

Date: November 24, 2008
Time: 2:00 PM ET

ABA Enterprise Bus Operators Council Conference Call Notes

Board Enterprise Council spokesperson Buddy Young from Capitol Bus Lines in West Columbia, SC welcomed all of the participants and called the meeting to order. He provided background as to why the ABA Board of Directors and its Executive Committee thought that it was important for Board members to connect with other ABA members within their service segment, not only during the Board meetings, but periodically as well through open calls with the ABA membership at large. Such discussions allow for members to get an understanding of what topics are discussed at the Board meetings as well as provide an opportunity to provide additional input and highlight topics of the day deserving more attention from the ABA Board. These discussions also allow Board members to get a greater perspective of the motorcoach and group travel industry directly from the constituency that they are representing.

Mr. Young briefly reviewed the important topics of discussion at the recent Fall Board meeting that took place in late September in Washington DC. ABA has recently unveiled several new products such as the pre-trip safety video and seat back cards for passengers that can be a good tool for operators not only in highlighting the safety features of the modern motorcoach, but also as a good marketing tool. The group also discussed other safety videos on the market and how they have implemented them in their businesses.

Mr. Young explained that during the Fall Board meetings, the ABA Board members take advantage of being in Washington, DC and meet with their Congressional representatives. In addition to occupant protection, a major point of discussions with legislators is the upcoming highway reauthorization bill. Within that bill, one of the most important provisions affecting the motorcoach industry is the maintenance of the motorcoach industry's fuel tax exemption.

Another hot button issue that is top of mind these days is the continuation of the bus security grant program. It is uncertain how long the program may continue in the future as fewer and fewer operators seem to be taking advantage of these grants. Mr. Young and ABA staff reminded the call participants that the current application cycle is scheduled to end on January 13, 2009.

The group continued on to a more open discussion of the current economic environment and the effects on their businesses. Participants reported that some customers are still booking, but they are looking to access events with free entry, rather than the more expensive and complex ticketed packages. There also seems to be an emerging trend towards shorter trips. Some participants were concerned about schools restricting their travel in 2009 due to contracted state government budgets. Senior travel may be dropping many of them are on fixed incomes or travel using discretionary income earned from investments, which may no longer be available to provide the necessary funding. However high fuel costs have pushed people to reconsider their transportation options for intercity travel as highlighted by the recent successes of Bolt bus and Mega bus.

The group closed the call by discussing emerging issues. A principal issue of concern is the reaction to the budget deficits facing state governments. Operators may not only be dealing with a shift in the state regulatory environment, but also in the enforcement arena as state and local police may move to more aggressively ticket. These times are requiring extreme creativity in advertising and the leveraging of non-traditional partners to help ensure that the ridership is enough to keep small bus operators in business. A decrease in print advertising such as the yellow pages is a strong example of a need for innovation in marketing, not only individual companies, but the industry as a whole.