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Is This the MSF's Secret Plan?

REPORT TO
THE MOTORCYCLE SAFETY FOUNDATION

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MORE THAN A year and a half ago, we began reporting on the controversy in rider training. For over thirty years, riders have seen the Motorcycle Safety Foundation (MSF) as a charitable, non-profit, educational foundation that was committed to supporting the state-run motorcycle safety training programs. But on December 10, 2003, Tim Buche, MSF President, appeared at a hearing in Washington, D.C. and a different, confusing picture of the MSF began to emerge. The hearing was about the Murkowski Motorcycle Safety Amendment to the House version of the Highway Safety Bill. That amendment would not only provide funds for a comprehensive motorcycle accident study but also give states incentives to fully fund their motorcycle safety programs.

Most of the state rider education programs are funded by extra fees on motorcycle licenses and registration, but strapped state governments often give only a portion of the actual fees collected to rider education. Even so, the various state programs have trained over 6 million riders with those funds. Because motorcycling has grown so greatly in popularity, the need for full funding to provide more training is essential. Few motorcyclists, then, would have questioned the goals of the Murkowski Amendment—but the MSF's Tim Buche did in a surprise visit to the committee hearings. He told the hearing that the state programs were a broken economic model that shouldn't be funded. Rider training organizations everywhere were shocked and felt betrayed by his comments. The MSF later modified his statements in a Q & A paper still available on its website (<http://www.msf-usa.org/>). The storm of controversy over Buche's comments, though, drew attention to other problems some rider educators had been voicing. Letters to MCN from rider training professionals across the country asked us to look into what was happening and were the impetus behind our ongoing investigation.

One of the most repeated claims was that the MSF's latest version of novice training had been "dumbed down." Another issue had to do

with the rights of individual states to conduct rider training in ways that they felt best served their student constituents without MSF interference. Last year, three states—Hawaii, Idaho and Oregon—refused to switch over to the MSF's latest curriculum product,¹ the Basic Rider Course (BRC), which gave support to the idea that the new program was not as effective as the older RSS (Riding and Street Skills) program. MSF countered by threatening to file lawsuits against those states, in essence claiming a patent on the techniques of rider training to force them to comply and, if they didn't, to discredit them in the media and with state officials. Why was the MSF acting this way?

By then, many rider educators and organizations, including the Motorcycle Riders Foundation, were wondering why the MSF appeared bent on taking over the administration of state training programs (happening at the rate of about one program every two years). In light of Buche's comments at the Murkowski Amendment hearing, this was particularly confusing; why was MSF investing their time in state programs at all if the model was broken? After a year and a half of investigation, we may finally have an answer:

Recently, MCN obtained two copies of a future planning strategy report done for the MSF over 20 years ago.² Its contents were shocking but it could explain all the puzzling actions the MSF has undertaken in the past few years. Please read part of it for yourself.

Back in 1980 or '81, MSF hired McManis and Associates, Inc. to develop a detailed plan to cut out non-profit rider training providers and sell for-profit training franchises to private parties. This was presented to the board in a document titled "Report to the MSF" and dated December, 1981. Although the board agreed that the plan was a good one, "MSF chose to go another way at the time," according to a source who was deeply involved in MSF affairs at the time. When we examined the report, it was not only clear why the MSF waited so long to implement the plan, but it also seemed as if it has, in fact, been quietly laying the necessary groundwork for

I. BACKGROUND AND PURPOSE OF STUDY

The Motorcycle Safety Foundation (MSF) is a 501(c)(6) not-for-profit foundation organized exclusively for the purposes of promoting interest in the motorcycle industry through motorcycle safety and education programs. To this end, it develops and disseminates literature on motorcycle safety, and designs and promotes motorcycle safety education programs in communities across the country. The MSF is sponsored and governed by representatives of five motorcycle manufacturers — Honda, Yamaha, Kawasaki, Suzuki; and Harley-Davidson.

This study focuses on one of MSF's principal activities — the design and promotion of motorcycle safety education programs. In 1973, its first year of operation, MSF developed a curriculum package for safe motorcycle operation. Subsequently, it developed a complete motorcycle rider course (MRC) for use in schools by the military and by other community organizations such as law enforcement agencies interested in promoting motorcycle safety. A better Bikers Program (BBP) has also been developed. MSF now makes grants and provides its program materials at no cost to qualified institutions and organizations in return for their commitment to operate training programs that enroll at least a specified number of trainees. While motorcycle safety courses are now offered by many institutions and organizations throughout the United States, the coverage and the quality of the training are uneven.

MSF is interested in assuring that high quality safety education is available to every motorcycle operator. Training and experience clearly reduce the incidence of motorcycle accidents. Over 90% of all such accidents involve riders with no formal motorcycle training. MSF cannot effectively exercise control under its current procedures over how its curriculum materials are used by organizations that operate their own programs. It has established a network of field representatives who work out of its West Coast Regional Office. These field representatives are now working closely with several individuals who are operating safety centers to help them build and maintain quality programs. Most of these centers are operated by volunteers committed to the cause of motorcycle safety. This experience has demonstrated to MSF that better results can be obtained when it has a more direct role in setting up centers, training instructors and monitoring operations. The cost of setting up such capacity on a national level is prohibitive unless some revenues can be generated to support the expanded MSF staff needed to operate a national network.

The purpose of this assessment is to determine the feasibility of establishing a franchise system of motorcycle safety centers to achieve MSF's objectives at little or no cost to its sponsors. We have evaluated feasibility in three ways. First, what legal, technical and organizational barriers inhibit the creation of a franchise system and can they be overcome? Second, what is the potential return on investment to an individual franchisee and is it sufficient to attract investor-operators? Finally, what will it cost MSF to set up and operate a franchise system and what income can it expect to receive to offset these costs? The next three sections of this report address each of these aspects of the feasibility of setting up a motorcycle safety franchise system. The last section contains our recommendations.