



OFFICIAL NEWSLETTER OF THE OMNIBUS SOCIETY OF AMERICA, INC.

MAY/JUNE 2011

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Welcome to another issue of The Green Pennant Special, the official publication of The Omnibus Society of America.

Through this publication we hope to keep our readers informed of events happening in the transit industry in Chicago and other cities in the United States.

Visit the Omnibus Society of America website at "www.osabus.org". At www.osabus.org we will be posting upcoming fan trips and meetings information, as well as membership information.

Please visit our site when you have a chance and give us your opinions and comments.

• MAY/JUNE MEETINGS

The May meeting of the Omnibus Society of America will be held on May 6, 2011, in the Anderson Pavilion of Swedish Covenant Hospital, 2751 W. Winona Avenue, Chicago, Illinois. The meeting will start at 7:30 pm.

Our program for the evening will be a slide presentation by member Tom Poliak on Milwaukee.

The June meeting of the Omnibus Society of America will be held on June 3, 2011. The program has not been finalized at this time. More information will be supplied at the May meeting.

CTA Amends Capital Budget

Federal Dollars Fund Green Technology and Project to Study Western Corridor

The Chicago Transit Board on April 1, 2011, approved an ordinance amending the CTA's 2011-2015 Capital Improvement Program (CIP) to include a \$2.2 million Federal Transit Administration (FTA) grant for the purchase of two electric buses and a \$1.6 million grant for an Alternative Analysis of transit along Western Avenue.

The ordinance increases the capital budget from \$649.7 million to \$653.5 million.

"These grants are a welcome addition to CTA's capital budget as they allow the agency to explore different methods of providing bus service while not taking away from the funds needed for investment in the infrastructure," said Chicago Transit Board Chairman Terry Peterson. "CTA needs to look to the future and stay abreast of advancing technologies to ensure it is providing the most efficient and cost-effective service possible. Electric vehicles can help reduce fuel costs and have environmental benefits, and finding ways to improve

travel time is important to overall service operation and customer satisfaction."

CTA will test the 35-40 foot electric buses for approximately one year. Typically, electric buses can travel 30 to 40 miles on a single battery charge. Travel distance is one of the main items CTA will monitor closely to determine whether the electric buses can eventually be used along an entire bus route. Weather conditions and weight load will also be monitored to determine how those variables affect travel distance. Much like electric cars, lithium-ion batteries will power the electric buses.

"This grant is an excellent opportunity to test how electric buses can perform," said CTA President Richard L. Rodriguez. "The CTA is always looking at new, green technologies and how to incorporate them into our operations," Rodriguez said.

The grant also includes the purchase of charging stations. The agency is in the process of developing specifications for requests for proposals to go out for bid later this year.

CTA also received funding for an Alternative Analysis (AA) of the Western Corridor. The study corridor includes Howard Street on the north, Western Avenue on the west, Ashland Avenue on the east, and 95th Street on the south.

The Alternative Analysis will examine the feasibility of Bus Rapid Transit service in the corridor as a means to provide faster service, improved connection points and enhanced transit services at affordable prices. The study area includes connections to CTA's rail lines, Metra rail lines and Pace suburban bus routes. Among areas CTA will analyze are parking, current street signals, traffic patterns and the potential for a dedicated bus lane.

"The study area is highly populated with residents who depend upon public transportation in their daily lives," added Rodriguez. "With better travel and transfer points between Metra, Pace and CTA, this project is a good way to examine the most efficient method to make connections between different modes of travel between multiple agencies for customers who are traveling outside of the central business district."

Proterra officials shocked as investment evaporated

Venezuelan pension fund among investors, court documents say

The lead investor in the zero-emission, Greenville-made, battery-electric bus that supporters have hailed as the future of transportation turns out to have been the Venezuelan oil worker.

It's one of the ironies of what federal investigators call a huge "Ponzi scheme" that has upended Greenville bus maker Proterra's startup plan, exposed South American pensioners to losses in the hundreds of millions of dollars and that now involves the upper reaches of Venezuela's government, according to court documents.

The scope of the case is still unfolding, but court documents reviewed by GreenvilleOnline.com contain allegations that a 42-year-old former adviser to Venezuela's national oil company managed hedge funds in which 90 percent of the money invested came from a pension fund.

Court documents and Proterra officials identify the source of the pension money as the Venezuelan oil company, Petroleos de Venezuela SA, or PDVSA.

About \$20 million was invested in Proterra last year – more than half of the company's total cash since 2004, said the company's general counsel, Marc Gottschalk. He said company officials believed the investor was a "solid organization" using funds from an array of international sources.

Court documents allege that hedge fund adviser Francisco Illarramendi was trying to produce gains that would conceal earlier fraudulent activity. Connecticut U.S. Attorney David Fein said the case is now the biggest-ever white-collar prosecution by his office.

Illarramendi pleaded guilty last month to two counts of wire fraud and one count each of securities fraud, investment adviser fraud and conspiracy to obstruct justice, according to court documents and Fein. His attorney, John Gleason, declined to comment.

Proterra executives, in an interview, describe an anguished three months in which they discovered their lead investor was the Venezuelan national oil company, saw an emergency loan fall through and ended up begging in court for enough money to make payroll.

In Venezuela, opposition legislators have been blocked from discussing the issues related to the pension fund in the national parliament, The Wall Street Journal reported. The country's oil minister, Rafael Ramirez, said recently on television that the government is sending lawyers to the U.S. in an effort to salvage funds, according to The Associated Press.

