

APPENDIX C

(This is an example of the interview used in the study. Please do not respond to this questionnaire)

Federal Transit Administration Non-Rail Vehicle Market Viability Study Bus Manufacturer – Interview Worksheet

Company: _____ Name:

_____ Title: _____ Interview Date:

_____ Location: _____

I. Greetings

Hello, my name is Scott Kearney; I am a Principal Consultant with Hidalgo & DeVries, Inc. My associate is Fran Kernodle, President of Frances Kernodle Associates, Inc. Our two companies wish to express our thanks, on behalf of the FTA for your participation in this survey. The project is an initiative of the FTA's Technology, Research & Innovation branch. HD is the prime contractor, and FKA is the subcontractor for the project.

Our two firms provide more than 30 years of collective experience in our respective practice areas. Both companies have extensive experience relevant to market research and public transportation. Each of the two firms is a member of APTA, and both principals sit on several APTA committees.

II. Introduction

The purpose of the research study is to provide an exploratory evaluation of the viability of the U.S. bus manufacturing industry to meet U.S. demand for fixed-route transit buses. The research analysis will focus on the types of buses available and the characteristics of buses and bus service that drive local decisions to purchase buses, including vehicle type, dimensions, floor height, type of propulsion unit, the ability to support such technology as automated vehicle location, signal priority, cashless fares and other infrastructure.

Our purpose for this interview, and the corresponding survey sent to you earlier, is to assess trends, financial performance, production capacity, production utilization, and investment in innovative or new technologies. The survey of the bus builders also will investigate the impact of federal provisions, such as the "Buy America" provision and pooled procurements. Your firm and other manufacturers participating in the survey were selected by FTA as representative of the U.S. bus manufacturing market.

The results of this interview will be anonymous. We respectfully request your approval to record this interview in order to accurately construct our final report.

III. Opening Question

1. What are the greatest industry challenges or concerns that your firm is currently dealing with...in other words, what is it that keeps you up at night? (*Probe 2 xs: What other challenges is your firm currently dealing with?*) (*Specific probe as needed*)

IV. Factors related to Transit Agencies and the FTA

The first portion of our interview relates to factors associated with U.S. transit agencies and the Federal Transit Administration.

TRANSIT AGENCIES

STANDARD BUS PROCUREMENT GUIDELINES (SBPG)

- 1 **What is your opinion of the Standard Bus Procurement Guidelines that are typically in use by U.S. transit agencies?** *(Probe 1x: What other opinions do you have of the SBPG?) (Specific probe as needed: Why do you feel that way?)*
- 2 **In your experience, do U.S. transit agencies across the country uniformly follow the guidelines specified in the SBPG in the context of current procurements?** *(Specific probe unless needed)*
- 3 **What role do the guidelines play in your company's current business operation; that is, how exactly does the SBPG relate to your business?** *(Probe 1x: How else SBPG impact your organization?)*
- 4 **What, if any, changes would you propose relative to the current Standard Bus Procurement Guidelines?**

SPECIFICATIONS

- 1 **In your opinion, are transit agencies actually following the “technical specifications” stipulated in the SBPG?**
- 2 **Regarding the SBPG, which do you prefer, “prescriptive standards” or “performance standards”?**

MULTI-YEAR CONTRACTS

- 1 **What is your opinion of the multiple-year contracts that the transit agencies are currently awarding?**
- 2 **What impact do these multiple-year contracts have on your current operations?**
- 3 **Thinking ahead, what impact do you think these multiple-year contracts will have on your future operations?**

ASSIGNMENT RIGHTS/“PIGGYBACKING”

11. **Do assignment rights (“piggybacking”) affect your company, and if so how is your company affected?** *(Probe 1x: In what other ways do assignment rights affect your company?)*

FEDERAL TRANSIT ADMINISTRATION

Next, we'll be discussing your thoughts on a few specific FTA-related issues...

FUNDING

- 1 Overall, what is the impact of FTA funding on your business? Please explain. *(Specific Probe as needed)*
- 2 Specifically, what are the main issues your organization has to deal with when it comes to FTA-funding?

SAFETEA-LU

- 1 In your opinion, what impact has the delay in reauthorization of TEA 21 had (or is having) on your business operations? *(Probe 1x: How else has TEA 21 affected your business?)*
- 2 Now that SAFETEA-LU is authorized, what impact, if any, will it have on your future business operations? *(Probe 1x: How else would it affect your business?)*
- 3 In your opinion, how quickly, if at all, would the authorization of SAFETEA-LU impact incremental sales of bus product?

V. External

Next, we'd like to gather your views on other external forces that may be affecting the industry, such as "Buy America", "Pooled Purchases" and "Export Opportunities."

"BUY AMERICA"

IMPACT

17. What impact does the "Buy America" provision have on your organization? *(Probe 1x: How else has "Buy America" affected your organization? Test for: materials/components selection & procurement; Specific probe as needed)*

PROCUREMENTS

18. Roughly, what percentage of your company's total U.S. transit procurements is impacted by the "Buy America" provision?

