December 1, 2013

Bus&MotorcoachNEWS

WHAT'S GOING ON IN THE BUS INDUSTRY

NTSB seeks USDOT audit of FMCSA compliance oversight

WASHINGTON — The National Transportation Safety Board has recommended the U.S. Department of Transportation audit the Federal Motor Carrier Safety Administration because recent accidents raise "serious questions about the oversight of motor carrier investigations."

The NTSB said it's concerned the FMCSA missed "red flags" prior to four fatal collisions, two involving motorcoaches and two involving trucks. Together, the crashes resulted in 25 deaths and 83 injuries.

The NTSB questioned the quality of FMCSA compliance checks of the companies, as well as the agency's "increasing reliance" on narrow reviews that examine only a "limited portion of the commercial operation."

Such checks are often referred to as focused Compliance Reviews.

"While the FMCSA deserves recognition for putting bad operators out of business, they need to crack down before crashes occur, not just after high-visibility events," said NTSB Chairman Deborah Hersman.

"Our investigators found that, in many cases, the poor performing company was on the FMCSA radar for violations, but was allowed to continue operating and was not scrutinized closely until they had deadly crashes."

The FMCSA issued a statement, defending its record, saying it has more than tripled the number of unsafe carriers and drivers it has ordered out of service.

In 2012, FMCSA closed 47 bus and truck companies, compared with 10 in 2011, according to the agency.

"We have also brought together key safety, industry and enforcement organizations to ask for their help and support our efforts," said the FMCSA statement.

"We are continuously looking for new ways to make our investigation methods even more effective so we shut down unsafe companies before a crash occurs and will thoroughly review the NTSB's findings."

During the past decade, every time the NTSB has leveled fresh criticism of the FMCSA and recommended more aggressive action by the agency, the FMCSA has used the recommendations as cover for ratcheting up its safety oversight.

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Official: Keep 'Quick Strike' ongoing

PALA, Calif. — A top official of the Federal Motor Carrier Safety Administration says the agency wants to make permanent the "Operation Quick Strike" inspection surge it conducted earlier this year that was aimed specifically at the motorcoach industry.

Loretta Bitner, chief of the FMCSA passenger safety division, told members of the California Bus Association here that agency officials are studying how to adopt the Quick Strike-style operation, which ran from April through September, on an ongoing basis.

That safety sweep, which included special training for 50 FMCSA safety inspectors and targeted 250 high-risk carriers, resulted in 18 bus companies being ordered out of service for safety violations.

The agency also revoked the operating authority of 10 additional bus companies following Compliance Review investigations that resulted in an "unsatisfactory" safety rating.

Bitner said the six-month sweep netted nearly 3,000 total violations and a quarter of

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Driver screening tool cuts accidents

PALA, Calif. — Motorcoach operators who used a computerized record-checking tool to prescreen prospective driver-employees had fewer accidents and lowered their driver out-of-service rates, a new study shows.

Carriers using the Federal Motor Carrier Safety Administration Pre-Employment Screening Program (PSP) had 8 percent fewer accidents and a 17 percent lower driver out-of-service rate over a 12-month period, according to a new FMCSA report.

That's just some of the good news that operators heard about the Pre-Employment Screening Program at the California Bus Association Convention & Trade Show here.

The PSP program is voluntary; it's simple to use, and it allows carriers and drivers access to a driver's five-year crash history and three-year violation and inspection history, explained Laura Fredrickson of NIC Technologies, the private contractor that runs the program for the FMCSA.

One thing it's not is free.

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New, Chinese-built coach slated for U.S. in mid-2014

CANTON, Mich. — A Chinese-built, 45-foot motorcoach is slated for a return to the North American market next year.

Executives leading the effort say they're determined not to repeat the mistakes made by the previous importer of 45-foot Chinese buses, which also were manufactured by Bonluck Bus Co. of Nanchang.

Andus Industries LLC is distributing literature and attending trade shows, where it displays videos of motorcoaches similar to those that will be built for North America, said Fred VanDenBerg, vice president of sales and marketing.

Andus plans to begin importing 45-foot and 35-foot coaches by the middle of next year and may follow about two years later with a 40-foot electric city bus.

Andus' partner in the venture is CHTC-USA, the American arm of China Hi-Tech Group Corporation, owner of Bonluck (Jiangxi Kama Business Bus Co. Ltd.).

A U.S. company, Bus & Coach International (BCI) of Jennings, Kan., imported more than 100 Chinese-built motorcoaches, branded as BCI Falcon 45s, before abruptly going out of business three years ago, leaving operators of the coaches in a lurch.

Parts became uncertain and the value of the buses immediately plummeted, leaving many operators with underwater loans worth far more than the coaches.

"Bonluck didn't steer the ship in that previous situation," insists Don Whitsitt, chief operating officer of Andus Industries in Canton,

which will be the importer of the new coaches.

"They got left in the vacuum when the whole thing fell apart, just as everybody got left here (in the U.S.).

"BCI was the manufacturer of record, the way we understand it. For

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NJ Transit: 'OK for Academy to use our buses for charters'

WASHINGTON — A public transit agency accused of violating the federal charter service rule has admitted its buses were used by a private motorcoach company to operate a shuttle for a PGA golf tournament.

However, New Jersey Transit insists there was nothing wrong with Academy Express Inc. of Hoboken, N.J., using the taxpayer-paid-for buses to shuttle people from several parking garages to The Barclays golf tournament in Jersey City Aug. 22-25.

"NJ Transit denies that Academy's use of these buses runs afoul of the charter service regulations," the agency stated in its response to a formal complaint filed with the Federal Transit Administration by the United Motorcoach Association. (See Oct. 15 *Bus & Motorcoach News*.)

The no harm-no foul claim by New Jersey Transit brought a sharp retort from UMA, which charged that use of the buses by Academy not only violated the charter service rule, but also impacted the revenue of other private motorcoach operators that might have been interested in providing the service.

"Every charter conducted in (an) FTA-funded bus represents a lost opportunity that denies to operators of privately purchased equipment the ability to compete in an open and fair marketplace," UMA Vice President Ken Presley wrote in the association's answer to NJ Transit's response to the complaint.

Presley cited UMA member Service Bus Co. of Yonkers, N.Y., as one of the companies that suffered financial and irreparable harm by the violation because it was not allowed to compete for the shuttle contract as required by the charter service rule.

The charter service rule broadly prohibits public transit agencies from using federally funded buses to unfairly compete with private carriers and requires those that receive requests for charter service to alert private operators in the area to the possible work and allow them to bid for the service if they're interested.

Presley noted that while some public transit agencies may view the use of federally funded buses engaged in charter service as incidental or insignificant, the practice is financially devastating and demoralizing to the entire private charter bus community.

"Every bus purchased by a private operator reflects a significant investment in their company, employees and community," he added.

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New York operator seeks opinion on state worker shuttle

ALBANY, N.Y. — A New York motorcoach operator has asked the Federal Transit Administration to provide an opinion on whether a public transit agency is eligible to provide contracted commuter service for state employees.

Yankee Trails Inc. of Rensselaer, N.Y., filed the request last month with the FTA's chief counsel.

In its filing, Yankee Trails Inc. contends the proposal — offered for bid by the New York Office of General Services — qualifies as "charter service" under FTA regulations.

Among bidders for the work was a public agency, the Capital District Transportation Authority (CDTA) of Albany.

Yankee Trails, which has held contracts for the service for more than 40 years, says it requested the advisory opinion because CDTA is a recipient of FTA funds and should be barred by the federal charter service rule from providing the shuttle service.

FTA rules clearly prohibit public transit agencies, receiving U.S. taxpayer funds (for bus purchases and maintenance), from competing with private bus companies for charter work.

Bids for the Albany proposal were due to be opened May 29 and the five-year contract to commence Oct. 1. Due to the dispute over the CDTA bid, Yankee Trails continues to provide the service under the previous contract.

Yankee Trails attended an April 30 pre-proposal conference regarding bids to provide service for state employees from five peripheral shuttle lots to state offices in Albany.

Stephen Tobin, president of Yankee Trails, noted that representatives of the Capital District Transportation Authority also attended the conference.

"The services to be provided in the (Office of General Services) proposal meet the definition of 'charter service' under the Federal Transit Administration regulations (489 CFR Part 604.3(c))," Tobin wrote CDTA on May 3.

"As CDTA is a recipient of FTA funds, you are required to comply with the charter service regulations. The purpose of this letter is to notify you of our interest in providing the charter service to (the Office of General Services). Would you please confirm that CDTA does not intend to bid on this contract."

Carm Basile, CEO of CDTA, responded to Tobin in a May 9 letter.

"Thank you for reminding us

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THE DOCKET

Easing path to driving jobs for veterans is goal of feds

WASHINGTON — A study released by the Federal Motor Carrier Safety Administration recommends a series of regulatory changes to further ease the transition of military personnel and veterans into civilian jobs driving commercial trucks and buses.

In releasing the study, the FMCSA announced plans to implement the changes as soon as possible.

The study, which was directed by Congress in the Moving Ahead for Progress in the 21st Century Act one year ago, analyzed training, testing and licensing similarities and differences between military and civilian commercial driver's license requirements.

A number of federal and state regulatory changes were identified that would not adversely impact safety but would allow returning U.S. military personnel possessing extensive training and experience operating trucks, buses and other heavy equipment to more easily and conveniently receive a state-issued CDL.

The changes outlined in the report require formal rulemaking action, which FMCSA will initiate this year. The proposed changes include:

- Extending the period of time, from 90 days to one year, in which active duty military personnel and recently separated veterans can take advantage of a Military Skills Test Waiver.

The waiver, which FMCSA implemented two years ago, allows states to waive CDL skills tests for service members with two years of safe driving experience with similar vehicles. Today, 46 states and Washington, D.C., offer the waiver, which reportedly has provided almost 2,000 former military personnel a quicker pathway to a job.

- Updating federal regulations to allow over 60,000 service members trained and employed in the operation of heavy vehicles, many of which are nearly identical to civilian commercial motor vehicles, to immediately qualify for a CDL while still on active duty.
- Allowing a service member who is stationed in one state, but licensed in another, to obtain a CDL before being discharged.

A copy of the study is available at: *www.fmcsa.dot.gov*.

