your Expert Source for Coach Financing and Leasing



- ◇ Same Day Turn-Around
- ◇ Skip Payment Options
- ◇ Flexible Finance & Lease Terms to 84 Months
- ◇ Trac Leases

Advantage Funding is the largest Independent Commercial Transportation Lender in the U.S. We have the flexibility to provide solutions when banks and others can't.

### Use us to your Advantage!

*"We had a great experience purchasing our coach bus through Advantage Funding. We received low rates, and the application process was easy with a fast approval. It was a pleasure working with a company who supports and understands our industry."*

Tim S., Stout's Transportation

Call Us Now  
888-876-4728

➤ Black Car | Limousine | Limo Bus | Mini/Shuttle Bus | Charter Coach | Funeral ➤

# THE FUN NEVER ENDS





## ENJOY SUMMER ALL YEAR ROUND!



MARGARITAVILLE RESTAURANT  
LANDSHARK BAR & GRILL  
5 O'CLOCK SOMEWHERE CASINO BAR  
MARGARITAVILLE SLOTS & TABLES  
RETAIL SHOPS AND MORE!

YOU CAN ALSO EARN & USE YOUR COMP DOLLARS AT





## THE FUN IS HERE AT RESORTS CASINO HOTEL

The fun is here at the new Resorts Casino Hotel in Atlantic City! Enjoy the hottest slots and table games, Atlantic City's largest standard rooms, exceptional dining, an all new Quickbites Food Court on the casino floor, new retail shopping and great entertainment!

CONTACT MEG LEWIS AT 609.340.7715 FOR BOOKINGS OR FURTHER INFORMATION.

COMING SOON - REAL MONEY ONLINE GAMING!  
PLAY FOR FREE NOW AT [RESORTSCASINO.COM](http://RESORTSCASINO.COM)



ResortsAC.com | 1.800.772.9000

Bet with your head not over it.  
Gambling Problem? Call 1.800.GAMBLER.



managed by Mohegan Sun

# Rating agency lowers outlook for Lancer Insurance Co.

OLDWICK, N.J. — When a rating agency alters its evaluation of an insurance company, it often issues a statement announcing the change and explaining its action.

That happened to Lancer Insurance Co. this past spring.

A.M. Best announced it had revised the outlook to stable from positive, and affirmed the financial strength rating of A- (Excellent) and issuer credit rating of "a-" for Lancer, of Long Beach, N.Y.

An A- Excellent rating by Best is assigned to companies that have, in the rating agency's opinion, an excellent ability to meet its ongoing insurance obligations.

The reduced outlook for Lancer

was based on the company's declining operating results over the previous two years, driven by some deterioration in underwriting results, as well as a significant decline in investment income during the period.

The decline was partially due, said Best, to the company's decision to realize gains in 2013. As such, operating returns in those years no longer exceeded composite norms.

When the company's positive outlook was assigned in 2012, operating results had consistently outperformed the composite over a number of years, and such outperformance was expected to continue.

"Although overall results do remain favorable, there is some un-

certainty as to the trajectory of future (Lancer) earnings," said Best.

The updated rating for Lancer reflects the company's "solid market presence in the specialty transportation market, its strong risk-adjusted capitalization and overall favorable return measures over a five and 10-year period," said Best.

"These positive rating factors are derived from the company's strong market profile as one of the largest specialty passenger transportation insurers of motorcoaches, school buses, transit buses, limousines and vanpools in the United States.

"Lancer's ability to generate favorable operating and after-tax income has allowed it to largely maintain its reasonable underwriting leverage and favorable risk-adjusted capitalization, despite paying significant dividends to its parent over the past five years.

"Partially offsetting these positive rating factors," said Best, "are Lancer's history of large stockholder dividends and the increase in the severity of losses in 2013.

## Increased losses

"Furthermore, severity losses increased in 2013, which led to underwriting losses for the entire year. Soft market conditions have led to rising loss ratios over the past three years. Nonetheless, the company has a history of after-tax operating

their transportation division.