Proterra founder Dale Hill said the saga has been one of the biggest disappointments in an entrepreneurial life that has included many. Gottschalk refers to it as an "odyssey of epic proportions."

The Securities and Exchange Commission said in a court-filed complaint that Illarramendi had misappropriated investors' money since 2006, using the hedge funds for Ponzi activity in which new investor money was used to pay off earlier ones.

The gap between assets and liabilities in the hedge funds was as much as hundreds of millions of dollars, and Illarramendi tried to hide it by falsifying documents, making false and misleading statements to investigators and transferring at least \$53 million to private companies, according to the SEC complaint and a report by the court-appointed receiver.

Proterra had been using \$13 million from earlier investors for its first six years of research and development of an electric bus, and received \$20 million last year just as the company was transforming into a full-fledged manufacturing operation in Greenville, Gottschalk said.

The company attracted taxpayer incentives. It also provided the hope of 1,300 Greenville jobs, and business leaders have said it could play a central role in the development of automotive technology at the International Center for Automotive Research.

Gottschalk said Proterra had used an investment bank to find funding, and the bank introduced the company to MK Energy and Infrastructure, a company the SEC said was controlled by Illarramendi.

Hedge fund documents filed in court say Illarramendi had previously been director of the emerging markets coverage group at Credit Suisse First Boston from 1994 to 2004, then a senior adviser for PDVSA's international financial advisory arm.

He was a leading member of the teams that helped restructure debt profiles of Argentina and Venezuela while at CSFB, and one of the "key people" responsible for more than \$5 billion in U.S. debt issued for the region, according to the hedge fund documents.

Court documents identify 17 affiliated entities involved in the case, including the energy firm that invested in Proterra. Another was established to purchase and refurbish antique cars, while another was purportedly involved in operating talent competitions through the Internet, the receiver said in his report.

Proterra soon discovered that the investors behind their source of funding weren't a diverse pool of international sources but the oil company pension fund, plus a few individual Venezuelans, Gottschalk said.

"Needless to say," he said, "We were in a state of shock."

Then, he said, PDVSA offered to directly loan Proterra \$5 million to give the company time to find a new

investor.

It was a surreal process of negotiating an emergency loan for fuel-saving buses with the national oil company of Venezuela, offset by the assumption that PDVSA was serious about preserving value for pensioners, Gottschalk said.

Attempts to reach two attorneys in the United States for the PDVSA entities were unsuccessful.

Closing day arrived, and the loan fell apart, Gottschalk said. It coincided with a storm of publicity in Venezuela about the fraud, and he suspects key officials in the deal were removed.

That left Proterra in "complete financial distress," and back in court for more emergency funding to meet some, but not all, of its operating costs, he said.

Ultimately, an investment fund that had wanted to invest in Proterra all along – but was turned down earlier – came back.

A term sheet for \$30 million has been agreed upon by both sides and is waiting for the approval of the court-appointed receiver, and by extension PDVSA, Gottschalk said.

If the deal is completed, the money could flow in 45 days.

"We've been stuck in this position of powerlessness," Gottschalk said. "I've felt like a hostage for the last three months."

The receiver said in his report that litigation may be required to recover a significant amount of assets wrongfully transferred or held by third parties.

Gottschalk said the pending \$30 million investment would include a settlement of the receiver's interest in Proterra.

When asked about the past three months, Hill described how much fuel money Proterra's buses will save transit agencies and said his disappointment is compounded because what the company is doing is nothing less than "the salvation of transit."

"We're all just really ornery," Gottschalk said. "We're not ready to quit."

Proterra First Bus Built In Greenville, NC; on its way to Altoona

**Proterra Rolls Out First Bus Built In Greenville
CEO: 'It's Very Nice To Have Something To Celebrate'**

The electric bus company Proterra celebrated a milestone Thursday as it unveiled the first bus built in

Greenville.

The EcoRide BE35 fast charge battery electric bus will be delivered to the Altoona Bus Research and Testing Center at Penn State University, an important step needed for future customers to be able to use federal funds to pay for the buses.



The 1987 Surface Transportation and Uniform Relocation Assistance Act required all new and modified bus models to be tested before being purchased with federal money, according to Proterra.

"The test represents a very important milestone for us to be able to access the customer demand that's been showing up the last couple of years," said Proterra CEO Jeff Granato.

Proterra's EcoRide buses are unlike any conventional or hybrid-electric passenger bus available on the market today because the bus significantly reduces air and noise pollution, while dramatically reducing vehicle operation costs for transit agencies, according to the company.

"We push 1,000 amps into a 400 volt battery system and that allows us to charge in under 10 minutes," said engineer Joel Torr, who helped design the bus.

The past two months have been rough for the company after its lead investor became the focus of a fraud investigation, which restricted money the company could spend, according to Granato.

"It's very nice to have something to celebrate," said Granato.

Granato said the company now has a verbal \$30 million agreement with new investors out of South America, which he said will help get vendors their money.

Metra to pay \$90,000 in fines as U.S. lifts restrictions

Agency admits failing to file lobbying reports

April 15, 2011|By Richard Wronski, Tribune reporter

The Federal Transit Administration will lift restrictions on access to federal funding that it imposed on Metra last

year after misconduct allegations were raised against former Executive Director Phil Pagano, officials said Friday.

As part of an agreement with the FTA to ease the restrictions, Metra will pay \$90,000 in fines for failing to file lobbying reports as required by federal law, officials said.

The reports were not filed by Metra's Washington-based lobbyist, the Carmen Group Inc., after Pagano ruled Carmen was only "advising" Metra, officials said.