Proposed rule would restrict oil speculation

WASHINGTON — Oil traders would be limited in the number of positions they can hold under a proposed rule approved by the Commodity Futures Trading Commission.

The bus and truck industries, airlines and manufacturing groups have said that unlimited positions in oil and other commodities foster speculation that drives up prices.

Congress mandated in the Dodd-Frank financial reform law that CFTC write a rule to limit trader positions, although users, such as bus and truck operators, still would be allowed to hedge.

In 2011, CFTC approved a rule, but it was vacated in 2012 in federal court after Wall Street firms challenged it, saying CFTC failed to show why position limits were needed.

The latest proposed rule "would limit traders to 25 percent of deliverable supply in the month when a futures contract matures."

The Commodity Markets Oversight Coalition hailed the CFTC 3-1 vote.

FMCSA unveils upgrades to CSA safety data website

WASHINGTON — The Federal Motor Carrier Safety Administration is allowing test drives of its retooled Safety Measurement System website.

A preview of the enhancements to the FMCSA Compliance, Safety, Accountability program website went live last month.

The agency said it's seeking comments on the web redesign that resulted from feedback from industry stakeholders regarding how the information should be displayed.

The agency is not currently proposing changes to the Safety Measurement System methodology that forms the basis of the website, officials noted.

The FMCSA said it wants to make it clearer that SMS scores are based on a percentile system, which ranks companies based on regulatory violations and Compliance Reviews relative to similar carriers.

The SMS site is where carriers and the public can go to get the same safety performance data the agency uses to determine which carriers pose a risk and need to be investigated.

Last year, the site hosted nearly 48 million user sessions.

The changes can be previewed online at *https://csa.fmcsa.dot.gov/SMSPreview/Home.aspx*.

The agency said its objective has been to make the site easier and more intuitive to use, to consolidate information and to improve access to information and performance monitoring tools.

Among the changes, the site:

- Displays a carrier's summary status in the Behavior Analysis and Safety Improvement Categories. Detailed data is available for each category.
- Offers a tour to explain the revisions.
- Lets the user download the data for all carriers in the same safety event group, such as inspections or crashes, used to rank the carrier's BASIC percentile.
- Highlights a carrier's performance in each BASIC to identify any trends.
- Includes a carrier's safety rating from a Compliance Review, information that formerly was in a different database.
- Shows a carrier's current insurance and authority status.
- Shows a carrier's enforcement case history.

The agency said carriers can preview their own data in the proposed redesign, and the public has access to simulated data.

Bill would allow drug hair testing

WASHINGTON — Bills have been introduced in the U.S. Senate and House that would recognize hair testing as an alternative for drug and alcohol testing of commercial vehicle drivers.

Currently, urinalysis is the only accepted method for pre-employment drug screening of commercial drivers.

Some experts say urinalysis is only effective in detecting substance abuse during a 2- to 3-day window, while hair testing provides a 60- to 90-day window.

The Drug Free Commercial Trucking Act of 2013 would instruct the U.S. Department of Transportation to recognize hair testing as an option to give bus and trucking companies greater flexibility when conducting drug and alcohol testing.

Worries about motorcoach tire-load issues linger

PALA, Calif. — Concerns about motorcoaches possibly exceeding tire weight limits, along with the effect of high temperatures, led federal safety officials to issue bulletins on "Exceeding Tire Load Ratings" during the past two summers.

And, they're likely to sound the alarm again next year, according to an engineer with the Federal Motor Carrier Safety Administration.

"Tires are put together with heat and pressure, and they come apart the same way," Luke Loy of the FMCSA told attendees at the California Bus Association Convention & Trade Show here.

"You run them overloaded, low-inflation pressure, hot summer temperatures, you are going to pull that tire right back to its original components," he warned, adding that — in extreme summer heat — pavement temperatures are 50-to-90 degrees higher than air temperature.

Summer heat was only one of the safety topics Loy covered in his talk, entitled "Tires…What's the Big Deal," which could just as aptly been called "Where the Rubber Meets the Road" for his no-nonsense approach and wry humor.

A mechanical engineer with the agency's Bus and Truck Standards and Operations division, he began by projecting a photo of passengers toting ice chests, backpacks and other gear on board a bus.

"(T)he manufacturers certify that the vehicle can carry 150 pounds per seated passenger. Our riders out there are normally heavier than 150 pounds," he said. "They've got stuff. They're hauling more than 25 pounds. My wife carries more than that in shoes….

"So, 150 pounds per passenger minimum acceptable, it's not realistic. Not today, not in the U.S., not with Wal-Mart shoppers."

He advised operators to talk to coach manufacturers about tires and vehicle weight, and to work with them to build what's needed.

"When you're buying vehicles, talk to the manufacturer. 'What did you design that coach to haul? I know the minimum is 150 pounds. What's my safety margin?'" he said.

"Carriers are ordering the coaches. You ask for what you want. Don't take what they've got off-the-shelf. They'll build it. They want your business."

To bolster his case, he cited a field study conducted last fall on passenger-loaded motorcoaches that showed:

- Minimal safety margins, some axles overloaded
- Steer axle was the worst offender
- Problems detected even with less-than-full passenger loads
- Both single-deck and double-deck buses were affected
- Steer and tag axles were the most significant concerns

The bottom line, Loy said, is that tires need to be designed for the motorcoach to carry the load safely — a point that was reiterated during a conversation he recounted he had with a tire engineer for Bridgestone/Firestone.

"He said, these coach manufacturers, they design the coach, and then pull the tire off the shelf. 'Well, this is what we always use,'" he said. "It's time to tell them, it's not big enough anymore."

Loy offered other tire-safety tips and suggestions:

On valve caps: "Use good quality caps. You should be running a valve cap with an O-ring. Now you have two seals to make sure that pressure stays in the tire."

On tire pressure gauges: "How good are these stick gauges? Well, they're not very good.

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Safety Management Cycle: Smart operators are learning it

PALA, Calif. — A complicated and little-known tool, called the Safety Management Cycle, is being employed by federal safety inspectors as part of their Compliance Reviews, which can now drag on for two or three weeks instead of one to two days, and operators need to understand it and its use.

That was the bottom line message from Bob Crescenzo of Lancer Insurance Company, who led a session on the safety cycle at the California Bus Association Convention & Trade Show here.

"Showing driver qualification files, maintenance files, hours-of-service logs — that was done in the past," Crescenzo said.

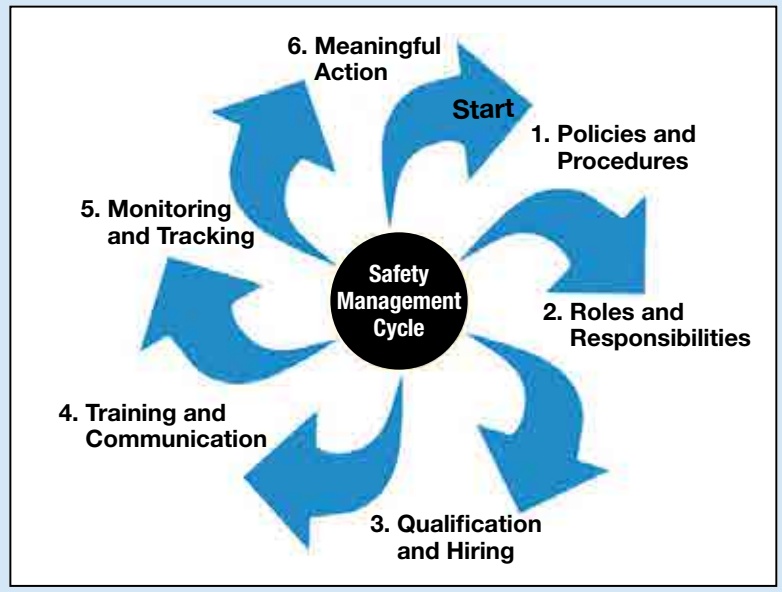
"I want you to start thinking that that is not the way audits are taking place. The audits are based on this cycle."

In 2011, the Federal Motor Carrier Safety Administration trained more than 1,000 federal investigators and state partner employees on the Safety Management Cycle and adopted it for use during investigations.

Still, when Crescenzo polled the dozens of CBA members in his audience whether they had heard of the Safety Management Cycle, only a couple of operators raised their hands.

"OK," he said, "so that's why we're doing this presentation…. This is not an easy idea."

According to the Federal Motor Carrier Safety Administration, the Safety Management Cycle is the signature tool in the agency's investigative process. It



was designed to help investigators, as well as motor carriers, "improve safety by identifying and correcting safety performance and compliance issues."

The tool is composed of six Safety Management Processes (SMPs), which are laid out in a specific order like spokes on a wheel, and represent areas of a motor carrier's operations:

1. Policies and procedures
2. Roles and responsibilities
3. Qualification and hiring
4. Training and communication
5. Monitoring and tracking
6. Meaningful action

During Compliance Reviews and safety audits, that framework is applied to the Behavior Analysis and Safety Improvement Categories (BASICs): Unsafe driving, hours-of-service compliance, driver fitness, controlled substances/alcohol, vehicle maintenance, and crash indicator.

Crescenzo advised operators to begin "building a bridge" that spans "what your operation is like, what your paperwork is like, what your follow-through is like," starting, for example, with the company's policies and procedures.

"You might have a policy that says prior to taking a bus out, you must complete your pre-trip inspection, show your CDL, get your paperwork, do a variety of things. That's your policy," he said.

"The procedure is, how do you do that? What are (drivers) supposed to do? Do they talk with the dispatcher? What happens after hours and the dispatcher is not there? What if they get there before the mechanics get there? What is your procedure for how you implement that policy that you have for that driver? That's what audits are about."

After walking operators through each spoke on the wheel, from "policies and procedures" to "meaningful action," Crescenzo discussed how the various processes apply to the BASICs.

For example, on the hours-of-service compliance BASIC, he said, "How many of you have drivers who always make errors on their logs?… So what have you done about that? How many times have you yelled at them?"

Implementing policies

An operator responded that he had implemented a performance-based policy.

"If they have a mistake on their logs, they get a point. They get so many points, they get to the bottom of the list, they don't work," the operator said.

Crescenzo said that "is exactly what the auditors are looking for on this kind of Compliance Review. Which would be, not just that you yelled at the people, but that you have the policies and procedures that you monitor and track.

