



NEWSLETTER

OCTOBER 28, 2005

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NSTA Prepares for Negotiated Rulemaking on Charter Provisions

While the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) included flexible penalties for charter and school bus violations, the bill also directed the Secretary of Transportation to undertake a negotiated rulemaking to look at other potential changes and improvements to the charter rules.

A negotiated rulemaking is a formal process, which emerged in the 1980s, as an alternative to traditional procedures for drafting proposed regulations. The idea being that in certain situations, it is possible to bring together representatives of an agency and the various interest groups to negotiate the text of a proposed rule.

In an effort to be as prepared as possible, NSTA is in the process of gathering nationwide examples of transit encroachment. To help, please send any articles or examples of transit encroachment and potential charter violations to the NSTA office.

Please watch for correspondence from NSTA asking you to contact your Member of Congress to urge them to support the Resolution. Your assistance will be critical in getting Members of Congress to support this legislation.



School Energy Crisis Relief Act Introduced

Congressman Joe Baca (D-CA) introduced the School Energy Crisis Relief Act on October 27, 2005. The bill, which has 26 Democratic co-sponsors, would authorize the Secretary of Energy to establish a program of energy assistance grants to local education agencies experiencing the highest percentage increase or expenditure increase in transportation and heating fuel costs among all local education agencies in the state for a specific time period this year compared to last. While the bill originally only applied to costs incurred by local education agencies, NSTA was successful in persuading the Congressman to include entities under contract to provide transportation services as well.

Under the bill, each eligible school district would be eligible to participate in a competitive grant process. The Secretary of Energy would then review the applications and provide grants to high-need districts in all 50 States. The amount available to each state would be based on each state's

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Congressional Resolution Honoring School Bus Safety Week Introduced

Congressman
John J. "Jimmy"
Duncan (R-TN)
introduced
House
Resolution 498

honoring School Bus Safety Week on October 18, 2005. The Resolution honors the goals and ideals of School Bus Safety Week and the safety of school bus transportation.



The National School Transportation Association (NSTA) was founded in 1964 by school bus contractors to "promote and foster the highest degree of safety in the transportation of school children"

(Energy article continued...)

total population of youth ages 5-17 and their regional fuel cost (as compared to the national average fuel cost).

The bill only provides an authorization, meaning that for any funds to actually be available for this grant program, an appropriation would be necessary.



New Energy Legislation Stalls in the Senate

Even the ink is barely dry on the Energy Policy Act of 2005, signed into law on August 8, yet Congress has been working to ease the post-Katrina energy crisis through new legislation to increase crude oil supplies, speed refinery construction and investigate gasoline and diesel fuel price gouging. Legislation to open up the Alaska National Wildlife Refuge to limited oil drilling is being included in the comprehensive budget reconciliation package, as is legislation to ease restrictions on drilling in coastal waters. Both provisions are very controversial and the fate of the budget package is very much in doubt.

Meanwhile, Congress is also working on legislation permitting of refineries, provide regulatory risk insurance for refinery construction, limit the number of "boutique" fuels and call for Federal investigations of alleged price gouging in the sale of tr fuels. House Leadership had st arms owly pass an ambitious refinery bill in October. However, Senate bill

failed vote in Committee, as Democrats objected Tj provisions That would limit the time for environmental review and provide financial assistance Tj communities seeking new refinery construction.

Coalitions

Funding for Diesel Retrofits

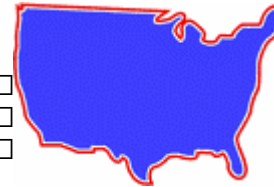


NSTA is part of two active coalitions to increase funding for diesel retrofits for contractor-owned and operated school buses. Congress recently enacted legislation authorizing two related programs that can help.

The first is the authorization the Clean School Bus program included in the Energy Policy Act (EPACT05) and the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), which would fund school bus replacement and retrofit to reduce emissions from aging school buses. This program has been under development for several years and some limited funds (\$17M over three years) have been provided already including funds provided to private school bus contractors through grants to local school districts, air agencies and NSTA. The second is the Diesel Emission Reduction Act included as part of the Energy Policy Act of 2005 that the President signed in August which authorizes \$200 million per year for five years to pay for diesel retrofits for a wide variety of diesel on-road and off-road vehicles and equipment.

