November 15, 2013

Bus&Motorcoach NEWS

WHAT'S GOING ON IN THE BUS INDUSTRY

National Seating reduces role in bus/coach sector

VONORE, Tenn. — One of the North American motorcoach industry's long-running and high-profile suppliers, National Seating, is substantially downsizing its involvement in the industry.

Reports have circulated for weeks that National Seating was planning to exit the bus passenger-seating segment of its business. That talk appears to have overstated the case, but not by a lot.

"They are stopping production of passenger bus seats, but not completely," said one industry source who has worked with National for decades.

"They are still going to make the seats for a little while, but they are not going to market them. No advertising, no organization memberships, no shows," said another industry insider.

What that translates to is National will only build passenger bus seats when it receives an order.

Gene Willingham of Willingham Inc. in Maple Valley, Wash., one of the industry's best known bus upholstery firms, confirmed his company has been named a distributor of National bus seats.

"They will make (passenger) seats — if we get an order," said Willingham.

Years ago, Willingham and other coach industry seating veterans, like George Farrell and Darrell Niswander, were regional sales representatives for National Seating. Both Farrell and Niswander now represent Amaya-Astron Seating.

And, like other bus upholstery and seat rebuilders and repairers, Willingham relies heavily on National for parts, which apparently will continue to be available.

CONTINUED ON PAGE 20 ▶

Federal facilities, like Yosemite National Park in California, re-established normal operations after the 16-day shutdown.

Government shutdown is costly to bus industry

Last month's 16-day federal government shutdown resulted in losses possibly totaling tens of millions of dollars for the hundreds of tour-and-charter bus operators that suffered cancelled, shortened and modified trips, early industry analysis indicates.

The industry losses appear to have contributed significantly to the estimated $152 million in total per-day economic losses in U.S. travel-related activity.

According to preliminary results from a United Motorcoach Association survey, operators saw an average of 13 trips cancelled during the shutdown, resulting in an average loss of $33,883 per operator. Some 78 percent of survey respondents said they were adversely affected by the government shutdown.

Further, operators estimate an average of eight potential trips weren't scheduled, resulting in an average revenue loss of $13,000 per operator.

Many of the cancellations that hit tour-and-charter bus operators across the country were by those who planned to visit national monuments and parks.

Operators reported revenue losses and having to cut employee hours or lay them off during the shutdown.

CONTINUED ON PAGE 20 ▶

UMA asks feds to halt third-party inspections

WASHINGTON — The United Motorcoach Association has asked the Federal Motor Carrier Safety Administration to crack down on third-party bus inspectors that UMA says are usurping FMCSA authority, violating federal law, and discriminating against small carriers through their pricing policies.

In an 11-page letter, plus attachments, an attorney representing UMA implored FMCSA Administrator Anne Ferro to act to halt the "burgeoning problem" of public schools and universities circumventing federal preemption requirements and federal law through dependence on third-party certifiers.

"We urge the FMCSA (to) utilize its outreach authority under (federal law) to ensure such institutions understand FMCSA is the sole arbiter of operating authority, and if necessary invoke leverage under (the law) to mandate conformity with the federal preemption." UMA attorney Dan Mastromarco wrote to Ferro on behalf of the association.

"As you know, motorcoach operators derive a substantial share of their revenue from public institutions, particularly from transportation to and from state college and university sporting events," Mastromarco said.

"As state actors, such institutions fall under the purview of 49 United States Code 14501 (ICC Termination Act), which forbids them from enforcing any standard relating to the authority to provide intrastate or interstate charter bus transportation.

CONTINUED ON PAGE 18 ▶

Academy Express buying Florida units from Horizon

MIAMI, Fla. — Multiple industry sources have confirmed that Academy Express, the large New Jersey-based motorcoach operator, is close to wrapping up the purchase of four of the five Horizon Coach Lines operations in Florida.

The Horizon operations are the former Coach America/American Coach Lines units that Transportation Management Service's owner Frank Sherman bought out of bankruptcy 18 months ago.

After the purchase and regulatory approvals last year, Sherman rebranded the operations Horizon Coach Lines, along with eight other Coach America subsidiaries he purchased when Coach America was broken up and sold in pieces. (See June 1, 2012, *Bus & Motorcoach News*.)

Academy reportedly is buying the Horizon operations in Miami, Jacksonville, Tampa and West Palm Beach, Fla. The West Palm Beach operation was known as Midnight Sun Tours when it was owned by Coach America.

The only Horizon operation in Florida that Academy is not expected to purchase is the Orlando unit. Academy reportedly was not interested in the Orlando operation because it's located in Florida's most competitive motorcoach market and it may not have the business mix that appeals to Academy.

There were conflicting reports regarding Academy's interest in the Tampa operation because of its traditional ties to the Orlando unit.

In any event, the acquisitions are expected to be wrapped up by Jan. 1.

CONTINUED ON PAGE 20 ▶

Introducing the all new VAN HOOL TX and CX

The all new Van Hool TX and CX models are proof of our commitment to evolving product excellence. Now offering more standard features designed to optimize performance, safety, comfort, and curb-appeal, both models integrate best in class European technology and engineering in Van Hool's most advanced premier passenger coach transport – purpose built for North American operators!

EVOLUTION OF EXCELLENCE

Check out the new look and performance of the advanced Van Hool TX and CX models – designed to evolve fleet operations.

Contact your ABC Account Manager for details, demos, inspections and information.

ABC COMPANIES

Exclusive U.S. VAN HOOL Distributor

Fewer Americans head north; weaker U.S. dollar blamed

TORONTO —Years ago, the number of travelers going back and forth between Canada and the U.S. was roughly equal.

Today, there's a huge imbalance, with far more Canadians coming south than Americans going north.

The travel pattern showed few signs of changing this past summer.

Canadians continued to come to the United States in droves, though the pace slowed as the summer got hotter, while the number of Americans making the trip north remained virtually changed and at a stagnant level.

Canadians made 4.8 million trips to the U.S. on a seasonally adjusted basis in June, up 2.6 percent from May, and up 2.4 percent from the same month last year, according to Statistics Canada, a federal agency that conducts surveys on economic, social and cultural topics.

In July, the number of Canadians heading south slipped to 4.7 million and in August, the most recent month for which numbers are available, 4.6 million Canadians braved U.S. heat.

Meanwhile, far fewer Americans went north, where it typically is cooler. There were 1.7 million trips by Americans into Canada during each of the three summer months — June, July and August.

For motorcoach operators in states along the U.S.-Canadian border, the Statistic Canada findings aren't a big surprise.

"With the exchange (rate) the way it has been, (travel to Canada) just isn't as attractive," said Kevin Loney of Hesselgrave International/ Hesselgrave Charters and Tours in Bellingham, Wash.

"We haven't stopped by any means," he said. "There are still things that people want to do, and we're still doing them, like trips to Vancouver and Vancouver Island. But when our money becomes worth less and less up there, it's tough."

The value of the U.S. dollar generally is at or near a two-year low in relation to many world currencies.

Michael Krois of Minnesota Coaches in Duluth, Minn., said that while he hasn't seen a decline in demand for charters into Canada he has noticed a lot of Canadian carriers on the U.S. side of the border.

"We see the Canadians. They come down for shopping trips. The currency exchange rate has a lot to do with it," he said.

Statistics from the motorcoach industry reflect those collected by the Canadian government, with American operators reporting they are making fewer trips from the U.S. to Canada.

The latest United Motorcoach Association Member Assessment found that nearly 60 percent of UMA operators said they sent buses into Canada during 2012.

CONTINUED ON PAGE 18 ▶

Amtrak claims records, but at big cost to taxpayers

WASHINGTON — Amtrak boasted in a news release last month that it carried 31.6 million passengers in fiscal 2013, its 10th ridership record in 11 years.

Not mentioned in the announcement, however, was the fact the fiscal 2013 increase was the smallest year-over-year gain — at 1.3 percent — since the middle of the last decade, and most of the rise in readership occurred on so-called "state-supported" trains, not along Amtrak's big-ticket Northeast Corridor or on its long-distance network.

In fact, ridership on Amtrak's high-speed Acela Express on the Boston-to-Washington corridor was down 1.5 percent during the year ended Sept. 30, while Northeast Regional service ridership was up a modest 4/10ths of 1 percent.

Amtrak did not indicate whether the impact of Superstorm Sandy or increased competition from express bus services resulted in the lackluster showing along its important Northeast Corridor.

While combined ridership on the Northeast Corridor was down, to just under 11.4 million, revenue was up 5.3 percent, to $1.1 billion.

For Amtrak's two other sectors:

- State-supported train ridership in fiscal 2013 was up 2.2 percent, to 15.4 million, and revenue was up 4.4 percent to $478.1 million
- National network ridership rose to 4.75 million, up 4/10ths of 1 percent, and revenue rose 1.9 percent to $525.9 million.

The state-supported corridor ridership reached a new record, while the long-distance routes had their best ridership in 20 years, said Amtrak.

Amtrak also reported that revenue from its connecting bus service was up 3.8 percent in fiscal 2013, to $8.2 million.

In a breathless blog posting on the U.S. Department Transportation website, Federal Rail Administration Administrator Joseph Szabo exclaimed that Amtrak ridership "is growing faster than any major travel mode.

"A recent Brookings Institution report noted that the growth in Amtrak ridership is growing significantly faster than ridership growth in domestic aviation.

"And, Amtrak's ridership growth is not centered in one part of the country, but in more than 500 communities across America," wrote Szabo. "Furthermore, ridership is growing across all regions."

Szabo apparently overlooked

CONTINUED ON PAGE 18 ▶

THE DOCKET

Bus operator shutdown for multiple violations

PHILADELPHIA — The Federal Motor Carrier Safety Administration has ordered Philadelphia-based Bus Go Bus Inc. to immediately cease all commercial operations, declaring that its vehicles and drivers pose an imminent hazard to public safety.

In late September, a team of specially trained FMCSA safety investigators conducted an investigation of Bus Go Bus as part of the agency's nine-month-old passenger carrier safety initiative.

The FMCSA said its investigators found "serious and widespread violations of multiple federal safety regulations," including:

- Inadequate inspection, repair and maintenance of vehicles.
- Instances of falsified driver on-duty status records.
- Failure to ensure drivers submit vehicle inspection reports and other safety documentation.
- Unqualified drivers being dispatched by the company.
- Lack of medical examiner certificates for drivers.
- Widespread instances of drivers operating vehicles at speeds in excess of posted speed limits.

To view a copy of the imminent hazard out-of-service order, go to *www.fmcsa.dot.gov/documents/about/news/2013/BusGoBus.pdf*.

The shutdown of Bus Go Bus is the 19th out-of-service order issued by the FMCSA since its deployment in April of more than 50 "Operation Quick Strike" safety investigators targeting high-risk passenger carriers, and the 26th out-of-service order against a bus company this year.

During the past five months, FMCSA also has revoked the operating authority of 25 additional bus companies following Compliance Reviews that resulted in an "unsatisfactory" safety rating.

"We will not allow bus passengers or the motoring public to be put at risk by unsafe vehicles, commercial drivers or business operators," said U.S. Transportation Secretary Anthony Foxx. "We will remain vigilant in removing bad actors from our nation's highways and roads."

Truckers sentenced in 'chameleon carrier' case

HUNTSVILLE, Ala. — The owners of an Alabama trucking company have received criminal sentences for their roles in running a "chameleon carrier."

Isaac McWilliams was sentenced to four months in prison, and Heronda McWilliams has received 24 months probation

They were sentenced in federal district court here.

The pair had been indicted in July 2012, after starting up a third trucking operation. Investigators discovered that their two previous trucking operations were ordered shut down as a result of "imminent safety hazard" orders issued by the Federal Motor Carrier Safety Administration.

The FMCSA placed MTI Transportation out of service after discovering the newly set up company "was transporting goods for the former BM&L Trucking, and IDM Transportation Inc.," which received imminent hazard out-of-service orders for serious safety violations, including drug and alcohol testing compliance.

According to the FMCSA website, MTI was granted common carrier authority on May 15, 2012, four days after investigators ordered BM&L Trucking and IDM Transportation, both listed at the same address in Athens, Ala., to cease operations immediately because of numerous safety violations.

