



113 S WEST STREET • FOURTH FLOOR • ALEXANDRIA, VA 22314
(703) 838-2929 • uma.org

February 2, 2021

The Honorable Pete Buttigieg
Secretary of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Mr. Secretary,

Congratulations on your confirmation as Secretary of Transportation. The United Motorcoach Association (UMA) looks forward to working with you to advance policies that will support the motorcoach industry recovery from the devastating pandemic and a path that returns us to a thriving industry.

UMA represents the US motorcoach industry, made up of 3,000 companies, with 32,920 motorcoach vehicles employing nearly 85,000 individuals and providing nearly 600 million passenger trips annually. These companies provide vital intercity connections for rural communities, relieve congestion, and provide reliable commuter operations for urban areas; connecting people to their jobs, whether those jobs are in cities, mines, farms, and provide charter and tour operations as an essential part of the travel and tourism industry. Our members range in size from large multistate companies with hundreds of buses to small businesses having 10 or fewer motorcoaches. Small Business Administration guidelines classify over 80% of motorcoach companies as small businesses. One-third of our companies also operate school bus operations under contract to local school districts. Motorcoaches are also a key element of our nation's defense system and support military troop movements and move people out of harm's through evacuation services during hurricanes, fires, and other national emergencies.

Motorcoaches are Safe

Motorcoach travel is one of the safest modes of highway transportation in the US according to USDOT statistics. Sadly, in 2018, there were 33,654 fatal crashes on our Nation's highways; however, motorcoach operations account for an average of less than 20-passenger fatalities annually¹, roughly one half of one percent.

Motorcoaches are Environmentally Friendly

With a carbon footprint for motorcoaches of .17 pounds of CO² per passenger mile, motorcoaches are the industry fuel conservation leader.² Every passenger that travels by motorcoach reduces their carbon emissions by 85%. Motorcoaches have the lowest carbon footprint among 12-different forms of transportation, including all types of private automobiles, trains, and airliners.

Motorcoaches Provide Significant Economic Impact

Motorcoach and group travel provides \$88 billion in direct economic impact, while demand for goods and services generated by motorcoach travel, combined with new coach sales and industry equipment purchases, generates employment for 1.1 million people. Motorcoaches generate \$20 billion in federal tax revenue and \$13 billion in state tax revenue.³

¹ Analysis Division, Federal Motor Carrier Safety Administration, Trends Table 28. Bus Occupant Fatalities in Crashes Involving Buses by Type of Bus, 1975-2018, September 2020

² Union of Concerned Scientists, Getting There Greener, December 2008

³ Motorcoach Census, John Dunham & Associates for the American Bus Association Foundation, June 2019

Devastating Impact of the Pandemic on the Industry

The COVID-19 pandemic has been devastating to the motorcoach industry. UMA estimates that since March of last year, motorcoach business has dropped by 90%. Many of our operators have not done a single revenue trip since March of 2020. A few have conducted some military and disaster evacuation movements but with travel and tourism largely shut down across the country, their normal bookings of school activity and sports trips, professional sports trips, fans trips and tours remain largely dormant. The industry was one of the first to be shut down and is expected to be one of the last to recover. Based on latest estimates, the industry does not project a return to “normal” business until summer at the earliest, after most Americans are vaccinated and destinations and schools re-open. Delays in vaccinations only serve to delay recovery. Currently, we are seeing tragic business closures, devastating families who have been in the business for generations, stranded employees and business assets repossessed. Meanwhile, communities are losing essential transportation. Financial institutions are estimating that 50% or of the motorcoach industry will be lost along with 50,000 permanent jobs⁴ without a swift reopening of the economy and relief.

Coronavirus Economic Relief for Transportation Services Act (CERTS Act)

Fortunately, the Congress included \$2 billion in funding for the CERTS Act in the recently enacted in the Consolidated Appropriations Act of 2021. CERTS is a new grant program administered by the US Department of Treasury, with the Department of Transportation as a consultative agency, to provide grants to motorcoach, school bus contractors and the passenger vessel industries. All of these industries are privately owned operators of public transportation and unlike other modes of transportation, have not received any direct relief prior to CERTS being created. The program requires 60% of the grant funds to be expended on payroll, while the remainder can be expended on insurance, rent, leases, utilities, interest on pre-existing debt and PPE and other expenses in order to operate safely. UMA worked tirelessly over many months to secure this enacted legislation and looks forward to working with you and your team, along with Treasury, to implement as quickly, fairly and efficiently as possible. UMA believes USDOT can be a strong voice within Treasury communicating the essential role the industry serves the Nation and encourage swift implementation. While the \$2 billion will be a welcome infusion for our struggling operators, we know that it is inadequate to cover the massive losses of all three- industries. UMA is seeking additional funding for the program in the next COVID relief bill.

