

Bus & Motorcoach NEWS

WHAT'S GOING ON IN THE BUS INDUSTRY

Feds' insurance proposal is seen as attack on industry

WASHINGTON — If federal regulators succeed in raising the minimum required liability insurance on passenger coaches to \$10 million, or possibly even \$25 million, it would have a chilling effect on small operators, as well as individuals trying to enter the business, industry executives contend.

The Federal Motor Carrier Safety Administration has been

pushing to raise the minimum level of liability coverage required on buses and big rigs by sometime next year, claiming it would increase commercial vehicle safety.

Some have speculated the FMCSA will seek to double the requirement for motorcoaches to \$10 million from the current \$5 million, and to increase the minimum liability coverage for over-

the-road truckers to as much as \$3 million from the current \$750,000.

It should be kept in mind the last time Congress raised the limits it did so by a multiple of five. If that happens this time around, we're talking about a \$25 million minimum.

If a \$10 million minimum requirement is approved for buses, it could result in a 60 percent in-

crease in insurance premiums, to an average of more than \$10,000 annually per bus, says Lancer Insurance Co., the nation's largest motorcoach insurer.

"That would make it very hard to start-up a new bus company, and smaller operators — with 1 to 15 units — would find it very difficult to obtain coverage," said Steven O'Shea, a marketing represen-

tative at Lancer. "That could result in a large consolidation in the industry."

Critics of the insurance proposal have long contended it is a thinly veiled attack on small business; that its likely purpose is to reduce the number of small bus operators and limit the number of new operators.

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Electronic logging devices: What's the big deal?

EVERYWHERE — The inevitability of federally mandated electronic logging devices already has sunk in for a handful of motorcoach operators.

While comments filed with the feds this past summer suggest many carriers and their drivers would rather park their vehicles than comply with the looming Big Brother mandate, early adopters of the technology say it's not that bad.

In fact, they like it.

"It has been outstanding. We are very pleased with it," reports Jeff Polzien, president of Red Carpet Charters in Oklahoma City.

"The drivers really like it. It saves them time, eliminating having to fill out all the paper logs. I think there was probably some skepticism among the drivers at first. We addressed that with some intensive driver training," explained Polzien.

"If we tried to go back to paper logs now I think there would be a mutiny. I'm exaggerating, but it does save them a lot of work," he noted.

The Federal Motor Carrier Safety Administration currently is wading through a rule-making process to impose regulations that would mandate paper driver logbooks be replaced with electronic logging devices.



Rick Whipple, safety and training manager at Red Carpet Charters in Oklahoma City, demonstrates a Sau-

con Technologies' electronic logging device designed to provide accurate reporting of driver activity.

Photos by Fred Rayman

Congress ordered the FMCSA more than two years ago to come up with such rule.

The proposed rule is to take effect two years after a final version is adopted — possibly late in 2016.

The devices will improve enforcement of driver hours-of-service rules, thereby reducing fatigued driving, the FMCSA

contends. A 256-page proposed rule was issued in March.

Technical specifications in the proposal require that the electronic logging devices record date, time, location, engine hours, mileage, driver and vehicle/carrier identification, and the all-important driver time on duty, plus have the capability to make the information available to enforcement

personnel and commercial vehicle inspectors.

Many of the devices also can track vehicle location through automatic positioning services — satellite-based global positioning systems or land-based systems or both.

Additionally, EDLs can calculate fuel usage and monitor such

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Automakers try to put the whole world on wheels

DETROIT — The nation's car builders, which dealt the bus industry a huge blow in the 1950s and 60s when they put unprecedented numbers of Americans behind the wheel of autos, are threatening the industry again with their super aggressive marketing.

This year they are offering big discounts, plus six- or seven-year loans, in some cases, to buyers who would have been turned down in the past, to attract millions to their showrooms and get them in the driver's seat.

The auto industry is pushing hard to sustain its post-recession comeback, with carmakers resorting to tactics that some experts warn will lead to trouble down the road.

Vehicle discounts have risen 5.5 percent from a year ago, even as the industry continues to add factory capacity.

But the average price of a car keeps rising, too, forcing some customers to borrow for longer terms — like seven years — to keep payments small. And automotive lenders are making more loans to people with low credit scores.

On top of that, more than a quarter of new buyers are choosing to lease, a historically high

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Workers get help from employers to buy health coverage

NEW YORK — In an era of lackluster or no growth for many small businesses, any increase in costs is unwelcome news.

And, so it is with group health insurance premiums.

While the pace of premium increases for employee healthcare coverage appears to have slowed in many parts of the country, any rise in premiums still represents a challenge for lots of small firms.

Which may account for the growing number of small business owners who are forgoing group coverage and giving their employees money to buy their own insur-

ance, coverage that easily could be better than what the employer could provide.

Health insurer Wellpoint said last month its roster of small businesses has shrunk by 12 percent this year.

Nearly 3 percent of 1,600 small businesses surveyed by the Society for Human Resource Management said they plan to give employees subsidies next year so they can buy their own coverage on private insurance exchanges.

Insurance brokers report they are getting more inquiries about

individual coverage, a sign to them that many people are losing coverage at work.

The brokerage HealthMarkets Inc. reports it has had a 40 percent pickup in applications for individual insurance.

“We’re seeing this happen with increasing frequency...,” Ken Fasola, CEO of HealthMarkets, based in North Richland Hills, Texas, told a news service.

If policy cancellations do rise this fall, it would likely be due to the fact many small businesses renewed their coverage before Jan. 1, 2014, when policies were re-

quired to comply with the new federal healthcare law known as the Affordable Care Act, or Obamacare.

As those policies come up for renewal, owners are having to decide whether to buy new insurance that complies with Obamacare requirements.

The healthcare law exempts companies with fewer than 50 workers. But many smaller companies provide health coverage because insurance is a benefit that helps retain staffers and recruit top talent.

But workers may get a better

deal on government-run health insurance exchanges, especially if they qualify for government handouts that will lower premium costs for individuals and families.

The government will subsidize coverage on the exchanges for individuals earning up to \$45,960. The income limit for a family of four is \$94,200.

Giving workers extra compensation to help buy insurance can result in higher income taxes for the employees, and it can also mean employers will owe payroll tax on the money. Benefits attorneys and

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Academy Express buys New York City coach companies

NEW YORK CITY — Academy Express has wrapped up the purchase of two of the city’s major motorcoach operators, Go Bus and MCIZ Corp., which is the No. 1 supplier of charter buses to the New York City Department of Education.

The two companies operated under the names Go Buses and Video Tours.

Academy Express is a subsidiary of Academy Bus of Hoboken,

N.J., the largest family-owned coach company in North America and the third-largest motorcoach operator.

Approval of the deal by the U.S. Surface Transportation Board was delayed for a spell because of disclosure requirements.

Under the transaction, Academy acquired the interstate and intrastate operating authorities of Go Bus, its customer lists, telephone numbers, websites, and trade

name, as well as MCIZ’s contract with the New York City Board of Education, its bus stop in New York City, and its licenses for two park-and-ride facilities in Nassau and Suffolk counties, N.Y.

Go Bus and MCIZ primarily provided special and charter operations within New York state.

Go Bus also provided regular-route service between New York City and Cambridge and Newton, Mass., and commuter service be-

tween Glen Cove, N.Y., and New York City.

Under MCIZ’s contract with the city board of education, it provided transportation for students and teachers on day trips for outings and sports or other events.

Academy said it would be providing most, if not all, of the operations previously provided by Go Bus and MCIZ, as well as hiring its employees, including upwards of 175 drivers.

Not included in the deal were the more than 50 buses owned and operated by Go Bus and MCIZ. Those were being turned over to ABC Companies for disposal.

According to information Academy provided to the Surface Transportation Board, Zev and Renee Marmurstein, and the ZRM Family Trust controlled a corporation that owned Go Bus. Zev Marmurstein directly controlled

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THE DOCKET

Canadian border guards screen for Ebola at crossings

VANCOUVER, British Columbia — Canadian border guards are now screening for the Ebola virus at land crossings between Washington state and British Columbia.

Travelers entering Canada are being asked whether they've traveled to West Africa or made contact with anyone who has.

The questions, from Canada

Border Services Agency border guards, are being thrown in with the usual where-you-went and what-do-you-have-to-declare questions.

The guards at Canadian crossings like Peace Arch and Pacific Highway are specifically asking if travelers are coming back from West Africa or if they've had contact with anyone from that part of

the world.

Dr. John Millar with the Public Health Association of British Columbia thinks it's a good idea to verbally screen for the Ebola virus. He notes it doesn't take a lot of time or cost anything.

"If you're going to be screening for people coming into the airport, it's a reasonable precaution to be extending that to land-based

travel, so it seems to be to be a reasonable precaution."

He says border guards should be checking everyone.

"When you're coming across the border at Blaine (Wash.) for example, the border guards don't know if you've been across shopping or you've come in from West Africa, so they can't (discern) that until they ask."

When it comes to beefing up screening, he says infrared cameras and thermometers used in other countries to screen for Ebola aren't necessary along the Canadian border.

The Peace Arch Border Crossing between Surrey, British Columbia and Blaine is one of the busiest land crossings between Canada and the U.S.

More states are taking a look at road mileage taxes

While Congress continues to kick the can down the road when it comes to developing a long-term strategy for funding U.S. highways, interest in vehicle-mileage taxes to augment or replace fuel taxes continues to expand among states.

Membership in a group created last year to explore the mileage-tax alternative — the Western Road Usage Charge Consortium — reached 11 states this past summer.

The driving force behind the consortium's growth, however, is not Congress' failures, says Reema Griffith, executive director of the transportation commission in Washington state and a founding

consortium member.

"It's obvious that the gas tax is not going to bring in the revenue that we need long term," she said. "We've got to switch to a metric that allows us to capture that revenue by...how much you're using the road, as opposed to what fuel you're using."

States are all looking at the same trend data that show gas-powered cars reaching 30, 40, 50 miles to the gallon and electric and hybrid cars becoming more available and affordable, she noted.

Oregon has said it will begin its second mileage-tax pilot program next summer. In September, California became the latest state

to approve a pilot program, which will start in 2017.

Washington lawmakers have authorized planning for a pilot, although no launch date has been approved. In 2009, Nevada did a two-year mileage-tax pilot.

It's not surprising states are leading on the mileage-tax issue, said Emil Frankel, a visiting scholar at the Bipartisan Policy Center in Washington, D.C., and assistant secretary for transportation policy during President George W. Bush's administration.

"I remain pretty confident that, over the long haul, we will convert to a more direct mileage-based user fee, but I think that's going to

happen as the gas tax did, from the ground up," Frankel said.

"Little by little, states will consider it, [and] it'll become more pervasive and, eventually, like the gas tax, I think it will get adopted at the federal level."

Jack Basso, an expert in transportation funding and chairman of the Mileage Based User Fee Alliance, agrees.

