



July 27, 2018

The Honorable Bill Shuster
Chairman, House Transportation and Infrastructure Committee
2253 Rayburn House Office Building
Washington, DC 20515

Dear Mr. Chairman:

Thank you for unveiling a discussion draft for an infrastructure financing proposal this week. We applaud your efforts to advance the conversation addressing the nation's infrastructure demands.

As the largest trade association representing bus and motorcoach companies, we support the goal of improving our nation's surface transportation infrastructure and recognize the need for adequate funding. However, we are concerned about the element of your proposal that eliminates the current partial federal fuel tax exemption for over-the-road buses and the absence of any pro rating of the current exemption to the proposed diesel tax increase. Since one-third of our members also operate school buses, we appreciate the proposal's retention of the school bus transportation exemption.

As you know, motorcoaches currently pay 7.4 cents of the 24.4 cents per gallon Federal tax on diesel fuel based on the rationale that motorcoaches provide essential public transportation while reducing congestion, road wear, pollution and fuel consumption. The average motorcoach takes 45 cars off the road and has been called the "low-carbon champ" by the Union of Concerned Scientists when compared to all other modes of travel. The rationale for continuing the exemption is even more compelling today as it directly correlates to the motorcoach industry's ability to ensure passengers and communities have continued access to a safe, reliable, efficient and economical mode of travel.

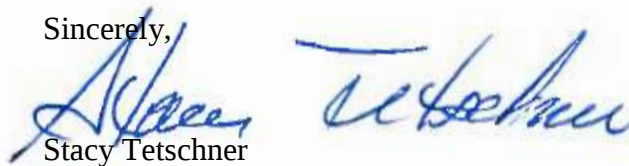
We understand the proposed rationale to ensure all that benefit from the Highway Trust Fund pay into it. We think your proposal to eliminate the federal fuel tax exemption for public transit operators makes sense because 20% of every penny of federal fuel tax goes into the Mass Transit Account of the Highway Trust Fund for direct funding of transit systems, totaling over \$10 billion per year. However, with few exceptions, such as when private companies partner with state/local services, private motorcoach companies do not receive any direct federal funding from the Highway Trust Fund; despite already paying 7.4 cents per gallon into it. [There is a

very small program for supplementing rural intercity bus service that primarily benefits a few large fixed-route bus operators (49 USC 5311(f).]

Congress originally sought parity with public transit systems by exempting private over-the-road bus operations from all federal fuel tax. Frankly, we believe the benefits of connecting communities and people to jobs, education, healthcare, and tourism by motorcoach, justifies continuing that policy as the fuel-tax exemption is used in a manner that requires no public funding to connect these communities. We urge you to continue this sound rationale by returning to a zero-based fuel-tax for over-the-road buses as the proposal moves through the process.

We thank you for the opportunity to express our views and look forward to working with you and other Members of the House Transportation and Infrastructure Committee on these important issues.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Stacy Tetschner', is written over a light blue rectangular background.

Stacy Tetschner
President and CEO
United Motorcoach Association