While NSTA has been helping to lead a coalition effort on the Clean School Bus program, a new broad coalition is forming with NSTA's full participation to seek full funding of the DERA program with the understanding that the Clean School Bus program could be undertaken under the broader umbrella. This week, NSTA, NAPT, NASDPTS and a long list of state

school bus associations and private companies, along with scores of other national, regional and local companies and interests signed on to a letter to the President seeking \$200 million in diesel retrofit funding next year. Senator George V. Voinovich (R-OH), who chairs the Subcommittee on Clean Air, Climate Change and Nuclear Safety, will deliver the letter to the White House on November 5th.



Outside the Beltway

HELP WITH FUEL COSTS

Several states are beginning to address excessive fuel costs with either tax changes or additional funding. Among the proposals:

New York is considering a bill to eliminate state fuel taxes on fuel sold to school bus companies under contract to school districts. The exemption would last only until June 30, 2006. There is also a bill that would provide \$100 million in grant funds to school districts to help with energy costs during the current and next school years. Grants would be distributed based on factors such as the district's ability to cover increased fuel costs and their efforts to reduce costs through conservation. In addition, a bill has been filed to exempt from the sales tax on fuel all gasoline and diesel sales over \$1.85 per gallon.

Illinois is considering a bill that would reduce the tax on motor fuel that is used in a school bus from 6.25% to 1.25% starting January 1, 2006.

Ohio Senate amended an unrelated education bill that had been passed by the House to

(Outside the Beltway continued...)

provide that during fiscal year 2006 only, upon receipt of a waiver granted by the Superintendent of Public Instruction, a school district, educational service center, or county MR/DD board may use some or all of their Bus Purchase funds for purchasing fuel. The waiver is contingent upon the district's demonstration that it has enough buses or contracted bus service to meet its transportation needs for the year. The state is also considering a bill that would exempt school districts and educational service centers from paying the fuel tax on fuel sold for their exclusive use.

Wisconsin is considering a bill that would allow school districts and contractors to file for refunds of fuel taxes. The state also has a bill that would reduce the fuel tax rate by 15 cents per gallon for 120 days.

New Mexico is considering bills to suspend the state fuel tax for one year beginning November 1, 2005.

BIODIESEL REQUIREMENTS

The Biodiesel industry has done an admirable job of getting their message out. More state legislatures are taking up the issue, primarily in the form of tax incentives for producers of biodiesel. Some, though, have gone so far as to mandate the use of biodiesel.

Minnesota has implemented a new law that requires all diesel fuel in the state to contain 2% biodiesel. The law was passed in 2002, but couldn't be implemented until biodiesel production reached 8 million gallons, which occurred earlier this year.

Illinois passed a law that requires all publicly-owned diesel vehicles, including public school buses, to operate on 2% biodiesel as of July 1, 2006. As an alternative, vehicles can use a higher percentage of biodiesel or ULSD.

Michigan is considering a bill that would require all diesel fuel to contain 5% biodiesel as of December 31, 2006, if refining capacity is sufficient.

Etc.

Massachusetts is considering a bill that would prohibit the use of school buses older than MY 1990, and that would require all school buses to be equipped with safety belts as of July 1, 2011.

California passed a bill that requires drivers of vehicles other than school buses used to transport students to be in a drug and alcohol testing program consistent with that for school bus drivers.

New York passed a bill mandating that all new school buses used to transport students in wheelchairs or with other mobility devices be equipped with automatic fire suppression systems as of September 1, 2007, and makes the systems a reimbursable expense.



New Video Available

Operation Lifesaver has unveiled a new training video for school bus drivers titled "Decide Smart, Arrive Safe." The 18-minute program includes examples of school bus-train incidents in Savannah, Georgia (2005), Conasauga, TN (2000), and Fox River Grove, IL (1995), with tips for drivers to avoid similar circumstances.

This advanced safety-training program is being launched on the 10th anniversary of one of the worst school bus-train crashes in U.S. history — Fox River Grove, Illinois. Seven students were killed and 26 injured on October 25, 1995, when a commuter train hit the back end of a school bus as it waited at a red light in front of the crossing.