"The states will be the ones to incubate this thing and probably move before the federal government ever does," Basso said.

"If you look at history, gas tax and everything else, it's been generally that way."

Oregon in 1919 became the

first state to tax gasoline and for more than half a century has taxed truckers on mileage not diesel purchases. The first federal gasoline tax was in 1932.

Basso, a private consultant and former official at the American Association of State Highway and Transportation Officials, said mileage-tax talk is not confined to Western states.

The alliance he is chairman of made presentations in Florida and Minnesota last year.

When his state joined the consortium this summer, Idaho Director of Transportation Brian Ness said it did not mean the state would necessarily seek a mileage tax.

"Idaho should explore every alternative to the gas tax to determine which is most viable for Idahoans," he said.

Meg Ragonese, a spokeswoman for the Nevada Department of Transportation, said Nevada is part of the consortium because it is exploring a sustainable transportation funding source.

"It's something we feel is very important to continue to collaborate and evaluate methods," Ragonese said.

Other states in the consortium are Montana, Utah, Colorado, Arizona, Texas and Hawaii.

Much of the ground transportation industry has been skeptical of mileage taxes.

In California, for example, leaders of the state trucking association met with state officials to talk about the advisory committee that will help plan California's pilot test.

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25-mph speed limit in Big Apple: No problem for buses

NEW YORK CITY — Lower speed limits implemented in New York City earlier this month aren't expected to be a problem for motorcoaches, mainly because it's too congested to drive buses very fast in Manhattan, say coach operators.

The New York City Department of Transportation lowered the default speed limit — the highest allowed where none is posted — from 30 mph to 25 mph as part of Mayor Bill de Blasio's Vision Zero initiative to reduce traffic accidents in the city.

According to the city DOT, 250 people are killed in vehicular crashes each year in the city, and another 4,000 are seriously injured. Many of the incidents involve pedestrians, including a rash of city transit bus-pedestrian accidents.

"Obviously there is an issue in New York City with pedestrians," said Michael Neustadt, president of Coach Tours of Brookfield, Conn., which runs 5 to 10 buses into Manhattan daily.

"Frankly, I don't see speed as being a major part of the problem.

Ohio increases tax deduction

COLUMBUS, Ohio — The personal income tax deduction the state allows owners of small businesses has been increased.

For the 2014 tax year, those reporting income from corporations, pass-through entities and rentals may deduct 75 percent of the first \$250,000 in business income (for married taxpayers filing jointly); for other taxpayers the deduction is 75 percent of the first \$125,000 of income.

After 2014, the deduction reverts to 50 percent.

A new law also increases personal exemptions for most Ohio taxpayers and moves up to tax-year 2014 a reduction in the top individual tax rate that was to take effect next year.

Illinois prohibits quotas for tickets

SPRINGFIELD, Ill. — New legislation in Illinois prohibits state, county and local law enforcement agencies from requiring any employees to issue a certain number of traffic citations in a given period, or evaluating an employee's performance on the basis of ticket quotas.

The law was adopted by extremely large margins. It goes into effect Jan. 1.

Traffic is so heavy that you just can't speed. And the condition of the roads in Midtown Manhattan (including potholes and construction plates) makes it impossible to go 25."

Neustadt said when he first heard the city was planning to lower the speed limit to 25, he had five or

six buses in Manhattan, so he checked their speed.

"The fastest one was going 14 mph, and 7 mph was typical," he said. "I don't see the change as a big issue for our industry."

Godfrey LeBron of Paradise Travel, a Long Island, N.Y., compa-

ny that sends charter buses into Manhattan, agrees that congestion prevents buses from driving too fast.

But he said that he supports the city's effort to reduce accidents because high speed and distracted pedestrians "is a recipe for disaster. In theory lower speed limits can cer-

tainly help."

LeBron said his only concern is that the city will use the lower speed limits to generate revenue through increased enforcement and speeding tickets.

"If they enforce it fairly, yes, at first blush, it can work," he said.

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Congressmen blow whistle on testing for sleep apnea

WASHINGTON — Some organizations that train certified medical examiners are skirting federal law by telling examiners to test over-the-road bus and truck drivers for sleep apnea, a pair of U.S. representatives have asserted in a letter sent to the Federal Motor Carrier Safety Administration.

Reps. Larry Bucshon, R-Ind., and Dan Lipinski, D-Ill., referred to HR3095, a bill passed by Congress and signed by the president in October 2013, that prohibits the FMCSA from “implementing or enforcing a requirement providing for the screening, testing or treatment of individuals operating commercial motor vehicles for sleep disorders only if the require-

ment is adopted pursuant to the rulemaking proceeding.”

The language in the law is clear: There is to be no mandate or guidance for apnea testing without going through the formal rulemaking and public comment process.

“It has come to (our) attention, however, that organizations that provide training for certified medical examiners are circumventing HR3095,” the lawmakers said in their letter addressed to acting FMCSA Administrator Scott Darling.

“Specifically, the instructions they are providing clearly indicate that examiners should follow the obstructive sleep apnea guidance originally published by the FMCSA on April 20, 2012 (and

subsequently rescinded on April 27, 2012).”

The FMCSA National Registry of Certified Medical Examiners went live in May, requiring motorcoach and truck drivers to obtain their driver physicals and medical cards from a certified examiner.

Testing reported

Since then, many motorcoach operators have told the United Motorcoach Association that their medical examiners are ordering sleep tests based on a driver’s weight, body-mass index, neck size, overbite, snoring and other criteria.

Trucking industry groups have said they have received similar reports from their members.

Former FMCSA Administrator Annette Sandberg told a transportation conference in September there had been a “significant spike” in sleep apnea testing among commercial vehicle drivers as a result of the new protocols the FMCSA issued when the certified medical examiner program was launched. (See Oct. 15 *Bus & Motorcoach News*.)

Bucshon and Lipinski also point out in their letter that some medical training organizations are associated with sleep labs.

The lawmakers noted that a Southern California company called REM Sleep Labs provides “DOT Guidelines for sleep apnea” and it instructs examiners to order

sleep tests based on a dozen criteria such as neck size or “family history of sleep apnea.”

The lawmakers say the FMCSA has a responsibility to fully vet the organizations that train the examiners and make sure everyone follows the directive of Congress.

Bucshon and Lipinski are urging the FMCSA to take three steps to deal with the issue:

- Communicate to all approved training organizations that examiners are not to be instructed to follow any specific steps with respect to sleep apnea testing and treatment.

- Instruct approved training organizations to remove all references to MRB, MCSAC and FMCSA recommendations on sleep apnea from their training materials.

- Provide specific instructions to examiners who have already been trained to correct the previous training they received.

“It is imperative that FMCSA address these issues as soon as possible,” the lawmakers stated. “These faulty training courses are keeping qualified drivers off the road. We would request a written response as to how FMCSA plans to address these issues and their progress in this endeavor.”

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Feds expected to consider ‘alternative compliance’

SAN DIEGO — Jack Van Steenburg, chief safety officer at the Federal Motor Carrier Safety Administration, said he expects the agency to seek input from the public in the coming months on an “alternative compliance” program aimed at giving carriers and drivers credit for installing safety technologies.

“The plan is to really identify

what we think could be some type of technologies and programs that the industry has in place and what the benefits are,” Van Steenburg told reporters at American Trucking Associations’ conference here last month.

The notice would appear in the *Federal Register* to “get recommendations” on “what programs would be considered ‘alternative compli-

ance,’” Van Steenburg added, noting that a date has not been set for when to seek comments.

Responding to industry concerns, the Commercial Vehicle Safety Alliance organized a group a few years ago to examine alternative compliance, specifically ways carriers could get credit for adopting certain voluntary drug testing programs.

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FMCSA may drop requirement that diabetics seek exemption

WASHINGTON — The Federal Motor Carrier Safety Administration is expected to publish a proposed rule in April that would eliminate the requirement that insulin-treated interstate commercial vehicle drivers with diabetes apply for a special exemption to be issued a medical certification card.

For more than 30 years, ending in 2003, drivers with diabetes who used insulin were banned from driving commercial vehicles in interstate commerce.

In 2004, the FMCSA began accepting applications for diabetes exemptions, allowing drivers to be given medical certificates on a

case-by-case assessment every two years.

Then, in 2005, Congress required the FMCSA to drop the exemption requirement altogether. It took the FMCSA more than a year to come up with a rule ending the exemption requirement.

At the time, motorcoach industry groups and some big operators opposed the change. (See Aug. 15, 2006, *Bus & Motorcoach News*.)

The FMCSA medical review board has supported the exemption program, but not for passenger carrier drivers or drivers who hauled hazardous materials.

Through last year, nearly 4,300

drivers had requested the exemption, with 2,778, or 64 percent, granted, according to agency records.

Those drivers who have been granted exemptions must comply with requirements ranging from carrying insulin and glucose monitors with memory to maintain a daily record of actual driving time to correlate with daily glucose measurements. Drivers also are required to report to the agency any episode of severe hypoglycemia, on or off the road.

The process of obtaining an exemption often takes three to four months, but the agency can take up to six months to complete

the process, including publication of driver names in the *Federal Register* prior to approval, said Katie Hathaway, managing director of legal advocacy for the American Diabetes Association.

The proposal to drop the exemption requirement has been years in the making, and has been delayed several times.

The FMCSA has attributed the delays to a "lack of staffing and unanticipated issues requiring further analysis."

"This issue of appropriate medical certification or evaluation of individuals with diabetes, and particularly those that use insulin,

has been an advocacy issue we've been working on for 15 to 20 years," Hathaway told a leading trucking publication.

"But we're in a tough position advocacy-wise because the exemption program is working. But we would like for this [to be] taken out of the exemption process because it's just another hurdle for somebody to keep their job."

Hathaway estimates that more than 3,100, mostly Type 2 or "adult-onset" diabetic drivers, have been granted exemptions to date and have not had significant problems managing their condition while driving.

Indiana Supreme Court to hear case on school bus fees

INDIANAPOLIS — The Indiana Supreme Court has agreed to hear a case regarding whether it's constitutional to make parents pay for their children to ride the bus to public schools.

The court could reconsider a state Court of Appeals ruling in June that deemed school bus fees violated the state constitution and cited the state requirement for school corporations to provide transportation as part of a free

public education.

The case stems from a failed tax-increase referendum. Following the vote, Franklin Township Schools stopped running its free school buses in 2011-12.

To bridge its budget problems, the township arranged for school bus service with a private contractor, which charged fees for students to ride the bus.

It cost nearly \$500 to transport one student for the school year.

The pay-to-ride arrangement was ended within a year.

The state legislature also later banned school corporations from charging transportation fees.

But families already had filed a class-action lawsuit against the bus fees, which state Attorney General Greg Zoeller had called unconstitutional.

A Marion Superior Court judge decided the fees were OK and families who sued would not

receive monetary damages.