## What operators want

While rating agencies conduct their evaluations for a variety of reasons, motorcoach operators seeking to gauge the financial health of their insurers — historically, currently and for the long term — are doing so because they want to be confident the company that issued them a policy will have the staying power and resources to pay any claims filed against them.

It can take four to six years to settle or litigate passenger claims, and bus and motorcoach companies need assurances the company will be around to settle and pay both claims and expensive attorneys.

There have been rare instances of companies that have gotten high ratings from agencies but before the next rating period — a year later — have gone out of business.

Another factor, which isn't necessarily a financial one but is important to operators, is an insurance company's ability to process and handle claims.

Presley said the best way for motorcoach operators to find a

results that have led to strong pre-dividend earnings."

While Best was looking at Lancer Insurance it also evaluated Lancer Indemnity Co., affirming its financial strength rating of B++ (Good) and issuer credit rating of "bbb." The outlook for both ratings was stable.

"The ratings for both companies (Lancer Insurance and Lancer Indemnity) could be negatively impacted by a significant decline in risk-adjusted capitalization or operating results," Best noted.

Best uses its own methodology to determine ratings. An explanation of the methodology can be found at [www.ambest.com/ratings/methodology](http://www.ambest.com/ratings/methodology).

good insurance company is to enlist the help of an agent or broker experienced in the nuances of insuring bus and motorcoach companies. They also should research companies on the Internet.

And, even though agency ratings aren't foolproof, the background information on the companies' business and assets can provide a good snapshot of how they are doing.

"They also should talk to other operators about their experiences," Presley said.

The following are examples of Weiss and A.M. Best ratings for companies that provide auto liability insurance coverage to motorcoach operators. Note that the companies also sell other types of insurance so the ratings aren't just for the bus segments of their businesses.

**Lancer Insurance** — Weiss: C+; A.M. Best: financial strength rating of A-, issuer credit rating of a-, stable outlook

**National Interstate** — Weiss Ratings: C+; A.M. Best: A, a+, positive outlook

**RLI Transportation** — Weiss: B; A.M. Best: A+, aa, stable outlook

**Protective Insurance** — Weiss: A-; A.M. Best: A+, aa-, stable outlook

**National Indemnity** — Weiss: B-; A.M. Best: A++, aaa, stable outlook

**New York Marine & General Insurance** — Weiss: B-; A.M. Best: A, a, stable outlook

**America Alternative Insurance Corp.** — Weiss: C; A.M. Best: A+, aa-, stable outlook

## Evaluating insurers

CONTINUED FROM PAGE 1

National Interstate is now a public company, while Lancer, which describes itself as the largest motorcoach and bus insurer, remains privately held.

In the early 1980s as the industry was being deregulated, bus insurance premiums were easily double what they are today because nobody knew what the losses of a newly deregulated industry, with a \$5 million insurance requirement, would be, Presley said.

Then, in 1985, the industry underwent a major shakeup when a leading insurer, Transit Casualty Co., imploded.

Transit Casualty was founded in 1945 in St. Louis as an insurance company for the transportation business, including bus lines, in the Midwest. The company moved its headquarters to Los Angeles in 1964 and diversified its operations.

It eventually expanded into complicated fronting programs and a reinsurance business through a web of 27 managing general agents and 22 subsidiary companies far removed from its core transportation expertise, according to *Insurance Journal*.

In '85, Transit was placed in receivership in what was called the "Titanic of all insolvencies."

"They failed spectacularly," Presley said. "It created a huge, huge hole in the bus insurance business and other companies began moving in to fill the void."

## The bus industry niche

Today, it is difficult to deter-

mine all of the companies that offer auto liability insurance to bus companies. There is a small group of regional and national insurance agents and brokers who specialize in such insurance, which adds some stability to the market because they work closely with the insurance companies and managing general agents.

At least four companies offer bus insurance on their own, without managing general agents: Lancer, National Interstate, Protective Insurance Co. and RLI Transportation.

