

STORIES OF SURVIVAL

The Bus & Motorcoach Industry

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THANK YOU, Congress, for providing federal government pandemic aid through the Paycheck Protection Program (PPP), Main Street Lending Program, SBA Economic Injury Disaster Loans (EIDL), Employee Retention Tax Credits, and most importantly, the Coronavirus Economic Relief for Transportation Services (CERTS) program dedicated to companies operating charter, tour, and scheduled service motorcoaches and school bus companies.

Because of your help, UMA members are here today to tell their stories of survival. The Coronavirus pandemic was the most devastating calamity for the motorcoach industry in its history. The motorcoach industry was among the first industries to shut down in March of 2020 and one of the last to return to some operations in late 2021 and early 2022. Schools, universities, religious institutions, and sports teams represent a huge sector of the motorcoach customer base. Closure of entertainment venues, tourist destinations and restaurants forced an enormous curtailment of travel. When those entities shut down, so did much of the industry's revenues. Military transportation was one of the few sectors that continued through the pandemic.

Overall, the motorcoach industry recorded an 82.6 percent loss of business in 2020 and a 60 percent loss in 2021. Despite the aid provided, according to the U.S. Department of Transportation's Federal Motor Carrier Safety Administration, nearly one-half of our industry colleagues did not survive and closed their doors for good. Most of these businesses were small, family-owned, and many were minority owned.

Prior to the pandemic, the motorcoach industry annually generated \$15.3 billion in direct revenue. In 2020 it generated less than \$3 billion in revenue and in 2021, these businesses continued to operate at less than 50 percent of pre-pandemic levels. The industry began to come back in 2022 and remains in recovery mode today.

Considered one of the safest modes of travel, motorcoaches are green, essential to travel and tourism, and help drive the economy by providing access to careers, education, and healthcare. Motorcoaches account for less than one-half of one percent of fatalities on the nation's highways, according to USDOT statistics. Motorcoaches are the industry fuel conservation leader, achieving on average 240 passenger miles per gallon of fuel. Nationwide, motorcoaches have the lowest carbon footprint (.17 pounds of CO2 per passenger mile) among twelve different forms of transportation, including all types of automobiles, rail, and airliners. Motorcoach group travel contributes \$88.7 billion in direct economic impact. For every motorcoach on the road, 3.5 jobs are created.

Unlike public transit systems that receive federal transportation dollars, the industry reminds Congress that our companies pay taxes and do not receive any regular funding from the federal government (outside of the emergency COVID relief mentioned above). There are federal transportation laws that have been in place over 50-years restricting federally subsidized public transit systems from unfairly competing with private motorcoach companies in providing charter and regular school bus service. Preserving those laws is more important than ever as

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the industry continues its recovery. Simply stated - the industry cannot compete on a level playing field for charter business considering public transit systems receive federal dollars to fund 80% (or more) of the cost of a transit bus and maintenance facility, while we routinely pay over \$600,000 out of pocket for the cost of one motorcoach, as well as pay taxes on our revenues. UMA urges Congress to continue support of these well-established protections in law.

Many motorcoach companies work with their public transit systems under contract to supplement public transportation service with specific routes and services, as they very often provide those services more efficiently and cost-effectively. Our companies are available to provide their communities more services, and UMA encourages Congress to urge public transit systems to look to private providers in their service areas as partners in meeting the public transportation needs of their constituents.

CERTS funds were not exempt from taxes, something all other COVID relief funds enjoyed. The CERTS Tax Exemption bill enjoyed wide bipartisan support in the last Congress and is slated to be reintroduced next month.

Motorcoach vehicles, drivers and operators are heavily regulated, contributing to their strong and sustained remarkable safety record. UMA supports reasonable regulation that is directly related to improving motorcoach safety and promotes full compliance with all applicable Federal, state, and local safety laws and regulations. As the industry has been reduced by half and is still in recovery, UMA urges Congress to refrain from imposing any burdensome new regulations on the industry.

