

WHITEPAPER

American Motorcoach Industry

COVID-19 Pandemic Relief Package



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The Pandemic

Sunday March 22, 2020

I write today on behalf of the American Bus Association (ABA) to request that Congress assist the motorcoach industry in our efforts to obtain relief from the federal government in response to the severe economic downturn due to the Coronavirus (COVID-19). ABA's members provide all manner of transportation services to the traveling public with nearly 600 million passenger trips per year on intercity travel, commuter operations, charter operations and, in some cases, public transportation services contracted under public transit authorities to some of the most impoverished areas of this country.

In addition to meeting basic transportation needs, the motorcoach industry also plays a critical role in urban and rural emergency planning, in terms of evacuation and other needs that arise based on weather or security related emergencies. Our members are on the front lines when it comes to emergency response and evacuations. Of note, motorcoaches play a critical role in the security plans of Washington, D.C. including the Capitol Hill Police's security plans for elected officials at the U.S. Capitol. For these reasons, the motorcoach industry is not just essential transportation infrastructure, but also vital to the national security mission of the United States.

The impact on the industry as a direct result of the Coronavirus (COVID-19) is estimated to be a loss of over \$8 Billion throughout the next five months. These numbers are likely to increase as our projection of near term travel decreases.

To date, Congress has enacted or introduced three relief packages that do not do enough to keep the motorcoach industry alive. The third package would provide additional SBA loans if the company retains their workforce from March 1 – June 1, but our companies have already been forced to lay off or furlough employees, so the loan forgiveness would not apply to them. Additionally, our companies are already carrying a heavy debt load and are not able to take on more debt.

The motorcoach industry desperately needs federal help and is seeking a minimum of \$10 billion in grant funding and \$5 billion in loan guarantees for the industry. And these funds need to be made available soon before more motorcoach companies go out of business. I would ask that Congress assist us in that request and ensure that our industry remains able to provide its vital transportation and national security functions.

As the crisis continues and until relief is granted, buses remain parked and our over 100,000 employees increasingly face layoffs. The motorcoach and private bus industry needs Congress to step up and ensure the commercial motorcoach remains a vital part of America's transportation network and fabric.

Sincerely,

Peter Pantuso
President
American Bus Association

The Relief

At Least \$15 Billion Dollars In Financial Relief

For owner operators of motor coaches across our nation that are unable to meet their ongoing obligations as a result of the Coronavirus (COVID-19) Pandemic.

A Mix Of Grants And Zero Interest Loans

The ground transportation industry was not consulted soon enough. With heavy debt burdens following years of sluggish performance, our businesses need at least \$10 Billion in grants in order to reverse the tide of layoffs currently taking place.

Loans With Capped Interest

As a public service, we don't have great margins to rely on and unlike the airlines we have not been engaged in stock buy backs for years. We need real help to save our network of transportation across America. This includes zero interest or low interest loans up to 2%, for a maximum interest term of twelve months, and a maximum loan duration of thirty years.

No Exclusion Based On Employer Size

Our industry is inclusive and includes employers of all sizes. From Greyhound to smaller family operated Trailways companies, we encourage you to offer targeted Motorcoach Owner and Operator relief to entities of all sizes.

Only Vehicle Owner Operators Should Be Included

Companies that broker transportation don't face the same risks that Owner Operators do. We strongly encourage you to limit coverage for relief to those that own vehicles and employ drivers and have done so for at least five years.

The motorcoach and private bus industry provides nearly 600 million passenger trips annually, slightly less than U.S. commercial airlines. It is made up of companies large and small, including over 3,000 small family owned and operated businesses, many of them multigenerational. These companies provide essential travel services in every part of the country and have often been described "America's Strategic Transportation Reserve" as they have stepped in to serve people in harm's way of hurricanes and other natural disasters, and when after 9/11 the airlines were not operating.

The Industry

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