Safety and Regulatory Agenda

UMA urges a reasonable and cautious approach to any proposed new regulations and remain firm that any proposed regulations be based on sound science and supported by credible data that significantly improves safety. Considering the economic ravages, the pandemic has inflicted on the industry, now is not the time to impose burdensome new mandates on an industry crippled and struggling to survive. As mentioned earlier, the industry is already exceptionally safe and is constantly seeking to improve their record of safe operations. We implore the Department to consider the impacts of how regulatory proposals mandating any new equipment, procedures or operations would have on an industry during a vulnerable period. Below is a brief explanation of UMA concerns and priorities in the safety and regulatory area:

Obstructive Sleep Apnea (OSA) and Other Sleep Disorders

UMA is opposed to any separate regulatory action requiring specific screening, testing and treatment criteria for obstructive sleep apnea and other sleep disorders. As knowledge of OSA and sleep disorders and their impact on overall health are now well understood by the medical community, UMA believes these disorders are being flagged in drivers through their regular DOT mandated physicals and additional burdensome regulation is unnecessary.

Minimum Insurance Limits

UMA is against raising minimum insurance requirement for commercial motor carriers of passengers beyond the current level of \$5 million. UMA is not aware of any reliable studies or data linking insurance limits to improved safety or a decrease in crashes. Premiums have been rising in recent years, often dramatically.

⁴ First Source Bank, September 2020.

Additionally, insurers are advising that reinsurers are withdrawing from the marketplace. Any increase in insurance minimums will devastate struggling motorcoach companies and shutter more companies.

Safety Measurement System/Compliance, Safety and Accountability (SMS/CSA) Reform

UMA was very involved in legislative efforts during consideration of the FAST Act to direct the Federal Motor Carrier Safety Administration (FMCSA) to return to the drawing board on their CSA program created in 2010. UMA participated in the National Academy of Sciences study of the CSA program and looks forward to continuing to work with you and FMCSA to develop a CSA program that makes sense for commercial motor vehicle operators.

En Route Inspections

UMA is opposed to any change in permitting en route inspections of motorcoach operators except for egregious activity or obvious defects affecting imminent safety. Motorcoach operators are inspected at destinations and garages, but it is hazardous to stop a motorcoach and unload passengers on the side of roadways without protection from elements and facilities and resulting in delays possibly arriving late or missing events or other transportation mode connections altogether.

Speed Limiters

UMA is opposed to imposing a national speed limiter mandate on commercial vehicles due to motorcoaches travel across the country and the confusion and potential safety hazards it would create.

Preservation of Charter Bus Unfair Competition Regulation

UMA supports continuation of the important Federal Transit Administration (FTA) charter bus regulation and opposes any weakening of that regulation. The provision preventing unfair competition by federally funded public transit agencies has been in the law since 1973. The premise of the provision remains the same as it did then, that it is unfair to permit federally funded public transit agencies to provide charter bus work outside of their regularly scheduled service in competition with non-subsidized private sector operators. UMA participated in a negotiated rulemaking proceeding mandated by Congress to produce a major revision to the regulation which has been in place since 2008. The rule has worked exceptionally well to ensure there are bright lines for both public transit agencies and motorcoach companies on what constitutes charter work in violation of the regulations.

Preservation of School Bus Unfair Competition Regulation

UMA supports continuation of the important FTA school bus regulation and opposes any weakening of that regulation. The provision preventing federally funded public transit agencies from providing home to school transportation has also been in the law since 1973. The rationale for the provision remains the same as it did then, that it is unfair to permit federally funded public transit agencies to provide home to school transportation outside of their regularly scheduled service in competition with non-subsidized, contract school bus companies.

Infrastructure Financing

One final issue as you consider ways to address surface transportation infrastructure financing. In 1978, Congress fully exempted fuel used in motorcoaches, public transit and school buses from federal fuel tax to encourage greater use of public transportation.⁵ As a result of subsequent fuel tax increases beginning in 1983⁶, motorcoaches have paid a partial fuel tax, currently 7.4 cents of the 24.4 cents per gallon Federal fuel

⁵ H.R.5263 — 95th Congress (1977-1978), Energy Tax Act, An Act to provide tax incentives for the production and conservation of energy, and for other purposes.

⁶ The Federal Excise Tax on Motor Fuels and the Highway Trust Fund: Current Law and Legislative History, August 2015, Congressional Research Service

tax. Motorcoaches reduce congestion, alleviate roadway wear, reduce pollution, conserve fuel, and provide access to travel and tourism venues. The Federal motorcoach fuel tax exemption value is estimated at \$64 million annually, a small sum compared to the financial, environmental and social impact rendered by motorcoaches. The rationale for the Federal motorcoach fuel tax exemption is even more compelling today and UMA supports full restoration of the exemption as originally envisioned by Congress. If the federal fuel tax is increased, absent a return to zero for motorcoaches, UMA supports an exemption from any increase. If there is a transition made to a vehicle mile traveled (VMT) or other tax, UMA supports full parity for private motorcoaches with public transit.

UMA looks forward to working with you and your team to ensure the critical motorcoach industry recovers from the current pandemic and thrives again to be an important mode of safe, environmentally friendly travel. Ken Presley, Vice President Legislative and Regulatory and Industry Affairs and Chief Operating Officer for UMA looks forward to scheduling a meeting with you and appropriate staff to discuss these matters at your earliest convenience.

Sincerely,



Larry Killingsworth

President and Chief Executive Officer