An unknown number of others offer insurance through managing general agents, including National Indemnity, a subsidiary of billionaire Warren Buffett's Berkshire Hathaway Inc. Others include New York Marine & General Insurance, a subsidiary of ProSight Specialty Insurance, and America Alternative Insurance Corp, a subsidiary of Munich Reinsurance America Inc.

Most insurance companies, including those offering bus coverage, are rated every year by independent rating agencies such as A.M. Best and Weiss Ratings. Both rating agencies provide letter grades and reports on the compa-

## Nat'l Interstate

CONTINUED FROM PAGE 23

with several of our products experiencing double-digit increases. Rate levels for both new and renewal business consider recent loss-cost trends."

Sizing up National Interstate's recent past and outlook, Michelson said: "While the claims environment for commercial auto remains somewhat unpredictable,

nies' assets and outlook.

A.M. Best ratings for most bus insurers are generally variations on A, ranging from A- to A++. They include a financial strength rating and an issuer credit rating. Many insurance companies provide links to their A.M. Best ratings on their websites.

Weiss generally implements a broader ranking scale of A to E, with A ratings indicating excellence and E meaning a company is very weak, according to Gavin Magor, a senior financial analyst for Weiss.

"We don't think insurance companies are all the same, so we rate them based on what we believe they are," Magor said. "Our ratings are aimed at protecting policyholders."

But it is difficult to say how well or poorly the bus insurance part of a company's business is doing because it is usually only a small segment of their business and the ratings cover the whole company.

Some operators see that as a plus. They like the idea that the financial stability of the whole company stands behind their obligations to pay claims, not just the results of

the reserve strengthening this quarter recognizes that our accident-year claims results for 2010, 2011 and 2012 have shown unfavorable prior-year development in recent periods.

"In 2013 and 2014, we focused on steps to obtain appropriate rate increases, refine the quality of business, and to properly recognize the loss trends in our commercial auto coverages.

"Nevertheless, we felt it was

also prudent to strengthen our 2013 accident-year reserves," said Michelson.

"After these actions, our average underwriting results since 2010 have been around breakeven. This is clearly not the target we set for ourselves and although it is taking longer than expected, we believe our current business is moving towards underwriting results that are more in line with our expectations."

## Fung Wah lament

CONTINUED FROM PAGE 3

to share its records two weeks prior but refused.

In January, the FMCSA rejected Fung Wah's application to get back on the road, providing little explanation beyond stating that the carrier was not "willing or able to

comply with the safety standards we require."

Fung Wah's operating history also was taken into account, the safety agency told the *Boston Globe*, including crashes, fires, and an accident last year in which two pedestrians were hit by a Fung Wah bus in New York.

Fung Wah appealed the rejection

in early March, and has not heard anything from the agency since, said Alexander Linzer, of the New York law firm Freeman Lewis LLC.

"They're frustrated that they're not getting any guidance from the FMCSA on what steps to take," he said. "We do not believe that the FMCSA has treated Fung Wah

fairly throughout this process."

In response to the letter, the FMCSA said in a statement that it is "working harder than ever to prevent deadly bus crashes from occurring by thoroughly investigating and shutting down dangerous bus operations that endanger the public."

Fung Wah's letter also noted that all of the carrier's buses —

some of them new — passed federal inspections a year ago, and that the company has hired an approved safety agent and changed how it conducts its business.

"Every entrepreneurial bus operator must understand that what happened to Fung Wah can happen to them," observed one long-time motorcoach industry safety expert.

# Benefactors make for bountiful summer at bus museum

HERSHEY, Pa. — It has been a good summer at the Museum of Bus Transportation.

Attendance is up — but perhaps more importantly to the volunteers who staff and support the museum is that it is displaying, for the first time, the vintage bus it has coveted above all others — a former Greyhound Lines Scenicruiser.

The 1956 Scenicruiser (PD4501-932) is on loan to the museum from ABC Companies, which owns it and restored it seven years ago at the company facility in Faribault, Minn., and keeps it at its headquarters complex in Winter Garden, Fla.