That was reversed in part by the Court of Appeals, which maintained the decision on monetary damages but declared the bus fees unconstitutional.

The Court of Appeals pointed to a state mandate for schools to bus homeless, foster-care, special-needs and even some private-school students.

"It is hard to image that the legislature meant to require our school

corporations to transport these students but exclude all others," the Court of Appeals opinion said.

The state Supreme Court has not yet set a date to hear the case. After the hearing, it could choose to not take up the case, or it could issue a decision either upholding or overturning the lower court's ruling.

Several school corporations have recently passed referendums to fund buses in the face of budget shortages.

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Now, it's hotels that are playing the airline-fee game

NEW YORK CITY — America's hotels are apparently going fee happy as they attempt to play catch up with the airlines.

For many travelers and those who book hotel rooms, the list of hotel surcharges is growing, even for items that don't get used.

Guaranteeing two queen beds or one king bed can result in a fee.

Checking in early or checking out late can produce a fee.

Don't need the in-room safe? There still may be a charge

And the overpriced can of soda may be the least of the issues with the hotel minibar.

Travelers and those who book rooms are finding it harder to anticipate the true cost of a stay, especially because many of these charges vary from hotel to hotel, even within the same chain.

Coming out of the recession, many segments of the travel industry grew fee-happy.

Car rental companies charged extra for services such as electronic toll collection devices and navigation systems.

Airlines gained widespread notoriety for adding fees for checking luggage, picking seats in

advance, skipping lines at security, and boarding early.

Hotel surcharges predate the recession, but recently inn keepers have been catching up to the rest of the industry.

"The airlines have done a really nice job of making hotel fees and surcharges seem reasonable," Bjorn Hanson, a professor at New York University's hospitality school, told one news service.

This year, hotels will take in a record \$2.25 billion in revenue

Hotel occupancy climbing, rates, too

HENDERSONVILLE, Tenn. — The U.S. lodging industry will achieve 65 percent occupancy in 2015, the highest national occupancy rate since the hotel research firm, STR Inc., began reporting data in 1987.

At the same time, PKF Hospitality Research projects that by the end of next year demand for lodging accommodations will have increased 25.8 percent since the depths of the Great Recession in 2009.

At the same time, the supply of hotel rooms will have grown by

from such add-ons, 6 percent more than in 2013 and nearly double that of a decade ago, according to a study released by Hanson.

Nearly half of the increase can be attributed to new surcharges and hotels increasing the amounts of existing fees.

Hanson says anyone using hotel services needs to be "extra attentive" to the fine print.

Fewer and fewer services come for free.

Need to check out by noon but

don't have a flight until after dinner? Hotels once stored luggage as a courtesy. Now, a growing number charge \$1 or \$2 per bag.

Some budget hotels charge \$1.50 a night for in-room safes.

Convincing a front desk employee to waive a fee at check-out is getting harder. Fees are more established and better disclosed, and hotel employees are now trained to politely say no.

"It's the most difficult it's ever been to get a charge removed,"

says Hanson.

U.S. hotels last year took in \$122.2 billion in room revenue, according to the travel research company STR. Fees added an extra 2 percent in revenue, but Hanson notes the majority of that money is pure profit.

Perhaps nowhere are hotels pushing fees further than in Las Vegas. Forget resort fees. Those are taken for granted there.

Resort casinos like The Bellagio are learning from airlines and selling enhancements.

Want to skip the notoriously long Las Vegas check-in lines? That will be \$30 extra. Want to check in early? That's another \$30. Check out late? Also \$30.

And if you want two queen beds or one king bed, it will cost extra to guarantee your preference. For an extra — you guessed it — \$30, the Bellagio will lock in three room preferences such as bed type, requests to be near or far away from the elevators, rooms on a high or low floor, or the option to have quieter non-connecting rooms.

Oh, yes, and some hotels have even started charging to print an airline boarding pass.

Penalty policy for negative online reviews backfires on hotel

HUDSON, N.Y. — *The New York Post* reports that a boutique hotel's effort to limit bad online reviews, followed by its not-so-subtle attempt at humor, bombed badly on both fronts.

The online fireworks began early on the morning of Aug. 4, not long after the appearance of an article in the *Post* headlined: "Hotel Fines \$500 for Every Bad Review Posted Online."

The article reported on the pol-

icy of the Union Street Guest House in Hudson — a community of roughly 8,000 that's a little more than 100 miles north of New York City — to persuade guests at a wedding from posting a negative review of the property.

The hotel had adopted a policy of saying it could deduct \$500 for every negative review posted online from the deposit of a party that booked the hotel for a wedding. The policy apparently was con-

tained in the fine print of booking contracts.

A review of the incident by the Columbus, Ohio-based law firm of Vorys Sater Seymour and Pease showed this: Anyone who Googled the hotel early on Aug. 4, shortly after the *Post* article appeared, would see favorable user ratings for the hotel: a four-star average on TripAdvisor from more than 100 reviews and a 4.2 rating from Google from a smaller sample size.

Around 10 a.m., the hotel averaged three stars on Yelp from 13 reviews.

But, a refresh of Google at 11 a.m., showed a drop in the property's Yelp rating to 1.5 stars from 107 reviews. By noon, Google listed a one-star rating from 353 reviews.

Throughout the morning and into the afternoon hundreds of people posted one-star reviews on Yelp about the hotel, almost exclusively

bashing the hotel directly for its policy. By noon, there were actually more than 460 reviews on Yelp, a large majority of which were one-star reviews posted that morning.

An attempt by a hotel executive tried to explain away the reaction by suggesting the wording of the *Post* article obscured the humor in the situation.

(It was also noted the hotel would sometimes post reactions to

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Looking at safety, reliability through the correct lens

By Dave Millhouser

Perched at 8,000 feet up 14,200-foot Mount Princeton west of Colorado Springs, our garage was a major improvement over the first place I worked as a mechanic.

That was in my boss's gravel driveway, with extension cords running out a window for electricity and corrugated cardboard as a creeper.

The improved facility was long enough to get in half of a 35-foot bus.

During winter, you'd either back or nose into the garage that the part of the coach that needed work, and drape canvas around the door to keep out the cold.

A kerosene-fired salamander brought the inside temperature up to a toasty 55 degrees. Heaven.

One key to running a business efficiently is investing in those things that actually produce value.

Decisions regarding real estate and buildings should be viewed primarily in light of how they improve the operation, marketing and maintenance of the things that generate value (and profits). In our case, that's people and motorcoaches. Anything that doesn't

contribute to their comfort and well-being is an extravagance.

There's nothing wrong with a bit of luxury, so long as we don't fool ourselves into thinking it is mission critical.

Years ago I had a bit of extra cash, and bought a Rolex. Neat watch, but it always ran a tad fast. Confronted with the choice of spending hundreds of dollars to get it adjusted, or tens of dollars for a new (and accurate) Timex... you guessed it. In practical terms, the Rolex is jewelry that also performs a task.

There are some fine coach operations that have no garages (contracting out their maintenance like some airlines), and I've waddled into a few bussy Taj Mahals populated by sad coaches.

There are two points to be made here.

In response to a recent accident, one industry observer made the comment that bus companies

"should have an easily locatable storefront, repair facility, website, phone number, or some other public face where people can go to make sure the company is a solid operator."

Not so.

There's no direct relationship between any of those things and a "solid" operation.

Those things aren't necessarily indicators of a company's ability to perform the REAL task, which is safe, reliable transportation. Well-maintained buses, properly trained drivers and thoughtful management can be provided in a variety of ways that don't fit that observer's parameters.

The other point is that it's important to tailor your facilities to the task.

Providing a comfortable workplace can pay substantial dividends in efficiency and morale. In some cases an impressive facility can be a marketing tool.

Conversely, it's critical you not convince yourself to spend big bucks on things that are impressive but don't really help provide safe, reliable and efficient service to your customers.

Years ago, at a sales meeting, we peppered our boss with requests for a variety of new features to be installed on the bus we sold. Our list was shortened dramatically when he insisted we estimate how many additional buses each item would sell.

The same criteria can be applied to decisions regarding real estate and structures. How much does it help in fulfilling your real mission? Are they a luxury, or do they really contribute?

Some errors are easily reversed, but those related to real estate generally aren't among them. Specialized facilities are usually a long-term, expensive commitment that may be costly to reverse.

It's important that your people

work in an environment that is comfortable and efficient, and that they can be proud of. Any more than that is luxury — fine in our personal lives, but dangerous in business.

We humans are prone to fooling ourselves into believing that indulgences are necessities. Buying or building more than we need (as opposed to want) is a chancy business that some describe as an "Edifice Complex."

Back in the days when I actually worked, one of my favorite customers was a bus line that had a gigundous crystal chandelier hanging in its garage.

They'd purchased an existing building, and this jewel was part of the deal.

At some point it disappeared. They got rid of it because it didn't contribute to their success.

I've always wondered where that thing ended up.

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



Dave Millhouser

Calendar

NOVEMBER 2014

18 CUTA Trans-Expo, Scotiabank Convention Centre, Niagara

Falls, Ontario. Information: www.cutaactu.ca.

DECEMBER 2014

3-4 UMA Safety Management Seminar, NTSB Training Center,

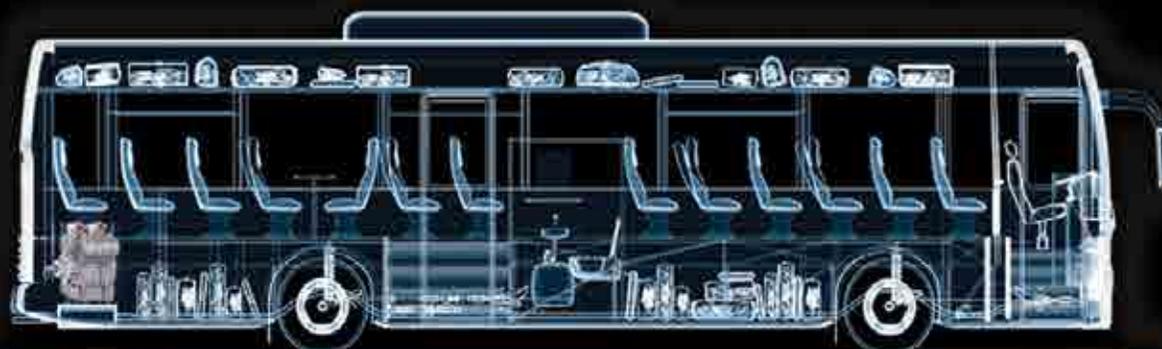
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Social Media: Eight tips/suggestions for doing it right

By Christian Riddell
Motorcoach Marketing Council

As a marketing consultant, one of the most common questions I find myself being asked is: "How should I be using social media more effectively for my company?"

It's a good question.

