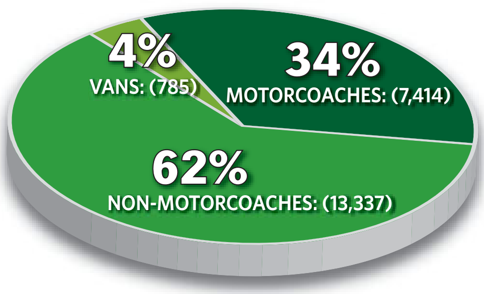
BUSINESS FOR MOTORCOACH TOP 50 CONTINUES CLIMB

More operators reported an increase in their business in 2011. FirstGroup America takes the top spot again. Pricing and driver retention remain top concerns.

By NICOLE SCHLOSSER, Senior Editor

Northfield, Minn.-based Northfield Lines, which came in at No. 44, up three spots from 2010's list, saw a 20% increase in business in 2011.

TOTAL FLEET SIZE — 21,536



There are 20,751 motorcoaches and buses represented in this year's survey. At 62%, non-motorcoach buses comprised nearly two-thirds of the total vehicles, while motorcoaches took up one-third of the share. Non-motorcoach vehicles continue to take up a slightly larger portion of fleets year over year.

IN 2011, BUSINESS INCREASED FOR 70% of *METRO's* Top 50 operators, which is even higher than last year's reported increase of 42%. On average, the uptick for those operators is very slight compared with last year's 9%, at 9.4%. Twelve percent said business was down, significantly lower than 2010's 20% figure. On average, business decreased by 9.2%. For 17% of operators, business remained the same.

To increase business, significantly more operators secured government and school contracts than in 2010, at nearly two-thirds of respondents, compared with 46% last year. Seventeen percent of carriers formed co-ops with other providers, and the same number diversified into limousine and paratransit operations. Other efforts cited primarily included university and employee shuttle contracts.

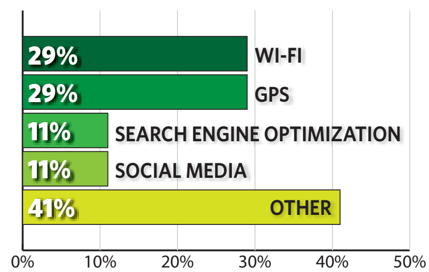
Actions to offset costs, particularly increasing fuel prices, included fuel surcharges at 71%; rate increases at 55%; and fuel hedging, reducing idling and highway speed at 11%.

About 28% of operators reported having to downsize staff, up 2% from 2010, indicating that while business may be growing for many carriers, they are not necessarily able to hire more employees or retain workers.

The most favored marketing methods were once again word of mouth, selected by 41% of respondents, and the Internet, chosen by nearly one-third of surveyed operators. Internet use for marketing is slowly increasing, on average, by about 2% each year. Selected by less than one-tenth of operators were print ads (6%), **Yellow Pages** (4%) and Radio/TV (2%). More carriers appear to be using the Yellow Pages, with an uptick of about 3% over the last two years.

Wi-Fi and GPS topped the list as the most popular innovation selected by surveyed carriers, at 29% each. Social media use, listed at 11%, increased by 3% since 2010. Search Engine Optimization and installing 110-volt outlets also came in at 11%. Other innovations cited included San Diego-based **Sun Diego Charter Co.**'s idea to provide an

INNOVATIONS



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iPad or tablet "so that the client will be able to track their buses in real time, which is a great tool when providing time sensitive services such as airport transfers," and Northfield, Minn.-based **Northfield Lines**' ticket scanner that quickly processes boarding passes for its daily commuter bus.