Isaac McWilliams falsely certified that he "did not have, nor did he ever have any relationship with any other FMCSA-regulated entity in the past three years," according to a FMCSA release.

Federal investigators found McWilliams owned, managed and operated (along with others) all three of the companies and that MTI used two commercial vehicles, still registered to BM&L Trucking or IDM Transportation.

Highway bill to expire in just 300 days

News Analysis

WASHINGTON — In less than 11 months, the current federal highway law will expire.

Given Congress' inability to pass a budget or keep the doors of government open, can it be expected to pass another highway bill? In 10½ months?

While the political class played chicken over healthcare and federal spending, last month also marked the start of the clock on the end of the current federal highway and public transportation funding law, known by its shorthand name as MAP-21.

The main sticking point for a new highway law is likely to be the same issue that bogs down most big-ticket legislation these days — finding enough tax money to go around.

Doling out highway project dollars has always been political, so much so that Congress was shamed into eliminating earmarks.

And it could be argued that doing away with pet projects also did away with a key mechanism for spreading around "bipartisanship."

Of course, someone still has to decide where the money is going, and post-pork policy has shifted that burden to the administration.

So, Peoria, Ill., gets a disproportionate amount of discretionary spending because its projects were more worthy than most, not — of course — because it was the home district of a congressman who became the Obama administration's first secretary of transportation.

We'll skip over that transportation secretary's tendency to push plans for rail and ignore the bus industry — other than to posture when there was a crash. Except it does hold a lesson on the importance of having a voice on Capitol Hill.

Lots of people have made lots of money building public roads. And they still want Congress to kick in plenty of federal funding, just like Congress always has.

Roads are complicated to build and maintain, so everyone from the design engineers to the asphalt suppliers to the companies that make reflective tape are sending lobbyists to Washington.

But road builders don't care where the money comes from, as long as it's coming. Toll revenue spends just like fuel tax money.

Eliminating federal fuel tax exemptions would make even more money available for highways. That means the motorcoach industry must be involved.

Developing sustainable, predictable funding for a multi-year transportation plan is likely to be where the real action is during the coming 10 or so months.

Tick-tock.

Will insurers insure ride sharing?

SACRAMENTO, Calif. — Now that California regulators have given the go-ahead for Lyft, Sidecar and other services to provide ride-sharing to smartphone users, it's up to the insurance industry to develop products to meet a requirement that drivers and passengers be covered for $1 million in damages per accident.

And there are few signs insurers are rushing in to provide the coverage.

For those late to the game, ride-sharing services connect people who need lifts with car owners who want to pick up a few bucks. (See Oct. 15 *Bus & Motorcoach News*.)

Now that ride sharing has received regulatory approval in California, the only remaining issue, it would seem, and it's a big one, is this: Almost no private passenger car insurers cover a vehicle used as an unlicensed taxi.

"I think it's clear that when a driver using a personal vehicle carries passengers for compensation, their personal insurance will no longer cover them or their passengers," said California Public Utilities Commissioner Michael Florio.

In late September, the California PUC approved the first-in-the-nation safety rules for ride sharing.

According to a spokesman for Lyft, the company has purchased "a first-of-its-kind" policy from an insurance company that meets PUC requirements.

But major auto insurers reportedly aren't eagerly entering the market.

"We're in the early stages of determining what to look at," said Robert Passmore of the Property Casualty Insurance Association of America.

One challenge, he said, is figuring out when a vehicle is driven for an owner's personal use and when it's hauling paying customers.

State Insurance Commissioner Dave Jones said that "insurance products and insurance regulations need to evolve as the sharing economy grows."

Law is okayed mandating rule on sleep apnea

WASHINGTON — President Obama signed into law a measure allowing the Federal Motor Carrier Safety Administration to regulate sleep apnea testing and treatment for commercial motor vehicle drivers as long as the regulation is the product of a formal rulemaking process.

Obama signed the one-page law last month.

Both the Senate and House passed the measure by huge margins. (See the Nov. 1 and Oct. 15 issues of *Bus & Motorcoach News*.)

The law was widely supported by most segments of the ground transportation industry, including bus and truck associations, as well as unions.

The law does not order the FMCSA to regulate sleep apnea. Rather, it says if the agency is to issue a requirement on the subject, it must be done "pursuant to a rulemaking proceeding."

In a statement, the Teamsters said the law will prevent the FMCSA from requiring testing for sleep apnea through agency "guidance" rather than a formal regulation, since guidance can be issued without soliciting public comment.

By contrast, rulemaking provides for a public comment period.

The bill was sponsored in the House by Reps. Larry Bucshon, R-Ind., and Dale Lipinski, D-Ill., and in the Senate by Sen. Roy Blunt, R-Mo.

"While this issue has been a major one for the truck and bus industry, with the potential to result in expensive and damaging litigation, H.R. 3095 has always been about improving safety by following the formal rulemaking process and including input from the major stakeholders," Lipinski said.

California to pilot test electronic license plates

SACRAMENTO, Calif. — The state of California plans to embark on a pilot test of electronic vehicle license plates.

According to an analysis by the California Senate Rules Committee, electronic plates will improve efficiency, lower the cost of vehicle registration services and eliminate the need for vehicle owners, particularly fleet owners, to receive physical registration tags by mail.

The California General Assembly Appropriations Committee says it will cost less than $50,000 for the state department of motor vehicles to administer the pilot program and complete an evaluation report.

However, the plates most likely will come at a relatively high cost for drivers, said David Findlay of Compliance Innovations, an electronic license plate manufacturer.

Findlay told one magazine the plates could cost around $100, at least five times the price of a typical license plate fee.

The electronic plates would serve as alternatives to California's traditional metal license plate, plastic-coated registration stickers and paper registration cards.

The California DMV annually registers roughly 26 million vehicles and performs more than 10 million renewals.

Senate Bill 806, signed by California Gov. Jerry Brown last month, calls for the pilot to be established by Jan. 1, 2017. The pilot will be limited to no more than 0.5 percent of registered vehicles and vehicle owners who have voluntarily chosen to participate.

While the bill does not specifically state which devices will be tested, the bill analysis did mention a provider, Smart Plate Mobile, which was incorporated four years ago and is based in San Francisco, as being "the company most interested in participating in such a pilot project."

Smart Plate Mobile's plates are computer screens that would take on the size and appearance of a standard California license plate. Since the plates can receive wireless updates from a central server, they could also display additional messages such as "stolen" or "expired."

Artemio Armenta, a state DMV spokesperson, told *Ars Technica* that "postage costs associated with vehicle licensing and registration does exceed $20 million annually."

A similar bill proposed in California in 2010 would have allowed advertisements to scroll on the screen if a vehicle was stopped for more than three seconds, *Ars* reported. The ads were envisioned as an additional revenue source for the DMV.

The current bill does not include provisions for advertising, the *Sacramento Bee* reported.

California is not the only state considering electronic license plates. Florida passed a law last year allowing them, but the program does not yet have a start date.

South Carolina and New Jersey have similar bills in progress.

Privacy concerns have been expressed about the projects, with one civil liberties group invoking the term "big brother."

Responding to concerns about tracking expressed by the Electronic Frontier Foundation, an amendment was added to California's bill to limit the data exchanged "to that data necessary to display evidence of registration compliance. The department shall not receive or retain any information generated during the pilot program regarding the movement, location or use of a vehicle participating in the pilot program."

Still, Lee Tien, an attorney at Electronic Frontier Foundation, notes that while the DMV will not be receiving location information in the pilot, the company providing the plates would, and it would control what is on the plates, reported the *Capitol Hill Daily*.

Other potential concerns include the potential for the plates to be monitored or hacked.

Tolling light on R.I. bridge

PORTSMOUTH, R.I. — You can lead drivers to bridge toll baskets, but you best mandate them to pay if you want to collect much money.

Drivers without an E-ZPass transponder have pitched in less than $50 in voluntary toll payments for crossing the Sakonnet River Bridge here.

While vehicles with transponders pay a toll automatically when using the bridge; motorists without E-ZPasses are asked to remit their payments voluntarily.

Vehicles with transponders were billed a total of $80,000 in the first 45 days of tolling on the bridge, which connects Portsmouth and Tiverton.

The Rhode Island Turnpike and Bridge Authority had planned to implement a higher toll and use cameras to record the plates of vehicles without transponders so they could be billed through the mail.

But the authority scrapped the plan after state lawmakers blocked the higher toll, saying it wouldn't be cost-effective to mail invoices for a 10-cent toll.

It's expected the toll will increase this spring unless lawmakers can find an alternative.

Trucker sued for pregnancy bias

SPARTANBURG, S.C. — The U.S. Equal Employment Opportunity Commission has filed suit against a trucking company, claiming it violated federal law by discriminating against a female employee because she was pregnant and by retaliating against her because she made complaints about pregnancy discrimination.

According to the EEOC's complaint, Jessica Williams worked at the Spartanburg terminal of Kenan Transport as a billing clerk.

On Feb. 23, 2012, Williams had premature labor, which her doctor was able to stop.

The EEOC says that when Williams notified the terminal manager that her doctor had excused her from work for a few days, the terminal manager told Williams she would not be allowed to return to her job until after the birth of her baby.

Williams was seven and a half months pregnant at the time.

The EEOC further alleges that Williams complained to the company that she was being forced to go out on leave because of her pregnancy and of her intent to file a pregnancy discrimination charge.

Williams gave birth March 15, 2012.

According to the EEOC complaint, Kenan terminated Williams on May 14 because of her pregnancy and/or in retaliation for her complaints about discrimination.

The EEOC says federal law prohibits employers from discriminating against pregnant employees and also prohibits employers from retaliating against workers who complain about discrimination.

The EEOC filed the suit in U.S. District Court here after first attempting to reach a pre-litigation settlement through its conciliation process.

The EEOC seeks back pay, plus compensatory and punitive damages for Williams, as well as injunctive relief.

Kenan Transport is a unit of Kenan Advantage Group of North Canton, Ohio. Kenan has a fleet of more than 6,500 trucks and is one of the largest tanker/bulk hauling operations in the U.S.

Wisconsin I-43 bridge repairs begin

GREEN BAY, Wis. — The Wisconsin Department of Transportation announced it is repairing the Leo Frigo Bridge along Interstate 43, which would allow the bridge to reopen in January.

The bridge has been closed since late September when a pier unexpectedly sank two feet. (See Nov. 1 *Bus & Motorcoach News*.)

The span, located in Green Bay, carried an estimated 40,000 vehicles daily. Its closure has resulted in detours for traffic heading in both directions.

An investigation by state engineers found that bridge pier No. 22 sank as the result of corrosion to its pilings due to unusual soil conditions. The same conditions are found from pier 21 to 25, and all of the piers are being repaired.

New pilings will be installed at the base of the five piers and will be protected from the corrosive soil conditions.

The state DOT is installing temporary support towers on either side of Pier 22 to prevent further sagging and protect workers as they work on the permanent repair.

While the state DOT has determined that five piers need the extensive shoring, it is investigating all of the bridge piers.

Calif. to extend emissions effort

SACRAMENTO, Calif. — Vehicle fees that have been in place for the past six years to pay for emissions-reduction efforts in California will continue well into the next decade under a new state law.

Gov. Jerry Brown signed a bill extending for eight to nine years the 2016 sunset date on all registration and license fees at current rates.

Multiple vehicle fees were added in 2007 to help fund a slew of clean air and clean vehicle incentive programs. One of the programs is intended to raise revenue to develop alternative fuel and clean-air technology in the state.

In an effort to reach that goal, Assembly Bill 8 continues until 2024 an increase in the annual vehicle smog-abatement fee by $8 and the registration fee by $3.

It's a follow-up to a bill signed by then-Gov. Arnold Schwarzenegger in 2006 that requires the state to cut emissions of carbon dioxide and other greenhouse gases by 25 percent. The state has until 2020 to match emissions levels of 1990.

"If there's anything we need, Lancer's door is always wide open."

Archie and Patricia Cauley
Owners
Cauley Coach Inc.
St. Albans, NY
Lancer customer since 1988

"We've been Lancer customers for 25 years. One of the things that impressed us way back and still impresses us today is Lancer's emphasis on accident prevention.