"If you can demonstrate that you recognize what the problems are, you're looking at your policies and procedures, you're monitoring and you're implementing things that change the way you're operating, then the auditor gets to see that cycle take place. Then you're going to do better in that audit."

Another operator provided an example of what can happen when an inspector determines that the cycle is not in place.

"The prime example I ever heard…was one of the eastern operators paying a $25,000 fine because they had GPS, and the GPS would send speed alerts…but there was no policy that said this is what we're going to do when the speed alert comes, and no follow-up monitoring. (That) led to a $25,000 fine."

Step by step

Said Crescenzo: "This is serious stuff…. But the idea is you probably have a lot of this in place, you just need to be prepared to link it to audits, reviews and assessments by (regulators) because this is what they are looking at."

He said compliance audits using the Safety Management Cycle can extend anywhere from four days to two and three weeks. "The range of that time is to be able to blend together what your operation is like, what your paperwork is like, what your follow-through is like," he said.

Investigators are now also likely to interview an operator's employees, customers and contractors as part of the review process, he said.

For more information about the Safety Management Cycle go to *http://csa.fmcsa.dot.gov/about/smc_overview.aspx*. The website provides PDFs (that can be downloaded), that list specific steps operators should follow for each spoke on the wheel for each of the six BASICs.

Crescenzo is slated to present an in-depth session on the Safety Management Cycle at the UMA Motorcoach EXPO in Los Angeles in February.

Pot measures pass in four cities

In voting last month, residents of Portland, Maine, and three Michigan cities approved measures that legalize the possession of marijuana.

In Portland, voters went along with an initiative that legalizes the recreational use of marijuana by adults 21 years or older. It allows residents to possess up to 2.5 ounces of pot.

Portland becomes the first city on the East Coast to legalize marijuana.

The *Portland Press Herald* reported that 67 percent of voters favored the measure.

The law bans recreational marijuana use in public spaces, school grounds or on transportation infrastructure. Landlords can prohibit tenants from using marijuana on their property.

The initiative does not legalize the sale or purchase of marijuana, but allows adults 21 or older to "engage in activities for the purposes of ascertaining the possession of marijuana and paraphernalia."

The Michigan cities of Lansing, Jackson and Ferndale approved the legalization of the use or possession of up to one ounce of marijuana on private property by adults 21 or older.

Voters OK infrastructure measures

AUGUSTA, Maine — Voters in Maine approved a $100 million transportation bond last month.

Maine was the only state to have such a spending measure on its ballot.

Approved by 72 percent of voters, the bond will help the state pay for $76 million in highway improvements and $27 million for bridges.

The bond also helps the state leverage $154 million in federal and other state funds.

Other transportation spending measures were approved at the county and municipal levels in states that include Arizona, California and Virginia.

In Cedar Rapids, Iowa, 62 percent of voters agreed to renew a one-cent local option sales tax for the next 10 years to pay for street maintenance, repair and construction.

In all, U.S. voters passed 19 of 21 ballot measures on transportation infrastructure improvements at the state and local level in the Nov. 5 elections, according to the American Road and Transportation Builders Association.

Tire issues

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Plus-or-minus 3 percent when (the gauges) are brand new. Drop it a few times, the accuracy drops significantly."

On tire billies: "Is anyone using a tire billy? Just hit yourself on the head with it. Waste of time. We need to educate them (maintenance technicians AND drivers) that a tire with 130 PSI tire will thump the same as a 100 PSI."

On tire pressure monitoring systems: "If you're on top of your tire pressure monitoring systems they work well. If they're not, go back to your tire pressure monitoring system supplier and say, 'Hey, this isn't working for me. You've got to work this out.'"

On tire pressure monitoring system warning set points: "We went into a carrier last summer after an accident, 'Well, our first set point is 10 percent down. The second warning is 20 percent down.' It's too late at 10 percent down. If I'm at full passenger load…my tires are overloaded before I even get my first warning."

On driver training and tire pressure monitoring systems: "Are your drivers informed on what to do when the thing goes off? What are they supposed to do? What's their check list? Do I pull over and call? Do I check? Do I gauge the tire?"

On retread tires: "Most of the big retreading companies are now owned by the tire manufacturers. They're a good product but you have to maintain them just like anything else."

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Overall transportation safety picture continues to improve

EVANSTON, Ill. — The general decline in recent years U.S. fatality rates for highway travel may not have received the public attention it should.

The National Highway Traffic Administration reported earlier this year that 34,080 people died on U.S. roads and highways last year.

As large and disturbing as that number is, it actually represents progress. In 1994, 40,716 died on the nation's roads, or nearly 20 percent more.

In 1973, 40 years ago, the number killed in traffic accidents totaled 54,052, a stunning 59 percent more.

However, traffic deaths rose 5.3 percent last year from 2011, the first year-over-year increase since 2007.

The overall decline in highway fatalities has led a reduction in the death rate in all forms of transportation. In 2010, the transportation fatality rate was just one-third of that in 1975 (1.11 vs. 3.35 fatalities per 100 million miles traveled).

A study published in the specialty journal, *Research in Transportation Economics*, "Comparing the Fatality Risks in United States Transportation across Modes and Over Time," takes a look at historical trends and paints a fuller picture of fatality and injury rates for all modes of transportation.

Bus safety is confirmed by the research.

Still, airlines continue to be safer, while railroads are somewhat safer than buses.

Between 2005 and 2011, buses (i.e., vehicles with a capacity of 10 passengers or more) represented just 0.1 percent of total highway fatalities.

On average, there were approximately 40 fatalities per year, with drivers and other bus company employees representing roughly one-quarter of the lives lost.

Scheduled- and charter-bus services accounted for 44 percent of total bus fatalities.

The balance of deaths occurred with school buses (23 percent), urban transit (11 percent) and a variety of private shuttles, church buses and other services (22 percent).

Extrapolating from those numbers, an average of about 13 bus passengers died annually in line-run and charter-bus crashes from 2005 through 2011.

While the fatality rate per billion passenger miles for buses is relatively low, at 0.11, it is still 65 percent greater than that for commercial aviation, and doesn't include victims of crime on buses.

Per year, on average, only seven passengers traveling on mainline trains die.

Commercial aviation was the safest mode of travel in the United States during the study period, with 0.07 fatalities per billion passenger miles.

"A person who took a 500-mile flight every single day for a year, would have a fatality risk of 1 in 85,000."

There is one variable to note: Takeoffs and landings are where the principal flight risk is, not in the number of miles flown, so risk-per-flight calculations are higher.

By far the most dangerous form of highway travel is on a motorcycle.

Nearly 10 percent of all highway fatalities — one in 10 — were motorcyclists.

Over the period studied, motorcycles became increasingly popular. As a consequence, fatalities increased proportionally.

This trend has been exacerbated by the "general rollback in the number of states requiring motorcycle riders to wear helmets."

Motorcycles had a fatality rate of 212 per billion passenger miles, by far the highest of all modes. "A motorcyclist who traveled 15 miles every day for a year, had an astonishing 1 in 860 chance of dying — 29 times the risk for automobiles and light trucks."

Drivers or passengers in cars or light trucks faced a fatality risk of 7.3 per billion passenger miles. "A person who was in a motor vehicle for 30 miles every day for a year faced a fatality risk of about 1 in 12,500.

That is 67 times greater than in a bus and 112 times greater than a commercial airliner.

Lessons from a fatal parade crash

MIDLAND, Texas — Because buses and motorcoaches often participate in local parades, this tragedy just as easily could have involved a coach instead of a tractor-trailer.

The incident might serve as a cautionary tale for operators to make certain they only participate in parades where the organizers know what they're doing, and drivers know the score.

Here's what happened.

Just over a year ago, a freight train struck a tractor-trailer hauling a parade float in Midland, Texas. There were fatalities.

A National Transportation Safety Board investigation determined the tragedy was caused by the failure of both the city and the parade organizer to address the risks associated with routing the parade across an active grade crossing.

The float, consisting of a truck-tractor and a drop-deck flatbed trailer, was part of a parade honoring U.S. military men and women.

The truck was driven by a 50-year-old male, and the flatbed was occupied by 12 veterans and their spouses. The float was flanked by two law enforcement escort vehicles.

At about 4:35 p.m., the tractor-trailer/float approached a section of the parade route that traversed an active highway-railroad grade crossing. The float entered the crossing after the grade-crossing warning system had activated. The float continued across the railroad tracks at an estimated speed of 5 mph.

At about the same time, an 84-car Union Pacific freight train approached the crossing at a speed of 62 mph. As the front of the float crossed the tracks, the train engineer sounded the horn and placed the train into emergency braking. Seconds later, the train reached the crossing and struck the rear of the float.

As a result of the collision, four float passengers were killed and 11 passengers and a sheriff's deputy were injured. The two train crewmembers, the float driver, and nine other passengers were uninjured.

For 34 minutes prior to the accident, the float had traveled along the parade route with a continuous police escort, which allowed the float to proceed through red traffic signal lights at four intersections without stopping.

This created what investigators called an "expectancy of safety and right of way," which the NTSB said contributed to the cause of the accident because it led the driver to conclude police were controlling all intersections and associated traffic hazards.

The NTSB says the float driver told investigators he did not see the flashing lights of the grade-crossing warning system or detect the presence of the train until the float was on the tracks because he was looking at his side-view mirror to monitor the well-being of his float passengers as he negotiated a dip in the roadway on approach to the grade crossing.

The NTSB concluded that the noise generated by the parade, combined with the float driver's expectation of safety, likely reduced his ability to hear or properly interpret the grade crossing system warning bells and lights, as well as the train horn.

The NTSB determined the grade-crossing system provided the required 20 seconds of advance warning through warning bells, lights and gates.

As part of the investigation, the NTSB also looked at three other parade accidents occurring this year and determined that many communities and organizations across the U.S. don't conduct risk assessments and implement safety plans.

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ISSUE NO. 251

Bus&MotorcoachNEWS

A PUBLICATION OF THE UNITED MOTORCOACH ASSOCIATION

One word describes TSA security training proposal: silly

By Dave Millhouser

"Free Air for Life" sounds a bit redundant; after all, they aren't taxing air — yet.

In this case, it's a sticker on scuba tanks that occasionally turn up at my friend's dive shop to be filled with compressed air.