Many bus industry old-timers consider the Greyhound Scenicruiser to be the most-attractive bus ever to roll along an American highway. In the pantheon of American icons, the Scenicruiser is to bus aficionados as the '57 Chevy is to car buffs.

However, the addition of the Scenicruiser isn't the only piece of good fortune to drive the museum's way.

## Betsy II on the way

Jim Lehrer, the retired anchor of the PBS NewsHour, famed presidential debate moderator, and perhaps America's best-known bus nut, announced he is donating his 1946 Flxible Clipper to the museum.

Lehrer and his wife Kate acquired the bus, which they named Betsy II, just over 25 years ago. When they purchased it in late July 1989, they sent out birth-like announcements to friends and colleagues. The announcement noted that "no gifts" were to be sent to mark the family addition.

The 23-seat Flxible has been restored and painted to replicate a 1938 Flxible Clipper that Lehrer's father, a bus station manager, operated when he owned Kansas Central Lines, a short-lived scheduled carrier running between Emporia, Hillsboro, McPherson and Wichita, Kan., in the late 1940s.

Jim Lehrer was born in Wichita and when he was 12, that most-impressionable age for boys, his father started Kansas Central Lines on a shoestring. The company lasted 13 months, becoming undone by a trio of buses that were barely serviceable (constantly breaking down at the wrong time) because of the heavy usage they endured during the years of World War II.

But his father's bus industry career and short-lived company left a lifetime imprint on young Jim.

## Never got over buses

Lehrer, who turned 80 earlier this year, stepped down as lead an-

chor on the NewsHour in June 2011. Despite his 50-plus-year career in journalism, Lehrer maintained his love of buses, filling his office with bus memorabilia and writing bus-themed books. He and his older brother Fred have been longtime supporters of the Museum of Bus Transportation here.

Lehrer stored his Flxible on his farm in West Virginia and occasion-

ally took friends for rides in the countryside. The blue-and-yellow livery on the bus was designed to match his father's '38 Flxible (the first Betsy). It is having minor body work done before it joins the museum fleet after the first of the year.

"Most likely, due to its prior ownership, we will want to place it on the museum floor as soon as it arrives," says museum President

Tom Collins.

## Sceni creates stir

Meanwhile, the Scenicruiser is capturing lots of attention at the museum.

"It seems like every visitor can relate to it" notes Collins.

"Attendance at the museum is up this summer, and we think that is in great part due to the public's in-

terest in this iconic motorcoach."

Collins observed that over the years, "ABC Companies has provided great support to the museum.

"(ABC founder) Clancy Cornell has served several terms on the board. He, (current ABC Chairman) Dane Cornell, and everyone at ABC have been instrumental in the restoration of four of

CONTINUED ON PAGE 26 ►

SOLVING TOMORROW'S SANITATION PROBLEMS TODAY!



**#1 GREEN CHOICE  
REVOLUTIONARY NEW  
DYNA-BACT**

Liquefies waste & tissue  
Cleans tank system  
Unmatched proven performance  
Dramatic savings on dumping fees  
Convenient toss in pack  
**ODOR CONTROL GUARANTEED!**



**TOP MOP**  
Concentrated Floor /Surface Cleaner

Economical  
Superior Fragrance  
Industrial Strength  
**GUARANTEED PERFORMANCE!**



**M5000**  
Toilet Deodorizer

High Traffic, High Heat  
Superior Odor Control  
Increased Color, Fragrance & Actives  
Formaldehyde Free  
Super Concentrate Formula

Experience the Monochem difference today call us 512-267-5190  
or visit us at [www.worldwidemonochem.com](http://www.worldwidemonochem.com)

COMPASS COACH GARAGE SALE!