Pricing and hiring and training and retaining good drivers are the biggest challenges that nearly one-third of surveyed operators are facing. The cost of fuel and "low-ball" competitors were

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Motorcoach Top 50

2011	2010	Company Name/Location	Total Buses and Coaches	Motorcoaches	Non-Motorcoach Buses	Total 40-Foot Buses and Coaches	Total Shorter Than 40 Ft.	Total Longer Than 40 Ft.	Plus/ Minus 2010	Vans
1	1	**FirstGroup America**/Dallas	13,375	1,775	11,600	2,062	1,512	5,897	+4,200	478
2	2	**Coach USA**/Paramus, N.J. and **Coach Canada**/Peterborough,Ontario	1,642	1,172	470	0	1,642	33	-75	65
3	3	**Academy Express**/Hoboken, N.J.	674	674	0	326	67	281	+35	0
4	4	**Pacific Western Group of Companies**/Toronto	506	426	80	30	40	426	+46	68
5	5	**Royal Hyway Tours Inc.**/Seattle	419	346	73	225	73	121	0	48
6	7	**Peter Pan Bus Lines**/ Springfield, Mass.	330	310	20	5	20	305	+73	4
7	6	**Easton Coach Co.**/Easton, Pa.	314	29	285	3	27	284	0	86
8	-	**Horizon Coach Lines**/ Sandy Spring, Md.	260	212	48	127	25	60	-	8
9	10	**Mears Transportation**/Orlando, Fla.	222	170	52	26	26	179	+18	90
10	9	**Arrow Stage Lines**/Omaha, Neb.	212	170	42	4	25	166	-3	14
11	11	**Martz Group**/Wilkes-Barre, Pa.	192	184	8	0	0	184	-7	2
12	13	**Polynesian Adventure Tours LLC**/ Honolulu	168	116	52	46	52	70	+12	11
13	15	**Lamers Bus Lines Inc.**/ Green Bay, Wis.	148	113	35	4	47	97	+6	20
14	12	**DATTCO Inc.**/New Britain, Conn.	138	73	65	0	2	71	+19	8
15	16	**Krapf's Coaches Inc.**/ West Chester, Pa.	129	21	108	19	100	10	+2	100
16	14	**Paul Revere Transportation LLC**/ Chelsea, Mass.	126	18	108	63	45	17	-23	12
17	17	**Le Bus**/Salt Lake City	106	100	6	30	6	70	-14	1
18 (tie)	19	**Charter Bus Lines of British Columbia**/Vancouver, B.C.	89	78	11	31	5	53	-6	4
18	21	**All Aboard America**/Mesa, Ariz.	89	76	13	6	13	70	+2	1
18	22	**Calco Hotard Group**/New Orleans	89	10	79	0	10	79	+3	0
21	-	**Silverado Stages**/ San Luis Obispo, Calif.	88	64	24	19	24	45	-	6
22	22	**Gray Line of Tennessee**/ Nashville, Tenn.	86	50	36	0	36	50	0	0
23	-	**Trans-Bridge Lines Inc.**/ Bethlehem, Pa.	79	10	69	4	65	10	+4	1
24	25	**California Wine Tours**/Napa, Calif.	74	25	49	9	49	16	+2	0
25	20	**Carl R. Bieber Inc.**/Kutztown, Pa.	73	71	2	16	2	53	-17	0