But that decision was disputed Friday by Alex Clifford, Metra's new executive director and CEO. Clifford said Friday that Pagano was "flat-out wrong."

"Not only did (Pagano) not have that happen, but he went so far as to say that he as executive director was the lobbyist for the agency and that (Carmen) did not have to file the (reports)," he said.

The federal Lobbying Disclosure Act requires lobbyists to file quarterly reports detailing their activities.

Metra said it has now filed all past-due reports.

A Carmen spokesman could not be reached for comment Friday.

"Metra assents to the fines and agrees with the FTA on the proper lobbying activity compliance process," Metra Chairwoman Carole Doris said in a statement.

Doris is stepping down from Metra's board on April 30. In an emotional farewell to the board Friday, she outlined a number of reforms that the agency has instituted in the past year.

In February, Metra's accounting firm, Blackman Kallick, cited a lack of oversight of Carmen, saying the firm's "monthly invoices lacked sufficient detail to substantiate that contracted services were being performed."

Metra hired a new Washington lobbyist, Chambers Conlon & Hartwell, in January.

Reports indicate Metra had paid Carmen \$4 million since 2004.

Pagano, 60, committed suicide by stepping in front of a Metra train May 7, 2010, just as Metra's board was poised to fire him.

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Metra probe of alleged shakedown got lost in 'chaos' following agency pay scandal

Investigation of payment demand from 'Source Code' production supervisor in hands of private firm

April 14, 2011 | By Richard Wronski and Nina Metz, Tribune reporters

Allegations that a Metra official demanded a \$2,000 payment from the makers of the movie "Source Code" sat idle for months as the transit agency was buffeted by organizational "chaos" after the suicide of its executive director in May, Metra officials said Thursday.

The allegations were first brought to Metra's attention in April 2010 when a production supervisor on the movie, parts of which were filmed in Chicago, told agency officials that one of its employees demanded a payoff if she ever wanted to work with the transit agency again. Metra police began looking into the allegations.

But after a pay scandal involving Phil Pagano erupted a few weeks before his death, the board focused its attention on reforming leadership and personnel matters, spokeswoman Judy Pardonnet said.

"It was pretty chaotic ... what the entire operation was going through," Pardonnet said. "There was a lot happening related to Phil's death. (The investigation) probably did take the back burner."

The employee who was accused of demanding payment from the production supervisor was removed from his duties and retired in June, she said. No money ever changed hands.

The Tribune is not naming the former employee because he has not been charged with any crime. The production supervisor is not being identified because she did not want the incident to adversely affect her career.

In January, after receiving inquiries about the allegation from the Better Government Association, a local watchdog, the transit agency turned the investigation over to its inspector general, the private investigative firm Hillard Heintze LLC, Pardonnet said. Hillard Heintze is conducting a "very thorough investigation," she said.

People knowledgeable with federal law said Thursday that there is no law obligating the agency to bring the matter to authorities within a set time period.

Said former prosecutor Patrick Collins, "It would be prudent for any public agency to get a serious public corruption allegation into the right hands so that the allegation can be promptly reviewed by investigators trained to do so."

It's too early to tell if the allegations will have any effect on future film and television projects in Chicago.

Chicago Film Office director Richard Moskal said no production companies or studios have contacted him about the alleged "Source Code" shakedown, including

Warner Bros., which will be shooting portions of "Superman: Man of Steel" in Plano this summer.

"We were made aware of this investigation only recently," Moskal said, "and were not involved in any of the negotiations between Metra and 'Source Code.' Clearly, it's unfortunate. But it's not indicative of how movie business is conducted in Chicago."

Shawn Ryan, creator of the Fox TV police drama "The Chicago Code," said Thursday that he never encountered anything like the alleged incident while filming here in 2010 and that the show had "great cooperation" from both the city and state. Should Fox renew "The Chicago Code," Ryan said, he plans to shoot the series locally.

"I think it's rightfully being looked at as the actions of a single individual who may have tried to profit illicitly, but I don't think it's a condemnation of how the film business is done in Chicago," he said. "I think if someone tried a similar stunt on us, it wouldn't work."

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"The Lens: City Council hops aboard plan to extend streetcar service to Bywater's far edge

Reported by: Ariella Cohen, The Lens

"That'll be the gate to open up to help get vendors caught up and get the rest of the business moving in a more accelerated way," said Granato. The City Council is throwing its weight behind Bywater residents and businesses calling on the Regional Transit Authority to expand streetcar service to the neighborhood's Poland Avenue eastern boundary.

The council today approved a resolution requesting that the agency extend a planned French Quarter line another mile beyond its current endpoint at the Press Street railroad tracks, which divide Marigny from Bywater. The requested extension, to a point just west of the Industrial Canal, would connect to a new cruise ship terminal planned for the Poland Avenue wharf, help improve the mobility of neighborhood residents and create new opportunities for economic development in the downtown enclave, said Councilwoman Kristen Gisleson Palmer, who represents the area and authored the resolution.

"Bywater has been cut off from the rest of the city for far too long. This is an important step to reconnect people to jobs and businesses," she said.

Palmer advocated for the extension long before stepping into office and has sisters who operate a nonprofit art gallery in the neighborhood. She said she hopes the council support will pressure the RTA to step up negotiations with Norfolk Southern, the railway operator

that controls the tracks. Norfolk Southern has in the past objected to the prospect of granting the right-of-way needed for a streetcar to cross Press Street. "They haven't come to the table and we need that to change," Palmer said.

