



TESTIMONY FOR THE RECORD

AMERICAN BUS ASSOCIATION

HOUSE COMMITTEE ON SMALL BUSINESS

“THE IMPACT OF CORONAVIRUS ON AMERICA’S SMALL BUSINESSES”

TUESDAY, MARCH 10, 2020

Chairman Velázquez, Ranking Member Chabot, and distinguished members of the Committee on Small Business, on behalf of the American Bus Association (ABA) thank you for calling today's important hearing. We are submitting testimony for the record on behalf of the motorcoach, tour and travel industries.

The ABA is the oldest, largest and most respected voice of the motorcoach, tour and travel industries. Our Association represents private motorcoach operators, tour operations and all facets of small businesses supporting the travel industry. Our motorcoach members provide a vital component of the national public transportation network, through intercity scheduled bus service, commuter and shuttle operations, school bus transportation, charter operations, and in some cases contract services for public transit authorities. Collectively, the motorcoach industry provides nearly 600 million passenger trips annually, a statistic on par with the domestic commercial airline industry. As well, ABA membership's includes tour operators, destinations, and other tourism-related organizations (including local and regional government partners), along with product and service suppliers, all in support of the travel industry. Collectively, these industries provide nearly two million jobs and create over \$236 billion in economic impact nationwide.

However, faced with the dire situation caused by the Corona Virus Disease 2019 (COVID-19) outbreak, collectively, the motorcoach, tour and travel industries are facing an unprecedented downturn. As your Committee reviews the state of the economy and the impact on small businesses, and develops further actions necessary to counteract these impacts, the ABA implores you to ensure the motorcoach, tour and travel industries are not forgotten.

Not surprisingly, based on our membership, ABA is at the center of the COVID-19 “storm”. With the worldwide outbreak continuing to spread, the devastating impact on travel and transportation operators cannot be understated. The daily cancellation of trips and gatherings, compounded by the broadly publicized reports warning workers and travelers away from public modes of transportation, is taking a serious toll on our collective industry. Further, as we are an industry dominated by small entrepreneurial businesses, many of which are multigenerational family businesses, unlike larger corporate interests, many of our members are not prepared to withstand such a significant economic downturn. In many cases, the current situation is worse than the downturn following the tragic events of September 11, 2001. At that time, although fear of travel was a factor, particularly travel by air and to larger urban areas, travel did continue by other modes and to other venues. Timing also was a factor. For example, springtime is the largest travel period for student trips and recreational activities. But with the COVID-19 outbreak, spring 2020 will likely go down as the worse travel season on record.

We are hearing daily from our members who are suffering a significant decline in business due to traveler concerns, and the situation is expected to further deteriorate in the coming weeks and months. According to the U.S. Travel Association’s Travel Trends Index (TTI), international inbound travel to the U.S. will fall 6.0% over the next three months, with the COVID-19 outbreak continuing to roil the global economy. A survey of 1,200 US adults by the Kaiser Family Foundation found that one-in-eight adults have already changed their travel plans due to concerns about the virus.

Further, as the Committee notes in its hearing memo, ABA members will experience a direct hit economically, “American small businesses that depend on travel and tourism are seeing an impact. Experts predict more than \$10 billion in spending from Chinese visitors will be lost,

while small firms in hotel, lodging, retail and dining are seeing decreased sales as a result of the travel restrictions, cancelled conferences, and decreased business travel.”

In response to these statistics and stock market reports, we note the Administration and Congress have taken some action to alleviate stresses caused by the outbreak. However, among all the data and reports concerning travel, the focus seems to remain on large, corporate entities rather than considering the small businesses that form the backbone of the U.S. tour and travel industry, as well as provide vital links for rural communities, commuting employees, school children, and price-sensitive travelers. As the Committee notes, larger corporations are more likely to be positioned to carry on business as usual, but this is simply not the case for small businesses. Our businesses need assistance to remain sustainable through this downturn.

We appreciate you holding this hearing and highlighting the important role small businesses play in the national economy, especially within the travel sector and as providers of public transportation resources. As Congress continues to seek measures to combat the economic downturn resulting from the spread of COVID-19, we hope this Committee will play a significant role in developing these measures to speak on behalf of small businesses, keeping in mind the myriad of small, family-owned businesses engaged in motorcoach, tour and travel operations that help keep Americans mobile. Specifically, we need Congress to provide dedicated funding for motorcoach, tour and travel industry businesses and their employees, in order to restore, collectively, the industry and ensure the viability of these small businesses. Timing is critical, and ABA stands ready to assist the Committee in its role as a voice for small businesses.