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26	26	**Jefferson Lines**/Minneapolis	70	70	0	8	0	62	+2	0
27	29	**Indian Trails Inc.**/Owosso, Mich.	65	65	0	11	6	48	2	0
28	28	**Premier Coach Co. Inc.**/Milton, Vt.	61	58	3	4	5	49	+3	6
29 (tie)	29	**James River Transportation**/ Richmond, Va.	60	33	27	20	27	13	-3	7
29	32	**Holiday Companies LLC**/ Randleman, N.C.	60	54	6	0	6	54	-1	1
29	31	**Fullington Auto Bus Co.**/ Clearfield, Pa.	60	55	5	23	5	32	-2	5
32	27	**Abbott Trailways**/Roanoke, Va.	59	59	0	0	0	59	-7	2
33 (tie)	43	**Windstar Lines Inc.**/Carroll, Iowa	58	54	4	7	4	47	+14	0
33	36	**Amador Stage Lines**/ Sacramento, Calif.	58	53	5	36	5	17	+8	0
35	35	**Escot Bus Lines LLC**/Largo, Fla.	57	41	16	4	3	34	+6	0
36	33	**Sun Diego Charter Co.**/San Diego	55	52	3	5	3	47	+22	2
37	36	**Anchor Trailways & Tours**/Nashville, Tenn.	52	41	11	12	11	29	+2	4
38	36	**Annett Bus Lines**/Sebring, Fla.	51	51	0	8	0	43	+1	4
39	41	**Gold Coast Tours**/Brea, Calif.	49	49	0	8	2	39	+1	4
40	41	**Eyre Bus Service Inc.**/Glenelg, Md.	48	48	0	12	4	32	0	0
41	36	**Croswell VIP Motorcoach Services**/ Williamsburg,Ohio	47	47	0	0	13	34	-3	0
42	36	**Ramblin Express**/Denver	43	25	18	0	18	25	-7	3
43	45	**Premier Alaska Tours Inc.**/ Anchorage, Alaska	33	33	0	0	0	33	+3	8
44 (tie)	47	**Northfield Lines Inc.**/ Northfield, Minn.	30	19	11	7	11	12	+2	17
44	50	**Schmitty & Sons/Gray Line Minneapolis** /Minneapolis	30	10	20	10	10	10	+22	50
46	34	**Starline Luxury Coaches**/Seattle	26	26	0	0	0	0	-26	0
47	-	**Dan Dipert Coaches**/Arlington, Texas	20	19	1	2	0	17	1	10
48	48	**Grand Island Transit Corp. dba Grand Tours**/Lockport, N.Y.	15	15	0	1	0	14	0	150
49	49	**Pacific Coachways Charter Services, Inc.**/Garden Grove, Calif.	11	11	0	1	2	8	+3	0
50	-	**McCullough Coach Lines Ltd.**/ Victoria, B.C.	5	5	0	4	0	1	0	0

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Mesa, Ariz.'s All Aboard America, which tied with two other operators for the 18th spot, boosted their Internet listings significantly this year.

Fullington Auto Bus Co., based in Clearfield, Pa., implemented new customer service training for its drivers in 2011.

Randleman, N.C.-based Holiday Companies was one of many operations citing pressure to decrease its prices due in part to "ever-increasing customer expectations."

other common concerns for one-tenth of operators, higher than in previous years. In fact, 40% of carriers surveyed responded "yes" to the new question, "Have you had to adjust your pricing downward this year to compete?" The average cost cut that operators offered to draw business away from competitors was 7%.

Additionally, in response to another new question about adding driver training in 2011, one-third of operators reported offering customer service training, while nearly one-third offered more safety training last year. New training topics coming in third place were ADA, CSA and security training.

In light of the new rules and regulations regarding cell phone use and hours of service, *METRO* also asked whether motorcoach operators think that the federal government's focus on coach safety will pay off. Three-quarters of operators responded yes, with most saying that they felt it was an important step in weeding out rogue operators. The other one-quarter was not so confident, judging from some of the write-in responses. Among these, several felt that there is "not enough manpower and too much bureaucracy," as one operator put it. Another carrier wrote that the new rules are "overdramatizing exceptions to the industry," causing "increased expenses in rebuilding/refitting coaches when the vast majority of the issues are caused by driver error." Another operator responded that the rules continue to focus on the wrong areas and the wrong companies. The operator added that "the increased inspections could be helpful, but they generally put too much emphasis on the number of violations (including oil/grease) that they find, rather than finding meaningful violations from people intending to break the law."

RANKING BREAKDOWN

The average fleet size, excluding Dallas-based **FirstGroup America - Greyhound Lines Inc.**, which holds by far the largest fleet, is 166. The median fleet size is 73.

FirstGroup America once again took the top spot among surveyed operators, with **Coach USA** coming in second, with 1,642 vehicles.

Forty-three operators plan to buy vehicles this year. Eighty-one percent of those carriers are planning to buy buses with seat belts, up slightly from last year. The mix of acquisitions will include 352 new vehicles and 100 used vehicles, showing a slight increase over the numbers reported in 2010.