**2009 VanHool, T2145 LIFT.** 58 passenger, DD60, B500. 470,500 TCM. Aluminum Wheels. Working ADA lift. **One owner since new. \$315,000**



**2012 Stallion 29 passenger mid-size.** Full size bathroom, underbelly storage, REI video system. Nice little coach for small groups. Freightliner Chassis, Cummins 6.7L ISB/Allison 2000 series. 104,000 TCM. **Owned since new: \$150,000 - GREAT DEAL**



**2003 Prevost H3045 LIFT.** 56 passenger, DD60, B500. 677,775 TCM. Aluminum Wheels, Working ADA lift. **Just USDOT inspected: \$139,900**



**BEAUTIFUL 1998 VanHool T-2145.** Factory rebuilt DD60, B500 both with only 75,000 miles. Upgraded two piece windshield and headlights. Newer interior, Flat screen REI system. **One owner since new; \$65,000**

We have photos and videos of the following coaches:

- **2007 VanHool T-2145 Unit #42547:** 400,000 TCM, Cummins, B500 combo. 58 Seats, Aluminum Wheels, Beautiful white coach. **\$215,000**
- **2000 VanHool T-2145 Unit #61194:** 850,000 estimated miles, Cummins, B500. Updated two piece windshield. **Ready to roll \$90,000**
- **2006 VanHool T-2145 Unit #12575:** 381,400 TCM. Cummins, B500 combo. Aluminum Wheels, 58 Seats. **\$185,000**

- **Package Deal:** (2) 1999 T945's Presently in service and a 1994 T845 for parts (Good Glass all way around)... **All 3 for \$70,000**
- **Package Deal:** (3) 2000 NABI Transit coaches. 40' long. Excellent transit coaches. **All 3 for \$55,000 or \$22,000 each**
- **2009 MCI J4500.** Engine fire. Thousands of dollars in parts. Own your own rolling parts bus. **\$20,000 (heck of a deal!!)**

**Call Trenton at 616-696-0022 or email: [compass@wmis.net](mailto:compass@wmis.net)**

*All coaches are located in Grand Rapids, MI*

# 'Paid-for-it moments' make Expo Interchange invaluable

Travel expenses, registration fees and other costs associated with eight people flying from Alaska to the Lower 48 to attend the motorcoach industry's biggest annual event can add up to a busload of dollars.

But as Scott Gallegos of Holland America Princess Alaska, the largest motorcoach operation in Alaska, has found after eight years, it is well worth the price to attend UMA Motorcoach Expo each year with his seven foremen — in no small part because of the event's Maintenance Interchange.

"It's quite an investment to bring all our guys to the Expo," said Gallegos in a phone conversation.

"But with the industry the way it is today, with its regulatory and mechanical complexity, we can't afford not to. At every Maintenance Interchange I've been to there's always at least one or two 'paid-for-it moments' when we learn of a new product, solution or maintenance technique," said Gallegos.

The Interchange is a day-long information session conducted on the first full day of Motorcoach Expo. But rather than listen to a gaggle of presenters, one after another, everyone from mechanics who turn wrenches to the folks who own buses and motorcoach companies gathers to share ideas and listen to others' maintenance- and equipment-related experiences.

Gallegos said the Interchange never fails to add value to his company, where he is superintendent of motorcoach maintenance, and that letting ideas flow freely improves the industry overall.

"Whether it is parts procurement, governmental agencies or finding and keeping mechanics, the issues that come up at UMA are universal to the industry," he said.

## Game changer

"Interacting with other maintenance professionals gives us a point of view that we are not going to get on our own. We have a lot of pride in our maintenance but sometimes the things our colleagues are doing are eye opening and help us to up our game."

The Maintenance Interchange started as a one-off session 15 years ago, but has been repeated each year, becoming a big draw. In fact, it's the longest continually operating session at Expo.

"It's one of our highest-rated sessions at Expo year after year," said UMA meetings and operations director Maggie Vander Eems.

And each year, Kevin Whitworth, president and CEO of Ohio-based Whitworth Bus Sales Inc., serves as moderator, asking those attending for questions and topics a month ahead of time and then using them to guide the day's discussions.

