



May 1, 1998

Los Angeles County
Metropolitan
Transportation
Authority

TO: MTA BOARD OF DIRECTORS
FROM: ARTHUR J. KIMBALL
EXECUTIVE OFFICER, PROCUREMENT
SUBJECT: NEOPLAN BUSES

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ISSUE

On April 29, 1998, Neoplan Bus Manufacturing of Lamar, Colorado was notified that no new Neoplan Buses would be accepted until specific engine and exhaust system problems had been resolved to the satisfaction of the Authority.

BACKGROUND

In August 1996, Neoplan was awarded contract DR0105 for a total of 250 buses with final bus production planned to be completed in September 1998. In February 1998, the MTA exercised an option for an additional 50 Neoplan buses, with final delivery scheduled tentatively for December 1998. As of April 28, a total of 147 of these buses had been accepted and put into revenue service. Currently, the MTA has 441 CNG buses in revenue service.

Since October 1997, the MTA has experienced a number of technical problems relating to Neoplan buses. Specifically, these problems involve the L10 Cummins Engine and exhaust systems. While these problems have had a negligible impact on our current service, we are concerned about the long term reliability of our fleet. Eleven of these failures resulted in damage within the engine compartment (or in the rear portion of the vehicle), and four of these failures resulted in engine fires that severely damaged the vehicle. In three of these incidents, the buses were not in service, and in the fourth incident, the passengers were able to exit the bus safely.

All CNG buses are equipped with fire suppression systems and pressure relief valves which are designed to activate in the event of an emergency. During each of the four bus fires, all emergency systems worked as designed, thereby limiting damage to the vehicle, and containing damage to the rear of the bus. These systems insure the safety of the passengers.

After the second fire in December 1997, MTA Operations removed all CNG buses from service pending a complete inspection of the exhaust system, including the catalytic converter. All problems that were identified in this inspection were repaired, and the entire fleet was back in service within two days. Since then, the exhaust system on each bus is visually inspected daily. In addition, specific catalytic converter performance tests are conducted every 1,000 miles on each CNG bus. If any defect is found during these inspections, the bus is removed from service until it is repaired. These precautions will allow for continued safe operation of the CNG fleet.

We have been in discussions with the bus and engine manufacturers, and expect to receive from them a plan of action for resolving these problems within the next 10 days. We do not anticipate canceling any service as a direct result of this action, however, we may need to delay the scheduled retirement of older buses until these problems are resolved.

I will continue to keep the Board updated on this issue.