The council resolution lacks binding legal force, and while the RTA has said that it, too, would like to extend the streetcar past Press Street, the board-run authority has not yet taken significant steps towards realizing the goal.

In an interview last week with The Lens and FOX8 News, RTA chief Justin Augustine said that he would ask his board to begin thinking seriously about extending the planned line to Poland Avenue.

"We are still in the preliminary design phase so now is the time to start looking at how to do it," he said. Mayor Mitch Landrieu has said in the past that he too supports an extension, though the city has let the RTA take the lead on the issue.

Current plans have the RTA using \$79 million in bond money to pay for the French Quarter loop ending at Press Street, with a spur at Elysian Fields Avenue. Each mile of track costs \$20- \$25 million, so adding on the extra mile to get to Poland Avenue would mean raising more money before construction begins in the summer of 2012, Augustine said. He did not respond directly to the claim by transit activists that the Elysian Fields spur will cost \$18 million while failing to bring streetcar access to many residents. The critics argue that the spur could be eliminated without much of a public cost, and the \$18 million rerouted to the Poland Avenue segment.

"I champion and respect their opinion. But more importantly, we have to get all parties to the table and see what's really viable," Augustine said.

Getting Norfolk Southern to the table, however, may not be easy, judging from a response the company sent to The Lens this week. When asked if they would consider granting a right-of-way for a streetcar to cross Press Street, Norfolk Southern spokesman Rudy Husband highlighted the same safety concerns that have historically halted conversations. "We are opposed to an at-grade railroad crossing at Press Street because it would create an unsafe situation for both streetcar and freight rail," he said.

SEPTA converting to cashless fare system

By DAN GERINGER
Philadelphia Daily News
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At last, SEPTA is ready to shun "Show me the money!" cash fares, to bid "Hasta la vista, baby!" to tokens, tickets and transfers - and to get smart with contactless debit and credit cards.

That means Philadelphia- area residents will finally be "Keeping Up with the Card-ashians" in Chicago, Boston, Washington, New York and Seattle (with its way-cool Orca card!).

After years of fantasizing about a fare system that would make buying a train ride as easy as buying a cup of coffee in the train station, SEPTA is on the verge of putting its subways, buses, trolleys and Regional Rail on the kind of smart-card system most riders already use to purchase everything from stamps to SUVs.

The smart-card pie-in-the-sky is finally in the oven, SEPTA announced yesterday, and its happy baker, SEPTA's chief officer of new-payment technology, John McGee, estimated cooking time at three years.

Meanwhile, McGee invites the riding public to talk with him and his new-payment technology (NPT) techies about anything involved in transitioning from mostly cash to mostly cashless fare collection, starting today at SEPTA headquarters on Market Street near 12th, from 11:30 a.m. to 2 p.m.

SEPTA spokesman Richard Maloney called the transit agency's \$175 million NPT project "arguably the biggest . . . in our generation" - surpassing the 10-year rebuilding of the Market Street El, which wasn't exactly small potatoes, because it affects all riders.

"It's not going to be easy," Maloney said, which might be "arguably the biggest" understatement "in our generation," because this is a total makeover of a mass-transit system that makes more than 300 million trips annually and serves 70 percent of the office workers in Center City. SEPTA also has to bring 154 Regional Rail stations, many of which look like scenes from old westerns, into the 21st century, farewise.

SEPTA will award the NPT contract this summer to one of three prospective vendors, but the transit agency has already upgraded bus fareboxes and installed fiber optics on the Market-Frankford El so they are ready for contactless cards no matter who wins the contract.

Metro might stick with electric trolley buses

New electric trolley buses appear to be the most cost-effective choice for replacing Seattle's aging trolley bus fleet, according to preliminary findings from a Metro Transit study.

"The initial findings of this study appear to confirm my own belief that electric trolley buses are the best vehicles for moving riders in dense urban environments," King County Executive Dow Constantine said in a news release. "As the study shows, they are clean, quiet, and the modern trolleys can be very cost-effective to operate

over their lifetime."

King County Metro Transit is inviting the public to an open house on April 19 to learn more about the findings of the trolley bus evaluation system. Comments will be considered until a decision this spring. The meeting will be held from 5:00 – 7:00 p.m. at the Plymouth Congregational Church, 1217 6th Ave., Seattle.

Metro had narrowed the choices to new trolleys or diesel hybrids. How to replace the aging trolley fleet has been a controversial question since an audit recommended switching them out for hybrids to save about \$8.7 million per year. Hybrids are cheaper to purchase and operate as long as fuel costs stay low. But they can't match the trolleys in terms of environmental benefits.

The King County Council requested a cost-benefit analysis of bus propulsion systems before a final decision is made.

While the sticker price on diesel hybrids is lower, the study also looked at operating cost, network and system considerations, funding opportunities, and legal issues. "The study points out other factors, including clean and less expensive energy and quiet operations. I look forward to seeing the final report when it is completed later this spring," Constantine said.

Metro has 159 electric trolley buses that run along nearly 70 miles of overhead wire in Seattle. There were 19.7 million boardings on trolley routes in 2009 – about one-fifth of Metro's total average weekday ridership. Residents and city officials love them because they run quieter and don't have tailpipe emissions.

The transit agency did a preliminary analysis of several technologies, including hydrogen fuel cells and battery-powered buses. But Metro says neither technology currently is commercially viable. Metro plans to sign the first order for replacement buses in 2012.