Social media is a great tool for businesses; unfortunately, most companies do not have a social media expert on staff.

The advent of Facebook, Twitter, Instagram, Google Plus, and a slew of other social media platforms has given rise to a whole new avenue for marketing that did not exist 10 years ago.

Because it has happened so quickly, it has been hard to keep up with what should be done and how to do it.

Here are the top eight things you need to know to be an effective social media marketer.

1. Don't waste your time.

I like to describe social media (especially Facebook) as a deep dark hole into which to throw time. That is not to say you should not be doing it, quite the opposite, you should.

But social media can be like sticky fly paper. Often times when

you open it up, you find yourself stuck there for hours looking at pictures, making cute comments, and catching up on what those people you went to high school with, but haven't talked to since, are doing.

Set limits, buy an egg timer if you need to, but don't get sucked into the vacuum of the social universe.

2. Be consistent.

The absolutely worst thing you can do in any marketing campaign is to be inconsistent. In social media it is even more so.

In the phone book, few would ever catch on that you haven't updated your ad in 13 years, but in social media, when someone lands on your Facebook page and finds that your last post was Happy Easter, and it's November...immediately they will dismiss you as not relevant, and someone who could have become a follower will move on to greener pastures.

Now, I know that in the motorcoach industry this can be one of the biggest challenges to overcome. Busy days turn into busy weeks, into months, into "wow, we really need to update that Easter post to a Christmas post."

But it's important enough to

Marketing Minute

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adopt a few small changes. Try building a posting schedule. Figure out what you want to talk about, how often, and then set a schedule. Set alarms and reminders and then take a few minutes to make the post when the alarm goes off.

You may want to delegate this responsibility to someone in the office who has more time than you do.

3. Pretend you're at a cocktail party.

No, that doesn't mean starting with an extra dirty martini, it means you need to think about what you post as if you were at a cocktail party. Social media is a conversation, not a loudspeaker.

Try picturing yourself at the party right now. You walk in and here are scores of people standing around engaged in conversations. Some are in one-on-one conversations, some are in small groups, and then there are a few of the "popular" people who have gathered individuals around them.

In this situation, it would be almost unthinkable to walk in, jump up on a table, cup your hands to your mouth, and yell at the top of your lungs: "We just purchased a new charter bus. If any of you have transportation needs, we would like the opportunity to be your provider. Call us today at (555) 555-5555."

Of course you wouldn't do that (or at least I hope you wouldn't), but this is the single biggest mistake I see made consistently in social media.

For old school marketers (those who began before there was an internet), marketing was about making statements. You made a statement, your competition made a statement, and the best statement won.

Unfortunately, many of these marketers have tried to translate this strategy to their social media efforts. The problem with this is that you are making statements in an environment where the public is expecting conversation.

Social content needs to be about adding value.

Imagine that same cocktail party again. Each group is talking about something different. As you

work the room, you may find a group of wedding planners talking about their businesses. If you join this group, you may be able to provide some relevant thought that they would stop, listen to, and engage with.

You could tell them about a hotspot venue for weddings that is being impacted by a parking lot that is under construction, or you could tell them about the liabilities that caterers and wedding planners may have with putting people on the road following an event where alcohol was served.

These are things they would care about. It would be unthinkable to just walk into the conversation and blurt out... "we do wedding transportation, can we do your next wedding?" Remember, even though it may not feel like it sometimes, social media is in fact a conversation and should be treated as such with every post.

4. Be professional.

There is a trap in social media that I like to call the "Kitten Photo Conundrum."

Most companies look at their social media statistics like this: "I did a post. It reached 14 people.

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Marketing Minute

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That is bad.

I just liked a photo of a kitten that has 200,000 likes. That is good, soooooo...I should share more kitten photos."

Off they go, sharing more kitten photos, videos of people falling down, and humorous jokes and pictures in the effort to have more and more people like them. This is the modern day equivalent of getting a bad haircut.

Don't sell yourself short. Remember you are a business and, as such, you should be building a so-

cial following that respects that and looks to you to provide relevant information about things in which you are involved. This is a better, long-term strategy.

5. Don't let content stand in your way.

As I have helped people build social strategies from the beginning of these social platforms, I have always been surprised at the number of people who sit down, create great social strategies, have ideas about the kind of content they are going to share with their audience and then do nothing. Not a post.

When I have followed up with them, invariably, the act of creat-

ing content got in the way of moving forward. Yes, unique, high-quality, relevant content is the peak of social media engagement.

However, not starting because you can't get around to it would be like not playing a sport until you could be the best in the world at it. The internet is filled with good, relevant and informative information that your customer base would love to see. Show it to them. They will respond.

6. Listen and engage.

Just like No. 3, it's important you don't simply broadcast information, even if it is good information. You can't walk into those

same cocktail party conversations, say something interesting, turn around and walk away.

As you become more and more of a social resource and authority, you will have more and more people engaging with your content. This means comments and even questions. When someone makes a comment, it is good practice to then engage further. When someone asks a question, it is mandatory to respond. Even if it is a driver, staffer or a totally loyal customer, RESPOND.

These are opportunities to show you are having a conversation, not just yelling from the tops of tables.

7. Don't forget to sell.

Social media is great but like all marketing efforts it should be done with one goal in mind: to sell more charters, to more people, for more money.

So, how do you do that without jumping up on the aforementioned tables?

Simple. First, as a business, everyone knows you are there to sell a service or product. You are not Wikipedia, and everyone will respect the occasional plug for your business.

A ratio of five informational posts to one sales post is a good way to start so you don't overwhelm and lose the interest of your audience.

Next, craft your sales messages around content. If you are making a post about "10 things that make planning a family reunion easier," add a line about how you would love to help them plan the transportation for their next family reunion.

Don't be so subtle they don't notice the plug, but don't bash them over the head with it either.

8. Stop thinking social media is not for you.

I hear operators all of the time say "social media is not for us, our customers don't use it." So, allow me to stand up on the table for a moment and yell: STOP IT. IT'S JUST NOT TRUE.

OK, now that that's out of the way, let me give you some stats: 73 percent of all internet users are on social media. Of people ages 30-49, 72 percent are active on social media; 50-60 year olds, 60 percent are active, and those over 65, 43 percent.

Facebook alone has 1.15 billion users worldwide and of those, more than 23 percent log in at least five times a day. Your customers and future customers are using social media, and right now it is influencing their purchasing decisions.

Social media is a powerful tool and it's not going away.

We, as the motorcoach industry, need to be involved in creating real conversations about who and what we are.

We need to show the public what we have to offer, and social media is a great way to do just that.

If you are not using social media, start.

If you are, now is a great time to evaluate your strategy and look for ways to be more engaging. Together, we can all help more people Go Motorcoach.

For more information about the Motorcoach Marketing Council and its programs, go to www.motorcoachmarketing.org.

Access improved for PrePass Plus

PHOENIX — Help Inc.'s PrePass Plus electronic toll payment service now allows customers daily access to E-ZPass transactions.

"With this addition, PrePass Plus and tolls-only customers will be able to access their E-ZPass toll transactions not only on a daily basis on PrePass.com but also under one account log-in," said Karen Rasmussen, president and CEO of Help Inc.

Rasmussen said customers had asked PrePass to provide anytime access to toll transactions so they could include toll costs when billing.

PrePass Plus allows commercial vehicles to electronically pay tolls and bypass toll plazas. The system works with more than 80 turnpikes, toll roads, tunnels and bridges nationwide.

E-ZPass is nonprofit partnership of 26 toll agencies located in 15 states.

Sleep apnea

CONTINUED FROM PAGE 6

Rulemaking planned

In early June, the FMCSA confirmed it planned to pursue a formal rulemaking on sleep apnea regulations for truck and bus drivers.

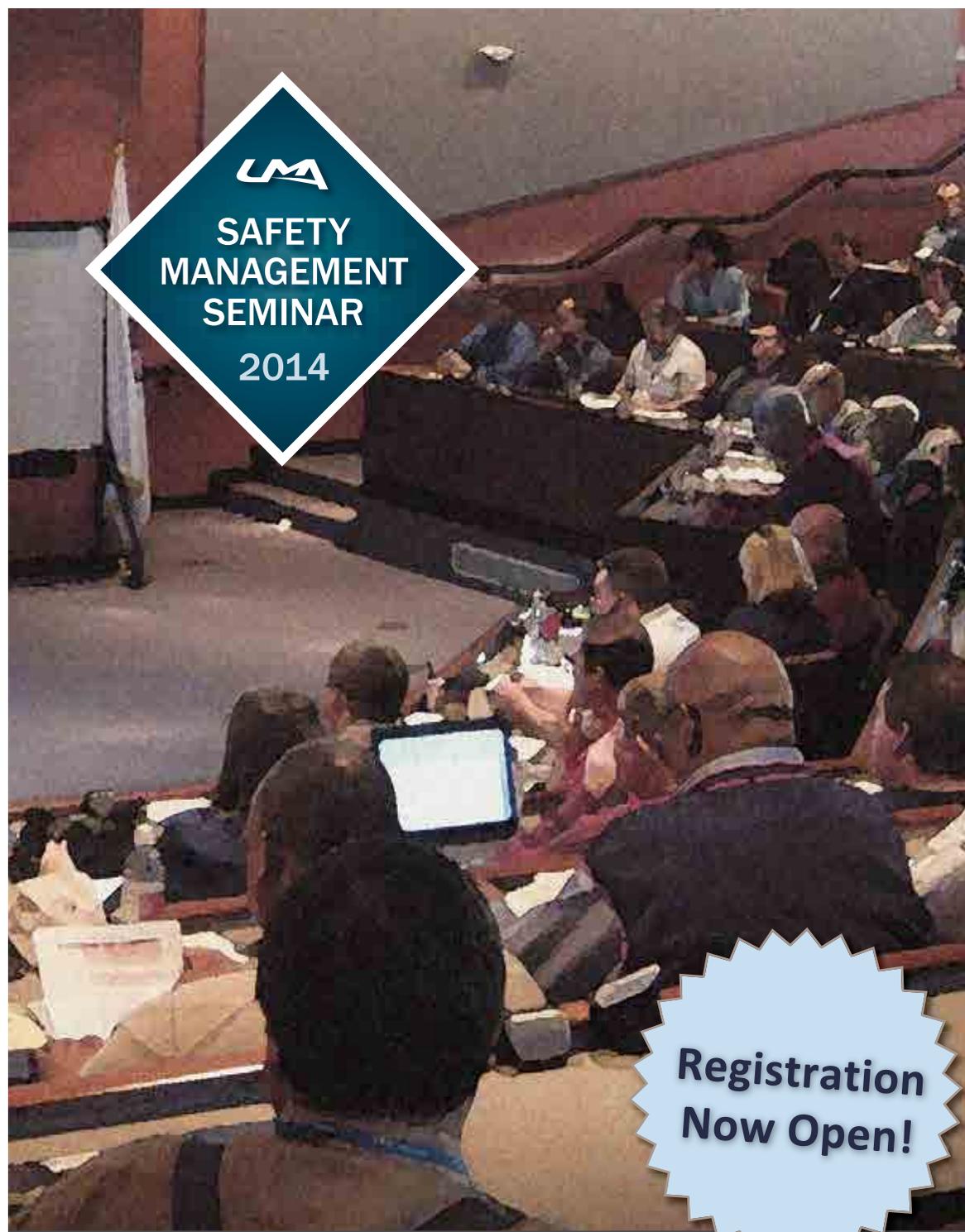
The confirmation — in the form of a clarification — followed a U.S. Senate subcommittee hearing at which former FMCSA Administrator Anne Ferro indicated the administration would not seek a rulemaking.