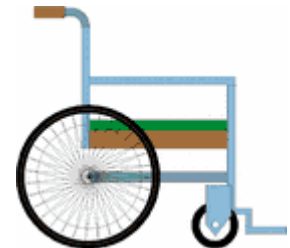
New training materials supplement the video to provide a one-hour safety class

for new or in-service drivers. NSTA will receive a master copy of the video, as will the state director in each state. For more information, you can visit the Operation Lifesaver website at www.oli.org.



Hurricane-Impacted School Districts In Need of School Buses!

NSTA would like to thank companies that have offered school buses in the Hurricane Katrina recovery efforts. NSTA is working with school district officials in coastal Mississippi to get them the buses they need. If you have any buses to donate, please contact NSTA Headquarters at 1-800-222-6782 (NSTA) or email us at info@yellowbuses.org



Transporting Students with Special Needs Conference

The Transporting Students with Disabilities & Preschoolers, 15th National Conference & Exhibition, will be held in Orlando, Florida March 3-8, 2006 in Orlando, Florida.

Program details are available at <http://www.eduprogroup.com/> or by contacting Roseann Schwaderer at 703 288-4088.

NSTA Members Make a Difference in Helping Hurricane Katrina Communities



When Hurricane Katrina hit Mississippi and Louisiana, NSTA member companies went into action. Here's just a sample of some of their good work:

- Durham School Services LLP leased 20 school buses Ascension Parish School District in Donaldsville, Louisiana for one year to help them accommodate the influx of displaced students. The school district is only paying \$1 a month for each bus.
- Thomas Built Buses worked with its dealer in Hammond, Louisiana to deliver 40 - 50 buses to serve as replacements for flood damaged units owned by local Parishes. The buses were filled with non-perishable food, bottled water, and linens. Thomas Built Buses suspended its normal payment requirements and negotiated a special terms with the dealer's local bank. Also, Thomas made production-scheduling changes to move up other southern Louisiana orders in the build schedule so they may be put in service as soon as possible.
- The DaimlerChrysler Corporation donated \$150,000 to the American Red Cross National Disaster Fund and \$200,000 to local charities in Louisiana, Mississippi, and Alabama. They also matched individual donations up to \$5,000 from their employees, contract employees, etc.

NSTA would like to recognize and give a heartfelt thanks to these companies and all school bus operations that have helped in the Hurricane Katrina recovery efforts!

If you would like to tell us your story, email us at info@yellowbuses.org



Learn How NSTA's Benefit Programs Can Help Your Business!

NSTA has several exclusive benefit programs to help your business save money and time. Contact benefit providers for more information on:



Workers' Compensation:

NSTA's Workers' Compensation program with the William H. Company provides members with low rates and an online claim-processing feature to help members monitor the status of claims.

For more information contact Bill Hollowack at the William H. Company at 800-231-7634.



Health Insurance: If your company is looking for a health insurance program that's affordable and meets your needs, learn more about NSTA's Health Insurance program through MMI Insurance.

MMI Insurance has developed customized health insurance programs for bus companies for more than 20 years. Contact Ed Sterczek at 800-349-1039 or by email at mmic@flash.net.

Fuel Management Programs:

NSTA's partnership with the Wright Express Fuel Savings Program and Mansfield Oil could save your company



money on fuel costs. Both companies provide information on locating the best prices on fuel and helpful tools for monitoring usage. For more information, visit their Web sites at www.wrightexpress.com and www.mansfieldoil.com or contact NSTA Headquarters at 1-800-222-NSTA (6782) or by email at info@yellowbuses.org

NSTA will be offering more benefit programs in upcoming months. Watch for the latest news at www.yellowbuses.org and in the NSTA newsletter.



NSTA Midwinter Meeting January 22 - 25, 2006

Information is available online at the NSTA website for the 2006 Midwinter Meeting, which will be held at the Ritz-Carlton Kapalua Resort in Maui, Hawaii.

Visit the UPCOMING EVENTS section of the NSTA website to see how you can register for the meeting and make your room reservations.