Lamers Bus Lines adds four 2011 MCI® J4500 coaches, plus MCI Coach Driving Training Simulator

SCHAUMBURG, IL — April 11, 2011 — Lamers Bus Lines, Inc., knows its customers want unparalleled safety, comfort and clean fuel efficiency. That's why the Wisconsin carrier has added four 2011 MCI J4500 coaches powered by a clean-diesel Cummins engine and ZF Astronic power train. At the same time, it has added an MCI Coach Driving Training Simulator.

Lamers' newest coaches come equipped with wide-ride suspension, electronic stability control, SmarTire® tire-pressure monitoring and Amerex fire-suppression systems as standard features. Lamers added three-point passenger seatbelts, self-retracting footrests, a state-of-the-art entertainment system with six 10.2-inch LCD

Blaupunkt monitors, Wi-Fi connectivity and 10 110-volt outlets that let passengers charge electronic and digital devices.



Already holding the highest possible safety and operational ratings from the U.S. Departments of Defense and Transportation, Lamers has added the MCI Coach Driving Training Simulator to further its educational programs. Designed to give drivers the skills they need to become safer, more confident, and better prepared behind the wheel, the simulator helps drivers become familiar with navigating a 45-foot MCI motor coach through traffic, mountains and inclement weather, while simulating situations that may occur on the road.

With 29 locations throughout Wisconsin, one location in Florida and a fleet of more than 110 charter vehicles, Lamers is the largest locally owned Transportation Company in Wisconsin and the 18th-largest in the country. Offering excursions and escorted tours throughout the continental U.S., Canada and the world, Lamers is a longtime MCI customer and a member of the International Motor Coach Group, Inc., meeting rigorous safety, quality and customer service standards.

Founded in 1944 by Lyle and Ellen Lamers, the company started with a red, white and blue bus used to transport children to school. Today, the founders' sons, Allen and Kevin, run the company with their children. The company website is www.GoLamers.com.

Buckingham Bus bets on 2011 MCI® J4500 with seatbelts, wheelchair lift

SCHAUMBURG, IL — April 11, 2011 — As it approaches its 100th anniversary, Buckingham Bus, Groton, Massachusetts, is looking forward, offering its clients a new coach with the latest performance and safety features.

Buckingham has taken delivery of a 2011 MCI J4500 coach that comes equipped with Electronic Stability Control, a SmarTire® tire pressure monitoring system, Amerex fire suppression system and the newest clean-

diesel engine technology. The company also added optional three-point passenger seatbelts and a wheelchair lift.



"It's a wise investment to be able to offer clients advanced features and technologies," said Kim Buckingham, president, who took over ownership of the company in 1995, representing the third generation family member to lead the company. "Safety enhancements, ADA accessibility and greener power are very important in today's marketplace."

Always ahead of the curve, Buckingham was also one the first motor coach operators in Massachusetts to take delivery of MCI's revolutionary Renaissance model in 1998. The coach (now named the E4500) is still part of Buckingham's 11-coach MCI fleet.

Founded in 1912, Buckingham started by serving the area's well-known prep-schools. Today, its clients also include corporations, meeting and convention planners, ski clubs, senior citizens groups and sports teams. "Working with our clients is the best part of the job," said Buckingham, who, with a staff of 18, is able to manage all aspects of ground transportation as well as tour and charter trips. "Despite everyday challenges, it's been a great business to be in."

Buckingham is a member of the United Motor Coach Association and the American Bus Association. To learn more, visit www.Buckinghambus.com

Capital Area Transit takes delivery of two ARRA-funded MCI® Commuter Coaches

SCHAUMBURG, IL — March 25, 2011 — Capital Area Transit, the transit agency serving the metropolitan area of Harrisburg, Pennsylvania, has taken delivery of two MCI D4500 Commuter Coaches purchased with American Recovery and Reinvestment Act (ARRA) 5311(f) funding.

The new coaches serve the agency's Elizabethville and Shippensburg commuter routes into Harrisburg. Both represent rides of more than 45 minutes. The new coaches, which replace older transit models, feature

comfortable seating for 57, free Wi-Fi, entertainment system, a Braun wheelchair lift, a GFI farebox and an eight-camera surveillance system. They are powered by Detroit Diesel Series 60 engines and Allison B500 transmissions.



Bill Jones, assistant executive director for operations, says the ARRA funding came along at the right time. "We had a need to replace our older buses on our commuter routes, and this was an ideal opportunity. Our vehicles are our infrastructure, and it was paramount that we have the best rolling stock we could. We wanted to make sure we were providing customers with a good product, and these coaches were a good fit."

So far, they're proving extremely popular. "When we have to pull the coaches for service, our customers are on our website, asking where their bus is," said Bill Parkin, manager of marketing and business development.

"Riders are enjoying the comfort," says Jones. "A lot of them, the first thing they do is ask us to turn off the lights so they can sleep. With those higher-back seats, they can do that. So whether they're using their time to sleep or catch up on the Internet, they can reclaim another part of their life, and have more time for their families when they get home."

Gold Coast Tours upgrades fleet with 2011 MCI® J4500 coach, first with new engine technology

SCHAUMBURG, IL — March 10, 2011 — In a bid to begin replacing older coaches with newer models that meet California's clean air act carbon restrictions, Southern California's Gold Coast Tours has taken delivery of a new 2011 MCI J4500 coach with the latest generation of engine technology, promising near-zero emissions and better fuel economy.