We would copy Lancer safety bulletins on subjects like summer driving, winter driving, night driving and backing up a bus and share them with our drivers. Now, of course, we show our drivers videos we get from Lancer. We definitely feel the training is effective. On the few occasions when we've had a claim, we've found Lancer's claim-reporting process to be very simple and straightforward.

We have lots of contacts at Lancer, and can always call the main office in Long Beach and talk on a first-name basis with someone. People are always accessible."

If you want proactive safety training and responsive service from a passenger transportation specialist, ask your agent for a Lancer quote or call Lancer directly and get assigned to an agent.

To learn more, call 800-782-8902, x3264 or email bus@lancerinsurance.com.

Ward's 50 — Safety • Consistency • Performance
2010, 2011 and 2012
Ward's 50 Top Performers

LANCER
INSURANCE
The Difference is Our Attitude.

BEST

Motorcoach Council · Trailways · UMA United Motorcoach Association · International Motor Coach Group, Inc. · ABA · Gray Line

370 W. Park Avenue, P.O. Box 9004, Long Beach, NY 11561 www.lancerinsurance.com

Are truckers hours' changes a sign of things to come?

By Kevin Jones

In just three short months, the latest changes to the hours-of-service rule (for truck drivers) have demonstrated all too clearly that the Federal Motor Carrier Safety Administration simply does not understand the industry it regulates, nor trucking's important place in American life.

The immediate impact is that carriers must figure out how to make up — and pay for — the unnecessary losses in productivity.

More significantly, for the future of the industry, trucking must figure out how to deliver a clue to FMCSA before the agency's aggressive regulatory agenda does more unintended harm.

As for the former, trucking's biggest players began circling the wagons (last month).

As reported by *Commercial Carrier Journal*, the American Trucking Associations Management Conference and Exhibition featured an extensive discussion of hours of service and its impact.

Among the noteworthy soundbites:

- Jeff Flackler, vice president of transportation for Wal-Mart Stores Inc., likened the situation to tuning a carburetor: "You get it just right and it runs really well. But if you go just a little bit further, it starts choking,"
- Derek Leathers, president and COO of Werner Enterprises (one of the country's biggest trucking outfits), reported that the number of Werner drivers in the 60-67 age group has held steady for years, as a few would retire and about an equal number would move up. In the 90 days ahead of the hours-of-service change, that number fell by half: "It's my belief that's a representative sample across the industry of drivers who just said, 'I'm out. I'm done. Thanks, but I'm moving on."
- Steve Gordon, COO of Gordon Trucking Inc.: "The thing that's most unfortunate is we've worked very hard to build a better lifestyle for our drivers — more out-for-a-week, home-for-a-weekend opportunities. The new restart has been most painful for those folks."
- The punchline, as suggested by moderator Dave Osiecki, American Trucking Associations senior vice president of policy and regulatory affairs: Driving the most experienced professionals out of the industry can't be an effective way to improve safety.

Significant impact

While the safety and driver health benefits that justified the rule change may be a joke, the impact on productivity is not. Leathers made the subtle point that carriers and their customers probably don't disagree on the overall loss of 2 or 3 percent – just on how significant that loss truly is.

"We as an industry don't have the 2 percent to give," Leathers said. "We've got to make sure we talk in an intelligent way, with data. We can't be alarmist because we lose credibility."

Then, Schneider National jumped in and published its numbers.

Schneider's top-of-the-line route modeling technology provides a visibility into operations that few carriers can match – and that few shippers can question.

Since the new hours-of-service implementation, Schneider has realized a 3.1 percent drop in productivity on solo shipments and a 4.3 percent decline on team shipments, the company reported.

The results are similar to Schneider's forecasted 3 to 4 percent, which was based on predictive modeling and presented as testimony to the FMCSA in 2011.

"The hours-of-service changes could not have come at a worse time," says Dave Geyer, senior vice president/general manager of Schneider's van truckload division.

"We now need more drivers to do the same amount of work, but regulations, economic conditions and demographics are working against us in terms of recruiting new drivers. Those who do answer the call deserve an attractive wage and good benefits, but we're being restricted in the number of miles we can give them and the ongoing challenges that come with sharply rising operating costs."

No impact on safety

And, no surprise: While productivity has been impacted, safety has not, the company adds.

"Safety performance dramatically improved under the previous hours-of-service rules and there is no evidence to support that changing the rules has improved safety," Geyer says.

"Ongoing feedback from our drivers is consistent: they do not feel better rested as a result of the rules change; just less productive."

Schneider provides the shipping community with a heads-up.

"To put it in the simplest of terms, capacity continues to tighten, productivity has been reduced and it's harder — and more costly — than ever to acquire and retain drivers," Geyer says. "This trifecta is a cost burden that carriers cannot bear alone."

Indeed, it's time for all carriers to polish their spreadsheets and update bid packages. If the big boys are gearing up for a rate push, there's no reason for any trucking company to pay the full costs of the FMCSA mistake.

As to the bigger question — what can be done to prevent the FMCSA from just making things up? — I, frankly, don't know.

Public comments opposing the hours-of-service changes were duly posted, trucking representatives testified before Congress, lawsuits were filed.

Yet the federal regulator shrugs? Reality — jobs, business viability, consumer prices — doesn't matter? Where's the disconnect?

An anomaly?

Maybe, and this is my hope, the latest hours-of-service mess was just a one-off, an anomaly, a mistake that made it through the rulemaking process on some sort of momentum all its own.

Whatever the mojo, trucking will learn to live with the new rule (and the agency must learn to live with substantially less credibility).

But the FMCSA agenda is still loaded with initiatives that could make or break the industry (CSA, EOBRs, safety fitness determinations, drive ratings, etc.), so it's all the more important that trucking understand what happened with hours of service — and not let it happen again.

Reprinted from Commercial Carrier Journal.

Kevin Jones is senior editor of Trucking Media. *His 500 Miles blog features whatever strikes his fancy and has at least a little connection to trucks, or drivers, or highways. Or, David Allan Coe. (Google "the perfect country and western song" if you're not nearly as old as Kevin.)*

Succession tips for family firms

NEW YORK CITY — A staple of motorcoach and tour operator conventions and meetings is education sessions on business and management succession planning.

After all, once you've toiled for years and invested all sorts of resources in building a business, there comes a point when most owners start thinking about who will succeed them, which might be one of their kids.

The topic was the focus of a *New York Times* article by Josh Patrick, himself the owner of a family business.

He examined the transition from owners to their children and offers three key tips:

- Have your children gain experience outside the family business. Becoming a seasoned manager for another company helps the child prove he or she is ready to take over yours.
- Arrange it so children who take over the business buy the business. Patrick cites one expert who believes that gifting a business damages both the business and the relationship.
- After you've stepped aside, stay out of the way. Employees and associates might not take your successor seriously until you're completely out of the picture.

How to contact us

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

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

To subscribe or inquire about your subscription:

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

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

Call: Jamie Williams at (352) 333-3393
E-mail: JWilliams@naylor.com

Existing advertisers, or to submit advertising materials:

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

To contact the United Motorcoach Association:

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

ISSUE NO. 250

Bus&MotorcoachNEWS

A PUBLICATION OF THE UNITED MOTORCOACH ASSOCIATION

Bus driving is cool; young people need to discover it

By Dave Millhouser

By now you've guessed I might be a bit strange. The next two paragraphs will confirm your suspicions.

In August 1963, I rode a 1947 Brill from Baltimore to Colorado with a youth group. The bus belonged to the organization, and the drivers were charismatic, responsible young guys.

Somewhere in the middle of that trek, I decided being a bus driver was cool.

Throughout college, and for years afterward, I drove buses for that youth organization whenever possible, at the helm of majestic machines full of wide-eyed admiring teenagers.

My folks were not thrilled, feeling they had spent big bucks educating me, and there were better careers out there (and YOU laughed when I wrote that bus driving was cool).

Recently, I mentioned in a column that we don't pay drivers as well as airline pilots and, as a result, generally don't attract as many high-quality applicants.

One first-rate charter operator pointed out that his starting drivers actually make more money than fledgling pilots. Many professional aviators don't make as much as an experienced bus driver — unless they are flying GBAs (Great BIG Airplanes).

My parent's reaction to my choice wasn't atypical. Lots of young people today are pursuing aviation careers, but few aspire to drive buses.

Since the late 1950s-early 60s, the public's perception of professional drivers has waned significantly.

This comes at a bad time because between rising regulatory convolution, increasingly complex motorcoaches and growing traffic concerns, we, as an industry, need the best possible pool of drivers.

Many current drivers, particularly on the charter side, are part timers. They either have other jobs or are winding down towards retirement. They drive because they enjoy the adventure.

This is an experienced, dependable group.

On the other hand, because their income is not solely dependant on driving, they may be less willing to tolerate some of the unattractive aspects of the job.

As the economy improves some will weigh the rewards of driving a bus against the hassles, and decide it's just not worth it.

Licensing requirements, inconvenient random drug testing, nit-picking regulations, sometimes onerous hours, and a host of other irritants make other industries look more attractive. None of these are your fault, but remain a source of driver attrition.

What can we do to make life better for our good people?

What can we do to make driving motorcoaches a career choice — rather than just a job?

As usual, I'm long on questions and short on answers. I've never, for a minute, regretted driving coaches. My life has been enriched by the folks I've met, sights I've seen, experiences I've had.

I bet I'm not alone. Many of your drivers doubtless feel the same. This is a career where someone with a modest formal education can go far (pun intended), see the country, and meet all sorts of interesting people along the way.

Trent, a young man who works for the charter company mentioned earlier, seems to be what we're looking for.

He points out that "long hours mean there is plenty of work available. Travel away from home … no boss looking over your shoulder. Real responsibility…you're in charge of an expensive and highly technical vehicle. You have the opportunity to meet dozens of new people every day. Often, trips consist of driving groups to beautiful places and spending a few days touring the area. You see sights and attend events that other folks pay dearly to experience."

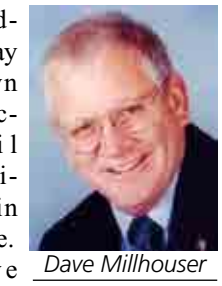
My old boss said "it's easier to teach a good person to drive, than to make a good person out of a driver."

Instead of "hiring" drivers, how do we recruit good people?

Job fairs can be helpful, and it might be worth the effort to contact guidance counselors. Sadly, it's tough to get a recent graduate insured. Regulations require drivers to be 21, but insurers often tack a few years on.

Remember "Join the Navy, see the world"?

Is it possible to recruit customers and drivers at the same time? Advertisements, especially via social media, stressing adventure and responsibility, might attract both applicants and clientele.


Dave Millhouser

Most budding pilots pay for their own flight instruction until they're qualified; we train drivers for free.

Then we have to jump through hoops to keep the good ones. We can't pay as well as we'd like, but the aviator pay example proves that people work for more than money. Are there perks that go with seniority?

On occasion, I write press releases for coach suppliers. Operators who can afford new buses are generally successful.

When asked what makes their company special, virtually every one brags about his or her drivers. Study how they recruit, train and treat employees. Do what I do, steal their ideas.

Years later, it occurs to me that perhaps those kids riding the buses I drove were wide eyed with fear, not admiration.

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

2014 Unified Carrier Registration filing draws closer

Registration and payment of 2014 Unified Carrier Registration fees has begun in virtually all states that participate in the program.

The Unified Carrier Registration Agreement board also has cleared states to begin roadside enforcement Jan. 1, for payment of the 2014 fees.

The 2014 fees are the same as those for this year.

Most states began sending out registration renewal forms and notifications last month, and all states offering on-line UCRA registration are registering carriers and other entities subject to the UCRA program.

Some states have a deadline of Nov. 30 to have fees paid.

For more information, or to register online through the UCRA website — regardless of the state in which a company is based, go to *www.ucr.in.gov/*. The website is operated for the 41 participating states by Indiana administrators.

All motorcoach and school bus companies that operate in interstate or international commerce are subject to UCRA fees and registration. Companies based in the nine states that are not UCRA members must register in one of the states that are members.

According to one motorcoach industry expert, there likely is a smattering of motorcoach operators that are unfamiliar with the program and therefore do not register and pay the fees.

