



Post Office Box 3008
Hayward, CA 94540-3008

(510) 785-1500

January 9, 2014

RE: PASSENGER SAFETY

Dear Valued GILLIG Customer:

As part of our ongoing commitment to safety, continuous improvement, and a desire to meet our customers' needs, GILLIG regularly monitors and analyzes industry trends. Gillig recently learned that our competitor, New Flyer, issued a letter to certain New Flyer and NABI customers (copy attached) regarding passenger safety on New Flyer transit buses with front-facing flip-up seats (where no barrier exists immediately behind the open areas intended for wheelchair use). According to New Flyer, "a rare safety risk . . . potentially exposes your [New Flyer] transit bus passengers to catastrophic injuries." In its letter, New Flyer further advises that it does not believe its current seating configuration is defective and that it is not issuing a recall. Nevertheless, New Flyer advises that it has decided to discontinue further installation of front-row seats without barriers, and has recommended that operators disable these seats in their existing fleets.

Despite billions of passenger-miles driven, GILLIG is unaware of any incident to this extent on GILLIG transit buses involving a substantially similar seating configuration. Moreover, GILLIG's configuration complies with all federal safety regulations.

Nevertheless, GILLIG is currently evaluating its own configuration and is investigating whether alternative solutions could minimize any potential safety risks. Additionally, Gillig, in conjunction with APTA, the bus OEMS, and the seat suppliers, will further evaluate these incidents in order to perform a comprehensive risk assessment. This assessment will allow Gillig, as well as the industry, to determine what future course of action (if any) is appropriate.

Your passengers' safety is of utmost importance to GILLIG. Accordingly, we felt it was important that we communicate this newly acquired information. If you have any questions or concerns, do not hesitate to contact your Sales Manager or me directly at 510-785-1500.

Sincerely,

Joseph Policarpio
Vice President Sales and Marketing
GILLIG



711 Kernaghan Avenue
Winnipeg, Manitoba
Canada
R2C 3T4

December 13, 2013

BY COURIER AND EMAIL

Subject: Improving Passenger Safety on Transit Buses with Front-Facing Flip-Up Seats

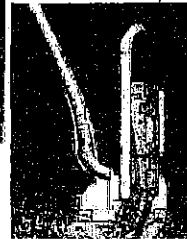
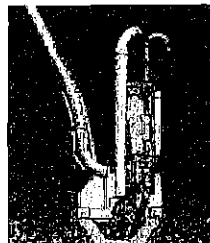
As the market leader in the US and Canadian heavy-duty transit bus industry, New Flyer has an unwavering commitment to safety. We have discovered a rare safety risk that potentially exposes your transit bus passengers to catastrophic injuries and want to bring this industry-wide issue to your immediate attention.

This letter addresses safety concerns related to the first row of front-facing flip-up bus seats where no barrier exists immediately behind the open areas intended for wheelchair use. In hard-braking incidents or collisions over the past several years, we have become aware that three passengers were thrown forward from these seats and sustained quadriplegic injuries. Catastrophic passenger injuries from seat-expulsion in this manner have been extremely rare. In fact, over 21 years and after billions of passenger-miles, New Flyer has encountered only these three such serious incidents involving its buses. The buses were owned by different transit agencies and were manufactured in compliance with government regulations and each customer's unique specifications.

Although these were isolated incidents, New Flyer has made the decision to discontinue installing front-row seats without barriers on our buses going forward. We are aware that this may reduce transit bus seating capacity, but believe passenger safety is paramount.

New Flyer does not believe the current seating configuration is defective nor are we issuing a recall. New Flyer is however recommending that operators disable these seats in their existing transit fleets so that the seats remain in the locked upright position, thereby continuing to act as a barrier to the seats immediately behind. In most cases this can be achieved by simply cutting the seat locking rod. New Flyer will issue a technical bulletin that describes this procedure, and will provide labels at no cost to operators to affix to the disabled seats advising passengers that the seats were disabled for safety reasons.

If you would like a supply of labels, please call the New Flyer Parts Order Desk at 1-800-665-2637. If you have any questions regarding the locking rod disabling procedure, please call Mr. Kerry Legg, New Flyer's Vehicle Safety and Regulatory Compliance Manager, at 204-224-6706.



1. Raise locking rod
2. Cut rod where indicated
3. Once cut, rod will recede back into housing



Safety is our shared priority.

Sincerely,

Paul Smith,
Executive Vice-President, Sales and Marketing