Coronavirus and the Motorcoach, Group Travel and Tourism Industry

What is the State of Play on Capitol Hill?
Daily news round up for all members

If you don’t receive but want to, email mhinton@buses.org
JOHN DUNHAM PREDICTS $8 BILLION LOSS

Current Motorcoach Sector Economic Impact

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Charter</th>
<th>Commuter</th>
<th>Scheduled</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs</td>
<td>88,834</td>
<td>48,059</td>
<td>8,972</td>
<td>28,693</td>
<td>3,109</td>
</tr>
<tr>
<td>Wages</td>
<td>6,227,141,682</td>
<td>3,368,883,650</td>
<td>628,941,310</td>
<td>2,011,366,763</td>
<td>217,949,959</td>
</tr>
<tr>
<td>Output</td>
<td>15,345,224,481</td>
<td>8,301,766,444</td>
<td>1,549,867,673</td>
<td>4,956,507,507</td>
<td>537,082,857</td>
</tr>
</tbody>
</table>

Immediate Motorcoach Sector Losses From COVID-19 Shutdown

<table>
<thead>
<tr>
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<th>Commuter</th>
<th>Scheduled</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs</td>
<td>(66,404)</td>
<td>(47,740)</td>
<td>(3,932)</td>
<td>(12,575)</td>
<td>(2,157)</td>
</tr>
<tr>
<td>Wages</td>
<td>$ (4,654,791,993)</td>
<td>$ (3,346,468,919)</td>
<td>$ (275,627,945)</td>
<td>$ (881,463,625)</td>
<td>$ (151,231,504)</td>
</tr>
<tr>
<td>Percent of Jobs</td>
<td>-74.8%</td>
<td>-99.3%</td>
<td>-43.8%</td>
<td>-43.8%</td>
<td>-69.4%</td>
</tr>
</tbody>
</table>

Even if, as anticipated, the pandemic runs its course in the next 3 months, and operations return pre-COVID-19 levels, there would still be a loss to the industry of $3.93 billion, and an annualized 22,730 jobs would be lost in 2020.

Annualized Motorcoach Sector Losses From COVID-19 Shutdown (If Shut Down Lasted 90 Days)

<table>
<thead>
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<th>Scheduled</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs</td>
<td>(22,728)</td>
<td>(16,340)</td>
<td>(1,346)</td>
<td>(4,304)</td>
<td>(738)</td>
</tr>
<tr>
<td>Wages</td>
<td>$ (1,593,230,747)</td>
<td>$ (1,145,421,145)</td>
<td>$ (94,341,255)</td>
<td>$ (301,705,200)</td>
<td>$ (51,763,147)</td>
</tr>
<tr>
<td>Output</td>
<td>$ (3,926,116,461)</td>
<td>$ (2,822,602,327)</td>
<td>$ (232,480,294)</td>
<td>$ (743,476,583)</td>
<td>$ (127,557,257)</td>
</tr>
<tr>
<td>Percent of Jobs</td>
<td>-25.6%</td>
<td>-34.0%</td>
<td>-15.0%</td>
<td>-15.0%</td>
<td>-23.8%</td>
</tr>
</tbody>
</table>
WHITE PAPER

American Motorcoach Industry
COVID-19 Pandemic Relief Package

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www.buses.org
ABA – UMA WORKING TOGETHER

National Bus and Motorcoach Associations Call on Congress to ActImmediately!

The U.S motorcoach industry is requesting Congress put the motorcoaches back on the road by making available $10 billion in grants and $5 billion in zero percent interest rates to the motorcoach, ensuring these monies are available immediately and easily accessible.

Second only to the U.S. airline industry, the Nation’s motorcoach industry provides nearly 600 million passenger trips annually and is made up of over 3,000 mostly small family owned, often multigeneration, companies. Nearly 100,000 employees in our industry are facing layoffs. These include drivers, mechanics, cleaners, and office staff.

The American Bus Association (ABA) and the United Motorcoach Association representing the North America’s motorcoach industry estimates the industry will lose nearly than $8 Billion in the next five months alone.
ABA WORKING WITH OTHER INDUSTRY ASSOCIATIONS

SYTA
The Voice of Student & Youth Travel®

NTA
Bringing the world to North America
and North America to the world

ADVENTURE TRAVEL TRADE ASSOCIATION

U.S. TRAVEL ASSOCIATION®

IITA
International Inbound Travel Association

USTOA
United States Tour Operators Association

IMG
International Motorcoach Group

asta
American Society of Travel Advisors

CLIA
Cruise Lines International Association
ABA JOINS WITH ESSENTIAL SERVICES ASSOCIATIONS
Travel Leaders Echo Experts: Make Fact-Based Decisions About Traveling

Thousands of Travel Orgs Unite in Urgent Plea for Relief

Latest Data: Coronavirus to Cause 5.9 Million Travel-Related Job Losses Before May
CONGRESS, YOU MISSED THE BUS!