A spokeswoman later said

Ferro had misspoken, and the administration would seek an apnea proposal in the future.

During the hearing, Sen. Roy Blunt, R-Mo., questioned Ferro about whether the FMCSA was following the rules set forth in HR3095. Ferro stated emphatically that the FMCSA was following the rules.

Ferro told the subcommittee, however, that medical examiners have a duty to evaluate chronic conditions that can affect a driver's ability to operate a heavy commercial vehicle, including obstructive sleep apnea.



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Computer security tips for small business owners

SAN FRANCISCO — With hacker attacks on computer systems raging on, no business is too tiny for cybercriminals to see as a potential lucrative target.

Yet, security for smaller companies is a real challenge.

Any small-business owner is by definition a jack-of-all-trades, but a deep understanding of computer security is seldom among those skills.

“Trying to protect your company’s data valuables or brand without the budgets, staffing or know-how of Fortune 500 companies is a daunting task,” Gartner security analyst Eric Ahlm told *USA Today*.

Small to midsize businesses

generally have three choices when it comes to protecting themselves online.

For those who mostly do simple credit card transactions, a merchant services company (sometimes called managed services) is often all they need.

More complex businesses tend to rely on all-in-one programs, such as Norton or Symantec.

Still larger businesses frequently outsource to an information technology company or security professional, who may provide similar services to multiple companies.

Merchant services companies, the first line of defense for many small companies, often offer a data

breach program through specialized services that help businesses ensure they are compliant with the legally required Payment Card Industry Data Security Standard, or PCI DSS.

One such service has a 69-question questionnaire, and conducts what is called a vulnerability scan. The results of the questionnaire are discussed in depth with a company representative.

Such managed service providers are relatively easy to find, either through local merchant associations, the Chamber of Commerce, or even judicious searching online.

For midsize companies, doing security in-house with purchased software is an option.

A survey by the National Small Business Association found that in just over a third of companies, the owner handles online security, while in another third a staff member is in charge.

Popular products include offerings from Symantec, Trend Micro and McAfee.

Many small-business owners turn first to Norton, a consumer-oriented security product owned by Symantec, because it’s what they use on their home computers.

“They want something rock solid that’s going to provide the protection they need. They don’t want to have to fuss with it,” said Brian Burch, vice president of small-business marketing at Symantec.

Norton’s Small Business product starts at \$100 a year with a license that covers up to five devices, and the ability to add more for \$20 each.

When a business gets about 25 employees, many begin to switch to the more powerful Symantec Endpoint Protection Small Business Edition, “which is more meant for an IT professional within the company,” said Burch. “It scales to hundreds of employees.”

Many businesses eventually decide they need someone they can call on when something goes wrong.

A popular option for midsize companies that can’t afford a full-time tech staffer is to hire a consultant.

However, as a company adds computers and staff, and they all have smartphones, the need for a fulltime staff member becomes evident. That person often can manage the IT needs at more than one location, however.

It may not be necessary for the security specialist/IT person to have a company office. IT security professionals using cloud-based security services can work from virtually anywhere.

Whatever security a company decides on, software can never be fully protective.

Staff training is crucial, notes one expert.

“We can make a piece of security software that says, ‘Warning! Don’t click this button!’

“But, if your employees don’t know that it’s important not to click the button, your investment in that security software isn’t going to pay off.”

Health Insurance

CONTINUED FROM PAGE 3

accountants recommend owners talk to a tax professional to see what their options are.

Some companies are bringing in insurance brokers or benefits consultants to help workers find new insurance.

“We explained to them, you probably are going to come out ahead. You will get a stipend (from

the employer) and a subsidy (from the government) and coverage will be better than what you were going to get with the group plan,” says Ashley Hunter, owner of HM Risk Group, an insurance brokerage based in Austin, Texas.

Workers can do better on their own because they have more options than businesses, reports John O’Donnell, president of Insurance Consultants of Central Florida, a broker based in suburban Orlando,

Fla.

“Small groups have to pick from two or three plans, whereas employees can go to the individual market, exercise more flexibility and have more autonomy,” says O’Donnell.

He estimates 10 percent of his company’s small business clients have ended group coverage and given their workers money to purchase insurance or are seriously considering it.

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Silverado Stages, Silver State Trailways to merge

SAN LUIS OBISPO, Calif. — Two of California's best-known motorcoach companies, Silverado Stages and Silver State Trailways/Coach, are merging.

Combining Silverado, which already is the largest motorcoach operator in California, and Silver State will produce a company with upwards of 160 vehicles, including more than 120 motorcoaches.

That would be enough to make the merged operation the largest private operator of charter vehicles in California, moving it ahead of Bauer's Intelligent Transportation of San Francisco.

"We are extremely pleased that Tony Fiorini (president and owner

of Silver State) and his motorcoach company have agreed to join Silverado and help grow our combined operations in the western region of the United States," said Jim Galusha, CEO of Silverado.

"Our plans are to consolidate operations where possible, take advantage of best practices and efficiencies, and to extend Silverado's proven operational model."

"I'm excited about the opportunity and challenges ahead," said Fiorini, who is the current chairman of the Trailways Transportation System.

"Silverado is an employee-owned company — the ESOP (employee stock ownership plan) is a

great benefit and reward for our loyal employees. The combined companies provide breadth and depth in the California and Nevada markets, allowing us to better serve all of our clients," Fiorini added.

Silver State Coach/Trailways was founded 28 years ago. It operates a fleet of 40 motorcoaches from terminals in Placentia, Calif., where it is headquartered, and Las Vegas, Nev.

Silverado Stages, is 27 years old, and has grown into the 19th largest motorcoach company in the U.S., according to *Metro* magazine. The addition of Silver State likely will move Silverado up three or four notches when *Metro* issues its

newest rankings in January.

Silverado Stages provides transportation across the West from terminals in Sacramento, San Luis Obispo, Bakersfield, Santa Barbara, Orange County, and Pomona, Calif., and Las Vegas.

Services include charters, tours, scheduled fixed-route service, commuter and campus shuttles, and convention and event services aboard motorcoaches, shuttles and vans.

Silver State's services include charters, casinos runs and school pupil activity buses.

Five years ago, Silverado Stages achieved a major victory in the industry's decades-long effort to keep public transit agencies from

using their public assets to compete unfairly with private operators. (See Feb. 1, 2009 *Bus & Motorcoach News*.)

In early 2009, the Federal Transit Administration ruled, in a complaint brought by Silverado, that public transit agencies are not allowed to perform a charter job based strictly on the fact that a private carrier could not provide all of the specialized equipment requested by the customer.

The ruling reinforced the notion that a bus, is a bus, is a bus. And that transit agencies cannot issue charter notices that specify the type of bus or buses that will be needed.

Electronic logs

CONTINUED FROM PAGE 1

driving factors as speeding and heavy braking.

Despite their many capabilities, a relatively small number of motorcoach operators are thought to be deploying the devices ahead of the mandate.

"From our perspective it has been very positive," said Jeff Davis, safety director at Premier Transportation in Knoxville, Tenn. "It has cut down on the little mistakes found in audits. It enables us to handle post-trip inspections electronically and that has been nice."

As for Premier's 70 drivers, "Some were not excited at first. There was a steep learning curve for some of the older guys. Once that part was overcome, they thought it was easy. I think they all have come around," said Davis.

Horizon Coach Lines actually did lose a driver during the introduction of electronic logging devices in 2012, said Jack Wingerter, safety manager for the carrier's North Carolina operations. "He said he had never worked with a computer and he wasn't going to."

On the other hand, as Horizon was easing into electronic logging, "some of the older drivers were eager to use it. One of the senior drivers asked to use it and has been on the electronic logs ever since," Wingerter said.

"There were concerns when we made announcements — that some people didn't think they would understand it. The drivers have embraced it and make it clear they don't ever want to go back to paper logs," he added.

What's ahead

"(The) FMCSA proposes that interstate motor carriers install ELDs in all commercial motor vehicles operated by drivers who are

now required to prepare paper RODS (records of duty status), subject to a limited exception for drivers who are rarely required to keep RODS," the rulemaking document states.

"If a driver is required to use an ELD, the motor carrier must not require or allow the driver to operate a (commercial motor vehicle) in interstate commerce without using the device."

The technology

The FMCSA proposal estimates an average annual cost of \$495 per vehicle for an electronic logging device and operating services. It defines the ELD as "a recording-only technology, used to track the time a (commercial motor vehicle) is operating.

"An ELD is integrally connected to the CMV's engine, uses location information, and is tamper resistant. An ELD automatically tracks CMV movement, but allows for annotations by both the driver and the motor carrier's agent to explain or correct records."

A driver beginning a duty stint is required to complete three primary steps to start the GPS Insight device fitted to Premier Transportation coaches and on-line since Aug. 1, Davis said.

"He needs to sign himself in. He needs to review the post-trip report of the guy who had the bus before him, and enter his charter number for that trip. It takes about two minutes."

During the driving day "there is not a lot to worry about," Davis said. "He can get out of his seat if the bus is parked. After five minutes if the bus is not moving, the ELD switches to 'on duty-not driving' status. He pushes one button to start a rest break, then it asks for confirmation of that. At the end of a rest break he presses a button."

At the end of the shift the requirements are "slightly more in-

involved," Davis said, "but they still take less than two minutes. When he signs off duty that prompts him to do his post-trip inspection report. He hits 'no defects' or adds a defect and signs off."

"It probably saves the drivers 10 or 15 minutes a day," said Polzien, whose 47-coach charter operation uses logging equipment from Saucon Technologies.

He initially installed electronic recording devices in 2004, but did not keep them for long. "That was older technology," he said. (See June 15, 2004, *Bus & Motorcoach News*.)

The first-generation devices were bulky and required drivers to download information from the electronic logs and take it to the office where it was transferred to a computer. It was time consuming and not the least bit convenient.

The efficiencies of the new devices are significant and everywhere apparent, particularly in the Red Carpet office. "There are cost savings in the time we spend trying to collect all the logs, get them in the right order, review them for mistakes. There also is a safety thing in that it (ELD) makes it difficult to fudge on your hours," he said.