Years ago, a number of dive shops offered "Free Air for Life" as a marketing tool. If you bought a scuba tank from them, they'd refill it free, forever.

One thing that these shops have in common is that they are all now defunct. It seems that, among other things, pumping free air cost more than they could afford.

The folks who thought they were getting a "deal" are now traveling to more distant shops, and paying for compressed air.

"Free" was tempting, but ultimately costly.

The latest potential freebie for the motorcoach industry concerns a proposal from the Transportation Security Administration that would mandate security training for all frontline employees of all motorcoach companies in the U.S.

To comply with the mandate, one bus industry organization has proposed the TSA set up a competitive grant program that doles out millions of dollars, similar to the now-defunct TSA "Over the Road Bus Security Grant Program" that handed out $100 million plus in federal taxpayer money to a few hundred bus companies.

Another association thinks the requirement could be more easily and inexpensively handled by a simple on-line training program.

I'm kinda retired, so I can ask an unpopular question: Is ANY motorcoach industry security training program necessary, or desirable?

In our headlong attempts to make the world perfectly safe, have we lost perspective?

In Hitler's Germany it was safe to walk the streets. There was no crime, but it's not a place most of us would choose to live.

Conversely, a friend pointed out that we anarchists might look at Somalia, where there is virtually no government, and little safety. The point is, we need to strike a thoughtful balance. Some of these programs are wasteful, silly and potentially dangerous.

Did the previous TSA program accomplish anything beyond doling out tens of millions of dollars for equipment companies wouldn't have invested their own money in?

Whether we go with a luxury program or an economy version of this latest idea, is anything meaningful or substantial going to be accomplished?

Government types, using other people's money, are willing to spend a ton for small returns. Pointing to a lack of domestic terror attacks is a red herring; it's impossible to establish that these programs had any effect.

A terror attack on a motorcoach is certainly possible, but that's true of any venue where lots of people gather. Perhaps a coach driver will spot a threat, but our industry is so small the odds against it are staggering.

Short of an Orwellian "1984"ish government (like Hitler's, but with better technology), there will always be risk. Spending the money on road improvements likely would save more lives, without adding additional governmental intrusion and "busy work."

Which brings us to the second point: Is it desirable?

Soon after the Americans with Disabilities Act mandate for the motorcoach industry was announced and grants from the federal government became available to purchase wheelchair lifts, a major operator refused to apply for money because it meant divulging too much information about his company. He felt that no good would come from that.

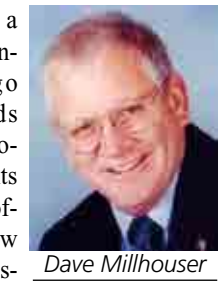
Any program involving drivers and TSA would evolve into collecting a variety of data about your company and employees. That's not necessarily evil, but government tends to accumulate information and power — because it can. It makes their job easier, but can become a source of mischief later on.

One reason for the Constitution is to restrain power in a free society; governing is supposed to be difficult.

If you trust this administration to do right, are you sure the next will be benign?

In fairness to government security agencies, when they succeed, there is no news. When they fail (or get unlucky), the public asks why they didn't anticipate the problem. Continuing to give them additional authority will not change that, and will assure they will be irritating at best, intrusive at worst.

It's hard to argue with "security" as a goal, but where do we strike an appropriate balance between safety and freedom? Sometimes this stuff is dangerous, more often just silly and wasteful.


Dave Millhouser

Remember a couple of administrations ago when the Feds funded local police departments hiring of extra officers? And how stunned the jurisdictions were when they found that, after the first blush, THEY had to pay for the officers continued employment? Surely there are lots of examples like this.

Don't get me started on the silly, redundant, TWIC program.

Folks, I think this one is silly.

It's highly unlikely to have a significant impact on real security, and the "free" grants or training will end up having lots of strings attached. "Trojan Horse" springs to mind. Or, the nine most terrifying words in the English language: "I'm from the government and I'm here to help."

Like all those divers who thought they were getting something for nothing, we'll end up paying in time, hassle and money for something we thought was free.

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

Soon-to-come New York casinos could crush Atlantic City

NEW YORK CITY — More troubles are probably on the horizon for casinos in Atlantic City.

Last month, New Yorkers approved an amendment to the state constitution that will allow seven full-scale casinos to open in the state, including one to three in the New York City area.

The casinos could be open within the next seven years.

And that, say analysts, could sound the death knell for Atlantic City, already struggling under the weight of increased regional competition.

Atlantic City should be "very concerned," Chad Mollman, an analyst who covers casino and hotel stocks for Morningstar, told CNBC.

"New York City is the biggest feeder market in Atlantic City. There is a question in terms of the viability of Atlantic City in the long term."

Resorts (casino/hotel) was the first legal casino on the East Coast when it opened in Atlantic City in 1978. A lot has changed in the intervening 35 years.

"Atlantic City's time has come and gone," says Harold Vogel, the CEO of Vogel Capital Management and the author of the bedrock textbook, *Entertainment Industry Economics: A Guide for Financial Analysis*.

"It was second after Nevada, and it was a special place in a small location. It had 10 good years when it was pretty unique, but then we got Indian casinos, and then gambling in Pennsylvania."

The casino initiative in New York was promoted as part of a plan aimed at bringing jobs to economically distressed regions of upstate New York.

The proposal, which was championed by Gov. Andrew M. Cuomo, was supported by 57 percent of voters.

The approval was seen as a milestone in the gambling industry's long, expensive push to tap into the New York market, an effort that has spanned decades, cost tens of millions of dollars and is certain to continue as gambling companies vie for the right to develop the new casinos.

New York state currently has five Indian-run casinos, all of them upstate, and nine slot machine parlors at racetracks.

The state legislature, at the urging of Cuomo, is requiring that at first only four new casinos will be permitted, and only upstate: in the Albany area, the Catskills-Hudson Valley region and part of the Southern Tier, a region along the northern border of Pennsylvania.

Part of the rationale for opening full-blown casinos in New York has been that it will capture gambling money that has been going to Atlantic City and other places.

"New Jersey has casinos. Connecticut has casinos. Pennsylvania has casinos. We literally hemorrhage people from the borders who go to casinos," said Cuomo before the November vote.

If New York money stops crossing the state line, Atlantic City is in big trouble.

Richard 'Skip' Bronson, the chairman of U.S. Digital Gaming and the author of *The War at the Shore*, which chronicled his effort to build a luxury Mirage Resorts casino in Atlantic City, said New York casinos will make a bad situation worse.

"There are only so many gambling dollars in the pot," Bronson said. "And there has been a massive proliferation of casinos throughout America. It's a form of real estate, and like any form of real estate, it goes through a cycle: Demand, saturation and then glut. A place like Atlantic City has too many casino hotels and too many rooms. This is a fact of life."

Nevada casinos just keep on winning

CARSON CITY, Nev. — Despite the increased competition — everywhere across the U.S., the Las Vegas Strip continues to draw gamblers who are willing to part with their money by the busload.

"Winnings" on the Las Vegas Strip in September were $563.1 million, up 13.4 percent from the same month last year, while downtown Las Vegas revenues of $45.3 million were up 2 percent.

Across the state, Nevada casinos won $958.8 million from gamblers in September, representing a 7.4 percent increase over the same month last year due largely to big betting on baccarat and luck that favored the house, state regulators reported.

The September winnings marked the second-highest monthly total for the year behind February, said Mike Lawton, senior analyst with the Nevada Gaming Control Board.

The big boxing bout between Floyd Mayweather Jr. and Canelo Alvarez in September apparently lured more big bettors to Las Vegas, helping fuel casino coffers.

Reno casinos, however, saw their winnings drop 2.3 percent to $48.3 million in September. South Lake Tahoe saw revenue jump 23.2 percent to $22.1 million in September.

The state collected $62.9 million in taxes based on September gambling winnings. That was an 11.5 percent drop from the same month last year.

Taxes don't always correlate with winnings because high-roller action is mostly played on credit and casinos don't pay taxes on their gains until the gambling debt is paid.

The "win" is what casinos took in after gamblers wagered $11.3 billion. A breakdown shows $2.7 billion was bet on card and dice games, while $8.6 billion was pumped into video and slot machines.

Shutdown curbside operator spends $1 million to upgrade

BOSTON — Federal regulators have cleared one of Boston's best-known curbside "Chinatown" operators to resume operations.

Five months after Lucky Star was shut down for a long list of safety violations by the Federal Motor Carrier Safety Administration during its summer Operation Quick Strike, the FMCSA has granted approval for the company to operate again.

Lucky Star is expected to resume roundtrips between Boston's South Station and New York Chinatown within the next few weeks, starting with eight trips on weekdays and 16 on weekends.

It plans to increase its trips to 15 to 17 each weekday, and up to 24 on weekends, within two months of restarting.

According to published reports, ticket prices will rise to the $25 to $30 range, from the $20 to $25 Lucky Star was charging when it was shut down, to cover expanded operating costs.

The FMCSA pulled the plug on Lucky Star in June because of what the agency said were lousy maintenance practices, failure to monitor driver hours, and disregard of drug and alcohol test requirements – among other things.

Agency investigators found the company's buses had broken down more than 80 times during the previous year, at times forcing passengers to disembark on the highway.

With a fleet of 21 coaches, Lucky Star likely was the largest company shutdown during Operation Quick Strike, which ran from April to September. (See related story on Page 1.)

Since then, Lucky Star owners say they have spent almost $1 million upgrading operations. A third of the 22-bus fleet is new, and each vehicle is equipped with a digital system that allows drivers to immediately transmit their equipment examination reports.

The carrier also has installed devices that limit the speed of coaches to 65 miles per hour. Each driver has undergone training in federal regulations, vehicle inspections, and other safety measures, and managers have been instructed in record-keeping.

Four drivers who failed an English-language test were fired.

Owners Edward Leung and his wife, Maria Wong, who also own four Asian restaurants, told a Boston newspaper that customer safety remains their first priority.

They reportedly hired former FMCSA Administrator Annette Sandberg to oversee the reapplication process.

One challenge to restarting operations is that they must hire many drivers; most of their previous employees found other jobs when the company was shut down.

"It has been a very difficult five months," Maria Wong told a Boston newspaper. "To keep our company alive, it's not easy without any revenue coming in."

