

Worcester Telegram & Gazette

Sunday, December 22, 2013

Eleventh-hour pact saves school busing in several districts



J.P. McCarthy & Sons owner John McCarthy signs the Quabbin bus contract at the Dec. 19 school board meeting as his fiancée, Tara Carter, looks on. (JAMES F. RUSSELL)

By James F. Russell CORRESPONDENT

When it looked like close to 15,000 children in more than 30 Central Massachusetts towns would have no way to get to class — because the large regional bus company transporting them suddenly declared bankruptcy and was going out of business — school officials regionwide sprang into action to avert the looming crisis.

The narrow time constraints and unprecedented nature of the problem created challenges.

"As a district we hoped to make this as seamless a process as possible, even though behind the scenes we are pulling our hair out," said Tammy LaJoie. She is business manager for the 18-community Montachusett Regional Vocational Technical School District.

There will be no change in bus routes when children return to class following the winter vacation, officials from Millbury and the Montachusett, Quabbin, Wachusett, Quaboag and Tantasqua regional districts confirmed.

Nearly all the bus drivers who worked for the now bankrupt Atlantic Express Transportation Corp. are being hired by the smaller local carriers that all of the districts except Montachusett have now signed contracts with (Montachusett is going with First Student, a large national bus firm). But that company also plans to rehire most, if not all, the drivers. And widespread concerns about paying

much more right away to obtain bus service on such short notice have also not materialized, the school officials said. Only the five-town Wachusett district will be paying extra — \$40,000 more — to transport students for the balance of the fiscal year that ends June 30. Others will see no increase until July, while Millbury and the Tantasqua region are set for the next year and a half.

"We were too big to fail," said Wachusett business manager Joseph Scanlon. The district of Holden, Paxton, Princeton, Rutland and Sterling runs 49 buses to transport 6,500 of the system's 7,300 students. Mr. Scanlon said the district is now contracted with AA Transportation Co., based in Shrewsbury. "We left it to the discretion of the new bus carrier, but we are hearing 90 to 95 percent (of the Atlantic Express drivers) are going to work for the new company," he said. "The routes and the times all stay the same."

In addition to the \$1.7 million cost to run buses through June, the parties agreed on an \$11.5 million, three-year contract that runs through June 2017. The difference from the Atlantic Express contract total is a 7.8 percent increase for year one, 7.3 percent for year two and 6.8 percent for the final year of the new contract, the business manager said. "It is a remarkable achievement averting this crisis," said Jeffrey Carlson, the Wachusett human resources director. Millbury public schools are switching to AA Transportation. "AA has been exceptional in responding," said Superintendent Susan Hitchcock.

She said all the drivers would be hired back with the same routes. "That provides a great deal of comfort" to the parents and children, she said. The school chief praised business manager Richard Bedard's work. "Mr. Bedard has been absolutely outstanding."

According to nasdaq.com, Atlantic Express has \$173.4 million in assets; and debt totaling \$251.2 million, according to court documents. The company filed for Chapter 11 bankruptcy in November and is expected to stop operating this month. Its legal woes include \$13 million owed to unionized New York transit workers. The bankruptcy affected 400 bus drivers in Massachusetts. Atlantic Express spokeswoman Carolyn Daly told a reporter on Dec. 16 that "We're in the process of shutting down. We're all losing our jobs in two weeks. It's a tough time ... it was unavoidable."

A Quabbin official humorously referred to solving its busing problem as "back to the future." The district previously contracted with the Robert McCarthy bus company, until it was bought out by Atlantic Express about a dozen years ago. The late Mr. McCarthy's son, John, who until recently was Atlantic's regional vice president in Massachusetts, has resurrected the family business as an independent entity, as J.P. McCarthy & Sons, LLC. Robert founded the original bus company in the 1950s.

The Quabbin school board unanimously accepted McCarthy's bid. There will be no change in the daily per-bus cost of \$292.50 for the remainder of this fiscal year. The parties agreed on a three-year contract on July 1. That includes a cumulative 15.9 percent hike. The three-year pact totals \$5 million. Mr. McCarthy will take over the Atlantic transportation contracts in the towns of Brimfield, Brookfield, Holland and Wales in the Tantasqua district, according to Assistant Superintendent Deborah Boyd. "We will have the same drivers, the same routes and at the same prices for 1.5 years. Our prices are not going to change. We are not going to have any impact," she said in a telephone interview Friday. "There is going to be no increase, no change in anything for us," Quaboag Superintendent Brett Kustigian said. "All our buses will run on time. I think we are in pretty good shape."

The West Brookfield and Warren district had used Atlantic for four of its 12 routes and has now hired McCarthy. Montachusett was forced to replace 11 of the school's 26 routes that Atlantic had served. The district awarded the new bid to First Student Inc. The contract is until June 30, according to Ms. LaJoie. "We have no difference in price. We will see no change in our bus costs through June 30; that is awesome." She said the district would soon request new bids for a three-year contract to start in July.