Horizon Coach Lines decided to adopt ISE Fleet Services electronic logging, beginning in 2012, partly due to the amount of time needed to deal with driver log issues during an audit, Wingerter said.

"We decided it would be a good time to make that move so we did not have to spend so much time on our logs on our future audits."

Horizon also has found the devices are beneficial in other compliance matters.

"The enforcement folks are very satisfied with these logs being tamper-proof so there is a lot less time spent when our drivers do have a destination inspection."

Not for marginal types

So, electronic logging devices are meant for safety-conscious carriers but are "not a good idea if you live on the edge of what is compliant and what is not," said industry safety consultant Matthew Daecher, president of Daecher Consulting Group in Camp Hill, Pa.

Otherwise, he said, "there are several positives to electronic log adoption. There are the obvious paperwork-saving and -chasing benefits for the driver and carrier. This can extend beyond the logs themselves if vehicle inspection reports are included."

Daecher acknowledged and understands the widespread resistance to the devices and the coming federal mandate.

"It's changing the way carriers have monitored hours of service for decades. Sometimes it is hard to convince an older-generation owner that there is a new way of doing things. It will mean overcoming some of the driver-force reluctance to learn and work with technology."

However, Daecher said, "It will become clear to drivers in no time that electronic systems ultimately mean less work and hassle for them."

Added gadgets

Electronic logging devices now on the market package the basic logging of driver hours with other services that exceed the proposed federal mandate.

"A fleet management system (FMS) is an asset-tracking and business-optimization solution which may also accomplish the (electronic logging device) functionality," the FMCSA proposal states.

"These capabilities would not be required by this regulation. FMCSA emphasizes that it does not prohibit the integration of

(electronic logging device) functions into other electronic platforms, such as a (fleet management system), already used on (commercial motor vehicles)."

The other available functions make the electronic logging device a better buy, said Daecher.

"The additional monitoring benefits can pertain to vehicle-mechanical and driver safety monitoring. There are additional regulatory benefits, such as fuel tax logging and calculation. If GPS (global positioning system) is incorporated, there is less reliance necessary on supporting documentation for logs."

"I would advise people to go into electronic-log and -tracking software together," Polzien said.

"There are so many benefits to being able to track idle time and miles per gallon by driver and vehicle. We have really cut our idle time way back. We aggressively go after incidents where we feel drivers have excessive idle time. With fuel at the price it is these days, it is a significant savings."

By monitoring fuel mileage by driver and vehicle, the data also enables Red Carpet to identify training needs and maintenance issues.

"The system also knows what the speed limit is on the various highways and it flags a driver for exceeding the posted limit. That helps keep the drivers from getting speeding tickets. We really have no tolerance on speed limits," Polzien said.

Davis said the electronic logging devices at Premier Transportation assist the maintenance shop in planning. "It helps the maintenance staff predict when the bus is coming back so they can schedule the service it needs."

At Horizon Coach Lines, "our maintenance shop has access to the system and the authority to go in and look at the DVIRs (driver vehicle inspection reports). From

CONTINUED ON PAGE 17 ►

Study of e-logs questioned, said to ignore small carriers

GRAIN VALLEY, Mo — The Owner-Operator Independent Drivers Association has taken aim at a study released by the Federal Motor Carrier Safety Administration that claims there are “clear safety benefit(s)” to using electronic logging devices.

While asserting electronic logs have a beneficial impact on commercial vehicle safety, the agency acknowledges its study is “skewed” toward large, for-hire carriers.

The Owner-Operator Independent Drivers Association, on the other hand, contends the study

lacks relevant data to prove the electronic devices lower crash rates and reduce preventable crashes.

The FMCSA said in its study electronic logging devices could lower crash rates by 11.7 percent and lower preventable crash rates by 5.1 percent.

The agency’s conclusion was based on the premise that logging devices would boost hours-of-service compliance, which would reduce fatigue and therefore fatigue-related crashes.

The agency did note in its study that its data was slanted to-

ward larger carriers, prompting the Owner-Operator Independent Drivers Association to say the study “in no way” represents small- or midsize carriers, citing FMCSA’s own figures that show 97 percent of all commercial fleets have 20 vehicles or fewer and 90 percent have six vehicles or fewer.

The Owner-Operator Independent Drivers Association also says the FMCSA study may have errors.

“The study’s conclusion is flawed because it included all other types of crashes except those that

supposedly would be prevented with electronic logging devices,” said Owner-Operator Independent Drivers Association Executive Vice President Todd Spencer.

Additionally, the OOIDA points out the report’s researchers admit that there wasn’t enough data to find any safety benefits when comparing USDOT-recordable or fatigue-related crashes.

Small sample sizes limited the researches’ ability to find a significant difference between trucks with logging devices and those without, the FMCSA report notes.

Fewer than 12,000 of the 83,000 crashes between 2008 and 2012 were recordable by the U.S. Department of Transportation, says FMCSA in its study, and 987 of those were fatigue related.

OOIDA’s response calls the number of crashes for the study’s sample “a scary concept,” and says that “if true, these carriers do not need ELDs, they need to be removed from the road all together.”

Still, all but one of the participating carriers had low Unsafe Driving BASIC scores, though two did show a high Crash Indicator, according to the 2011 CSA data presented in the study.

“The possible changes that hold the most promise in improving highway safety are things like driver training, better working environments, support systems and safe parking,” says Spencer.

“We’d like to see well-trained drivers put into trucks instead of unproven technology. It is the hallmark of a bureaucracy to embrace billion-dollar mandates in the name of safety while all but ignoring the absence of even basic driver training for new drivers entering the industry.”

Electronic logs

CONTINUED FROM PAGE 16

their computer in the shop they can identify the repairs that need to be made and sign off on those repairs,” said Wingerter, who oversees four Horizon shops with about 145 buses and 250 drivers in North Carolina.

Motorcoach market

Motorcoach operators, classified as “for-hire passenger” operations, account for fewer than 2 percent of the 532,000 carriers that

will be subject to the electronic logging device rule, according to the FMCSA.

“The motorcoach industry is a much smaller industry than trucking overall, but I do see strong interest in electronic logs from motorcoach operators,” said Mark Schumacher, vice president of business development at ISE Fleet Services of Coralville, Iowa.

“They are definitely looking at electronic logging devices, especially with the precious cargo they’re hauling and the level of attention they are receiving from

the FMCSA.

“Their motivation is to organizationally implement processes that increase the robustness of their compliance process. Using electronic logging, a lot of information is generated automatically and it is highly accurate and there is a real productivity gain,” Schumacher said.

More advice

While Polzien has a substantial fleet that runs charters coast to coast from Oklahoma, he thinks the electronic-logging-device era will benefit smaller operations, too.

“I think it would be good for companies of all sizes. It is a safety issue. It is an efficiency issue. It is a win-win. It is clear that it is going to be mandated at some point, so why not get ahead of the curve?”

“I would not advise a carrier against adoption,” Daecher said. “I would tell a carrier that if they’re going to go with a vendor, make sure the agreement stipulates that the hardware and software will meet all applicable standards, once they are finalized, at no additional cost to the customer and with no additional extension of any contract.”

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Montreal MCI sales/service center gets expanded location

MONTREAL — Motor Coach Industries has moved its Montreal sales and service center to an expanded location at 3500 St. Patrick St. (3500 Rue Saint-Patrick).

The 30-percent larger facility has allowed MCI to expand its parts, service and repair capacity in Quebec.

The site also provides space for new MCI and Setra coaches, used coaches, and a base for the MCI Mobile Maintenance unit.

The MCI facility is situated where the former Centre d'Autocar D'Amérique Du Nord (Motor Coach Center of North America) operated.

The location includes on-site



fueling; complete repair and retrofit; quick-service oil change station, lavatory services, and parts pick-up counter.

MCI said it is making a significant investment in the former bus repair facility, including additional

state-of-the-art equipment and diagnostics. Renovations to the site will continue over several months.

Among other things, MCI is adding a paint booth; an indoor bus wash station, and a drivers' area with lounge chairs, television,

Wi-Fi and refreshments.

The downtown location is easily accessible from the Jean-Lesage expressway, says MCI.

Marc-Andre Ouellet is the service manager of the Montreal Service Center, which is open 24

hours, seven days a week. The phone number remains unchanged: (800) 663-3328. The email address is servicecenterqc@mcicoach.com.

MCI said it plans to retain and add to its Montreal staff to accommodate growth.

"We are very pleased to offer an even higher level of OEM coach service to the Montreal area," said Patrick McGuire, vice president of MCI service centers.

The MCI Mobile Maintenance unit based at the Montreal center will travel to area customers Monday through Friday, providing a range of repair and diagnostic services, as well as provide emergency roadside assistance.

Auto sales

CONTINUED FROM PAGE 1

percentage.

Annual auto sales in the United States this year should top 16 million for the first time in seven years. But the pent-up consumer demand that has driven sales is ebbing. Sales are predicted to grow 5.5 percent this year, the slowest pace since the financial crisis that struck at the end of the previous decade.

The big discounts and other steps eventually should help push sales above 17 million, most experts say. But Honda Motor Co.'s U.S. sales chief, John Mendel, has scolded his competitors for using "short-term" tactics such as sub-

prime loans, 72- and 84-month terms, and increased sales to rental car companies to pad their sales.

"We have no desire to go there," said Mendel, whose company's sales through July have fallen 1.3 percent, trailing the industry.

Some on Wall Street see a price to pay for the return to riskier tactics.

"It could be a disaster later on," says Morgan Stanley analyst Adam Jonas. "We're clearly robbing Peter to pay Paul."

He sees sales growing to an annual rate of 18 million in 2017, then sinking to 14 million a year later. That will mean factory closings, restructurings and thousands of job cuts just for companies to break even.

Not all forecasts are that dire

and no one — not even Jonas — is predicting a repeat of billion-dollar losses and cars piling up on dealer lots. Automakers have cut costs and are better positioned to handle a downturn than they were in 2008 and 2009.

Still, the easier credit brings back not-so-fond memories.

In fact, credit monitoring firm Experian said there was a 12.7 percent year-over-year increase during the second quarter of this year in "deep subprime" auto loans, which are made to buyers with credit scores lower than 550.

And loans to "subprime" buyers or those with credit scores lower than 620, rose 5.3 percent, the company said. Combined, both are just over 12 percent of all auto loans.

Meanwhile, finance terms that are 72 months or longer now comprise 32 percent of all auto loans, up from 23 percent in 2008, according to LMC Automotive.

Dealers can offer longer loans on expensive cars, making the payments seem reasonable. But those loans are loaded with interest early on, so it takes a long time for buyers to pay principal and build equity for a trade-in, said Greg McBride, chief financial officer at Bankrate.com.

Plus, 26 percent of deals are now leases, up from 18 percent in 2008, according to LMC. For those who buy, the average discount on a new car through July was \$2,702.