Seattle transit agency proposes huge cuts

SEATTLE — This area's principal public transit agency, which has interfered in the private marketplace perhaps more than any other transit system in the country, revealed last month it may have to eliminate 74 bus routes and make changes to more than 100 others unless it can come up with a big pot of money.

Interestingly, none of the proposed cuts announced by King County Metro Transit involve eliminating or reducing what it calls "special event bus service."

King County Metro's special event service is one of the most blatant charter bus services operated by a public transit agency in the U.S., but is permitted as a result of a special federal exemption — that only benefits the Seattle transit agency. The exemption was the handiwork of U.S. Sen. Patty Murray, D-Wash.

King County Metro said it has done everything it can to cut costs since the recession, but it has lost about $1.2 billion in sales tax revenue between 2009 and 2013, and some temporary state funding runs out in the middle of next year.

More than 80 percent of King Country Metro's bus and DART routes would be affected by the proposed cutbacks. The agency says that will lead to longer waits between buses, more transfers, more crowding, and less reliable buses.

It could also mean more traffic on already congested Seattle-area roads if some riders are forced to use autos because they don't have reliable access to buses.

But it apparently won't mean Seattle sports fans will have to forego the special King County Metro shuttles that tote them to games.

King Country Metro says it would have to raise fares by at least $2 to pay for its financial shortfall, making a one-way adult fare $4.25. But, the agency contends such a move would not be feasible.

It likely would lead to fewer riders, create a hardship for low-income riders and may cause some employers to end their bus pass programs.

One transit bus expert suggested the financial issues at King County Transit are the "inevitable result when a high-cost, inefficient transit agency refuses to reform."

This expert said the proposed cuts had been a long time coming, noting that King County Metro's bus operating costs were $12.12 a mile in 2011, and that excludes capital costs, which are paid by federal taxpayers.

To learn more about the proposed cuts, go to: *http://metro.kingcounty.gov/am/future/*.

People


Marcia Milton

CAPITOL HEIGHTS, Md. — *Marcia Fields Milton*, president and CEO of **First Priority Trailways** in District Heights, Md., is helping lead efforts to raise money for America's historically black colleges and universities.

Milton has been named team leader for **Hampton University**, a historically black university, by the **Prince George's County Delta Alumnae Foundation**, an organization that raises money for historically black colleges and universities.

A board member of the foundation, Milton also sits on the board of the United Motorcoach Association.

Milton has issued an appeal to colleagues, friends and others to join her in donating to Hampton (Va.) University and other black colleges and universities.

"(Historically black colleges and universities) are critical and they need our support more than ever," says Milton.

For more information, contact Milton by email at *mymilton@aol.com* or at (301) 568-3500.


Jack Burkert, second from left, is joined by Randy O'Neill of Lancer Insurance, far left; friend Susan Perry; Bob Crescenzo of Lancer, second from right, and Ken Presley of UMA.

Burkert honored at birthday event

BALTIMORE, Md. — A group of old friends and former colleagues honored long-time motorcoach industry safety guru Jack Burkert with a birthday celebration here last month. Burkert turned 70.

The event was at the Baltimore Museum of Industry, which is in a former cannery along the city's famed Inner Harbor.

In attendance, said Burkert, were individuals "from nearly every phase of my life."

Starting in the late 1970s, Burkert went through a handful of phases.

His introduction to transportation safety came when he gave up a high school teaching job to manage a repair shop for trucks and other commercial vehicles.

An inspector from the federal Occupational Safety and Health Administration showed up one day and found several violations that resulted in a failed inspection. A short time later, Burkert was in a traffic accident.

Those two incidents, Burkert said, stirred his interest in vehicle safety and in 1978 he landed a job with Penn State University as its fleet training specialist.

"I just merged my teaching experience with my trucking experience," he told an interviewer in 2010.

Burkert stayed at the university until 1983 when he became safety manager at the American Bus Association, which recruited him after an official of the trade group attended one of his safety workshops.

Four years later he moved to Lancer Insurance as a senior vice president and stayed there until 2002 when he went out on his own as a private safety consultant.

Along the way he became the recipient of the Lifetime Safety Achievement Award from the United Motorcoach Association.

Three and a half years ago he retired from day-to-day consulting. He has remained active, however.

He completed a revised version of his safety text book, *Motor Fleet Safety: Standards and Practices*, which was published this past summer. The 200-page book provides guidance on topics critical to managing a safe bus operation.

The text is being sold on the UMA website (*www.uma.org*).

Calendar

NOVEMBER 2013

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

DECEMBER 2013

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

JANUARY 2014

11-15 ABA Marketplace 2014, Music City Center, Nashville, Tenn. Info: *www.buses.org*.

Greyhound orders 55 additional coaches from Prevost

SAINTE-CLAIRE, Ontario — Prevost announced it has received an order for 55 additional X3-45s from Greyhound Lines, bringing to 145 the number of X3-45s Greyhound has ordered this year.

A Greyhound order for 90 Prevost X3-45s was announced in April (see May 1 *Bus & Motorcoach News*). Fifty of those coaches were delivered between April and September.

The 95 remaining coaches, including the 55 in the latest order, will be delivered in April and May 2014.

Between 2008-2012, Prevost supplied Greyhound and First Canada (both part of First Group) with a total of 350 motorcoaches. The 145 coaches ordered this year will increase the number of Prevosts in the Greyhound-First Canada fleet to nearly 500.

The 145 X3-45s going to Greyhound are equipped with AESYS destination signs, Prevost Swap & Plug wheelchair-lift systems, DriveCam, Cadec PowerVue systems, and Volvo D13 engines.

The coaches also have dual, 1,800-watt inverters, powering 110-volt outlets and Wi-Fi, providing Internet access for passengers.

Additionally, they have such safety features as Prevost AWARE, which includes adaptive cruise braking, following distance alert and stationary object alert; electronic stability control; tire pressure monitoring, and automatic fire suppression systems.

"We worked with Greyhound to design a vehicle with lots of innovations, plus an array of safety features that exceed the most stringent industry standards," said Gaétan Bolduc, president and CEO of Prevost.

DesignLine assets sold; a new start?

CHARLOTTE, N.C. — A U.S. bankruptcy court judge approved the sale last month of most of bus manufacturer DesignLine's assets to a California investor who says he plans to restart company operations here.

An attorney representing DesignLine, which filed for bankruptcy protection in August, told U.S. Bankruptcy Judge Craig Whitley that Wonderland Investment Group's $1.6 million bid for equipment, machinery, intellectual property and other assets was the "highest and best" offer, eclipsing bids from five other groups.

DesignLine, which moved to Charlotte in 2006 from New Zealand, filed for bankruptcy after an investor expected to provide needed financing pulled out in July. (See Aug. 15 and Sept. 1 issues of *Bus & Motorcoach News*.)

In its bankruptcy filing, DesignLine listed assets of $14 million and debts of $37.5 million.

The saga of DesignLine has featured a who's who of Charlotte, and once employed former Charlotte Mayor Anthony Foxx, who became the U.S. transportation secretary in July.

At one time, it had more than 250 employees, but it laid off most of its staff.

Tony Luo, Wonderland's president, told a Charlotte newspaper he plans to invest $30 million in the company and reopen operations.

First, though, he said he will need to negotiate contracts with bus operators in New Jersey, Denver and Montreal, which previously had contracts to buy DesignLine buses.

The bankruptcy filing essentially left the contracts at a standstill.

Luo is a distributor of microturbines used in hybrid power systems. He told the Charlotte paper he has been long familiar with DesignLine and its products.

Prevost opens service center in Toronto; B.C. shop moves

TORONTO — Prevost has opened a service center in Toronto, expanding what is the most extensive service network in the North American motorcoach industry.

The Toronto facility features four service bays, plus a parts warehouse, in a 9,600-square-foot building.

The center is at 8301 Keele St. in Vaughan, a city in the York region, north of Ontario. It's off Express Route 407, at exit 69.

The branch manager is Guillaume Charron and the service manager is Stephen Farrugia.

Prevost said it will continue to maintain what it calls a "mobile support unit" in the Toronto area. The service truck has served the Toronto area for the past 11 months

Customers can contact either the service center or the mobile service truck by calling (905) 738-0881.

The Toronto facility is one of 11 Prevost-owned service centers staffed by factory-trained technicians, providing a full range of maintenance and repair services.

B.C. center relocates

RICHMOND, British Columbia — Prevost announced that its service center in British Columbia has completed moving to Richmond, roughly five and a half miles west of the previous location in Delta, B.C. (See July 15 *Bus & Motorcoach News*.)

The 21,625-square-foot facility at 11911 No. 5 Road has six service bays, a parts warehouse, training room, customer lounge and expanded parking. Access is via exit 32 off Highway 99. Phone and fax numbers remain unchanged.

Guy French, service vice president, said the new facility offers expanded services compared to the Delta location.

FMCSA audit

CONTINUED FROM PAGE 1

The current FMCSA enforcement initiative aimed specifically at the motorcoach industry can be traced directly to criticism and recommendations made by the NTSB during the past two years.

The new, 14-page NTSB audit-recommendation document urged the USDOT conduct an audit of the FMCSA Compliance Review processes.

NTSB specifically recommended examining "why inspectors are not identifying all violations of safety regulations by motor carriers undergoing review" and "why the FMCSA's quality assurance efforts are not fully effective in assessing the accuracy and completeness of Compliance Reviews."

The two motorcoach companies involved in the bus crashes that were half the focus of the new study shared what the NTSB called "disturbing similarities."

Mi Joo Tour & Travel began business as a travel agency in Canada, while Scapadas Magicas LLC was originally a sole proprietor taxi service in Mexico.

When Mi Joo Tour's coach crashed near Pendleton, Ore., on Dec. 30, 2012, killing nine passengers, the company was based in Vancouver, British Columbia.

At the time a Scapadas Magicas' coach crashed near San Bernardino, Calif., on Feb. 3, 2013, the company claimed it was based in National City, Calif.

It's address, however, was a self-storage unit. In reality, its buses returned to Mexico nightly and were serviced there.

Both carriers received U.S. operating authority from the FMCSA. Neither company had a safety management plan, a preventative maintenance program, or a driver training handbook.

Neither company owned a garage to maintain its fleet nor had a mechanic on staff.

They did not have in-service driver training, their driver training files were incomplete, and their driver drug and alcohol programs were noncompliant.