The MCI J4500 coach is the industry's best-selling model, renowned for its easy-boarding spiral entryway and scenery-sized windows. It comes with several performance features including Electronic Stability Control, a SmartWave® tire pressure monitoring system, an Amerex fire suppression system and state-of-the-art entertainment system. Gold Coast added 15-inch LCD widescreen monitors, snack trays and self-retracting foot

rests. The company also opted for three-point passenger seatbelts.

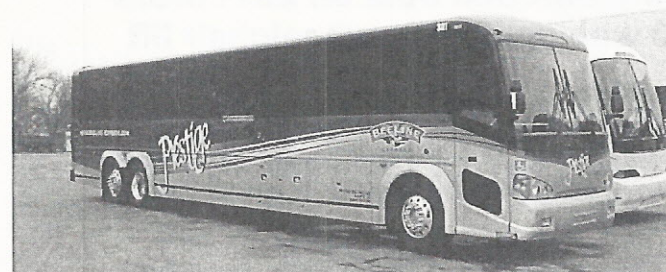


"Our customers like the J4500, especially sports teams and seniors," said Mark Wilkerson, vice president of Gold Coast. All together, Gold Coast operates eight J4500 models in its fleet of 40 motor coaches. Founded in 1978 and headquartered in Brea, California, Gold Coast, owned by John Hartley, is one of the largest family-owned tour operators along the West Coast.

In addition to catering to many college and professional sports teams, the company provides tour and charter transportation for the over-the-road tourism market. The company also runs limos and limo buses and operates One Stop Travel, a full-service travel agency. To learn more, visit www.goldcoasttours.com

Prestige Bus Lines puts four 2011 MCI® D4505s on its Beeline Express

SCHAUMBURG, IL — March 10, 2011 — Prestige Bus Lines LLC, based in Wichita, Kansas, has added four new MCI D4505 coaches to its scheduled service start-up. Beeline Express, launched in November, connects Wichita north to Salina, Kansas, and west all the way to Pueblo, Colorado. Prestige operates Beeline Express in cooperation with Greyhound Lines, allowing passengers to schedule travel through either carrier.



The four MCI D4505 coaches feature plush leatherette seating with three-point seatbelts for 50 passengers, Wi-Fi connectivity and 110-volt power outlets at every seat.

The coaches also are equipped with wheelchair lifts and can accommodate two wheelchair positions.

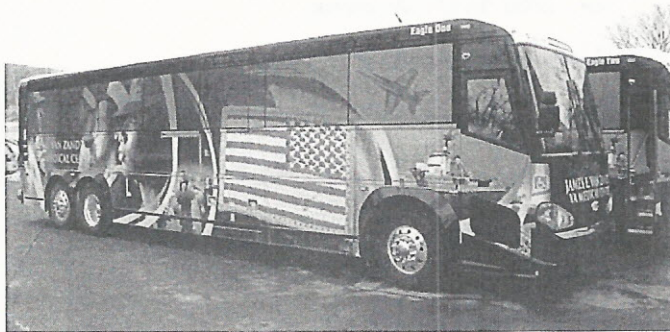
"Since we started the service, ridership has almost tripled," said Robert Carter, line-run general manager. "These are the nicest coaches I have ever driven in my 30 years of operating motor coaches. I've seen people taking pictures of these coaches from their cars."

The coaches were purchased by the state of Kansas, using funds awarded through the American Recovery and Reinvestment Act of 2009. Prestige won a contract bid to operate them under Beeline Express to better connect underserved rural areas and communities, especially those not presently served by airlines or existing rail.

Prestige has a long history of service in Kansas. The company was founded in 1985 with two new MCI models, and has grown to a fleet of 17 motor coaches. The company offers tour and charter services with trips throughout the U.S. and Canada, and trips to nearby casinos. To learn more, visit www.prestigebuscharters.com

Pennsylvania vets ride in comfort between hospitals in two new MCI® D4005 coaches

SCHAUMBURG, IL — March 8, 2011 — U.S. military veterans seeking medical treatment now have a comfortable way to travel from the James E. Van Zandt VA Medical Center in Altoona, Pennsylvania, to the VA hospital in Pittsburgh: two new MCI D4005 coaches, delivered in January and purchased through the GSA procurement process.



Tom Callahan, operator of the Altoona VA coaches, said that when it came time to shop for the new coaches, he turned to the best-informed experts he could find for advice — the people at the Altoona bus testing center who test public-sector coaches. While they couldn't give him recommendations, they did point him and his colleagues to their website for test results. "We spent a lot of time researching," said Callahan, who notes that the coaches have to endure many weather and terrain challenges. "We've hopefully bought at least a 15-year

bus. These coaches should give our veterans the comfort and reliability they deserve."

The new coaches, which replace transit-style models, feature 47 forward-facing seats with footrests and cupholders, along with a DVD entertainment system. Powered by Cummins ISM 2007 410-hp engines and Allison B500 transmissions, the 40-foot coaches are the shorter siblings to the MCI D4505. The MCI D-Series, which includes several models, is the best-selling coach family in industry history, with a reputation for comfort and longevity.

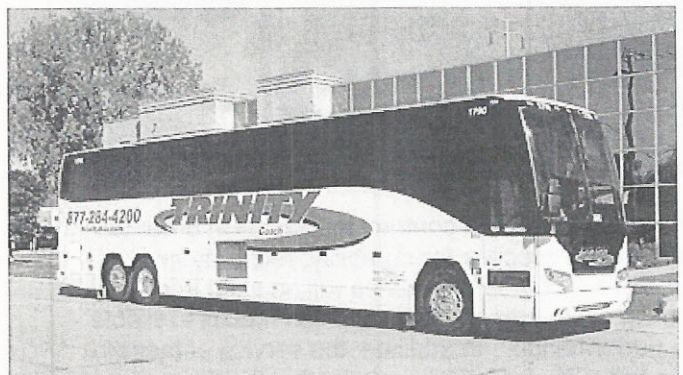
The Altoona VA coaches are also elegantly decaled. "They're beautiful," said Andrea Young, public affairs officer for the facility. "The wraps give us recognition; the details are so patriotic, and they inspire a lot of pride amongst our patients and all veterans."