Karl Brauer, senior analyst for Kelley Blue Book, sees trouble in

the juicy discounts. In 2007, spending on incentives was just under 9 percent of the average sales price for a vehicle. That dropped to around 8 percent in 2012 and 2013, but it is back up to 8.4 percent and likely will rise toward 9 percent later in the year, he said.

Based on an average sales price of just over \$32,000, the additional discounts would cost the industry almost \$5.2 billion per year.

"This was the trap that got everyone in trouble before the recession," Brauer said.

Bankrate's McBride said lenders are willing to make larger and longer loans because cars are easy to repossess. "You miss more than one payment, and it won't be in the driveway in the morning," he said.

Insurance

CONTINUED FROM PAGE 1

They say federal regulators are strongly biased in favor of larger bus companies, which they consider to be safer than smaller operators.

"Raising the minimum liability requirement would create one more barrier to entry," said Ken Presley, vice president of the United Motorcoach Association and a former bus industry insurance executive. "Anybody advocating for this must know it will slow down new entries and harm small-fleet operators."

Presley said that in addition to making it more difficult for startup operators to obtain or afford insurance coverage, the increased minimum also would stifle diversification in the bus industry.

That means that more companies would choose to focus exclusively on charter service because it is less risky than trying to offer scheduled service or commuter routes, both of which take a long time to establish.

Another of the major criticisms by industry executives of the proposal is that it is not needed because the current minimum level of \$5 million has rarely been exceeded by catastrophic claims since it was implemented 30 years ago.

At the time the current minimum was adopted, it was considered astronomically high.

O'Shea said Lancer, which has a 30 percent share of the bus insurance market, has settled only 142 claims in excess of \$2 million since it started in business in 28 years ago, an average of five per year. He said that only 12 of those settlements reached the mandatory minimum of \$5 million.

Earlier this year, Timothy Delany, senior executive vice president at Lancer, said that out of about 250,000 claims filed over the years with Lancer, only two were settled for more than the mandatory minimum.

A small percentage of motorcoach operators already carry liability insurance above the \$5 million minimum, but they do so

\$1 billion policy covers rail catastrophes

NEW YORK CITY — AIG (American International Group Inc.), the largest commercial insurer in the U.S. and Canada, has introduced a policy to assist railroads in handling losses from catastrophic accidents — as more crude oil is shipped by trains.

The insurer is offering \$1 billion in coverage to take effect after a railroad has already incurred \$1.5 billion in costs resulting from an accident such as a derailment, said Russ Johnston, who leads the New York-based insurer's casualty operation in the Americas.

The biggest railroads typically buy about \$1 billion of coverage

now and there's demand for more, according to Johnston.

The policy would pay for property losses and bodily damage to third parties, a risk that's mounting as railroads ship more hazardous materials.

The amount of oil hauled by trains in the U.S. rose more than 40-fold to 407,761 carloads in 2013, from five years earlier, the Association of American Railroads reports.

"When we look at the increased use of rail for a number of different commodities over the last few years and into the future, our view is that there's an unmet

need," Johnston told a reporter.

"This is an entirely new amount of capacity being delivered."

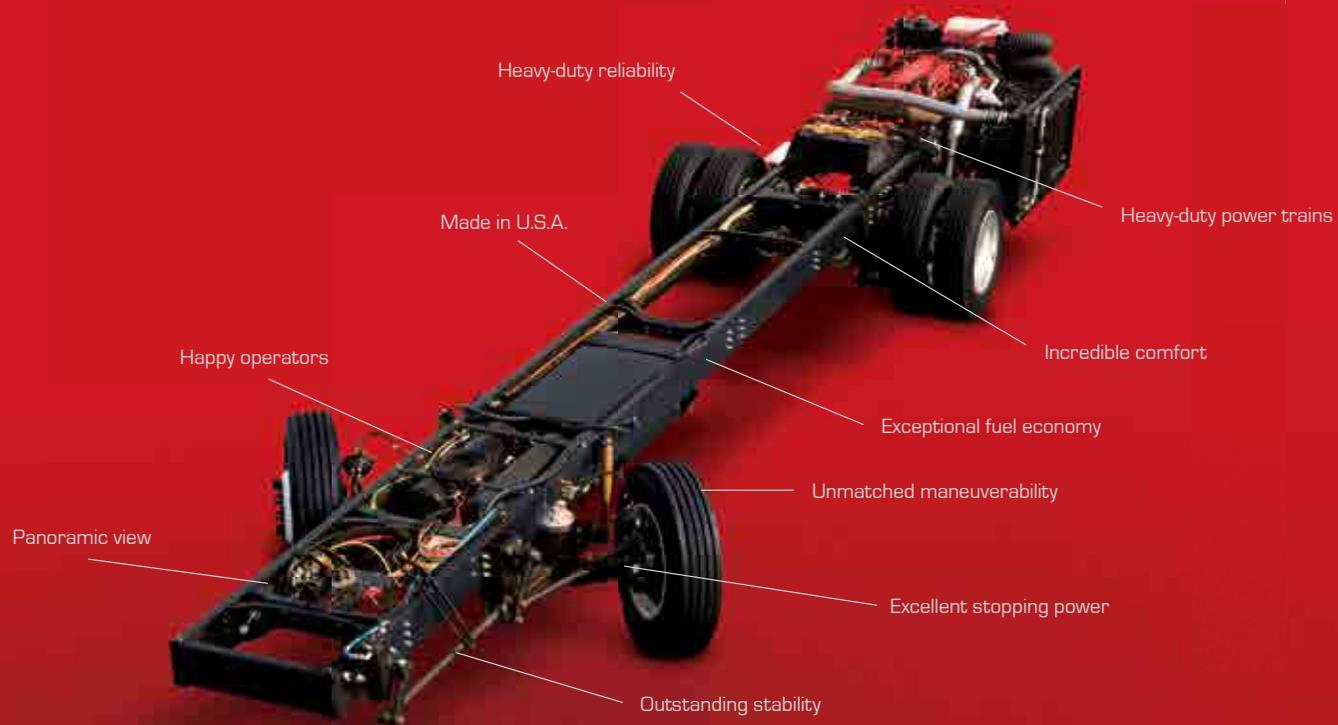
Railroads previously had to obtain a similar amount of insurance in pieces from multiple firms. AIG participated in those groups and typically offered a maximum of about \$100 million in coverage, Johnston said.

A derailment last year in Lac-Mégantic, Quebec, caused an explosion that killed 47 people and incinerated the town's center. Montreal, Maine & Atlantic Railway Ltd. filed for bankruptcy last year as a result of the disaster.

This so-called limit pull not only would result in larger settlements in major accidents, it also would affect the smaller claims that are much more common in the industry, said O'Shea.

"We're worried about the \$50,000 claims going to \$80,000,"

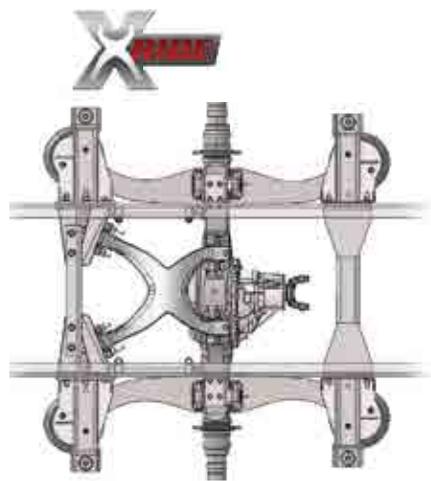
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Greyhound Centennial Tour wraps up next month in L.A.

DALLAS — Greyhound Lines' "Centennial Tour," marking its 100th anniversary in business, completes its cross-country run next month in Los Angeles.

The 37-city tour, featuring vintage Greyhound buses and two coaches that have been converted into traveling museums, began in late spring in Foxborough, Mass. (See July 1 *Bus & Motorcoach News*).

During the summer there were two separate tour caravans, each with a handful of vintage Greyhounds and one of the mobile museums.

Inside the slickly designed and graphically arresting museum buses visitors found a timeline of historical events, touch-screen displays, driver uniforms from different eras, and other memorabilia.

In late September, the two tours combined for a 24-day stay at the Texas State Fair in Dallas.

A huge, aluminum-framed tent housed six vintage coaches, a mobile museum, a new Prevost Greyhound in the latest company livery, a Greyhound store, and a 1914 Hupmobile, the first vehicle used by Greyhound founder Carl Eric Wickman to transport miners from Hibbing to Alice, Minn.

When the fair closed late last month, the tours again separated and went back on the road for the final two months of the year.

The south tour stops at the Phoenix Zoo on Dec. 6 and at the Las Vegas Premium Outlets on Dec. 13.

The north tour stops Nov. 15 at Northgate Mall in Seattle; Dec. 6 at Woodburn Premium Outlets in Portland, Ore.; Dec. 13 at Six Flags Discovery Kingdom in San Francisco, and Dec. 20/21 at Six Flags Magic Mountain in Valencia, Calif., the final stop.

Information on hours of operation at the various stops is available at www.greyhound.com/en/CentennialTour.aspx.

"This tour is a once-in-a-lifetime opportunity for much of the public to see Greyhound's history brought straight to them," said Kim Plaskett, Greyhound director of marketing.

"Not only are we showcasing our company's rich heritage, but the exhibit also features a modern flair, echoing the efforts Greyhound has been making to transform intercity bus travel today."

It is worth catching — even if you've never ridden a Hound.



Thousands visited Greyhound's Centennial Tour during a 24-day stop at the Texas State Fair in September and October.



Led by a 1954 Scenicruiser, Greyhound also had buses from 1937, '47, '48, '68 and '84 on display at its Texas stop.



One of the vintage coaches on display was this pristine 1937 Yellow Coach.



The mobile museums display timelines, uniforms, memorabilia and photos.



The first Greyhound was a 1914 Hupmobile that operated in Minnesota.

Insurance

CONTINUED FROM PAGE 1

he said. “Those are the main claims we see. The biggest impact of limit pull will be that it will pull up all our claims.”

Lancer’s estimate that a \$10 million insurance minimum would cause a 60 percent increase in premiums is based on the expected increase in settlement amounts resulting from the higher minimum.

O’Shea said if Lancer’s experience is projected across the entire motorcoach industry, the total amount operators pay in insurance premiums would add another \$150 million to the \$250 million motorcoach operators currently pay each year to insure their fleets.

The \$400 million total would roughly equate to an average insurance premium of \$10,200 for each of the 39,200 motorcoaches now on the nation’s highways, up from the current average of about \$6,300.

Opponents of increasing the insurance minimum also dispute claims that it would make the ground passenger transportation industry safer, presumably by forcing insurance companies to be more diligent in making sure their clients are operating safely and meeting all federal regulations, and to be more careful about insuring riskier operators.