FMCSA inspectors gave Scapadas Magicas safety clearance one month before its February crash, which occurred when the brakes failed on one of its coaches returning from a ski resort. Seven passengers and a pickup truck driver were killed, 11 passengers were seriously injured and 22 others received minor to moderate injuries.

Federal inspectors didn't ask to examine Scapadas Magicas' buses during their visit to the company's headquarters near San Diego the month before the crash even though the company's coaches had been cited previously for a host of mechanical problems during spot inspections.

California Highway Patrol crash investigators found a catastrophic failure of the brakes that a proper inspection by federal officials could have foreseen.

All six brakes on the crashed bus were defective, according to the NTSB report. Drums were worn or cracked, linings were worn down, and some of the brakes were inoperative.

Two of the company's other buses had serious mechanical defects, and the company had failed to have its buses regularly inspected by the state.

Yet, both Mi Joo Tour & Travel and Scapadas Magicas received satisfactory ratings in Compliance Reviews conducted by the FMCSA prior to their fatal crashes.

Based on its investigation and the "inadequate" Compliance Reviews of the two companies, the NTSB concluded that some FMCSA safety investigators working in the field may need additional training, more specific work procedures, and better oversight, and that the agency needs more effective processes to assess the quality of its Compliance Review investigative work.

In its report, the NTSB also blamed the FMCSA for failing earlier this year to examine the hours-of-service records during a review of Highway Star, a Michigan-based trucker, just days before one of the company's drivers rear-ended a vehicle on Interstate 65 in Kentucky, killing six people.

It also said FMCSA was aware drivers for Louisville, Ky.-based H&O Transport had a history of violating hours-of-service rules prior to a June accident that killed two and injured six in Tennessee.

In each of the four cases, FMCSA previously rated the company "satisfactory."

However, NTSB said that with the advent of the Compliance, Safety, Accountability program in 2010, FMCSA has "an expanded set of interventions, including focused reviews that evaluate only an identified area of the carrier's operation based on a data-driven analysis."

The Advocates for Highway and Auto Safety said in a statement the recommendations "emphasize the severe lack of oversight" of truck and bus operators that have poor safety records.

"The investigations point out that the FMCSA is allowing companies and drivers with poor safety records to operate on our highways, despite multiple violations and inadequate management."

'Quick Strike'

CONTINUED FROM PAGE 1

the buses inspected were ordered out of service.

Any sort of new iteration of Operation Quick Strike likely would mean more frequent and more intensive inspections of motorcoach companies.

Bitner warned that would be the case. Further, she said, inspectors will no longer confine investigations to reviews of company safety files.

"It's 'show me the file, I'll look at it, and then I'm going to go see for myself,'" she said. "You're going to find that they are going to be doing their inspections, talking to people throughout your organization.

"Just to give you a heads up, if you haven't had one of these investigations, when it happens, it's going to be different than what you had in the past."

Operators that have been through an Operation Quick Strike probe frequently describe them as a company colonoscopy. The audit includes investigators talking to a variety of company employees, looking for whatever flaws they can find.

Bitner also alerted the California Bus Association Convention and Trade Show attendees to other current and upcoming actions, including:

Americans with Disabilities Act compliance.

Bitner reminded operators that the FMCSA shares enforcement of motorcoach industry-related ADA regulations with the U.S. Justice Department.

- As of Oct. 29, 2012, large over-the-road bus companies were required to have 100 percent of the buses in their fleets —that provide fixed-route service — accessible.
- Demand responsive (charter operators) and small fixed-route carriers are not required to have an accessible over-the-road bus in their fleets but must provide one within 48 hours upon request.
- The Department of Justice has exclusive civil penalty authority for violations of the ADA regulations for over-the-road-bus companies.

"If you're demand responsive or small-fixed route, you have to be able to provide the service within 48 hours," said Bitner. "You can do it by owning an accessible bus or you may do it by having an agreement with somebody else. But you can't pass the responsibility off to someone else.

"You can't tell the customer, 'well, you need to call Joe's and he's going to take care of you.' It's up to the bus company to make the arrangement (with Joe) so the consumer doesn't even know about it….The ADA community must have the same travel experience as everyone else. That's the goal."

Further, she said, "(w)hen it comes to ADA…our one and only hammer is to take away your operating authority. If you don't comply, then the company gets their operating authority revoked. We have come close to doing this twice."

ADA enforcement program implementation.

- The FMCSA has conducted 217 ADA reviews.
- The revised New Entrant Safety Audit includes an ADA compliance component.
- Additional FMCSA field staff will be trained to conduct ADA Compliance Reviews, and ADA reviews will become part of each investigation conducted.

Compliance, Safety and Accountability program.

The Safety Measurement System (SMS) website is being changed to make information easier to read. (See related story on Page 4.)

A carrier preview of the upgraded website was being conducted in November, followed by a 60-day comment period and final roll-out in 2014.

Moving Ahead for Progress in the 21st Century Act (known as MAP 21).

- The FMCSA is mandated to assign a safety fitness rating to each passenger motor carrier within two years.
- Reassess safety fitness rating of each motor carrier at least every three years.
- $25,000 minimum penalty for operating without authority or violating an out of-service order.

"Expect to see us quite often. That's the real message here," said Bitner.

She urged operators to safeguard their operating authority, making certain proof of insurance is filed promptly and correctly.

She also suggested companies check their operating authority status regularly, and pay attention to correspondence from the FMCSA.

"Be careful. Because sometimes things happen with operating authority that you may not be aware of. Don't accidentally have your operating authority get revoked," she said.

Driver screening

CONTINUED FROM PAGE 1

To use the service, operators with more than 100 vehicles pay a $100-per-year subscription rate; smaller operators pay $25. Each report costs $10.

Here's how it works: Carriers enroll online at *www.psp.fmcsa.dot.gov*, provide proof of operating authority, and fill out an agreement. The application is usually processed within a day or two.

Once enrolled, operators are only allowed to obtain records for prospective hires. Since the program is designed for pre-employment screening, they are not allowed to obtain records once a driver is hired.

They must also obtain permission in writing from the driver to access his or her records. Driver-consent forms, with approved language, are supplied to PSP account holders from the FMCSA.

Drivers, too, are allowed to access their records. They pay the $10 fee or go through a process to have the fee waived.

"We want drivers to understand what's on their report," she said. "In some cases, drivers with great safety records are proactively pulling their reports and using it as part of their application process. It's a good resource for them."

Think of it as a driver CarFax.

If a driver finds an error on a report, he or she can file a request for a data review (RDR) with the FMCSA DataQ system, which is sent to the state that issued the citation or violation. Once the state reports back to the FMCSA, the report may or may not be updated, depending on the outcome.

PSP reports contain information about violations from roadside inspections — and not conviction data.

Take, for example, a speeding violation: "Let's say I'm a commercial driver and I get pulled over for speeding at 12 miles over the speed limit, and the official…does a roadside inspection, so my PSP report will show I had a violation of going over the speed limit at 12 miles per hour. The motor vehicle record would reflect that as well," she said.

"However, if I go to court, and that gets dismissed, then my motor vehicle record would no longer reflect that speeding violation, only my PSP report does….So it's the original violation as stated at the roadside."

During a Q&A period, Fredrickson was asked about prospective employees who decline to give permission to access records.

"The assumption would be there's probably something in his or her background that he doesn't want the potential employer to see," an attendee said. "So can you go back to him, and say, 'Look, you won't let me see your driver record, therefore, I'm not going to hire you.' What are the consequences of that? Are there any?"

Clyde Hart, senior vice president of the American Bus Association, offered some advice:

"If it is true that it's a carrier's policy not to hire a driver if they don't give access to the records, that's fine. But you better have it in writing, so nobody can claim — and it's been done — that you're just doing this as a pretext because you don't want to hire me for another reason," he said.

"Just have it in writing that I won't hire anybody whose driving records I don't see before I hire you."

Study: Safety devices reduce truck rollovers, other accidents

BLACKSBURG, Va. — A new study has found that big rigs using lane-departure warning and roll-stability control systems are less likely to be involved in a crash than those not using the technology.

Conducted by the Virginia Tech Transportation Institute's Center for Truck and Bus Safety for the Federal Motor Carrier Safety Administration, the study found that tested trucks without lane-departure warning systems had a lane-departure-related crash rate per million vehicle miles traveled that was 1.9 times higher than trucks with a lane-departure warning system.

"Overall, (lane-departure warning) devices seem to have the potential for reducing lane departure/run-off-road collisions," the study said.

"These devices seem to reduce the number and severity of lane excursions, improve overall lane keeping and encourage the use of turn signals when changing lanes."

Similarly, roll-stability control system-effectiveness analysis showed that trucks without roll stability had a roll-stability control-related crash rate nearly 1.5 times higher than trucks with roll-stability control systems.

"Drivers indicated the (roll-stability control) system increased their situational awareness, making them more cognizant of their driving behavior. The system also aids the driver's judgment when calculating speed into turns," the study said.

The study concluded that deployment of lane-departure systems on trucks produced a 15-to-1 benefit-to-cost ratio, and roll-stability control devices registered a 13-to-1 benefit.

The study did not include an assessment of electronic stability control, the more technologically sophisticated roll-avoidance system that's available on many new motorcoaches.

The study was based on 88,000 federal crash records.

DriveCam, now Lytx, to broaden role

SAN DIEGO — DriveCam Inc. has changed its name to Lytx Inc.

The company's namesake product will now be called DriveCam, powered by Lytx. The new name is pronounced like the last two-thirds of the word analytics.

DriveCam — which is 15 years old, has more than 240 employees and reportedly is profitable — indicated it's heading in new directions.

It says it plans to broaden and diversify its core business, which uses dashboard video cameras and telematics technologies to analyze driver behavior, identify risks and provide feedback so bus, truck and auto fleet operators can reduce accidents and hold down insurance costs.

DriveCam, however, will continue as the flagship business under the Lytx umbrella.

A spokeswoman declined to discuss the company's new initiatives. But as part of the name change, Lytx is emphasizing the expertise it has accrued in collecting and analyzing sensor data as part of its subscription-based software.

"You may know us as DriveCam, but we're about more than devices," the company says on its website.

The name change follows a pair of substantial equity funding deals for the company.

Volvo made an undisclosed strategic investment earlier this year. (See March 1 *Bus & Motorcoach News*.)