In many states, nonpayment and non-registration can result in significant fines and out-of-service orders. For at least two states, penalties may include jail time.

Here's an updated list of the UCRA enforcement penalties. In many states, hefty court costs are tacked onto the fines.

Alabama: $100 first offense, $500 subsequent offense. No out-of-service mandate.

Arkansas: $100-$500 first offense, $100-$1,000 subsequent offenses.

California: Base state fine of $300-$1,000, plus specific fees that vary by county.

Colorado: $1,100 first offense, $2,200 second offense, $3,300 subsequent. No out-of-service mandate.

Connecticut: $170 fine.

Idaho: Misdemeanor punishable by imprisonment in a county jail not exceeding six months, or by a fine not exceeding $1,000, or both. A citation would require a bond to be posted, the amount to be determined by a magistrate judge, but probably around $300.

Illinois: $300 first offense, $500 second offense.

Indiana: $150 first offense, $1,000 subsequent offense.

Iowa: $250 fine.

Kansas: Civil fines discovered at roadside $300, civil fines through a Compliance Audit are $100-$1,000 first offense, $100-$5,000 subsequent offense.

Kentucky: $25 to $250.

Louisiana: $250 fine.

Maine: A traffic infraction for which a fine of not less than $250 for the first offense and not less than $500 for a second or subsequent offense may be adjudged.

Massachusetts: $100 first offense, $200 subsequent offense.

Michigan: Up to $500 for for-hire carriers.

Minnesota: $100 fine, plus $78 in court costs.

Mississippi: Misdemeanor; $100 to $500 fine, plus court costs and assessment fees that vary by county.

Missouri: Varies with the county; with an audit, state can impose a general fine up to $2,000 per day.

Montana: Warning.

Nebraska: Class IV misdemeanor with a minimum fine of $100. If evidence of multiple ongoing violations, law enforcement would seek a greater fine.

New Hampshire: $100, plus penalty assessment for a first offense, and $500, plus penalty assessment, for a subsequent offense in a 12-month period.

New Mexico: $50 penalty assessment as a misdemeanor. With formal proceeding, up to $10,000 per day.

New York: With formal proceeding, up to $5,000.

North Carolina: $1,000 penalty for each offense charged in violation of the Motor Carrier Safety Regulation Article.

North Dakota: Can hold IRP and IFTA renewals for UCR nonpayment.

Ohio: $500 per occurrence; any entity that fails to register and pay fees as required, $1,000; any entity that provides false or misleading information on application, $5,000.

Oklahoma: $300 first offense, $400 second, $500 subsequent.

Rhode Island: $300.

South Carolina: $232.50.

South Dakota: $154 fine.

Tennessee: Base state fine of $50, plus court costs that are county specific.

Texas: Class C misdemeanor, which is punishable by a fine of $1 to $500, plus court costs. The fine amount is set by the assigned judge noted on the citation.

Utah: CVSA inspection first time.

Virginia: Class IV misdemeanor, $250 fine.

Washington: $124.

West Virginia: $100-$1,000.

Wisconsin: $750.

The following states either have no published penalties or are not members of the UCRA: Alaska, Arizona, Delaware, Florida, Georgia, Hawaii, Maryland, New Jersey, Nevada, Oregon, Pennsylvania, Vermont and Wyoming.

megabus forecasting bountiful Christmas

ELIZABETH, N.J. — With year-end approaching, what sort of holiday travel season is megabus.com expecting, and what sort of marketing practices will it be using to attract riders?

No. 1. megabus expects a 20 percent increase in passengers this holiday season versus last year.

No. 2. megabus says it guarantees at least one $1 seat on every bus, every day through Jan. 7.

Beyond that, megabus is adjusting its pricing to make it more attractive for riders to travel on the slowest travel days — Tuesdays, Wednesdays and Saturdays. The company programs more low-fare tickets on those days, according to Mike Alvich, megabus.com vice president of marketing and public relations.

Alvich also says the company announces its sales first via Facebook and Twitter, so customers who follow its social media sites can get a head start on the lower prices.

megabus.com serves 120 cities in the U.S. and Canada, including routes operated by other Coach USA subsidiaries.

Confused: Attempting to make sense of UCRA, URS

WASHINGTON — The alphabet soup that characterizes the shorthand names of hundreds of government agencies and programs is about to get a whole lot more confusing for motorcoach operators.

In late August, the Federal Motor Carrier Safety Administration, also known as the FMCSA, published a final rule for what is called Unified Carrier Registration, or URS.

If the name sounds familiar, that's because it is.

For the past six years, if you operated buses or trucks in interstate or international commerce in the U.S., the Unified Carrier Registration Agreement, which is commonly shortened to either UCR or UCRA, has applied to your business.

Bus & Motorcoach News, which tries to avoid overusing letters to identify agencies and programs, has on occasion used UCR or UCRA to refer to the Unified Carrier Registration Agreement program. Regrettably, this article is chock full of Us, Rs, Ss and Cs.

The Unified Carrier Registration Agreement is the federally-mandated, state-administered program under which states collect fees from motor carriers based on the number of qualifying commercial motor vehicles in their fleets.

Revenue generated by the program is used to pay for enforcement of motor carrier safety programs across the U.S.

When it was created in September 2007, 36 states, the FMCSA, and the over-the-road bus and truck industries adopted the system to replace what was then called the Single State Registration System.

In the intervening six years, five more states have adopted the Unified Carrier Registration Agreement. The program operates through what is called a base-state system under which operators pay their UCRA fees to a base state on behalf of all participating states.

Even though the names are almost identical, Unified Carrier Registration, or URS, has nothing directly to do with the Unified Carrier Registration Agreement.

The rule setting up the URS had been in the works for nearly 18 years, and there were at least three rounds of public comments on drafts of the rule during all those years.

Basically, the URS is an amalgamation and overhaul of the existing FMCSA system for registering interstate motor carriers (think FMCSA/USDOT- and MC-number systems), and for the filing of insurance coverage and agent-for-service-of-process designation.

Although the rule establishing the URS was published in August, it did not include the technical specifications for the data processing changes that must take place to implement it.

Those changes reportedly are under way at the FMCSA but they are not yet finished, meaning the process of getting the system up and running will drag on a while.

The rule does include a large number of mostly technical regulatory changes having to do with required motor carrier filings and the like. Among them are:

- The combining of 16 current FMCSA forms into one, the projected MCSA-1, which carriers and other entities will be required to file electronically — once it's ready.
- Carriers and other entities regulated by the FMCSA are in the future to be designated only by their USDOT numbers; for-hire carriers may continue to use their MC (motor carrier) numbers.
- Private and exempt carriers will have to pay a $300 fee when they first register with FMCSA, as other motor carriers have been doing.
- All carriers will be required to notify FMCSA within 30 days of changes in their names, addresses, or business form.

In general, the URS rule is supposed to go into effect Oct. 23, 2015, when, it is believed, the FMCSA will have the on-line filing system ready.

Meanwhile, on Nov. 1, the FMCSA began enforcing the long-standing rule that requires carriers to update their filing information every two years on Form MCS-150 (which, eventually, will be part of the new Form MCSA-1).

Operators failing to update their Form MCS-150 will first get a warning letter and then will have their USDOT numbers inactivated. Having a USDOT number inactivated is not something thinking motorcoach operators want to have happen.

ABC's Muncie Supply marks milestone

MUNCIE, Ind. — ABC Companies has noted that its Muncie Transit Supply subsidiary has reached its 60th anniversary in business.

Muncie began as a small shop, reclaiming worn transmission and suspension parts. Starting in 1953, as Muncie Reclamation and Supply Co., it began focusing on supplying transit agencies.

Today, Muncie is a leading aftermarket bus parts distributor and manufacturer.

Operating out of an 86,000-square-foot warehouse facility here, Muncie maintains a large inventory of parts that are distributed throughout North America.

Muncie sold its reclamation business in 1995, shortening its name to Muncie Transit Supply. Three years earlier, Muncie purchased Baker Transit Parts of Sombra, Ontario, entering the Canadian market.

ABC Companies purchased Muncie/Baker in July 2007, as part of its strategy to expand and support its core business, and make more product lines available to motorcoach and transit operators (see July 15, 2007 *Bus & Motorcoach News*).

Survey: 44 percent of American seniors don't go online

NEW YORK — Motorcoach operators that are putting all of their promotional dollars and efforts into digital, online and social media marketing may want to pause a moment and consider one fact:

Fifteen percent of Americans — about 1 in 7 — still don't use the Internet — at all.

And, not surprisingly, the percentage is even higher — much higher — for one very important motorcoach industry demographic: seniors.

A study released by the Pew Research Center's Internet and American Life Project also found that another 9 percent of U.S. adults only use the Internet when they are not at home.

Adults with lower levels of income and education, as well as blacks and Hispanics, are significantly more likely to rely on Internet access outside of their home, in libraries, at work or elsewhere.

Of the people who don't go online, only 8 percent want to. The rest say they're not interested.

In an era when the Internet has become so entwined in the lives of Americans, that many might have trouble coping without it, there remains a meaningful segment that apparently does just fine without it.

In fact, most of them prefer to live life without it.

Of course, they are functioning counter to much of the rest of society. Internet usage has increased steadily since Pew began doing its survey. In 1995, only 14 percent of Americans said they went online. By 2000, half were online and by 2007, three-quarters.

Now it's 85 percent. As in previous years, age, income, education level and race have a lot to do with who is and isn't online.

Of note to motorcoach operators: Forty-four percent of people 65 or older are not online, compared with 2 percent of those aged 18 to 29.

Nearly a quarter of people with household incomes of less than $30,000 per year are offline, compared with 4 percent of those with $75,000 or more.

Here are some of the reasons people gave for not going online:

- 34 percent think the Internet is not relevant to them — they are not interested, don't want to use it or don't need it.
- 13 percent don't have a computer, 7 percent don't have Internet access and 6 percent said it's too expensive.
- 3 percent said they are worried about things such as privacy, viruses, spam or hackers.
- 4 percent think it's a waste of time. Maybe they know something.
- Nearly a third of people cited usability for not going online. This includes people who say they are too old or physically unable to get online because they have poor eyesight or are disabled, along with people who find it too difficult to use. Those who worry about privacy and such are also lumped into this category.

Advice for handling emailed charter quote requests

ALEXANDRIA, Va. — The popular motorcoach booking website, BusRates.com, has three tips for better managing emailed requests for charter quotes from potential customers.

And, since fall can be a busy time of year, operators may want to take a look at how well they are keeping up with quote requests and whether they are responding appropriately.

BusRates says its tips not only will assure the customer receives a response, but also can increase the odds of securing bookings immediately (and down the road).

No. 1. Set up an auto-reply.

"A timely response is essential," says BusRates.

"If you are unable to reply to RFQs as they come in, setup a dedicated email address for your company. Program that email address to send an auto-reply to the customer until you can reply at a more convenient time."

Don't, says BusRates, set up a generic "I'm-away-from-my-computer" message. The auto-reply should be of substance: include your company name, contact information, and company details (USDOT number, a link to your SAFER profile, listed associations, and other value statements to sell your company).

If you are more accessible by phone than by email, list your phone number and instructions to call it for a quicker reply.

When done appropriately, an auto-reply can confirm with the customer that their request was received, reinforce your company name, educate the customer, and provide them with alternative means to contact you.

2. Let them know if you are booked up.

"If you are booked up for the dates the visitor requests, we encourage companies to politely inform the customer of the unavailability," says BusRates. "It's a worthwhile practice as some customers can be flexible with their dates.

"Your response puts your company name and contact info in front of the customer once more. It's also a demonstration of courteous customer service."

3. Check spam filters regularly.

Sometimes, even legitimate emails can become blocked by spam controls. Two bottlenecks exist on the receiving end where a spam filter can trap an inbound email: the email client and email server.

If you find your network is blocking emails from potential customers, you would need to contact your company's IT person or internet service provider to remedy the block.

Rules are approved for pot sales in Washington state

OLYMPIA, Wash. — Recreational marijuana use has taken another step forward in Washington state, with regulators approving rules for retail pot stores.

The state Liquor Control Board adopted rules that will allow 334 marijuana stores — across the state — to open their doors as early as next spring.