He said it works well because everyone is arranged around a large, four-sided set up of long tables, which he describes as a hollow-square meeting, that allow for free and easy conversation among the 75 to 125 people who typically attend.

"It's operators only — no vendors," said Whitworth. "No paid political speech and no pressure. And there's no head table and no microphones."

## Effective format

Dan Shoup, vice president of Cardinal Buses in Indiana, who along with his father is a former



Kevin Whitworth



Dan Shoup



Scott Greteman



Greg Lammers



Joseph Gillis

UMA board member, agrees that such a setting lends itself to effective conversation.

"Having only operators in a truly open forum, without any suppliers, makes for a good, free discussion," he said. "It's a great opportunity to meet and talk to other maintenance personnel and learn of issues that they have discovered that I need to check for; learn faster and better ways to do specific procedures, and learn about new or existing products that either do or don't work as advertised."

Scott Greteman, vice president of Windstar Lines in Iowa, has based his company's purchases on knowledge gained at the Interchange, saying he has been spared many headaches over the years by following advice to stick with one brand of coaches. That way, it's easier to troubleshoot a single familiar system rather than three or four when problems arise.

"With the amount of technology that is being thrown on these coaches year after year, you just can't know everything until you either experience a failure or hear about one," said Greteman, who

has attended nine Maintenance Interchanges.

"I see the knowledge from the other 100 guys in the room as a great source of information. I have not gone once where I haven't gotten something out of it, and we tweak our maintenance program after every show attended."

## Topical topics

Future purchases are a frequent topic of conversation, as well as detailed maintenance issues.

With what Whitworth estimates to be well over 1,000 years of combined maintenance-related experience in the room, the gathering is the best and perhaps only time to find so much expertise in person.

That's precisely why Greg Lammers, fleet manager of Cavalier Coaches and Owatonna Bus Company in Minnesota, has faithfully attended Motorcoach Expo and the Maintenance Interchange for the past 12 years.

He is particularly drawn by the discussions with fellow school bus contractors.

"There are a lot of operators and mechanics who attend the

## Arrow's ANGL

CONTINUED FROM PAGE 19

Arrow.

"In fact, the...company has been providing this type of a service to groups all across the nation for years."

More information can be found at [www.arrowgroundlogistics.com](http://www.arrowgroundlogistics.com).

Separately, Arrow announced that Eric Lundeen has been promoted to regional director of

Arrow Stage Lines.

Lundeen has more than 20 years of experience in the motorcoach industry. Most recently he was operations manager at Arrow's Lincoln, Neb. location.

In his new position, Lundeen, will be responsible for operations for the majority of Arrow's northern region.

Arrow, which has a fleet of nearly 200 motorcoaches and buses, also has Nebraska operations in Grand

## Bus museum

CONTINUED FROM PAGE 25

our most popular historic coaches.

"That work was done by ABC's dedicated workforce at their Camden (N.J.) facility, and they took personal pride in each project," said Collins.

When ABC offered to loan the Scenicruiser to the museum, the plan was to drive it from Winter Garden to Hershey.

However, Ed Harmon, ABC national director of operations, decided the coach was such a rare and valuable asset that it made sense to minimize risk by flat-bed-

ding it to the museum.

## Permanent addition?

The Scenicruiser will be on display for at least the remainder of the summer, along with the museum's other historic buses. It seems possible the coach could become part of the museum's permanent collection.

The Museum of Bus Transportation ([www.buseum.org](http://www.buseum.org)) shares a facility with the Antique Automobile Club of America, providing "one-stop shopping" for anyone interested in historic vehicles.

A pair of the buses in the museum collection of 34 coaches ap-

Maintenance Interchange who also operate school buses and mini buses, so the wealth of knowledge and experience in the room is priceless," said Lammers. "My company operates about 20 coaches, and I can tap the knowledge from a technician from a company with 300 coaches."