The federal focus on safety can be traced, in part, to the fact that in today’s frenzied news and social media climate, more attention is paid to bus accidents — even minor ones — that used to only be publicized in local media where the accidents occurred.

“Now, when a bus flips, it’s national news,” said O’Shea. “With the 24-hour news cycle awareness is higher and people start to scream. The government takes notice and there is an increase in regulatory eyes.”

However, he added, “there has never been a scientific study conducted to show how an increased insurance minimum would affect safety. We feel it is a snap decision.”

The timing of the FMCSA proposal to increase the insurance minimum is unclear.

It was projected to clear the White House Office of Management and Budget and be published in the *Federal Register* last month as an Advanced Notice of Proposed Rulemaking, which likely would have shed more light on the proposal’s details. The schedule lapsed, however.

Hearings on the proposal are being conducted by the FMCSA Motor Carrier Safety Advisory Committee.



Statistic Center

Georgia at a Glance

TOP 10 GEORGIA DEPARTURE LOCATIONS:

- 01) ATLANTA
- 02) SAVANNAH
- 03) DECATUR
- 04) MARIETTA
- 05) ATHENS
- 06) LAWRENCEVILLE
- 07) LITHONIA
- 08) MACON
- 09) STONE MOUNTAIN
- 10) COLLEGE PARK

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Fuel-efficient tires OK in winter

OTTAWA, Ontario — As “low rolling resistance tires” have become more commonplace, some users have expressed concern the tires may have reduced traction performance in winter conditions, particularly when mounted on large commercial vehicles.

While there has yet to be extensive, real-world research on the tires’ performance during snowy weather, Transport Canada has conducted a study on the tires’ winter safety and environmental performance.

Low rolling resistance tires are

primarily designed to improve vehicle fuel efficiency. They are made of advanced materials and have treads, dimensions and weights that help to minimize the energy lost as the tires roll across the road surface.

With heavy-duty vehicle and engine greenhouse gas emission regulations slated for continued tightening during this decade, it’s expected that commercial vehicle manufacturers and importers will expand their use of fuel savings technologies, including low rolling resistance tires.

As the emissions regulations have been developed, some commercial vehicle operators and groups have wondered and worried that low rolling resistance tires may have reduced traction performance during winter storms.

The Transport Canada study evaluated several brands of low rolling resistance tires to assess their performance in packed-snow winter conditions. The testing was done on big rigs.

The study, conducted by the National Research Council, demonstrated that the current generation of low rolling resistance tires offers a similar level of snow traction performance as conventional tires, while reducing fuel consumption and emissions.

Tires used in the study were chosen from the U.S. Environmental Protection Agency SmartWay Program approved list, a widely-accepted designation for low rolling resistance tires in North America.

Academy

CONTINUED FROM PAGE 3

MCIZ.

Academy said the Marmurstains wanted to get out of the motor carrier business.

An application was filed by Academy with the Surface Transportation Board in late July, seeking approval to acquire the properties of Go Bus and MCIZ. Academy falls under the purview of the board because of its size.

Roughly a month later, the Surface Transportation Board announced that the information provided by Academy concerning the deal “was not sufficiently complete to provide the required notice to the board and to the public as to the nature and effect of the proposed transaction.”

The board directed Academy to supplement its application, which it did a few days later.

Finally, in late September, the board approved the transaction, subject to the filing of any opposing comments. The deadline for comments was Nov. 10.

The Go Bus/MCIZ acquisitions are the second major purchases by Academy Bus this year.

In January, it acquired most of the Florida operations of Horizon Coach Lines, including Cabana Coaches, plus terminals in Jacksonville, West Palm Beach and Miami/Fort Lauderdale. (See Feb. 1 *Bus & Motorcoach News*.)

Florida Academy Bus has a staff of 300, operating a fleet of 200 vehicles in the Sunshine State.

People

FAIRFAX, Va. — The **Trailways Transportation System** has announced the appointment of **Terri Marin** as senior vice president of marketing and communications.



Terri Marin

Trailways president and CEO, **Gale Ellsworth**, said Marin “will apply her extensive strategic marketing and sales experience, along with her in-depth knowledge of the motorcoach industry, to further the network’s footprint, broaden its group charter- and tour-consumer base and help increase stockholder value in the Trailways brand.”

On a day-to-day basis, Marin will be responsible for overseeing marketing activities, including the development, implementation and management of all strategic and operational activities, such as group sales, advertising, stockholder services and network expansion, with an emphasis on activities aimed at brand awareness.

Marin joins Trailways from **Consolidated Safety Services** and its subsidiary, the **Transportation Safety Exchange**, where she marketed participation in TSX’s safety certification program to motor carriers throughout the U.S.

“We are excited to welcome such an accomplished marketing professional to our staff; Terri’s marketing expertise and motorcoach industry experience will serve our organization well as she leads Brand Trailways into new realms of accomplishment...,” said Ellsworth.

“Trailways is a highly respected transportation brand that the traveling public has looked to since its beginnings in 1936,” said Marin.

“My own first bus trip as a child was on a Trailways coach, driven by my uncle,” she said. “So, like so many Americans, Trailways is part of my heritage and I am excited to be part of its future.”

OMAHA, Neb. — **Arrow Stage Lines** has named its longtime vice president of sales, **Chuck Gunnels**, managing director of **Arrow Nationwide Ground Logistics**, a new passenger transportation consulting and solutions venture (see Sept. 15 *Bus & Motorcoach News*).

“We are seeing promising growth with our newest brand, ANGL,” said Arrow Stage Lines Chief Operating Officer **Luke Busskohl**.



Chuck Gunnels



Phil Rabe



Brian Pinckney



Claude Payne

“We have been looking to Chuck to lead this business as it continues to grow and develop. He is a great fit for this position and we are confident he will excel in this role.”

Gunnels has been with Arrow for 25 years.

Separately, Arrow announced that **Phil Rabe** has joined Arrow Nationwide Ground Logistics.

Rabe formerly was charter account executive at **Champion Coach**.

“We are thrilled to add Phil...” said Busskohl. “Phil (brings) a wealth of knowledge and understanding to our business...”

Rabe has been given the title of national enterprise sales manager and is based in the Greenville, S.C., area.

WINTER GARDEN, Fla. — **ABC Companies** has announced the promotion of **Brian Pinckney** to sales manager of ABC’s Southeast Region and the return of **Claude Payne** to the ABC sales team.

Pinckney and Payne have a combined 40-plus years of sales and customer service experience in motorcoach operations throughout North America.

In his new role, Pinckney’s key responsibilities include day-to-day management of sales operations, inventory management and optimization of customer relationships in the Southeast.

A 22-year industry veteran, Payne was drawn out of semi-retirement to rejoin ABC as senior account manager.

He joins **Ryhan Cornell**, account manager, to provide team support to customers throughout the Southeast where Payne previously worked both as an account executive and sales manager.

“Both Brian and Claude are among the most respected professionals in our industry and have been integral to fostering valuable relationships between ABC and operators over the decades,” said Roman Cornell, ABC senior vice president.

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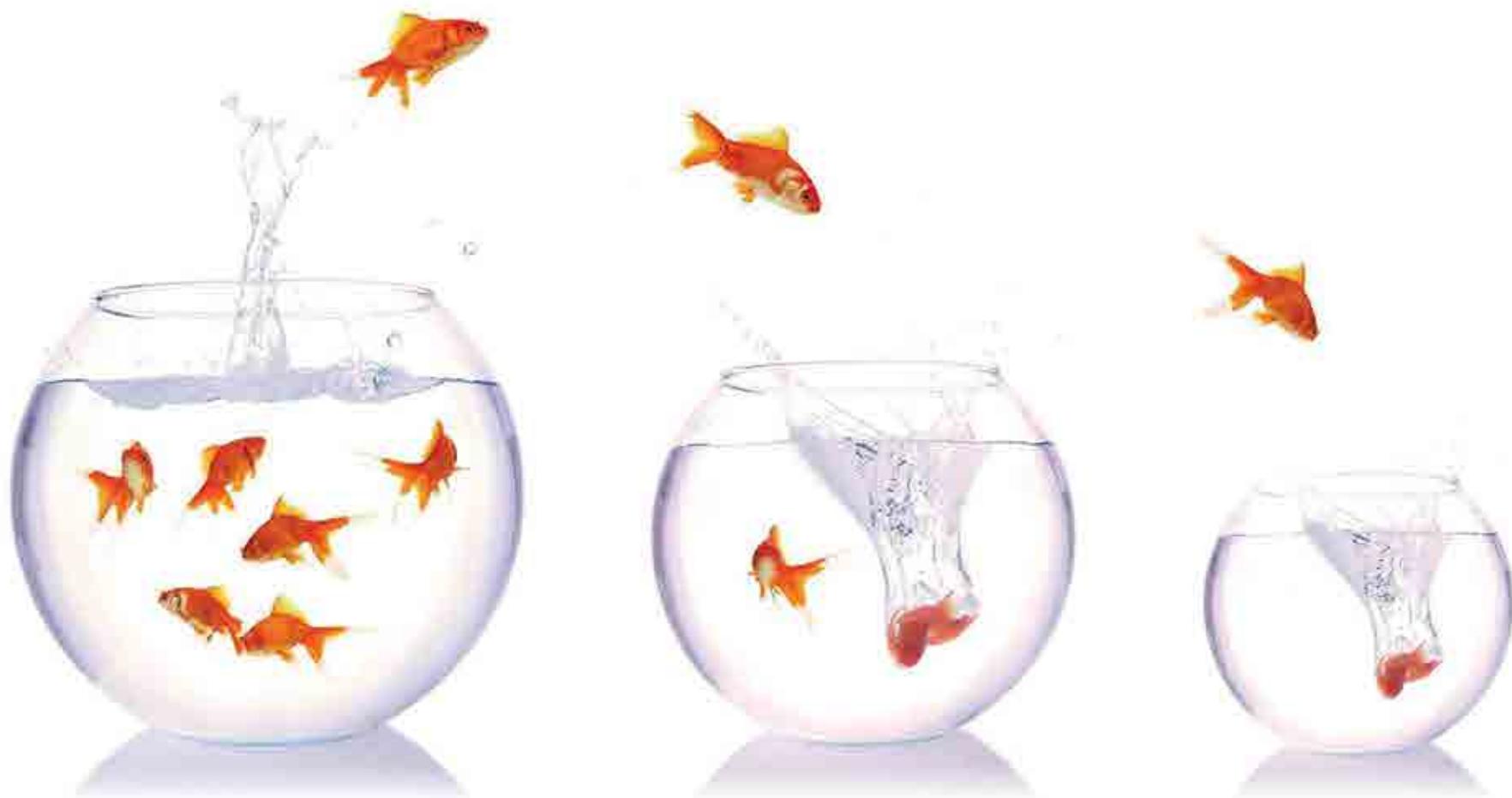


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