Congress passed 3 “Economic Relief” Packages and took care of every mode of transportation – airlines, AMTRAK, Public transit BUT, INTERCITY BUS!

The Bus industry provides 600 million passenger trips/year But NOT NOW.

Due to the Coronavirus:
• 36,000 BUSES ARE IDLED
• NEARLY 100,000 JOBS LOST
• 3,000 SMALL/FAMILY OWNED BUSINESSES SHUT DOWN

TELL CONGRESS TO KEEP BUSES MOVING!
• **FMCSA** Issues 90-Day CDL Waiver for Expiring Licenses (through June 30)

• **FMCSA** Issues 90-Day Extension for Medical Certificates (through June 30)

• **FMCSA** Issues Guidance on Drug & Alcohol Testing (exemption through May 30)

• **DHS-CISA** Issues Essential Worker and Essential Industries Guidance (being adopted by state issued stay at home orders, 11 of 19 to date)

• **SBA Disaster Relief Loans Available**
  • State Disaster Declarations Available for Review (Changing every day, county by county)
  • Economic Injury Disaster Loans – Up to $2 million

• **Intercity Bus Security Grant** Application Deadline Extended to April 30

• **DOD Military Bus Program** Sign-Up Deadline Extended to April 30
CONGRESSIONAL ACTION

CONGRESS

SUPPLEMENTAL APPROPRIATIONS ACT (1st Relief Package – 3/6/20)

• Both chambers passed the Supplemental Appropriations Act – Provided more funding to SBA Disaster Loan Program, in addition to health provisions.

FAMILIES FIRST CORONAVIRUS RESPONSE ACT (2nd Relief Package – 3/18/20)

• Temporary provision of extended paid sick and family medical leave, for employers of 500 or less employees (employers provided tax credit offset); increased funding to states to address unemployment insurance benefits. Requires insurers to cover cost of diagnostic testing for COVID-19.

CARES Act (3rd Relief Package – to be voted on today)

• Senate released initial text for 3rd Relief Package on March 18, and worked through weekend till last night to reach a deal between House, Senate and Administration leaders.
CARES Act (3rd Relief Package – to be voted on today)

- Highlights
  - SBA Payroll Protection Program:
    - A new “loan product” to assist with payroll, leave, rent/mortgages, etc.
    - Funded at about $350B.
    - Program available to companies with 500 or less employees.
    - Provides “loan forgiveness” if you can demonstrate you kept/restored your staff levels with loan funds, during covered period of Feb 15-June 30.
    - Loans would be managed through private lenders.
    - Loan does not need to be secured; and no need to prove lack of credit availability.
  
  - SBA Disaster Assistance Program (funded increase under 1st Relief Package):
    - Typically a loan program, but would now offer up to $10k “advance.”
THIRD PACKAGE HIGHLIGHTS

CONGRESS

CARES Act (3rd Relief Package – to be voted on today)

• Highlights (continued)
  • Tax Provisions –
    • Delay of employer payroll taxes due to be deposited through 2021 (keep cash) – ½ would be due at end of 2021, other half at end of 2022.
    • Allows net operating losses in 2018, 2019 and 2020, to be carried back 5 years, and eliminate 80% limitation.
    • Delay of applying limit on losses for individual taxpayers (from 2017 Act)
    • Accelerates the refund of alternative minimum tax (AMT) credits over the 2018 and 2019 period; and others.

• Department of Treasury Loan Program –
  • Funded at $500B, with $425 to be put into financial institutions to provide greater liquidity for loans.

• Still Waiting to see final text for vote today.
ABA LEGAL RESOURCES

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Phone (800) 231-9110, ext. 1
roger@uslaw.org
web.uslaw.org/ABA
ABA RESOURCES

ABA’s Websites


Phone number: 202-842-1645

SBC LOAN: http://www.sba.gov/disaster

IRS EXTENSION: https://www.irs.gov/coronavirus
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