



This publication is a member service of

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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"



House and Senate Energy Committees Hold Hearings on Gasoline Prices

Both the House Energy and Commerce Committee and the Senate Energy and Natural Resources Committee held hearings this week on the rising gasoline prices. The hearings had been scheduled for some time, but the recent events surrounding Hurricane Katrina enhanced the significance of the hearings.

Of particular interest, Mr. David Garman, Undersecretary for Energy, Environment and Science at the Department of Energy, testified that Hurricane Katrina disrupted ten percent of the nation's gasoline supply. In addition, he noted that while the Administration is concerned with limited supply, it is also concerned with the effects of higher gasoline prices on Americas. He also noted that the Department of Energy (DOE) has established a website where Americans can report price gouging and all complaints will be collected and transmitted to the Federal Trade Commission (FTC), Department of Justice (DOJ) and individual State Attorney Generals for investigation and prosecution where appropriate (<http://gaswatch.energy.gov/>).

In addition, Mr. Guy Caruso, Administrator of the Energy Information Administration of the Department of Energy, stated that irrespective of Hurricane Katrina, we are facing tight

crude oil markets for a number of years and can expect crude oil prices to remain above \$55 per barrel through 2006. In addition to the tightening of crude oil supply, refining capacity also contributes to rising prices, as the refining system cannot shift quickly to meet unexpected needs, especially given that the refinery capacity is running at high utilization levels in many parts of the world, including the United States. He concluded his remarks by noting that the inadequate refinery capacity and the balance of world crude oil affect both wholesale and retail gasoline prices.

As it is an issue of interest to many members, NSTA will continue to monitor this issue for further developments.



NSTA Doing Its Part to Help School Districts Recover from Hurricane Katrina

It's not too late to participate in NSTA's nationwide effort to help school districts in Louisiana and Mississippi recover from Hurricane Katrina. If you have any buses that you are no longer using but are still operational, please consider donating them to school districts whose school buses were damaged or destroyed.

If you would like more information on donating buses or what you can do to help, please contact NSTA Headquarters at 1-800-222-6782.



New House Homeland Security Chair and New Deputy at TSA

Two significant announcements were made in Washington, D.C. this week affecting the transportation industry. First, Congressman Peter King (R-NY) was chosen to chair the House Homeland Security Committee and second, Robert Jamison, former Deputy at the Federal Transit Administration (FTA) was chosen as the new Deputy of the Transportation Security Administration (TSA).

The chairmanship for the House Homeland Security Committee became vacant after Congressman Christopher Cox was appointed to head the Securities and Exchange Commission (SEC). King, who grew up in Queens and represents Long Island, New York, beat out several other candidates for the post, including: House Transportation and Infrastructure Committee Chairman Don Young (R-AK) and Congressmen Curt Weldon (PA), Dan Lundgren (CA) and John Linder (GA). King is a strong advocate for changing the distribution formula for Department of Homeland Security grants, favoring a system based on the risk of terrorist attack.

In addition, King is very supportive of law enforcement. The son of a New York City police officer, King made coordination between the Federal government, local police and firefighters a top priority.

With respect to the changes at the Transportation Security Administration, Robert Jamison will replace Tom Blank, who took the job in June. As Deputy at FTA, Jamison was in charge of prioritizing capital improvement projects for the nation's \$8 billion subway, light rail and bus infrastructure, experience which is likely to be drawn upon as Congress has criticized TSA for focusing too exclusively on aviation, despite the country's vast transportation security needs.



We Get Questions

Q. One of my districts wants to buy a large van to transport special needs students to an out-of-district program. The van would be outfitted with two wheelchair positions and a bench seat. Since the capacity will be less than ten, they say it doesn't have to be a school bus and it's legal for school transportation. Are they right?

A. No. Your district is counting the number of passengers, not the number of seating positions. What counts when determining whether a vehicle must meet school bus safety standards is the manufacturer's seating capacity. And exchanging seats for wheelchair positions doesn't reduce the capacity; for the purposes of classifying the vehicle (as a bus rather than an MPV, for example), each wheelchair position counts as four seating positions. Therefore, the vehicle as configured would have a seating capacity of 11 ($2 \times 4 + 3$) plus the driver, making it a bus subject to the school bus safety standards.

Hearings Held on Soft Terrorist Targets



The House Homeland Economic Security, Infrastructure Protection and Cybersecurity Subcommittee held a hearing last week entitled, *The London Bombings: Protecting Civilian Targets from Terrorist Attacks*.

While the hearing was scheduled prior to Hurricane Katrina, those

events obviously changed the focus on the meeting. Of particular interest to NSTA were two witnesses, Joseph Madsen of the Spokane, Washington Public School System and William Millar, President of the American Public Transportation Association (APTA).