According to the new rules, individuals are limited to three retail licenses, and applicants must undergo criminal background checks before a license is issued.

The new regulations also prohibit out-of-state investment in marijuana businesses; require quality control testing by third-party laboratories, and call for child-resistant packaging.

The rules are similar to those approved in Colorado in September.

A year ago, voters in both states approved measures to legalize the possession of up to an ounce of pot by adults over 21.

In August, the U.S. Justice Department announced it will not enforce federal marijuana laws for recreational use in the two states.

However, the Federal Motor Carrier Safety Administration and the U.S. Department of Transportation have said they will continue to enforce Federal Motor Carrier Safety Regulations that prohibit marijuana use by commercial drivers.

In a strongly worded statement, Jim L. Swart of the USDOT said: "We want to make it perfectly clear that the state initiatives will have no bearing on the Department of Transportation's regulated drug-testing program. The Department of Transportation's Drug and Alcohol Testing Regulation — 49 CFR Part 40 — does not authorize the use of Schedule I drugs, including marijuana, for any reason."

Drivers and other employees of at least one Seattle-based motorcoach operation are on notice that the new pot rules in Washington state have not changed company policy.

"No. 1, we have not altered our rules at all. We are a drug-free workplace, and that includes non-(commercial driver's licensed) employees," said Tom Casazza, operations manager at Starline Luxury Coaches.

He said the company's strict no-drugs policy was reiterated at a monthly safety meeting, and the FMCSA statement on recreational marijuana has been posted in the company drivers' lounge.

"We've made all our drivers aware of it. We are utilizing that policy without any modifications," he said.

Consumer confidence falls

NEW YORK — Consumer confidence fell to a 10-month low last month, according to the Thomson Reuters/University of Michigan consumer sentiment index.

The month's final index fell to a reading of 73.2, the lowest this year, and down from 77.5 in September.

Adrian Miller, strategist at GMP Securities, told *Bloomberg News* he blames "Washington's October shenanigans" for the drop in confidence.

"Lawmakers will need to win the hearts and minds of consumers to say nothing of business leaders," he said.

The index was lower than a preliminary 75.2 reading two weeks earlier and the economists' median forecast of a 75 reading, *Bloomberg* reported.

Disappointing gains in employment and the prospect of a protracted budget battle into 2014 raise the risk that consumer spending will cool as the holiday season approaches, *Bloomberg* reported.

"This political uncertainty is going to slow any momentum we've had in the past few months," Millan Mulraine, director of U.S. rates research at TD Securities USA, told *Bloomberg*.

A decline in consumer confidence can have a negative impact on demand for motorcoach services.

N.J. gets internet gambling

ATLANTIC CITY, N.J. — Late this month, New Jersey becomes the third state to permit online gambling for residents and visitors.

The eastern gambling mecca plans to permit gambling online Nov. 26, after a five-day trial aimed at making sure the systems operated by the city's 12 casinos work properly.

The state Gaming Enforcement Division reported that Atlantic City casinos may begin a "soft play" period Nov. 21 for invited guests. If all goes well, the casinos can begin full internet gambling at 9 a.m. on the 26th.

Legally, gamblers must be physically within New Jersey to play.

Once online gambling begins in New Jersey, it will become the third state to offer web gambling, joining Nevada and Delaware.

"I think this is going to be a significant revenue stream," said Robert Griffin, CEO of Trump Entertainment Resorts, which operates two casinos here. "It has the potential to make up 20 percent of our revenue."

Online gambling is designed to give struggling Atlantic City casinos new revenue, though some worry that in-person business will simply migrate to computers, leading to casino job losses.

Such a development also could mean a decline in motorcoach casino shuttles.

Atlantic City casino revenue has plunged from a high of $5.2 billion in 2006 to a little more than $3 billion last year.

Thousands of Atlantic City casino jobs have been lost over the years as many gamblers chose options closer to their homes in Pennsylvania, New York, and Maryland.

10th Annual

UMA Safety Management Seminar

"The best day & a half investment you can make to fine tune your company's safety program."
—Peter Shelbo, Tour West America, Inc., Phoenix, AZ 2012 attendee

United Motorcoach Association

SAFETY MANAGEMENT SEMINAR

2013

December 4-5, 2013

NTSB Training Center
Ashburn, VA

Register TODAY at www.uma.org or call 800.424.8262!

Now in Our 10th Year!

Featuring in-depth discussions on these important topics you can't afford to miss!

- **HR Policies and Driver Training**
- **FMCSA Compliance Reviews** HOT TOPIC!
- **Fatigue Management**
- **Updates from FMCSA, NTSB, TSA and NHTSA**
- **Small group problem-solving discussions** NEW!

Presented by:

United Motorcoach Association

BUS & MOTORCOACH ACADEMY Est. 2007 online education

Sponsored by:

NATIONAL INTERSTATE

ABC COMPANIES

UMA COMP Workers' compensation insurance

Shuttles provided by: First Priority Trailways, District Heights, MD

Operators tout 'green coach' certification program

PORTLAND, Ore. — Portland-based motorcoach operator Roxanne Gillis may have signed onto the "Certification for Sustainable Transportation" program because it's good for the environment.

"Oregon's culture is about sustainability, and saving the trees and saving the salmon. I guess we just have a bunch of radicals up here," said Gillis, who owns NW Navigators with her husband, Joe.

But these days, she's just as likely to extol the benefits of the program because it's also good for business.

She said the Certification for Sustainable Transportation e-Rating designation, and the high-efficiency, low-impact form of transportation it signifies, has helped the company attract corporate clients like Nike, and other customers, such as Travel Portland, a destination marketing organization.

"We have a large corporate clientele, and they love it. Colleges feel good about it…and the travelers from around the world have started to really pick up on it," said Gillis.

The Certification for Sustainable Transportation program, which just completed its first year of operation, grew out of work at the University of Vermont in Burlington.

So far, about 25 motorcoach companies have received certification, and 20 others are currently in the process, according to program director David Kestenbaum.

Altogether, the companies operate about 20 percent of all the buses in North America, he said.

Once companies qualify, they are entitled to use the program's e-Rating logo on buses, as well as marketing and advertising materials.

Similar to the federal government's Energy Star certification for appliances and LEED certification for buildings, e-Rating is designed to help consumers identify forms of transportation — from buses to pedicabs — that meet research-based, energy-efficient criteria.

The criteria include greenhouse gas emissions per passenger mile, emissions, fuel type, carbon offsets and training programs and policies.

Determining whether vehicles qualify is relatively straightforward, says Kestenbaum.

"For most companies, it's a very small time commitment. If you can get someone to work with us for 2 to 3 hours, we can get all the information we need and we can get vehicles certified," he explained.

A key component of the program is its two driver courses, "Be Idle-Free" and "Eco-Driving 101." The courses educate drivers to use "smart starts and stops" — avoiding aggressive acceleration, speeding and braking; monitor speed to maintain efficient and consistent speed; keep RPM levels as low as possible for the speed; keep vehicle properly maintained, and eliminate unnecessary idling.

Shannon Gravitt, a vice president at Mears Transportation Group in Orlando, praised the program's idle-reduction training. Idling, she said, is a particular concern "when you're operating a large fleet in Florida, where it's 90 degrees six months out of year."

"The idle-free training has been critical in making sure the drivers are aware there's a balance between making sure the customer is comfortable and well-serviced, while also doing the right thing for the environment," she said.

Gillis also praised the program's driver training programs, which can be completed in less than two hours. When they're finished, drivers pledge to drive idle-free.

"It really gets them onboard about saving the environment. It touches their heart about being conscientious about how they're driving," she said. "The off-set of that is fuel savings and more money in my pocket."


David Kestenbaum

And the savings are significant, she said.

"When idling burns a gallon-and-a-half per hour of fuel, and your drivers all sign an anti-idling pledge, that's a huge savings," she said.

Dale Moser, president and chief operating officer of Coach USA and megabus.com, agreed. He said his company has saved "hundreds of thousands of dollars per year in fuel costs" since it began participating in the program's pilot phase about four years ago.

Currently, more than 400 of the company's coaches have been certified, and 400 drivers have taken the program training, with 300 additional drivers in line for the courses.

"Today, savvy consumers, especially the younger travelers, are looking for the greener travel alternatives to driving and flying," he said.

"Statistics reflect that motorcoaches are one of the greenest methods of transportation per passenger mile traveled."

Riverboat Delta Queen may sail again

WASHINGTON — The U.S. House approved a bill that would allow the famed Delta Queen riverboat to once again steam along the Mississippi River.

The measure, which cleared the House Transportation and Infrastructure Committee in July, was approved 280-89.

Following a series of horrific fires aboard international passenger ships, Congress in 1966 required all passenger vessels operating in the U.S. to be built of non-combustible materials. The wooden Delta Queen was granted an exemption, but Congress revoked it in 2008.

The legislation would once again exempt the ship from the fire safety law.

The steamboat has been docked in Chattanooga, Tenn., where it operates as a floating hotel.

CELEBRATING 30 YEARS

UMA MOTORCOACH EXPO 2014

at travel exchange

February 16-20, 2014 Los Angeles, CA

YOUR INVITATION TO ATTEND

See. Learn. Meet. *Connect.*

motorcoachexpo.com

United Motorcoach Association

Pennsylvania beckons, many BANY members follow

LANCASTER, Pa. — The Bus Association of New York moved the site of its annual meeting and marketplace to Pennsylvania's Amish Country last month, conducting the 75th such gathering in the Lancaster Host Resort and Conference Center here.

It was the first time BANY had met outside of New York state. Lancaster is roughly 75 miles due west of Philadelphia and 160 miles southwest of New York City.

Incoming BANY President Camilla Morris said that moving the venue was an effort to "increase attendance at the meeting and assist us in adding membership from both inside and outside the state."

The strategy apparently worked.

Attendance significantly increased over last year's meeting, with more than 120 individuals joining the event, an increase of nearly 25 percent.

There were 40 representatives from 23 different bus and motorcoach companies, including operators from six states, plus New York, and coming from as far away as Indiana and Florida.

The out-of-state attendees were a clear indication or recognition that New York is a key destination for many operators.

In addition, there were 73 associate members who had displays or tables at the show.

Ken Presley of the United Motorcoach Association and Daniel Hoff of the American Bus Association updated the group on regulatory and government issues.

The program was to have included top officials from the Federal Motor Carrier Safety Administration and the Commercial Vehicle Safety Alliance, but as a result of the federal government shutdown they were unable to travel.

As a result, their regional counterparts filled in, which turned out well, since these are the individuals who have the most direct contact with local motorcoach operators.

FMCSA Divisional Administrator Tim Cotter and Bill Schaeffer, CVSA vehicle programs director, gave presentations and fielded questions.

In addition to the marketplace networking session, the extensive educational component of the meeting featured speakers and panels on a wide variety of topics.

Morris, of Oneonta (N.Y.) Bus Lines, took over as BANY president, the first woman to hold the position.

She thanked Past President Godfrey LeBron for his years of service to the association.

"As an association, BANY is here to assist, challenge and support the issues that are foremost in conducting business as a motorcoach company or as one of the industry suppliers," said Morris following the meeting.

"Safety should always be the first priority of any motorcoach company. But the actions, rules and regulations that have been put in place (in New York) to assure that this occurs have been challenging and will continue to be so."

She said she prefers to look at the glass "as being half full, with more cooperative work to be done," than seeing the glass as being "half empty, with the feeling that the industry is being a target for failure."

People

DES PLAINES, Ill. — *Dave Johnson*, who has 20 years of lending and leasing experience in the motorcoach and heavy-equipment industries, has joined **MCI Financial Services** as a sales representative.

Johnson will be responsible for assisting new and pre-owned coach customers on both the West and East coasts with financial sourcing options.

He reports to *Mike Denny*, vice president and general manager of MCI Financial Services.

Johnson formerly was with **Key Bank**, one of the nation's largest financial institutions, where he specialized in loans and leasing to operators of large equipment. He also spent 19 years at **GE Capital**, which spawned a mother lode of motorcoach industry lending experts.

MCI Financial Services is the financing arm of **Motor Coach Industries**, which moved its corporate headquarters late last month to Des Plaines.