PROCUREMENT PRACTICES

19. What are your opinions regarding current "Buy America" procurement practices?

COMPONENTS

20. Given the current "Buy America" requirements regarding transit bus procurements, are there any specific components or materials issues relative to your organization?

"BUY AMERICA" WAIVERS

21. Please tell me about your experiences with Buy America "waivers." *(Test for: opinion, process, usage, problems encountered, successes)*

“BUY AMERICA” PROTESTS

22. Please tell us about your experiences with Buy America “protests”...(Test for: How many filed, outcome, process problems)

DECISION REVERSAL

- 1 Hypothetically speaking, in your opinion, what would happen to the U.S. transit bus market if “Buy America” were reversed or abolished? (Probe 1x: What other thoughts would you have about the potential of rescinding the “Buy America” provision?)
- 2 Given our discussion on “Buy America,” what is it that you would like to see changed with the Buy America program?

POOLED PURCHASING

Switching topics, we would like to get your insight on Pooled Purchases.

- 1 In general, what is your opinion of the current “Cooperative Procurement Pilot Program” or “Pooled Purchase Pilot”?
- 2 Specifically, what type of impact has the “Pooled Purchase Pilot” had on your organization?
- 3 What are your views about the future viability of “pooled purchases”?
- 4 What impact, if any, could pooled purchases have on “multiple-year contracts”? (Specific Probe as needed)
- 5 What impact, if any, could pooled purchases have on “piggyback rights”? (Specific Probe as needed)

- 1 What impact, if any could pooled purchases have on “bonding” and “payment” terms?
- 2 Do you think that that pooled purchases skew the market in any way? Please explain.
- 3 Do you believe that pooled purchases have any impact on transit agencies’ compliance or adherence to the Standard Bus Procurement Guidelines? Please explain.

EXPORT OPPORTUNITIES

The next section of the interview will focus on export opportunities...

- 1 Does your company have current export opportunities in the transit bus business? Please explain.
- 2 Do you think there will be any expanded export opportunities in the future for the U.S. transit bus market?
- 3 What is your opinion of the FTA International Program that is currently in place? Does your company currently use any aspect of this FTA program?
- 4 What is your opinion of the DOT International Program that is currently in place? Does your company currently use any aspect of this DOT program?

VI. Internal

And finally, we would like to focus attention on some of the potential internal issues that may be affecting your organization's ability to compete, including your company's sales and marketing, labor issues, materials issues and warranty policies...

SALES & MARKETING

- 1 **What is the current staffing environment in your company with regard to the turnover of the sales and marketing staff?**
- 2 **How involved is your organization with trade shows? Are trade shows valuable to your organization as a means of marketing; in other words, do you receive an adequate ROI?**
- 3 **Please tell us a little bit about your current selling cycle....please walk us through the process?** (*Test for: # of sales calls, visits, inbound customer service operations, legal fees over customer issues*)

LABOR

- 1 **What is the typical employee retention rate for your company? Is retention a problem?**
 - 2 **Does any type of seasonality with regard to labor exist in your company? Please explain...**
 - 3 **What effect, if any, are healthcare expenses having on your organization?**
 43. **What other "fringe" or "benefits" costs impact your company's profitability?**
- ### **MATERIALS**
- 4 **What impact are the cost increases of materials having on your organization? Please explain...**
 - 5 **Is the availability of raw materials currently a problem for your company? How do you envision the availability of materials will impact your company in the future?**
 46. **Is your organization currently experiencing any lead-time problems with raw materials?**

WARRANTY ISSUES

- 6 **What are your views on the 12-year / 500,000-mile vehicle service life?**
- 7 **What is your perspective on the current FTA bus-testing program (Altoona Test)? In your view, is it a valid requirement?**
- 8 **What, if any, other materials and components warranty issues does your company currently face?**
50. **What processes does your company currently have in place if a component legitimately fails and a warranty claim is made...how exactly is this handled? Please explain.**

RESEARCH & DEVELOPMENT

- 9 **Roughly what percentage of annual sales does your company spend on R & D?**
- 10 **What technologies are driving your company's R & D; in other words, where does your firm stand to benefit by R & D investment?**
- 11 **With respect to the Federal government (FTA) what type (s) of R&D support would best benefit the industry?**

VII. Closing Question

54. **Lastly, other than what we've discussed here today, what else can you tell us about the health of the bus industry that would be valuable information to share with the FTA?** (*Probe 1X: What other concerns would you like share with the FTA about the bus industry?*)

The content of this Interview Worksheet is intended solely for use in completing MI-26-7008, DTFT60-05-P-00028 for the Federal Transit Administration. Sources of information (company name/individual participant) shall be confidential and will not be disclosed.

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VIII. Final Statement

Thank you for your time and for your insights. HD/FKA will complete this project by December 2005. An executive summary of this project will be sent to you during the first quarter of 2006. In the interim, if you would like to share any additional thoughts, please feel free to contact me (Scott Kearney) at (616) 560-0251 or via email at skearney@hidalgodevries.com.