The Altoona VA veterans use the coaches to access medical and specialty services not provided by their home facility. The ride to Pittsburgh takes about two hours, and the coaches leave twice a day. Young said many of the veterans are older and under stress resulting from their conditions. "It's nice to have them in a comfortable environment."

Callahan, who also shares in driving duties for the veterans, agrees. "The veterans love these coaches. I get comments on them every day."

Trinity Coach Takes Delivery of Two New Prevost H3-45 Motorcoaches

Trinity Coach of Michigan has taken delivery of two 2011 Prevost H3-45 motorcoaches. "We strive to operate the nicest equipment in the region" said Jerry Sheppard, president of the Detroit-area based transportation company. In late 2010, prior to the addition of the two 2011 Prevost coaches, Trinity also took delivery of two 2010 Prevost H3-45 coaches. This brings Trinity's full size coach fleet to a total of 22 vehicles.



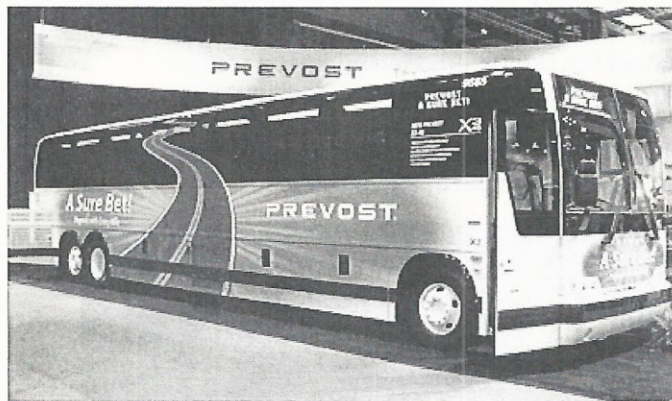
These latest coaches are equipped with the clean, well-proven Volvo D13 engine, which exceeds EPA10 emissions standards. The powertrains feature Allison transmissions. Both the 2010 and the 2011 Prevost coaches are equipped with top tier amenities, including

flat screen video monitors, Wi-Fi, 110-volt outlets, and faux wood floors which offer an extra measure of elegance. Recognizing that many customers now travel with computers, cell phones, and other devices that require recharging, the company specified the 110-volt outlets in every seat pair. This is a feature that Trinity passengers truly appreciate.

Trinity Coach and other Trinity Transportation Group companies have provided a range of transportation options throughout the southern Michigan region for 30 years. Trinity currently operates a fleet of over 300 buses, taxis and sedans. Trinity Coach purchased its first motor coaches in 2000, three 2000 Prevost H3-45 coaches, which were purchased after Mr. Sheppard was attracted by the brand's reputation for outstanding quality. Eleven years later, Trinity Coach and its staff remain highly satisfied with Prevost product quality, excellent customer service, and sustained resale value. "We are committed to investing in the best equipment, so we can deliver comfort and safety which is second to none," said Sheppard. "Our customers have come to expect the best from us, and we deliver."

Prevost Awarded Contract from MTA New York City Transit for 90 Coaches

Sainte-Claire, QC – Prevost has been awarded a contract by MTA New York City Transit (NYCT) to manufacture 90 Prevost X3-45 motor express coaches. The pilot vehicle will be delivered in July and the other 89 coaches are expected to be delivered between October 2011 and January 2012. The contract between Prevost and NYCT also includes, structural integrity testing, tailpipe emission profile testing, and training.



NYCT has awarded this contract to Prevost in order to test the Prevost coaches for durability, reliability and lifetime value. The X3-45 coaches will be used in a demanding commuter application which requires reliable vehicle performance. In addition, the service of these coaches will allow for NYCT to verify that the Prevost X3-45 coach meets the standards of the NYCT New Bus Qualification Program. Through the structural integrity validation Prevost is able to provide NYCT with a 12 year structural warranty. NYCT operated a similar

Prevost coach in 2008 out of their Castleton and Yonkers Depots, with favorable results.

(X3-45 coach in photo does not carry the same specs as the NYCT coaches)

The X3-45 coach features have been developed with a focus on transit operation concerns such as passenger safety, accessibility, low operation costs and ease of maintenance.

Features of the X3-45 express coach will be:

- New Entrance Door (Bi-Part) for ease of entry from the curb
- Fast Front Kneeling
- Enhanced Entrance Area and Grab Rails for Accessibility and Fare Box Provision
- Revised Driver Controls to address transit bus operations
- New Transit Style Mirrors for easy repair and lower replacement costs
- Customized Exterior Passenger Side Mirror (to accommodate 82" high positioning for additional passenger clearance)
- 8D batteries - (Transit Industry feature)
- Electronic signs:
 - Front Full Width Destination Display including an Upper Defrost Grid in the windshield
 - Side and Rear Signs
- Passenger Stop Request System
- Lower Tint Windows
- Driver Partition
- Rear Full Width Passenger Row - Total 57 passengers
- Passenger Seats by 4One
- New Sliding Wheelchair Lift Door
- LED Headlights
- LED Exterior Lighting
- LED Interior Lighting
- Energy Absorbing Bumpers

- Electronic Interlocks adapted to transit operations

The X3-45 coaches will include Volvo D13 engines and Allison transmissions. The Volvo D13 engine is the only engine platform in the industry that has been tested with years of real-world road conditions. Volvo's D13 engine has superior low-end performance, and a smooth, quiet operation.