Mr. Madsen, the Director of Safety and Risk Management for the Spokane Public Schools in Spokane, Washington, spoke to how the Federal government can become more proactive in protecting schools from threats and emergencies. Specifically, Mr. Madsen noted that the State of Washington has adopted a statewide crisis management system for the protection of critical public infrastructure. He stated that the Spokane Police and Fire Departments as well as the State Patrol and school district officials work together, using state-of-the-art technology, to address problems within schools. Mr. Madsen detailed the benefit of this arrangement through the quick and successful end to a student gunman within a high school. Thanks to the system in place, Mr. Madsen noted, police responded to the situation within four minutes, evacuated the school and had the gunman isolated within 12 minutes. The system allows first responders critical access to tactical pre-plans, facility emergency plans, satellite images, interior and exterior photos, floor plans, evacuation routes, utility shut-offs, hazardous material locations and much more. He noted that the program can be accessed via laptop computers, Internet connected computers, or by thumbnail-sized USB devices carried by first responders.

With respect to school transportation, Mr. Madsen stated that at one point during the standoff, officials realized that the gunman had an unobstructed view of the grassy field where students were being held. Officials viewed aerial photos of the school and decide to move the students out of the line of fire. Using phone contacts listed in the computer program, school officials contacted the transportation contractor, asking the contract to immediately send 20 buses to relocate the students. Since the school district transportation department had

participated in the preplanning sessions, there was an immediate understanding of what needed to be done and all children were moved to safety. Mr. Madsen also stated that the protection of students on school buses is often a neglected part of a school's emergency plan. He suggested the use of technology; training and communication tools to better protect the nation's children. He added that Spokane Public Schools are also implementing a security mapping system for its school buses and incorporating this into the school's crisis management system. He also stressed the need for coordination among agencies and service providers.

Mr. Millar testified that the three-week heightened security level for transit systems immediately following the London attacks cost approximately \$900,000 per day, totaling an estimated \$33.3 million. He noted that this figure does not include the additional efforts by New York, New Jersey and other areas to conduct random searches. He also recognized that the industry has spent over \$2 billion of its own funds for enhanced security and that the latest APTA survey identified over \$5.2 billion in additional capital funding needs to maintain, modernize and expand transit system security functions to meet increase security demands. Given all of this, Mr. Millar urged the Committee to support the adoption of legislation to provide additional capital and operational funding for security purposes.



DON'T FORGET: You can post your questions in the bulletin board section of our website to receive answers from your colleagues across the globe.



NSTA Working for Tax Incentive for Used School Bus Donations

NSTA is working with Congress to encourage the adoption of a modified deduction or tax credit for the donation of used school buses to school districts and local entities impacted by Hurricane Katrina.

As you know, under current law, businesses may claim a deduction for donations of used motor vehicles, boats and airplanes with a claimed value of more than \$500 to charitable organizations and governmental organizations. However, most of the useful life of a school bus has already been depreciated, rendering the deduction meaningless. NSTA's proposal, however, would permit a deduction of the fair market value of the used school bus even if the vehicle has been fully depreciated, including any incidental costs necessary to prepare and relocate the vehicle for service. This would include items such as transportation and fuel costs and any refurbishing or cleaning that might be necessary. Alternatively, the proposal would permit a tax credit for businesses to donate a fully depreciated used school bus.

NSTA is working to have this proposal included in both the House and Senate bills of tax relief provisions for Hurricane Katrina victims. Both chambers appear to be moving quickly to pass such legislation, but it remains unclear at this time if they will pass different versions – requiring a Conference to resolve such differences – or if they will pass the same bill in order to expedite the process.

Senate Finance Committee Holds Hearing on Charities

The Senate Finance Social Security and Family Policy Subcommittee



held a hearing earlier this week on charities and how the nonprofit sector meets the needs of America's communities. The Committee scheduled this hearing some time ago as it is looking to restructure charitable giving, however the recent events of Hurricane Katrina changed the focus of this hearing significantly.

During the hearing, Subcommittee Chairman Rick Santorum (R-PA) noted that legislation he introduced earlier this year, the Charity Aid, Recovery and Empowerment Act (CARE Act), includes incentives for non-itemizers, IRA charitable rollovers, food donation incentives and corporate giving incentives. He added that the House and Senate both passed the CARE Act during the 108th Congress but were unable to agree to a Conference Report, causing the legislation to die. The Chairman noted that the CARE Act has been included in S. 6, the Marriage, Opportunity, Relief and Empowerment Act of 2005 and urged its immediate consideration by Congress.

All of the panelists at the hearing were supportive of the provisions of the CARE Act, believing each could only increase America's charitable giving.



NHTSA Recalls

Blue Bird All American, TC-2000, and Vision school buses, manufactured

from January 2001 to July 2005. These buses are equipped with a battery disconnect switch that has connections which may be loose on the battery switch studs, creating the potential for the bus to shut down while in operation. Blue Bird

will instruct owners on how to repair the switch. The recall is expected to begin on September 30.

Thomas Built Saf-T-Liner C2 school buses, manufactured from July 2004 to August 26, 2005. The upper steering shaft pinch bolt may not be correctly tightened, resulting in the possible loss of the bolt and allowing joint separation and loss of steering. All Thomas and Freightliner dealers and direct warranty customers have been notified not to drive these buses until they have been inspected for the presence of torque seal at the steering bolts. Buses without torque seal will be tightened and torque seal will be added. Mail notification was expected to begin on September 9.



NSTA Midwinter Meeting January 22 – 25, 2006

Information is now 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.

Welcome New NSTA Members!

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Manlius, NY**

**William H. Mercer, Inc.
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