Two years ago, the company raised $85 million from a New York private equity firm to acquire RAIR, a Wisconsin firm that helps fleet operators manage a host of regulatory requirements.

DriveCam claims to be the North American market leader in its field; its rivals SmartDrive Systems and Verizon Networkfleet are also based in San Diego.

NYC issues holiday rules

NEW YORK CITY — The New York City Department of Transportation has issued the 2013 version of its special regulations that govern motorcoach traffic on Manhattan Island between now and Jan. 2.

The department says the rules, along with additional parking areas, are aimed at improving tour-and-charter bus operations and keeping city traffic moving during the holiday season.

The rules, along with a detailed list and map of drop-offs and parking, can be found at: *www.nyc.gov/html/dot/downloads/pdf/2013-holiday-motorcoach.pdf.*

Here are general rules in effect during the holidays:

- Buses bringing parties to Manhattan core locations (Rockefeller Center and Radio City Music Hall) must not park or layover in the core.
- Buses must drop off passengers and immediately withdraw to private off-street parking or to the limited on-street peripheral areas (see map on NYCDOT website).
- Buses should return to the core at the scheduled departure time and wait in "No Parking," "No Standing," or "No Standing except Trucks Loading & Unloading" zones for no more than 20 minutes (15 minutes for Rockefeller Center and Radio City Music Hall) for passengers to rejoin the bus.
- If the temperature is 40 degrees or above, no idling is permitted. If the temperature drops below 40, idling is permitted for three minutes.
- Buses must not park in city bus stops, at fire hydrants, and in crosswalks or driveways.
- Buses cannot double park.

Got questions? Call (212) 485-7200.

Bonluck Bus

CONTINUED FROM PAGE 1

a while, Bonluck was the contract manufacturer, but they were never really here. They were building buses for BCI to BCI specs. That was really a BCI issue. Honestly speaking, we are trying to do everything we can to not recreate that."

There are those in the motorcoach industry who say Bonluck, not BCI, was the manufacturer of record of the Falcon 45s. Most Falcon 45s reportedly carry a Bonluck VIN.

Clear accountability

In the new venture, Bonluck certainly will be the manufacturer of record.

"That keeps accountability clear," said Whitsitt.

The Andus executives do not believe the woes left by BCI will affect their marketing effort.

"We haven't seen that so far, based on the reaction we are getting from dealers," Whitsitt said.

"The world continually changes. This bus is being built differently," VanDenBerg added. "This bus is being manufactured for the U.S. market using name-brand components."

Bonluck specs

Specification brochures being distributed by Andus indicate the coaches will be equipped with Cummins ISX engines, Allison B500s, Michelins, Isringhausen driver seats, Fainsa passenger seating, Alcoa wheels, and Eberspacher A/C systems.

The manufacturers of other components have not been selected, VanDenBerg said. "They will be name-brand, U.S.-serviceable items."

The warranty will be comparable to what is offered by the competition, he said. "As we see it now, it will be two years and 100,000 miles."

Coach features listed in the spec sheets include fully multiplexed electrical system, auxiliary heater, back-up camera, liftable tag axle, electronic stability control, and "Australian supergal integral structure."

"We are going to compete against the premium products that are out there today," said VanDenBerg. "We will have the same features, benefits and quality. We anticipate very aggressive pricing."

When the BCI Falcon was introduced in 2007, it had an all-the-bells-and-whistles price of $349,900, which was $100,000-$150,000 less than other 45-foot coaches at the time, making it attractive to some operators.

Here in June?

"The first prototypes (of the new Bonluck coach) will be going through the shop next month," Whitsitt said. "We project having the first ones here, after testing is complete, probably in the June time frame."

Bonluck has a significant presence in the global bus and motorcoach market, he said. "They are the second-biggest producer for the Australian market and sell some in Europe. They are fairly big in the Middle East. I think they are selling vehicles in 22 or 23 countries."

The Bonluck factory covers 323,000 square feet and has a capacity of 5,000 vehicles annually, according to the company website. Capacity could grow to 10,000 units after a possible expansion.

Since 2011, Bonluck has been part of the China Hi-Tech Group Corporation (CHTC), "which is a large central enterprise solely funded by the state with a solid strength, huge scale and strong international competitiveness," the website states.

Who's Andus?

Andus Industries also is Chinese-owned, VanDenBerg said.

"It is in the vehicle development business, historically the light-duty market up through minivans and small vans. The bus market is somewhat new to us but we have experience in vehicle development and marketing."

A website operated for owners of BCI Falcon 45 buses has theorized that the return of the Chinese companies to the U.S. could provide a target for a class-action lawsuit over damages suffered by that vehicle's buyers.

"As I recall, CHTC did not buy Bonluck until late 2011, so I don't think there is a connection between BCI and CHTC," VanDenBerg said.

Andus Industries and CHTC are partners in the current venture, he said. "There is no ownership interlock."

Dealers, service

Andus plans to distribute the new Bonluck coach through a network of dealers. It hopes to sign 10 to 12 dealers across the U.S. for sales and service.

After establishing its U.S. base, it will pursue a network of three or four dealers in Canada, VanDenBerg said. "We want to get as close to our customers as we can."

"We think the model we have put together will address the service-parts issue, which is always a concern for private operators," Whitsitt said.

"The dealers we are working with are very capable guys with a lot of resources and experience. Many are not yet in the motorcoach business but they are familiar with Cummins and Allison.

"We believe we have addressed the road service issue maybe better than many of our competitors," Whitsitt added.

Electric transit bus

Bonluck has been building electric buses since 2008 and a vehicle may be developed for North American customers, VanDenBerg said. "It is not an approved project yet, and it may not be. Our sense is that there is a market and our intention is to bring it (in)."

The partnership agreement announced in September between Andus, CHTC-USA, and Bonluck (Jiangxi Kama Business Bus Co.) calls for the distribution of both motorcoaches and electric transit buses. All of the buses are to carry the HT badge.

As a city transit bus that would be purchased with public funds, domestic content would be needed in manufacturing, noted VanDenBerg. "We are looking at localization generally anyway, even for the motorcoaches. If we introduce the electric bus for transit systems, we know there is going to be localization."

Bonluck builds a wide variety of vehicles, ranging from golf carts to motor homes. Its research projects include hybrid and fuel cell technology.

For more information, contact VanDenBerg at *fred.vandenberg@andus.com*.

N.J. Transit

CONTINUED FROM PAGE 3

NJ Transit, the fourth largest transit agency in the United States, acknowledged that Academy — one of its biggest contractors and the largest family-owned private coach company in the country — used the transit agency's buses on three of the four days of the tournament, including 2 on the second day, 13 on the third and 16 on the fourth.

Kenneth M. Worton, a deputy attorney general of New Jersey who authored the transit agency's response, insisted that NJ Transit was not in violation of the charter service rule because it did not contract for the shuttle service with either Academy or Barclays.

Instead, he said, the contract for the operation was between the private carrier and the golf tournament with no involvement by NJ Transit.

"NJ Transit had nothing whatever to do with the service in question," he said.

Worton said Academy initially thought it could handle the service with its own fleet of coaches and was able to do so on the first day of the tournament. However, he said the private carrier could not keep up with the passenger traffic on the following days and had to use some of the transit buses it leases from NJ Transit as part of an existing transit service contract.

Presley disputed the assertion that NJ Transit was not in violation of the charter service rule because it had nothing to do with the shuttle contract, arguing the rule imposes the responsibility for following the regulations directly on the recipient of the federal money even when subcontractors are involved.

"The charter service rule contemplates responsibility for sub-recipient adherence to the charter service rule no matter how far down the sub-recipients' chain the obligation flows," he asserted.

Presley said other arguments advanced by NJ Transit were equally specious, including the transit agency's suggestion it is not responsible for the actions of its subcontractors because some exemption exits somewhere outside the context of the charter service rule.

"This failure to admit clear responsibility without justification should be as offensive to the FTA as it is to UMA," he added.

Presley urged the FTA to reject NJ Transit's arguments, and recommended that because of the gravity of the violations, the transit agency be barred from receiving federal transit funds in an amount the FTA considers appropriate.

N.Y. worker shuttle

CONTINUED FROM PAGE 3

of Federal Transit Administration rules and regulations. Rest assured we do not operate 'charter service' and do not have any plans to do so in the future," he wrote.

However, he added, "CDTA provides public transportation services in the capital region for the benefit of the people that live and work here…In keeping with our mission and purpose, we will continue to explore opportunities to improve on and promote public transportation services to the people of the capital region, including New York state employees and others that work in downtown Albany. As such, we intend to pursue relationships that could provide improved transportation services for capital region residents."

The request for the FTA advisory opinion states that the New York Office of General Services "has confirmed to Yankee Trails that CDTA has in fact submitted a proposal in response to the (Office of General Services) RFP."

A request for comment from CDTA's counsel was not answered by deadline for this article.

A "certificate of bid opening," posted by the Office of General Services, lists four vendors — CDTA, Yankee Trails, Northeast Shuttle and Center Transportation Services.

CDTA should not be considered for the proposed contract because the service meets several of the federal government's criteria for charter service, argues Yankee Trails counsel Severn E.S. Miller in the opinion request.

The request cites the federal charter service rule, which says such service consists of "transportation provided by a recipient at the request of a third party for the exclusive use of a bus or van for a negotiated price."

Miller and Yankee Trails contend the state employee shuttle has a number of characteristics that would indicate it is charter service under the federal rule:

- "A third party pays the transit provider a negotiated price for the group;
- "Any fares charged to individual members of the group are collected by the third party;
- "The service is not part of the transit provider's regularly scheduled service; or is offered for a limited period of time; or
- "A third party determines the origin and destination."

The Yankee Trails letter also draws attention to the definition of "exclusive service" as "service that a reasonable person would conclude is intended to exclude members of the public."

The proposed service would serve parking facilities for state employees that "are closed to the general public."

Additionally, the request says signs posted at two of the parking facilities state, "The shuttle service to and from this location is for the express use of (Office of General Services) parking permit holders only."

States the filing: "OGS has the sole and absolute discretion to establish schedules for when the buses leave the peripheral parking facilities and when they are to arrive at the destinations."

The Yankee Trails request concludes: "Based on the foregoing facts and the applicable law, Yankee Trails Inc., respectfully requests that the chief counsel render an advisory opinion that the transportation services being solicited in the (Office of General Services) RFP are 'charter service' pursuant to the FTA charter service rule.