Johnson can be contacted at *Dave.Johnson@mcicoach.com*.

Dave Johnson

Deborah Hersman

Deborah Hersman has been sworn in for a third two-year term as chairman of the **National Transportation Safety Board**. She has been serving as NTSB chairman for the past four years.

"I am grateful to lead this extraordinary organization and to work with some of government's most dedicated and professional public servants," Hersman said.

Her term will end in October 2015. She is serving a third, five-year term as a board member, which runs through December 2018.

Christopher A. Hart was sworn in for a third two-year term as NTSB vice chairman. He is serving a second five-year term as a board member.

Calendar

NOVEMBER 2013

28-30 Motor Coach Canada ConnectionsWest 2013, Westin Resort & Spa, Whistler, British Columbia. Info: *www.motorcoachcanada.com*.

DECEMBER 2013

4-5 10th Annual UMA Safety Management Seminar, NTSB Training Center, Ashburn, Va. Info: (800) 424-8262 or (703) 838-2929.

UMA letter

CONTINUED FROM PAGE 1

"That is the well-settled domain of the Federal Motor Carrier Safety Administration, which functions as is sole arbiter of operating authority.

"Despite this longstanding policy of federal preemption, many public schools today are increasingly relying on third-party providers to replicate the three basic functions of the FMCSA — standard-setting, inspection and certification.

"These third-party providers are part of a new and growing industry which generates a list of 'approved' and 'disapproved' motorcoach carriers from which the state institutions then obligate themselves to choose. Such a practice is already widespread; and, if left unaddressed, will have wide-ranging repercussions for federal transportation policy," said Mastromarco.

Authority undermined

While acknowledging that schools, the public, UMA and FMCSA all have a shared interest in travel safety, "federal law has long determined that that objective is not furthered by permitting the states or their political subdivisions to require carriers to pass disparate tests as a precondition of eligibility for hire.

"The growing industry of third-party certifiers does just that. If left to develop unfettered, state institutions' reliance on these third-party providers will eventually undermine the statutory scheme of preemption envisaged by (49 U.S.C.) 145012 and supplant the role of the Federal Motor Carrier Safety Administration, as states usurp the power to authorize or deauthorize motorcoach operators."

The UMA letter lays out in detail how Transportation Safety Exchange, the largest third-party inspection company, is undermining FMCSA authority and violating federal law, while the schools participating in its scheme have usurped the FMCSA role of granting operating authority.

"TSX's model," says the UMA letter, "is to promulgate a separate body of safety criteria; and then, on behalf of the state institutions, to determine whether an operator passes muster against these criteria.

"TSX's funding is derived in nominal measure from the state institutions that are the consumers of the safety and the resulting list of authorized carriers, but in greater measure TSX derives its funding from the bus operators who seek the certification.

"The state institutions then apply a litmus test to engage only those operators whom TSX or other third parties authorize. In this manner, through the enablement of third parties, these state institutions then usurp the function of the FMCSA to become the de facto dispenser of operating authority."

'Litmus test' for operators

The letter goes on to assert that while the standards TSX enforces are its own, these standards "are more than advisory; state institutions require their standards and certification as a litmus test for acceptance of carriers. In effect, state institutions effectively blackball carriers that have not paid the fee to TSX for its private and separate inspection."

"Whether contacting directly with TSX, or acting through instrumentalities (like the National Collegiate Athletic Association), the result is the same. The state is able to de-authorize operators by the application of separate standards," says the letter.

UMA contends that the "litmus tests" being applied by universities and schools are greatly impacting the industry.

"'So,' one might ask, 'what is the problem with state institutions taking it upon themselves to separate safe carriers from unsafe carriers?' The central problem is that under the guise of doing so, the state has effectively exceeded the powers of the state to regulate in a domain preempted by the federal government," contends UMA.

The policies and practices of the schools and universities, promulgated by TSX, "is not just competition for FMCSA; the policy violates federal law," says the letter.

Beyond that, UMA contends the "the practice is also bad policy that federal regulation would never support. It is particularly harmful because the (TSX) pricing structure ensures the burden of these state-mandated inspections fall disproportionately upon small passenger carriers."

Small carrier, big price

The letter also describes TSX's "curious pricing structure."

Under the structure, TSX charges one-bus companies $4,600 to be eligible to serve state institutions. TSX charges two-vehicle companies $4,700; three-vehicle companies, $5,100, and four-vehicle companies, $5,200.

"In fact, for an operator with eight vehicles, TSX would charge them $5,700. But a company with 100 vehicles is charged only $10,600 and a company with 599 vehicles, $21,700.

"Under the TSX business model, therefore, TSX charges smallest firm 128 times the cost per bus as the largest carrier; (and, in addition, TSX inspects fewer buses out of the fleet for larger firms)."

UMA also contends that the reliance by state institutions on TSX portends several industrywide consequences.

"It means small firms that wish to serve state institutions will pay a heavy toll to do so; while larger firms will receive a competitive advantage. At its very basic level, the business model is designed to provide a sort of large-firm set-aside.

"Such favoritism promotes consolidation. And, if left to grow unabated, will reduce profitability and viability of small carriers," asserts UMA.

Conflicts with law

"The bottom line is that state institutions are, and are increasingly, retaining the services of third-party inspection and certifiers. These concerns (1) develop standards different from (and said to be superior to the FMCSA); (2) charge small carriers fees for a Compliance Review against these standards, (3), assemble a list of 'approved' passenger carriers (all of which pay their fees) that meet its unique standards, and, (4) provide this list to state institutions who then choose only from it when engaging operators to serve their facility. This state practice conflicts with preemptive federal law," says UMA.

Primarily, the practice conflicts with the Transportation Equity Act for the 21st Century (TEA-21). That law, passed 15 years ago, was designed to "harmonize the balkanization of laws that once defined our nation's transportation system and hampered the free flow of goods and persons across borders."

A key section of the law says that "no state or political subdivision thereof...shall enact or enforce any law, rule, regulation, standard, or other provision having the force and effect of law relating to..." the authority to provide intrastate or interstate charter bus transportation.

"As a result, it is the U.S. Department of Transportation — not state colleges or universities — that possesses exclusive power to authorize intrastate or interstate charter bus transportation," states the UMA letter.

In fact, TEA-21 prohibits a state or a subdivision from adopting any law, rule, regulation, standard or other like provision that merely relates to the authority to provide transportation, says UMA.

"There is no question whatsoever that a state institution — such as those that employed the TSX services… — is considered a state actor for purposes of 49 U.S.C. 14501.

"As a result, the state cannot violate the proscription of TEA-21 through rules, policies or through contractual provisions, exercising the authority to provide intrastate or interstate charter bus transportation. The contractual requirements being imposed collaboratively by TSX and the state institutions referenced above is unquestionably unlawful."

Action urged

The UMA letter urges Ferro and the FMCSA to take the steps needed to bring the states into compliance. We encourage you and your staff to consider the scope, trajectory and impact of this burgeoning problem.

"What is occurring is already significant, although in its incipiency. The scope is nationwide. The problem is growing, and the impact of this *ultra vires* (beyond the powers) scheme of inspections rubs against the public policy rationale for putting your agency in charge of standards, oversight of inspections and authorization."

UMA says the goal of safer travel can be accomplished by using state highway patrol motor carrier enforcement sections and the FMCSA to ensure companies — that FMCSA has authorized to operate — continue to comply with the Federal Motor Carrier Safety Regulations.

"The wrong way is to supplant the agency authority with a new set of rules and enforcement requirements and enforcement officials, who then assert the power to authorize based on separate standards.

"We ask that FMCSA take steps needed to protect its jurisdictional mandate that is fundamental to the spirit of the ICC Termination Act and the federal scheme of motorcoach safety."

Amtrak ridership

CONTINUED FROM PAGE 3

the fact that ridership on one third of both the state-supported and national network trains operated by Amtrak was down in fiscal 2013.

Finally, nowhere in the Amtrak report is it noted that the rail service continued to operate at a huge financial loss.

While final fiscal 2013 figures have not been posted, the fiscal 2012 numbers are instructive. Last year, Amtrak had total revenue of nearly $2.88 billion and expenses of $4.04 billion.

And it's not just Amtrak trains that lose money. Its food and beverage service lost an estimated $74 million in fiscal 2013.

But Amtrak has a new five-year plan to eliminate its food-and-beverage losses.

In fiscal 2012, Amtrak covered 88 percent of its overall operating costs with ticket sales and other revenue, but none of its capital costs.

Taxpayers, of course, made up for the deficits and anted up for the capital expenses.

"Meanwhile, the humble bus and motorcoach continues to carry more people, to more destinations, with a wider array of schedules and services; nearly all without state or federal subsidies," observed Ken Presley, vice president and chief operating officer of the United Motorcoach Association.

"In fact, the bus and motorcoach industry carries more passengers in three weeks than Amtrak does in one year; yet, receives less in annual subsidies than Amtrak receives in a single day from American taxpayers."

Border crossings

CONTINUED FROM PAGE 3

Those operators also reported they averaged 15 visits to Canada during the year.

In 2011, the percentage of UMA-member operators making trips into Canada was nearly identical, and the average number of trips was 16.

In 2010, the percentage making trips was again about the same, but the average number of trips was 24.

A leading Canadian economist says the travel imbalance has been building over time.

"If you look back years ago the two flows would be roughly similar. There's no comparison (now)," Doug Porter, chief economist at BMO Capital Markets, told the *Toronto Star.*

"It's almost three times as many trips by Canadians to the states as Americans into Canada," he said.

And Porter, like the operators, attributed the swing to a favorable exchange rate for Canadians. He discounted other factors, such as the higher duty-free limits that went into effect about a year ago.

But at least one operator appears to be bucking the trend.

Tom Casazza, operations manager at Starline Luxury Coaches in Seattle, said that company's charters into Canada have not decreased during the past two years.

"It's people going on cruises, vacationing up there, schools going up for sports or band competitions. We did not see any decrease this past summer," he said.

In fact, he estimated that the company's charters to Whistler Ski Resort, about 70 miles north of Vancouver, had increased slightly last winter.

"I think it's the popularity of the destination more than comparing the value of the dollar," he said.

Allied Specialty Vehicles completes Thor Industries bus acquisition

ORLANDO, Fla. — Allied Specialty Vehicles announced it has completed the acquisition of the bus division of Thor Industries Inc. of Elkhart, Ind. (See Aug. 15, 2013 *Bus & Motorcoach News*.)

The purchase includes seven prominent bus industry brands: Champion Bus, General Coach America, Goshen Coach, El Dorado National California, El Dorado National Kansas, Krystal Coach, and Federal Coach.

"We are excited to complete this acquisition and officially welcome all employees and dealers to the (Allied Specialty Vehicles) family," said company President and CEO Peter Guile.

"For our new employees, customers and suppliers, we expect a seamless transition to new ownership and look forward to continuing to provide the products, quality and experience you've come to trust with these brands."

Prior to the purchase, Allied Specialty Vehicles produced three bus brands, Collins and Corbeil type A school and school activity buses, plus Mid Bus cutaways, at its Collins plant in South Hutchinson, Kan.

When combined with Collins, the additional bus manufacturing businesses position Allied Specialty Vehicles as — by far — the largest maker of midsize buses in North America, providing models to the motorcoach, transit, shuttle, courtesy, luxury and school bus markets.

Many motorcoach companies operate brands now owned by Allied Specialty Vehicles. For example, El Dorado National is the nation's most-popular cutaway bus; General Coach America produces the two midsize buses marketed by ABC Companies, the M1235 and the 3035RE, and Champion, Goshen and Krystal have sold their cutaways to the motorcoach industry for years.

Combined, the seven former Thor brands produced sales of about $450 million during the fiscal year ended July 31.

Allied Specialty Vehicles is a $1.5 billion plus manufacturer of fire and emergency equipment, plus recreational and commercial vehicles.

The company's RV brands include Monaco, Holiday Rambler, R-Vision, Beaver and Safari. The company also manufactures oil field gear.

For more information, go to *www.alliedsv.com*.

Prevost retools '9700' website

SAINTE-CLAIRE, Quebec — Prevost has retooled the website for the Volvo 9700 motorcoach. The site is at *www.volvo9700.com*.

