

## **ABA Charter & Tour Board Council Teleconference Minutes**

**Thursday, November 13, 2008, 3-4 pm EST**

**Alan Glickman, Chairman, Starr Tours, Trenton, New Jersey**

Mr. Glickman began the meeting by providing a recap of the Fall Board Council Meeting Sept. 23, which included both the Travel and Enterprise Councils in a joint session designed to foster the exchange of business-building ideas from similar operator segments and the destinations to which they travel.

He then posed the idea to the group that tough economic times present challenges and opportunities, citing how scheduled intercity service, contract and commuter segments are doing well. The charter & tour segment needs to develop ways to replicate that success based on its service segment by finding other options for leisure travelers, particularly the 55+ demographic that is used to traveling upscale.

Several teleconference participants said an opportunity exists in negotiating rates with hotels, attractions, and other tourism suppliers because destinations are grappling with the challenges of group tour cancellations, enabling charter & tour operators to be more competitive in the services they provide.

Mr. Glickman said that once we get new customers on the coach for the first time, they are loyal for life because today's coach is comfortable, convenient, and provides the opportunity to see, rather than fly over, America.

Future ABA marketing materials, another participant said, should focus on upscale coach amenities, and the next ABA Advertising & Marketing Toolkit should foster the perception that "we're not just a ride and a room," and include upscale coach photos.

Mr. Glickman also said that the segment has the best opportunity to take advantage of a landscape poised for a mode shift within the 200-400 mile radius "sweet spot" for coach travel – too far to drive; too close to fly. Airlines charging for baggage, blankets, curbside check-in, and more provide the chance to accelerate mode shift in key travel corridors.

ABA's Mr. Hart then provided an update on occupant protection issues, the need to preserve the partial federal fuel tax exemption as part of the 2009 Highway Reauthorization Bill, how the deterioration of airline service should lead to change from Essential Air Service to Essential Bus Service, and the need to show how rural bus service helps to "complete the network" of multi-modal transportation services.

Mr. Hart added that Reps. Charlie Rangel (D-NY), chairman of Ways & Means, as well as Rep. Richard Neal (D-MA), are the industry's best allies in the House. He then said that the election results claimed many bus boosters on the Hill, and that we need to educate incoming members of Congress on how we are a part of any transportation

solution. He also said that ABA targets are the House T&I Committee, Senate Commerce, and Senate Banking Committees.

Mr. Glickman then raised the issue of the charter rule, and several participants asked if it was worthwhile to try to get money for independent bus operators. Mr. Glickman asked about the group's view of a cost-per-mile metric comparing transits to independents.

ABA's Mr. Buchanan urged operators to register with FTA, because transits want to reopen the charter rule. Mr. Hart reiterated that operators have to complain when transits violate the FTA charter rules.

ABA's Mr. Shosteck cautioned about the challenge of explaining to travelers who have been conditioned for so long to believe subsidized transit fares are reasonable that they don't understand how fair competition has finally resulted in free-market pricing. He added that ABA is emphasizing with the media that the new rules ultimately benefit consumers, who can rely on independent bus operators to provide on-time service, professionalism and customer care, because they must satisfy customers to survive.

Mr. Shosteck emphasized that the industry has a great chance to leverage our benefits to society before newly elected officials by offering solutions, and that we can distinguish ourselves in doing so knowing that other industries will be going up to the Hill looking for a government handout. He cited the press release ABA put out the previous day on the new MJ Bradley studying reaffirming that motorcoaches are the greenest way to travel, and that it provides a stark contrast to the auto industry, which is asking for a bailout. Operators are uniquely positioned to increase their political capital, he said, by showing how they want to lend a hand instead of asking for a handout.

Several participants then raised the marketing possibilities on relevant television networks for getting the motorcoach solution story told, in partnership with ABA producing a travelogue to natural points of interest. Mr. Shosteck said that ABA is making progress on message pull-through in the media, and cited several examples, adding that critical mass for bus travel is growing and that the mode shift everyone seeks is a process, not an event.

As specific examples for Charter & Tour, he cited international tourists to the United States as a potential growth market, as many foreign travelers are taking advantage of the weak dollar to come to the U.S., and that they come from cultures where taking the bus is a given. American coach & tour operators can learn from international operators who often are years ahead of the U.S. in getting travelers on motorcoaches.

He added that economic circumstances keeping Americans from outbound foreign travel present enormous opportunities for U.S. operators who can invite travelers to see more of what America's got right in our own backyard – from the Liberty Bell, to Mt. Rushmore, to the Grand Canyon, to the Statue of Liberty and many other icons of this great country – the motorcoach is the perfect means to save the family vacation and see, rather than fly over, the rich landscape of the United States. Mr. Glickman concluded the call at 4 pm.