## Getting smart

Joseph Gillis, president of NW Navigator in Portland, Ore., also has benefited by taking full advantage of others' experiences. He faced a sizable learning curve entering the motorcoach industry as a non-mechanic and found that things got tough when technical issues arose.

"As a new and struggling bus start-up I found I either had to do it or pay someone using our fuel money to do it, so I quickly learned how to do it myself as much as possible," he said.

For the past four years he has found the Interchange invaluable, adding this perspective: "Where else could I glean from this kind of knowledge bank and not be charged hundreds of dollars an hour? It's worth the cost of the event for me if I only went to this."

The next UMA Motorcoach Expo will be in New Orleans at the Ernest N. Morial Convention Center and is set for Jan. 18-22.

The Maintenance Interchange will be from 9:30 a.m. to 4:30 p.m. Monday, Jan. 19. Registration is open at [www.motorcoachexpo.com](http://www.motorcoachexpo.com).

Island and Omaha. Locations and terminals outside of Nebraska are in Denver, Las Vegas, Phoenix, Kansas, Missouri and Iowa.

The company's line-run service, called Black Hills Stage Lines, operates in Montana, Colorado, Wyoming and Nebraska.

The company also newly launched a marketing and business development department. Earlier this year it entered the entertainer coach business.

peared in popular movies. The 1959 GM suburban coach was used in "Forest Gump," and a 1940 White appeared in the famous 1944 Bing Crosby film "Going My Way," the first movie to win Oscars for best motion picture and best song, "Swinging on a Star."

The museum's annual meeting will be at 8:30 a.m. Saturday, Oct. 25, at the museum facility in Hershey. Dale Krapf of Krapf Coaches in West Chester, Pa., and a member of the board of the United Motorcoach Association, will be guest speaker, and MCI will be the guest manufacturer. For information, call (717) 566-7100 Ext. 119.

## CLASSIFIED ADVERTISING

2009 MCI E4500 \* VERY LOW MILEAGE \* ONE OWNER

Excellent Condition—none nicer!  
Cummins • B500 • 58 pax w/lav  
170K TCM Michelin Tires  
Alcoa Rims • Cordless Mics  
CD/DVD • Lots more options  
Partial Financing O.A.C.  
**\$305,000**



Trade for MCI D or DL3 Considered • More available  
Call / Email today for photos and more info!  
[sales@royalstarhawaii.com](mailto:sales@royalstarhawaii.com) / 808.832.6261

**REPOS FOR SALE**  
• "Bank Repos" across the US • Priced to Sell  
• Variety of Makes & Models  
**1-877-737-2221 x30716**  
[www.Bus-Buys.com](http://www.Bus-Buys.com) — View "Repo Inventory"