Prevost said the redone site features easy-to-navigate menus and accessible links.

It provides detailed information about the Volvo 9700, emphasizing that the Mexican-built coach is engineered to North American standards under Prevost's guidance, and is 100 percent supported by the Prevost service network.

The site provides quick links to Prevost parts promotions and online parts ordering, the company online warranty tool, and the Prevost Liaison telematics system.

For Volvo 9700 owners, the site contains contact information for Prevost coach and parts sales teams, and the Prevost service network, which includes eight service centers, 138 Prevost-certified service providers, the Prevost call center, and Prevost service managers who handle urgent issues.

Additionally, there is industry news and event information.

Priciest hotels are in Boston

BOSTON — This city has retained its position as the most-expensive place to stay in the U.S. — based on the cost of a hotel room.

The finding is from the October survey by CheapHotels.org, which compares the most-popular U.S. cities.

The company says that, for comparative purposes, October is a good month. That's because the majority of big cities reach their highest occupancy rates during the month. A few cities are slightly more expensive in September, and certain beach destinations are more expensive in August.

Here at the five most-expensive cities, with the average rate for the cheapest available double room: Boston, $242; New York, $226; Nashville, $217; San Francisco, $178, and Austin, $174.

National Seating

CONTINUED FROM PAGE 1

National also will continue to produce driver seats for both buses and over-the-road trucks, plus specialty seats for agricultural equipment and other industries.

A spokesman for National Seating declined to comment on the company's changing role.

Company policy does not allow comments on "rumors," *Bus & Motorcoach News* was told by John Hyre, who handles investor relations for National Seating's parent company, Commercial Vehicle Group Inc. of New Albany, Ohio.

Popular supplier

National Seating has produced the coach seat of choice for decades, observed Nancy Citti, owner of Bergen Upholstery in Teterboro, N.J.

"I would say 80 percent of the seats we work on are theirs. Their seats were the standard in the 1990s and 2000s," she said.

"There are thousands and thousands of (National) seats out there. The seat has lasted for years and years. We are now reupholstering seats from the late 80s and early 90s. Very few of them need parts. It is a very nice company. The customer service is wonderful."

There is considerable speculation regarding why National Seating pulled back in the motorcoach industry.

Virtually every source interviewed had a different take.

One industry veteran attributed the retrenching to "bean counters" at National Seating's parent company.

Others suggested that product liability issues may have been a factor.

When coach builders and suppliers talk about product liability in the motorcoach industry, the focus invariably turns to a crash that occurred just over five years ago near Sherman, Texas.

On Aug. 8, 2008, a 56-passenger MCI, carrying 55 passengers was northbound on U.S. 75 when the right steer-axle tire failed.

The coach, operated under the name Iguala BusMex, plunged through a bridge railing, fell off the bridge and slid on its side before coming to rest on the earthen berm lining the creek. The crash killed 17 passengers and injured the driver and remaining passengers.

The deaths and injuries caused by passenger ejections and passengers being thrown around in the bus because there was no "occupant protection systems" became a significant focus of the crash investigation by the National Transportation Safety Board.

Costly protection

One long-time industry executive suggested that liability insurance costs could have been a factor in National Seating's decision to reduce its exposure to the bus passenger seating business.

One motorcoach accident can expose a manufacturer to dozens of potential plaintiffs, said the executive.

"I think the answer is they can't win. Damned if you do, damned if you don't. The problem with passenger carriers is that the pain can multiply so quickly with 57 to 81 plaintiff attorneys. I'm sure $100 million in liability (insurance coverage) is very expensive and it could very well be that it just isn't worth it."

Another possible factor at play may have been a major management shake-up at National Seating's parent company, Commercial Vehicle Group, in August.

The "realignment of its executive leadership team" included the appointed of three new presidents, including the division that encompasses National Seating.

Still others cite the competition that National Seating and its long-time domestic rival, American Seating, have faced from Amaya-Astron Seating during the past 15 years.

Based in Mexico where labor costs are significantly lower than in the U.S., Amaya-Astron has been the most aggressive seat supplier to the motorcoach industry since the late 1990s.

If National leaves the motorcoach market, the door will open wide for Amaya, Citti believes. "There is no reason for Amaya not to boost prices."

National Seating's cutback comes barely two years after the company announced a renewed interest and commitment to the motorcoach industry by introducing new products and marketing initiatives.

Included was a new three-point belted motorcoach seat.

Vice President of Sales Ray Miller said then the company expected "to grow the coach seat business significantly over the next several years."

Surprise move

Citti, Willingham and others were largely caught unaware by National Seating's move.

"They kind of hit everyone out of the blue," said Willingham. "They make very good seats, darn good belted seats."

Customers also were caught short.

One long-time National Seating customer, Fred Abbott of Abbott Trailways in Roanoke, Va., said he would be distressed to lose the company's products.

"We have bought National Seats since the first MCI coach we bought back in the 60s. It is the most comfortable seat and they are easy to work with. Last year we bought a million dollars' worth of seats from them and still have some more coming, and we will still have to buy seat parts from them."

After learning of National's possible withdrawal from the bus passenger seat market, Abbott said he called a contact at the company.

He said he was told that "the whole company has had to cut back to save on costs but they are still building bus seats.

"He said people who need seats should call."

Abbott, who worked with National Seating to develop the seats with three-point belts, said he did not know if that advance would create more liability for a seat manufacturer.

"Everybody is concerned about liability but we think you are safer with belts than without them."

Federal shutdown

CONTINUED FROM PAGE 1

"We cancelled probably $75,000 to $100,000 worth of charters for this month," said Rudy Hulett, business development manager at Hotard Coaches, a Geismer, La.-based operator.

"We did not furlough any employees, but many have not worked as much as they normally would have."

The combined impact of temporary layoffs, reduced wages and fewer hours worked as a result of the shutdown affected as many as 450,000 U.S. workers who are directly or indirectly supported by America's travel economy, according to the U.S. Travel Association.

Travel is America's No. 1 services export.

"It's clear our industry was hurt by Congress' inability to act in a timely fashion," said Vic Parra, president and CEO of UMA.

"It's even clearer that Congress didn't fully understand the pain its actions — or inaction — would have on the thousands of small businesses that populate the motorcoach industry. And, sadly, we have no way to recoup our losses."

Many operators, faced with the prospect of cancellations to national parks, retooled itineraries to highlight other sites that were not shut down.

Oli's Trolley Co., a Bar Harbor, Maine-based tour operator, revised itineraries that would've taken customers to Acadia National Park.

Instead, the tour company showed off the region's fall foliage, in full bloom, and gave customers views of the mountains and lakes in Acadia, but from the outskirts.

Cruise ships provided a captive audience for the tour bus every day of the 16-day shutdown.

"Of course they would have preferred to go to Acadia, but since they were here anyway, they wanted to see something and our area is beautiful," said Denise Morgan, operations manager at Oli's Trolley.

"It increased our workload. Instead of spending X-amount of time with each guest, we had to spent 2X. That was challenging for us, but it's not a bad problem to have."

Feedback wanted

The UMA continues to solicit feedback as part of its survey. Motorcoach operators can participate in the survey by going to *www.surveymonkey.com/s/2013 governmentshutdown*.

The shutdown also impacted many operators of charter and tour bus service in the nation's national parks.

Many of the operations are seasonal and the shutdown came at the end of the busiest time of the year.

"We cancelled probably $75,000 to $100,000 worth of charters for this month," said Rudy Hulett, business development manager at Hotard Coaches, a Geismer, La.-based operator.

"We did not furlough any employees, but many have not worked as much as they normally would have."

The combined impact of temporary layoffs, reduced wages and fewer hours worked as a result of the shutdown affected as many as 450,000 U.S. workers who are directly or indirectly supported by America's travel economy, according to the U.S. Travel Association.

Travel is America's No. 1 services export.

"It's clear our industry was hurt by Congress' inability to act in a timely fashion," said Vic Parra, president and CEO of UMA.

"It's even clearer that Congress didn't fully understand the pain its actions — or inaction — would have on the thousands of small businesses that populate the motorcoach industry. And, sadly, we have no way to recoup our losses."

Many operators, faced with the prospect of cancellations to national parks, retooled itineraries to highlight other sites that were not shut down.

Oli's Trolley Co., a Bar Harbor, Maine-based tour operator, revised itineraries that would've taken customers to Acadia National Park.

Instead, the tour company showed off the region's fall foliage, in full bloom, and gave customers views of the mountains and lakes in Acadia, but from the outskirts.

Cruise ships provided a captive audience for the tour bus every day of the 16-day shutdown.

"Of course they would have preferred to go to Acadia, but since they were here anyway, they wanted to see something and our area is beautiful," said Denise Morgan, operations manager at Oli's Trolley.

"It increased our workload. Instead of spending X-amount of time with each guest, we had to spent 2X. That was challenging for us, but it's not a bad problem to have."

Feedback wanted

The UMA continues to solicit feedback as part of its survey. Motorcoach operators can participate in the survey by going to *www.surveymonkey.com/s/2013 governmentshutdown*.

The shutdown also impacted time domestic rival, American Seating, have faced from Amaya-Astron Seating during the past 15 years.

Based in Mexico where labor costs are significantly lower than in the U.S., Amaya-Astron has been the most aggressive seat supplier to the motorcoach industry since the late 1990s.

If National leaves the motorcoach market, the door will open wide for Amaya, Citti believes. "There is no reason for Amaya not to boost prices."

National Seating's cutback comes barely two years after the company announced a renewed interest and commitment to the motorcoach industry by introducing new products and marketing initiatives.

Included was a new three-point belted motorcoach seat.

Vice President of Sales Ray Miller said then the company expected "to grow the coach seat business significantly over the next several years."

Surprise move

Citti, Willingham and others were largely caught unaware by National Seating's move.

"They kind of hit everyone out of the blue," said Willingham. "They make very good seats, darn good belted seats."

Customers also were caught short.

One long-time National Seating customer, Fred Abbott of Abbott Trailways in Roanoke, Va., said he would be distressed to lose the company's products.

"We have bought National Seats since the first MCI coach we bought back in the 60s. It is the most comfortable seat and they are easy to work with. Last year we bought a million dollars' worth of seats from them and still have some more coming, and we will still have to buy seat parts from them."

After learning of National's possible withdrawal from the bus passenger seat market, Abbott said he called a contact at the company.

He said he was told that "the whole company has had to cut back to save on costs but they are still building bus seats.

"He said people who need seats should call."

Abbott, who worked with National Seating to develop the seats with three-point belts, said he did not know if that advance would create more liability for a seat manufacturer.

"Everybody is concerned about liability but we think you are safer with belts than without them."

will be financed through Jan. 15 and the debt limit will be raised until mid-February.

Long-term uncertainty

The absence of a long-term agreement on the nation's fiscal problems is seen by many economists and business analysts as fueling the kind of uncertainty that squashes the risk and investment necessary to foster economic growth.

A report released last month by Macroeconomic Advisers perhaps best summarizes what the recurring political impasses over spending have cost the nation.

Since late 2009, fiscal policy uncertainty has "lowered GDP growth by 0.3 percentage points per year, and raised the unemployment rate in 2013 by 0.6 percentage points, equivalent to 900,000 lost jobs," the report said.

Academy Bus

CONTINUED FROM PAGE 1

A spokesman for Academy declined to comment on reports of the deal, saying it was premature, and calls to Horizon seeking comment were not returned.

During the past three years, Academy has probably been the most acquisition-minded motorcoach operator in North America.

The company has expanded from its long-time New Jersey base into New England, with the purchase of three companies and the opening of a terminal in Bridgeport, Conn.

It has expanded southwest by purchasing significant coach operations in suburban Washington, D.C., and Baltimore.

All of the acquisitions have cemented Academy's position as a leading provider of charter and commuter bus service in the northeastern U.S.

Academy, based in Hoboken, N.J., is the nation's fourth-largest motorcoach operator (after First-Group America/Greyhound Lines, Coach USA/Coach Canada/megabus.com, and Horizon.

The expansion by Academy down I-95 to Florida takes the company far further from its base than its other acquisitions, but provides it with the type of business it likes: contract services, cruise ship shuttles, conventions and special events, and charters.