Yankee Trails is one of upstate New York's largest operators, with 43 coaches, according to its USDOT registration.

CDTA provides transit services to Albany, Rensselaer, Saratoga and Schenectady counties. It operates 306 vehicles and carries 15.7 million passengers annually, serving 52 bus routes.

Coach-Transit Components grows despite challenging times


Mike Hemby

ORLANDO, Fla. — Late 2008 would hardly seem to be a propitious time to start a new business, especially in the motorcoach industry.

The national economy was tanking and new motorcoach sales during 2008 dropped to a four-year low.

That didn't deter Mike Hemby, president and founder of Coach-Transit Components, an aftermarket parts supplier based here.

Hemby readily admits, though, it has been a "tough five years."

Hemby incorporated in September 2008, and has had steady growth each year since — thanks, he says, to a "dedicated sales team, production staff and most of all supportive customers."

The company has increased its product offerings as representatives, during visits with customers, have asked them what products they need that Coach-Transit Components could produce and supply.

Coach-Transit started business with a single distributorship — Autex wiper parts.

During its first year, it secured a second major distributorship — Goodyear (belts and air bags).

Since then it has picked up a fistful of other distributorships, including Horton, Venair, Dayco Products, Sika Automotive and, most recently, Linning, the maker of fan and compressor clutches, and idler and tensioner pulleys.

Starting in mid-2009, Coach-Transit began producing replacement fiberglass components for motorcoaches and buses.

It reverse-engineers fenders, bumpers and doors of every description used on coaches and buses.

"There's a real sense of pride in saying we don't sell fiberglass components made off shore."

When Hemby decided to start the business, he knew it would need individuals, besides himself, who were experienced in the bus industry and had a strong work ethic. One of his first picks was Charlie McCarron.

"Charlie met all the requirements," says Hemby. "He had worked for the largest coach operator on the East Coast as a mechanic, then moved on to work with an original equipment manufacturer (Motor Coach Industries), serving as service manager."

McCarron is Coach-Transit's vice president of operations.

After a few months, Hemby started receiving calls from other former MCI parts and service employees interested in joining Coach-Transit.

"These men have been a tremendous asset," says Hemby. "Dwight Barnett, Frank Boling, Chuck Gosch, Howard Nichols and Richard Olsonawski have made contributions that are un-measurable."

Each of the men brought upwards of 40 years of experience and, not insignificantly, an extensive list of customer contacts.

The Coach-Transit sales team covers virtually the entire U.S. — Northeast, West Coast, Mid-Central, Mid-Atlantic and Southeast.

At company headquarters here, Coach-Transit has a team composed of Jenna Hemby, Ron Norsworthy, Chuck McCarron, John Maki and Jimbo McCarron.

A year ago, the company purchased its current location in downtown Orlando.

It "has been a tremendous asset, providing us the ease to contact suppliers and customers," says Hemby.

But it is towards customers where Hemby focuses most of his attention. "We know without their trust we would not have met this (five-year) milestone."

Nat'l Interstate has lower 3rd-quarter, 9-months earnings

RICHFIELD, Ohio — National Interstate Corp. has reported lower net income and earnings per share for the fourth-consecutive quarter, compared to year-earlier figures.

The parent company of leading motorcoach industry insurer National Interstate Insurance Co. said it earned $7.28 million during the three months ended Sept. 30, down from $9.02 million for the same quarter a year ago.

On a (fully diluted) per share basis, third-quarter 2013 net income was 37 cents, versus 46 cents a year ago.

National Interstate Corp. has not reported higher year-over-year quarterly earnings since the third quarter of 2012.

However, third-quarter 2013 results were substantially better than those for this year's second quarter when National Interstate lost $6.28 million.

Lower claims costs during this year's third quarter helped drive the improved results, compared to the second quarter. The second-quarter loss kept company earnings for the first nine months of this year well below year-ago levels.

For the nine months ended Sept. 30, National Interstate earned $9.01 million, or 46 cents per share, down from $26.03 million, or $1.33 per share, for the first three quarters of 2012.

Gross premiums increased 4 percent during this year's third quarter and were up 9 percent for the nine months ended Sept. 30, compared to year ago levels.

Michelson explains

Said National Interstate President and CEO Dave Michelson: "Our 99.3 percent combined ratio for the 2013 third quarter, while still elevated above our historical performance, improved compared to the second quarter.

"The volatility we experienced (during the second) quarter related to an unusual number of large claims and reserve strengthening which did not recur (in the third) quarter.

"We again had unfavorable development from prior year claims, but the 2013 accident year is generating a modest underwriting profit. We have been touched by similar issues facing other carriers that write commercial auto liability coverage," said Michelson.

"The rates we are charging continue to improve and underwriting actions are ongoing, including the decision this quarter to exit the personal lines commercial vehicle product, as well as another smaller product within the program portion of alternative risk transfer."

Alternative risk transfer insurance, also known as captive insurance, is a program where, typically, a small group of similar companies self insure, with an insurance company, like National Interstate, managing the process.

"Combined ratio," another industry term, is a measure of profitability used by insurance companies to indicate how well they're performing. A ratio below 100 percent indicates a company is making an underwriting profit, while a ratio above 100 percent means it's paying out more money in claims than it's receiving from premiums.

National Interstate's combined ratio for the third quarter was 99.3 percent, up from a year ago when it was 96.5 percent.

For the first nine months of this year, National Interstate's combined ratio was 103.6 percent, measurably above the same-period 2012 ratio of 97.1 percent.

The combined ratio is calculated by taking the sum of incurred losses and expenses and dividing them by earned premium.

Elevated losses

During the first nine months of this year, National Interstate said it experienced elevated losses and a higher loss-expense ratio due to several factors: "Increased claims severity particularly in the second quarter related to passenger transportation and moving and storage, unfavorable development from prior year claims in part from run-off ART program business and commercial vehicle, and the adverse impact of several years of margin deterioration from the competitive market conditions that began to subside in 2012."

Other items from the 2013 earnings announcement:

Underwriting expenses: The underwriting expense ratio was 20.6 percent, 2.5 percentage points better than the 2012 third quarter.

Net investment income. It totaled $8.3 million for the 2013 third quarter, 5 percent below the 2012 third quarter, but a 5 percent improvement over the average net investment income for the first two quarters of 2013.

Commented Michelson: "Several of our recent product initiatives in traditional transportation are contributing to top-line growth.... For the 2013 first nine months we have non-renewed over $50 million of business that was not meeting our profit objectives."

The company also noted that "market conditions" in the transportation sector had allowed it to raise rates, which "favorably impacted the top-line growth."

"Pricing, which continues to improve, as evidenced by the high single-digit and in some cases double-digit rate increases that are occurring in most of our commercial products, along with the underwriting actions we have taken, are positively impacting the business," said Michelson.

Directors of National Interstate declared a quarterly dividend of 11 cents per share, payable Dec. 9, to stockholders of record Nov. 25.

Muddled economy hampers Greyhound

ABERDEEN, Scotland — Revenue at Greyhound Lines dipped 3 percent during the six months ended Sept. 30, while operating profit fell 10 percent.

Greyhound's parent company, First Group plc, reported last month that Greyhound had revenue of $514.7 million for the six months ended Sept. 30, down from $532.6 million a year earlier.

Operating profit during the six months of this year was $49.1 million, down from $54.5 million during the six months ended Sept. 30, 2012. Greyhound's operating margin also was lower at 9.5 percent versus 10.2 a year ago.

First Group said a substantial portion of Greyhound's customer base remains cautious "as they continue to feel the effects of the prolonged U.S. economic downturn."

In the U.S., which accounts for roughly 80 percent of Greyhound revenue, First Group said company margins "remained largely resilient," reflecting actions taken to increase the cost and operating flexibility of the business.

"However we continue to restructure our business in Canada where further changes to our network and cost base are necessary to deliver a more commercially viable service."

The changes in Canada include further expansion of Greyhound Express, which currently serves 12 routes in four provinces.

Companywide, revenue at Greyhound Express continues to grow, increasing 9.6 percent during the six-month period.

First Group said the expansion of BoltBus into the Pacific Northwest has outperformed expectations since its launch more than a year ago. "We are now developing other markets, including California, for further BoltBus expansion," First Group said.

YO! Bus, another Greyhound brand, "continues to attract ridership in the Northeast Chinatown market, without impacting our Greyhound Express passenger figures, which continue to increase over the same corridors, demonstrating that our multi-brand strategy is broadening the demographics that are using intercity coach transportation."

Improvements have been introduced to Greyhound Package Express, including adding door-to-door service.

Greyhound is pilot testing a Wi-Fi-enabled entertainment system that allows customers to download content to their mobile devices. First Group said the company is seeing "immediate strong usage during the trial."

Revenue at First Group's First Student division was $1.03 billion for the six months ended Sept. 30, versus $1.02 million a year earlier.

Operating profit was $18.1 million, compared to $10.8 million for the six months ended Sept. 30, 2012.

At First Transit, revenue for the 2013 six-month period was $630.8 million, versus $627.8 million a year ago. The 2013 operating profit was $48.6 million, up from $45.5 million a year earlier.

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Outlet

2000 MCI 102DL3

DD S60 12.7L 435HP, Allison B-500. 45 foot, 49 passenger with bunk, Amaya seats, steel wheels, sleeper and 5 monitor video system. VIN #52999. **Only $130,000!**

Outlet

1998 MCI 102DL3

DD S60 425, Allison B-500. 45 foot, 55 passenger, National seats, steel wheels, enclosed parcel racks, 2 monitor video system. VIN #51070. **Only $37,000!**

Outlet

1998 MCI 102DL3

Cummins M-11, Allison B-500. 45 foot, 51 passenger, WCL, white exterior, NEW ECM. VIN #50514 **Only $48,000!**

Outlet

1996 MCI 102DL3

DD S60 12.7L, Allison B-500. 45 foot, 54 passenger, steel wheels. VIN #48102. **Only $35,000!**

Outlet

1994 MCI 102DL3

DD S60 11.1L, Allison HT-740 Series. 45 foot, 55 passenger, National seats, white exterior, video system including monitors. VIN #46177. **Only $20,000!**

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Where:

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When:

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