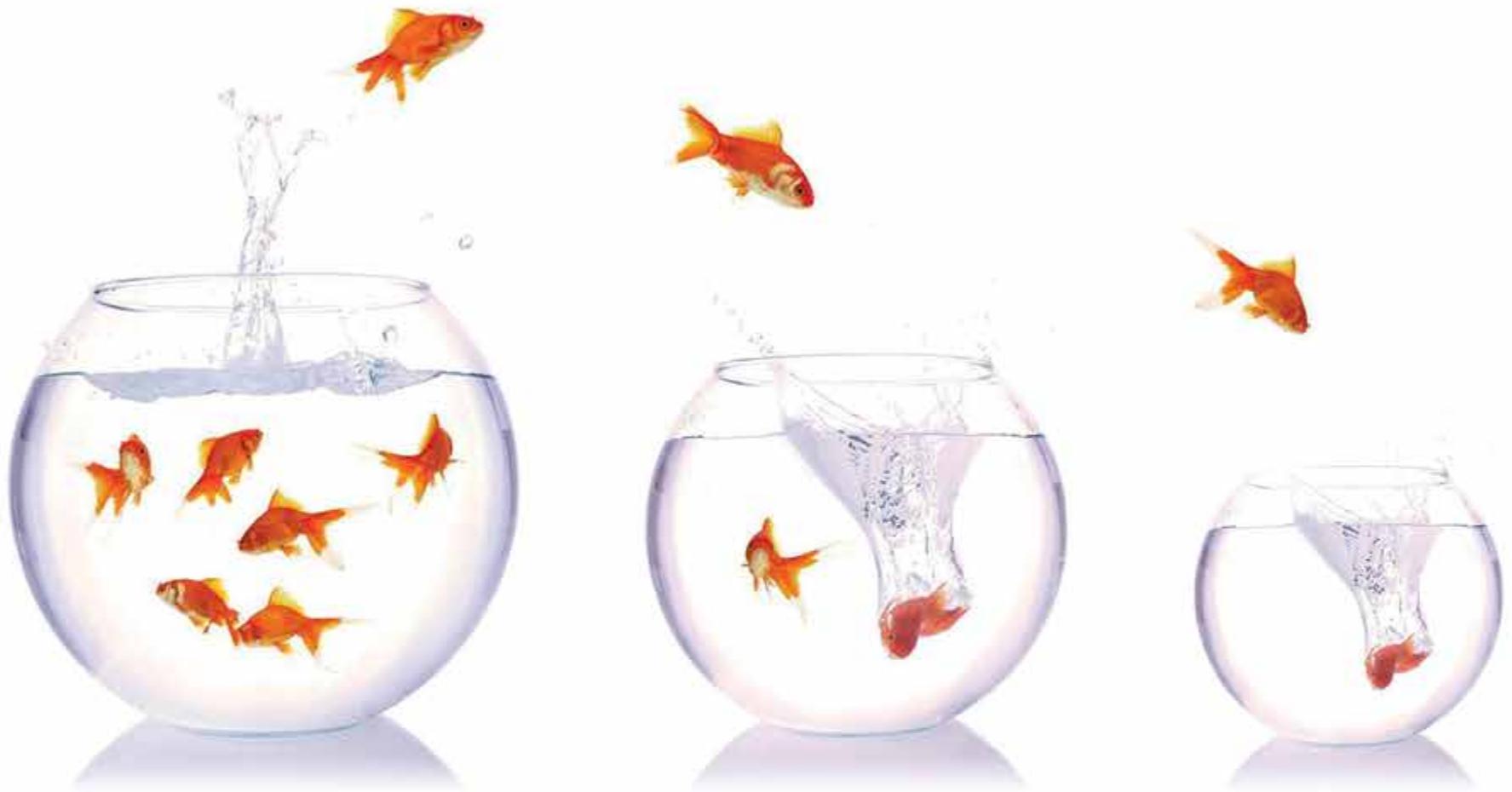


## **VOLVO PERFORMANCE BACKED BY UNPARALLELED SERVICE. TALK ABOUT A WINNING COMBINATION.**

When you pair unbeatable operational efficiency with the highest standard for service in the industry, you have one powerful machine on your hands. The Volvo 9700 uniquely combines the proven performance and fuel efficiency of the Volvo D13 engine with the exceptional and experienced network of Prevest professional service. But it doesn't stop there. This workhorse ups the ante on fuel economy with integrated features, like the I-Shift transmission, which ensures that the engine runs at the ideal speed for maximum fuel savings. Advanced safety features and passenger comfort round out the list of features that make the Volvo 9700 the best investment your business can make.



**TEMESA**



## FIND THE RIGHT FIT

You don't have to make a leap of faith to find a bus that's sized to your business. Just land on Temsa motorcoaches from CH Bus Sales. Coach sizes in 30, 35 and 45 feet let you fill buses to moneymaking capacity more often. And Temsa buses are built to give you best-in-class quality, power and reliability. Call CH Bus Sales today and start running buses that fit your business swimmingly.



[www.chbussales.com](http://www.chbussales.com)

**CALL US TODAY! 877-723-4045**

"TEMESA", "TS35" and Circle Design marks are trademarks owned by TEMSA GLOBAL SANAYI VE TICARET ANONIM SIRKETI.