A number of Florida competitors of Horizon, when asked about the pending transaction, expressed little surprise, with one observing that he thought Horizon "would sell to (Academy) in a heartbeat; they seem to be just existing at this point."

News of the deal comes roughly two and one-half months after Sherman told company employees that 2013 had been "a very discouraging year" for Horizon.

He said the company had consistently missed its budgets, had gone through an intense safety audit that resulted in the company safety rating being reduced to conditional, and there had been a number of work place injuries.

Additionally, Sherman said he was considering selling company assets to de-lever the balance sheet "to allow for a more appropriate charter fleet."

Layoffs and shrinking of some markets "to a more manageable size" also was under consideration.

At the end of August, Horizon shut down its airport shuttle from Bakersfield, Calif., to Los Angeles International Airport. The Airport Bus, as the service was known, had operated for about 30 years.

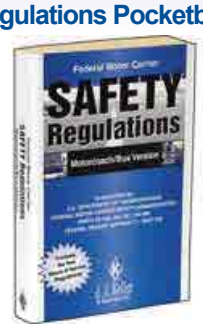
UMA Members: Save up to 25% off your Log Books, Inspection Reports and other safety & compliance products!

win · win \ win - win \ *adj* : guaranteeing a favorable outcome for everyone involved

One of the many benefits of your UMA membership is the ability to order the safety and compliance products you use every day at a significant discount off standard list prices—plus a portion of your purchase goes to help UMA work on your behalf! A *win-win* for everyone!

Popular products:

Federal Motor Carrier Safety Regulations Pocketbook

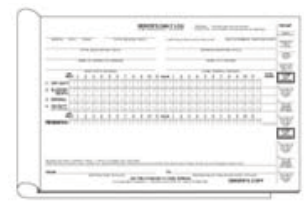


List price: $5.99
UMA Member price: $4.80

Bus Driver's Vehicle Inspection Report

List price: $2.91
UMA Member price: $2.20

Bus Driver's Daily Log Book



List price: $3.13
UMA Member price: $2.35

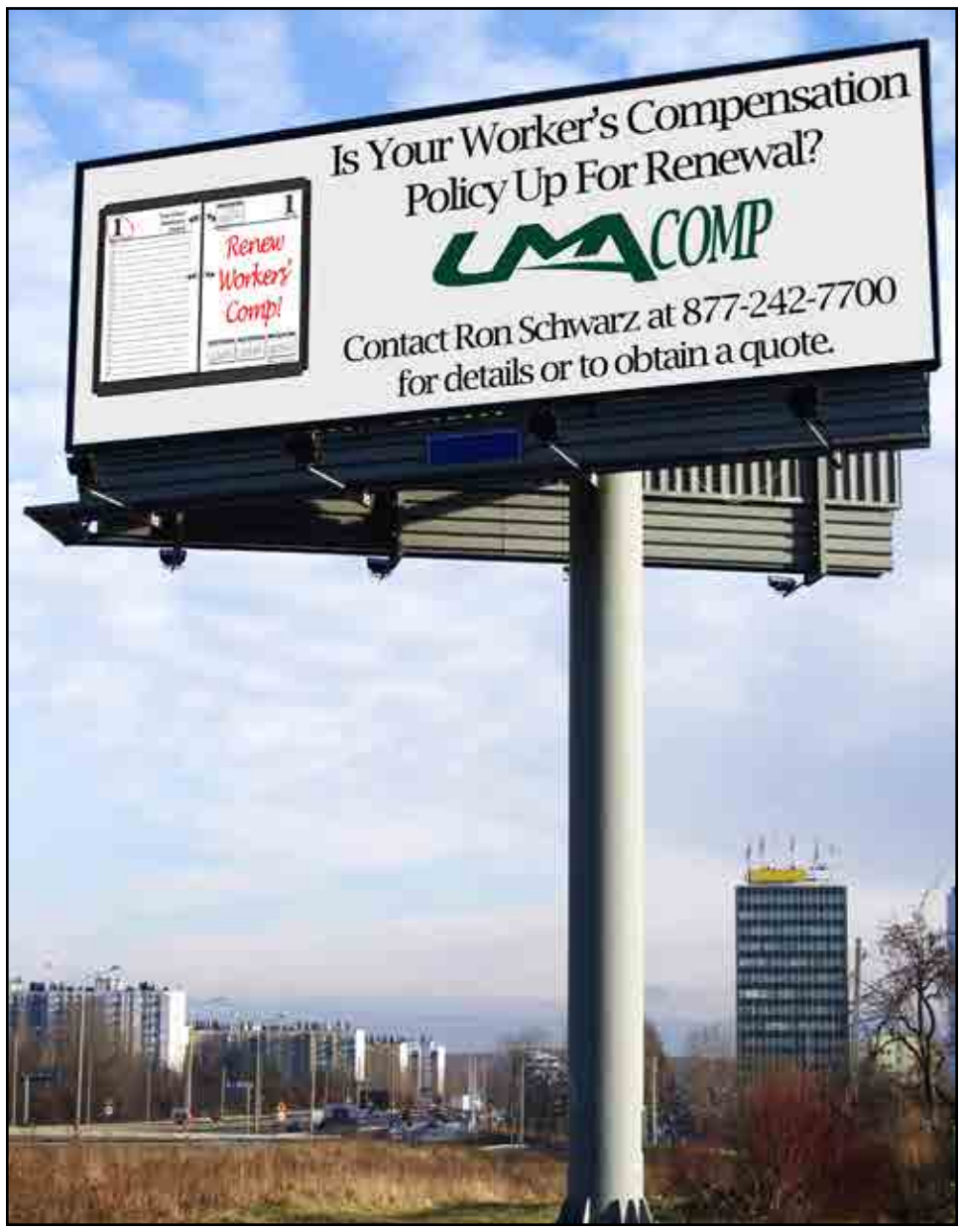
2013-2014 UMA Membership Directory

Now Available!

Non-member price: $65.00
UMA Member price: $15.00

Prices subject to change.

To order these products or to see other products we have available, visit **www.uma.org** and go to "*Industry Products and Services*" > "*UMA Products*" or simply call us at **800.424.8262**!



Are You Moving?

Be sure and update your mailing information with us so you don't miss a *single* issue!

Call **866-930-8421** or email changes to:
ebalm@busandmotorcoachnews.com

Lawsuit faults lack of driver 'fatigue detection system'

PHILADELPHIA — A Pennsylvania personal injury law firm is asserting what may be a first in a lawsuit involving the crash of a motorcoach.

Court papers filed by Ostroff Injury Law of Plymouth Meeting, Pa., says Greyhound Lines "placed its pecuniary interest ahead of the safety of its interstate bus passengers" by failing to install a driver fatigue detection system on its coach. Driver fatigue detection systems have been under development in the U.S. and elsewhere for more than 40 years.

Commercial systems, which typically monitor either eye or steering wheel movements, currently are available. However they are not in wide use, have not generally been extensively tested by safety regulators, and their efficacy remains uncertain.

They also currently are not on the primary radar screens of commercial vehicle safety agencies in the U.S.

Those factors are beside the point, of course, when a clever personal injury lawyer grabs hold of a case.

In this instance, a Greyhound coach crashed into the rear of a tractor-trailer last month on Interstate 80 in Union County, Pa.

One passenger was killed, more than 40 were injured, including the driver.

"I have seen multiple prior crashes where driver fatigue was either determined to be an issue or potentially an issue," said attorney Jonathan Ostroff, who filed suit against Greyhound in a Philadelphia court on behalf of a man who was injured in the crash, and his wife, who was not on board the bus.

"In this crash," said Ostroff, "individuals that I've spoken to say that Sabrina Anderson (the driver) appeared tired when they got on the bus."

Alexandra Pedrini, a spokeswoman for Greyhound, declined to comment on the specifics of the lawsuit, saying Greyhound follows all guidelines set forth by regulatory agencies. She also said the company requires drivers have "more than the minimum time off."

Ostroff's suit seeks an unspecified amount in excess of $50,000 for the injuries to his client.

Car sales soar; bus industry hope?

SANTA MONICA, Calif. — The continued release of pent-up demand will result in 16.4 million new cars being sold in 2014, forecasts Edmunds.com, the car shopping and automotive information firm.

Edmunds says the auto industry is on pace to reach its highest annual sales performance next year since shoppers bought 16.5 million new cars in 2006. Sales this year are expected to total 15.5 million new autos.

"The average age of all light vehicles on the road climbed to 11.4 years in 2013, and an aging fleet will continue to force buyers back to the market next year," predicts Edmunds.com Chief Economist Dr. Lacey Plache.

"With used car prices still elevated over past norms and the used car supply still tight, the new car market will remain attractive to many of these buyers."

While all that would seem to be "bad news" for the bus industry and its efforts to get people to forego automobiles in favor of motorcoaches and buses, there was a sliver of "good news" in the Edmunds' report.

Even if new car sales expand at the rate Edmunds projects for next year, it will be the slowest year-to-year growth since auto sales bottomed out in 2009.

"The economy has not yet improved enough for recovery to widely reach the groups hardest hit by the recession, including young people, lower income households and small businesses," said Dr. Plache.

"Even though auto sales from these groups have improved from recession lows, their participation in the recovery still lags the rest of the market."

And, it is young people and many lower-income groups — like seniors, plus tech-savvy small businesses types, who have gravitated to or help form the backbone of the demographics that travel by motorcoaches and buses.

The full 2014 Edmunds auto sales forecast is available at *www.edmunds.com/industry-center/commentary/edmunds-coms-2014-auto-sales-forecast-16-4-million.html*.

Traveling and staying connected

SAN FRANCISCO — A survey by a travel website has confirmed a truism that motorcoach drivers with families would do well to always bear in mind.

And, drivers might also remind their passengers of the maxim: When it comes to travel communications, it's always tougher for those not making the trip.

According to the survey by TripIt, a mobile travel organizer, 26 percent of significant others said staying connected with a partner on the road is difficult, compared to 17 percent of travelers.

In addition, 33 percent of significant others said saying goodbye is "very stressful," compared to just 8 percent of travelers.

While apart, phone calls are still the No. 1 way for travelers and their partners to stay connected. The vast majority of significant others use it over other options.

Travelers, on the other hand, are more likely to include visual forms of communication, like email and text messages.

"Today's technology provides more options and transparency for travelers to stay in touch with loved ones, even while crossing time zones," says Barry Padgett, executive vice president of TripIt and its affiliate, Concur Traveler Services.

To make it easier to stay connected while traveling, TripIt offers these tips:

• Share your itinerary with your partner, so he or she knows the best time to reach you

• Sync travel plans with a web-based calendar that's accessible by family members

• Schedule time for a daily call or text session and add it to your calendar

• Send photos and video of interesting sights back home throughout the trip.

San Fernando Valley gains museum

CHATSWORTH, Calif. — The Los Angeles bedroom communities of the San Fernando Valley, which gave the world the "valley girl" nearly 30 years ago, has gotten its own museum.

Just opened is a quirky facility aimed at providing visitors with a sense of history of the San Fernando Valley, a huge swath of mostly urbanized communities, north and northwest of Los Angeles, whose development mushroomed in the years immediately following World War II.

One of the valley's best known exports was the valley girl, a stereotype depicting a socio-economic and ethnic class of white women characterized by a colloquial California English dialect, called Valleyspeak, and vapid materialism.

The term originally referred to an increasing swell of semi-affluent and affluent middle-class and upper-middle-class girls living in the San Fernando Valley in the early 1980s.

The new museum, called Valley Relics, features 15,000 items — many of them cheesy — that were collected by Tommy Galinas, the 49-year-old owner of a T-shirt factory and store.

The collection includes everything from old photos, restaurant signs, BMX bikes and other signature items (a fair number of them have appeared in film or on television shows), to famed western-wear-designer Nudie Cohn's 1975 Cadillac convertible, still decorated with silver dollars and Texas longhorns on its hood.

There's also a 1952 phone booth from the Smoke House restaurant in Toluca Lake. Gelinas claims that both Bob Hope, who lived in Toluca Lake, and Bing Crosby used the phone.

For now, public hours are confined to Saturdays, but group and school tours are welcome by appointment.

For information, go to: *www.valleyrelics.org*, or call (818) 678-4934.