Megabus to roll into Akron transit center

Fares as low as \$1 available starting May 11.

Cleveland, Pittsburgh, Detroit are stops

By Jim Mackinnon

Beacon Journal business writer

Published on Tuesday, Mar 29, 2011

Megabus, which offers city-to-city bus fares as low as \$1, is coming to Akron.

The company will announce today that it is expanding its Pittsburgh hub and adding trips to nine new cities, including Akron. Express coach bus service to and from Akron is scheduled to start May 11 at the Akron Metro Transit center at 631 Broadway.

The Akron service will start with four trips daily to and from Pittsburgh and four trips daily to and from Cleveland, said Dale Moser, president of Megabus and its parent company, Coach USA. The service will also enable people in Akron to take Megabus buses to and from Detroit and Toledo.

"They're all pretty good times," Moser said. For instance, the first Pittsburgh to Akron trip starts at 6:40 a.m. and arrives in Akron at 8:40, then gets to Cleveland at 9:25 a.m., he said. Other daily rides from Akron to Cleveland are scheduled for 11:10 a.m., 1:40 p.m. and 4:10 p.m.

In Ohio, the company already has bus service to and from Cincinnati and Columbus. Megabus also has rides to New York City from State College, Pa., in central Pennsylvania. Other cities where it operates include Chicago, Philadelphia, Washington, D.C., and Toronto.

While some one-way fares will be as low as \$1, prices increase as travel dates get nearer and buses start to fill up, Moser said. Megabus uses a tiered fare structure similar to what discount airlines do, he said.

"Ours start at \$1 and work their way up incrementally," he said. For instance, a one-way 10-hour trip from Washington, D.C., to Toronto is \$89, he said.

Traveler's book rides through the website megabus.com.

Each bus seats 55 or 56 passengers and provides Wi-Fi wireless computer service, power outlets, reclining seats and a restroom, Moser said.

Greyhound also operates bus service out of the Akron transit center. Portage and Stark County regional transit authority buses also go to the Broadway site. In addition, the Metro Regional Transit Authority has weekday \$5 one-way bus rides between Akron and Cleveland that it calls the Northcoast Express, or NCX service.

Megabus decided to add routes to and from Akron based at least in part on traffic on such social media sites as Twitter and Facebook, Moser said.

"We monitor social networks," Moser said. "We have seen a lot of chatter on Twitter and Facebook [offering suggestions on where to add routes]."

Megabus, which is based in Chicago, got its start in the United States in April 2006 and is modeled after a similar service in Great Britain, Moser said. About 9 million people have traveled with Megabus in the United States since its start here, he said.

Megabus passengers typically fall into three demographics, Moser said.

The first group is made up largely of young professionals ages 18 to 30, he said.

The second group is made up of women ages 30 to 55 who want to travel but don't want to drive, he said.

The next largest group is what Megabus calls the "Silver Surfers," or retirees who also want to travel but don't want to drive.

"There's a pent-up demand for consumers who want to travel," Moser said.

Megabus bills itself as a cheaper, more environmentally friendly option to driving an automobile.

"We're getting people out of their automobiles," Moser said. "We're more fuel efficient."

Megabus.com to expand its service from Detroit

Rides start at as little as \$1 for one way to Pittsburgh, Toledo

Melissa Burden / The Detroit News

Megabus.com will begin offering daily departures from Detroit to Pittsburgh and Toledo for as low as \$1 for a one-way ticket beginning May 11.

Pittsburgh will be the intercity express bus firm's sixth hub and begin daily service to and from nine new cities, including Detroit and Toledo, said Dale Moser, president and chief operating officer of Coach USA, the parent company of megabus.com.

Megabus.com launched in April 2006 and has run a route from Detroit to Chicago that makes a stop in Ann Arbor.

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Moser said the popularity of the low-cost curbside service led to the route expansion. Megabus has served more than 9 million travelers in its five-year existence and now offers service to more than 50 cities in North America.

"We're delighted with the kind of ridership we have to and from Detroit and the growth we've seen year on year," Moser said, declining to give specific figures.

The highest fares for the Detroit to Pittsburgh route were not available. But Moser said rates go up incrementally from the low \$1 fares, such as to \$5 or \$12.

"The top fare in our business has always been more economical than flying, taking a train, driving your car or potentially taking another bus company," he said.

On Tuesday, Greyhound Bus Lines' website was charging a discounted \$15.84 for its Detroit-Toledo route and \$61.60 for its Detroit-Pittsburgh route.

Joseph P. Schwieterman, a transportation professor at DePaul University in Chicago, said the Pittsburgh hub could be a risky strategy for megabus.com. The company must determine if its business model will work in midsize cities that lack large-scale transit systems, he said.

Megabus, though, has attracted pleasure travelers enticed by the low fares and even those who would have never considered riding a bus a few years ago.

"Megabus consistently undercuts Amtrak by up to 50 percent and with air travel it's not even close," Schwieterman said. "It's rare to find a Megabus fare above \$40."

Detroit Megabus stops are at the Rosa Parks Transit Center, 360 Michigan Ave., and the corner of Cass and Warren avenues near Wayne State University.