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Online Bus Bookings Growing Fast, As Do Operator Headaches

BusRates.com was threatened with defamation lawsuits after sharing fraud alerts with bus operators between 2006 and 2008

By Jon LeSage

KENTWOOD, Mich. — In the past five years, bus operators have witnessed online reservation booking sites grow exponentially, as have limousine operators.

Some of these booking sites are nationally known, respected, solid brokers of bus rides; other online brokers have created multiple problems for bus companies.

Bus operators have become more than frustrated with online brokers who have not paid them at all, or with payments that have taken much longer than agreed-upon terms. Often, the actual trip cost exceeds what operators directly charge their customers.

Another problem: gratuities not being forwarded to drivers, and operators having to pay these tips out of their own revenue.

Between 2006 and 2008, BusRates.com tracked reports of fraudulent activities by brokers and updated bus operators so that they could stay well informed, said Mark Greer, president and owner of the Kentwood, Mich., based online reservation site.

BusRates.com offers visitors a booking site built upon a database of

and safety record based on U.S. DOT data.

In November 2008, Greer decided to stop posting fraud alerts after receiving a few defamation lawsuit threats. His attorney advised him to discontinue the list since defending the truth of the fraud alerts could become very expensive. The problem was that the fraud list was effective. Brokers on the list couldn't find bus companies to take their trips. Greer's objective was not to blacklist brokers. "The intention was to get people to pay people they owed, and to get bus companies to take payment up-

front," he said.

BusRates.com received a lot of praise for putting out reports on non-payment by brokers and for making a difference in the industry. The report was helping bus companies avoid going unpaid for trips. It provided an incentive for non-payers to make good with payments and avoid being listed.

Greer urges operators to make customers more aware of their validity by listing their DOT registration numbers on their websites, membership in organizations such as United Motorcoach Association and American Bus

charter bus companies in the U.S. and Canada, and is geared toward travel professionals who manage group trips. BusRates.com prides itself on offering visitors the opportunity to be transported by solid, company-owned bus operations.

The website also offers consumers tips on what to look for when booking bus rides, and how to background check legitimate operators including a link to the Federal Motor Carrier Safety Administration's "Company Snapshot" webpage. This offers visitors an electronic record of a company's identification, size, commodity information,

Association, and information that will help customers understand their options and make informed booking decisions.

Bus operators are missing the fraud reports and are looking for other ways to stay updated so they can do business with professional, legitimate online brokers.

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—MARK GREER

broker,” Greer said.

Online bookings are still relatively new for bus operators. Most consumers go online and look for bus operators, but end up calling them on the phone with questions before booking

trips. Greer estimated that more than 70% of customers use the Internet to do research and shop around, yet bookings happen over the phone.

The main stress points for bus operators are a shortage of drivers and an overabundance of brokers, Greer said. The problem with a lot of brokers, he said, is “the misrepresentation of owning buses when they do not, or the promise of subcontracting to a reputable company when it more likely goes to the lowest bidder.” ■

MCI BANKRUPTCY TIED TO CREDITOR REORGANIZATION PLAN

■ WILMINGTON, Del. — Motor Coach Industries International won court permission in December to send its reorganization plan out for a vote of its creditors, who are split over whether to fight the proposal, according to the *Chicago Daily Herald*.

U.S. Bankruptcy Judge Brendan Linehan Shannon approved a disclosure statement — a description of the plan to help creditors decide whether to support the reorganization. MCI, based in Schaumburg, Ill., filed for protection from creditors in U.S. Bankruptcy Court in Wilmington, Del., blaming falling demand, rising steel costs, and the weakening of the U.S. dollar.

Creditors and lenders told Shannon that the company probably will be able to reorganize and leave bankruptcy intact.

In September, the bus manufacturer and its U.S. subsidiaries filed voluntary petitions for Chapter 11 to implement a pre-negotiated restructuring plan and help relieve the company of \$765 million in debt. In late October, MCI announced the approval of its motions by the Delaware bankruptcy court. ■

FMCSA Toughens Bus Safety Requirement

■ WASHINGTON, D. C. — The Federal Motor Carrier Safety Administration (FMCSA) has announced a new rule to place stricter safety requirements on all newly registered trucking and bus companies.

This final rule raises the compliance standards for passing new entrant safety audits, while ensuring that safety deficiencies are corrected before a new motor carrier is granted permanent registration with the agency.

“These more stringent safety requirements are meant to help new carriers succeed at establishing and maintaining a comprehensive safety management program,” FMCSA Administrator John Hill said.

“Imposing these tougher standards will ensure that new entrants are fully aware and compliant with federal safety regulations, aiding in the continued reduction of highway crashes and fatalities on our nation’s highways.”

The final rule issued by the FMCSA establishes that a newly registered trucking or bus company will automatically fail its safety audit if it violates any one of 16 essential federal regulations during the 18-month safety monitoring period.

These essential regulations cover controlled substances and alcohol testing, hours of service, driver qualifications, vehicle condition, and carrier financial responsibility.

If a company fails its new entrant safety audit, it may result in revocation of a carrier’s registration with the agency, unless the carrier takes necessary corrective action within a specified time period established by FMCSA.

The rule also would require that if during the 18-month safety monitoring period certain violations are discovered during roadside inspections, the new entrant may be subjected to a new entrant expedited safety audit, or in the case of serious safety violations, a more comprehensive compliance review, which can result in fines and penalties.

The carrier also may be required to submit a written corrective action plan explaining in detail how the carrier will achieve compliance with the safety rules and improve its safety performance.

The final rule on the New Entrant Safety Assurance Process is available for review on the FMCSA website in “Rules and Regulations.” ■

