



May 5, 2025

The Honorable Scott Bessent
Secretary of the Treasury
1500 Pennsylvania Ave. NW
Washington, DC 20220

Dear Secretary Bessent,

We are writing on behalf of the U.S. motorcoach industry including original equipment manufacturers, and the 76,000 employees that comprise the industry. As you have become an integral part of President Trump's team navigating the current tariff effort, specifically as it pertains to reciprocal tariffs and the U.S. comprehensive trade strategy, we think it is important to ensure you have a copy of our earlier correspondence with the Administration on tariffs. Attached, you will find January correspondence to Commerce Secretary-Designate Lutnick and USTR-Designate Greer from the American Bus Association and United Motorcoach Association.

As organizations representing the U.S. motorcoach industry, we implored the Administration to consider the full economic and societal impacts potential new tariffs on imports of motorcoaches and their components could have on the nation's economy and communities across the country. We were – and remain – concerned the imposition of such tariffs will have damaging consequences for the countless small businesses and middle and working class Americans that rely on motorcoach transportation, leading to increased costs for American businesses and passengers, reduced service availability, stymie safety advances, and have a negative impact on the broader U.S. economy.

The motorcoach manufacturing industry has a long history in the United States. For much of the 20th century, the U.S. was a global leader in motorcoach manufacturing, however due to a combination of factors during the 1980's including declining demand, shifting market conditions, new environmental regulations, and rising operational costs, many U.S. manufacturers exited the market leading to a shift in production abroad. Because there are

currently no motorcoaches manufactured within the United States, the industry is forced to rely on foreign manufacturers.

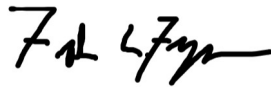
While motorcoaches are currently imported from Canada and Europe, many key components—such as engines, transmissions, and electrical systems—are manufactured domestically. In addition, motorcoach manufacturers have large networks of dealers, parts and maintenance facilities in the US.

We would welcome the opportunity to meet with you or members of your team to walk through the motorcoach industry concerns and look forward to further conversations around this critical issue.

Sincerely,

A handwritten signature in blue ink that reads "Scott Michael". The signature is written in a cursive, flowing style.

Scott Michael
President and Chief Executive Officer
United Motorcoach Association

A handwritten signature in black ink that reads "Fred Ferguson". The signature is written in a bold, cursive style.

Fred Ferguson
President and Chief Executive Officer
American Bus Association

Attachment



January 10, 2025

U.S. Trade Representative-designee Jamieson Greer
Commerce Secretary-designee Howard Lutnick
President-elect Trump Transition Headquarters
1555 Palm Beach Lakes Boulevard
West Palm Beach, FL 33401

Dear Mr. Greer and Mr. Lutnick,

On behalf of the U.S. motorcoach industry and motorcoach original equipment manufacturers, we extend our congratulations on your nominations to serve as our nation's next U.S. Trade Representative and Secretary of Commerce.

The American Bus Association and the United Motorcoach Association collectively represent the motorcoach and charter bus industry and their 76,000 employees. We are writing to urge your consideration of the negative economic and societal impacts potential new tariffs on imports of motorcoaches and their components would have on the nation's economy and communities across the country.

Our industry is concerned the imposition of such tariffs will have damaging consequences for the countless small businesses and middle and working class Americans that rely on motorcoach transportation and jobs, leading to increased costs for American businesses and passengers, reduced service availability, stymied safety advances, and negative impacts on the broader U.S. economy.

Motorcoaches are an essential part of the nation's transportation infrastructure, supporting a variety of sectors including fixed route scheduled services, commuter services, private charter bus services, and travel and tourism. In 2023, the motorcoach and charter bus industry supported over 1,500 operating companies who employed 76,000 people across the U.S.¹. These companies delivered 38 billion passenger miles while

¹ American Bus Association. (2024). 2024 Motorcoach Census. Retrieved from <https://www.buses.org/aba-foundation-research-summary/motorcoach-census-industry-size-and-scope-research/>

traveling over 1.6 billion miles². The industry is largely composed of small businesses, more than 80% of which operate fewer than 25 motorcoaches³.

The motorcoach manufacturing industry has a long history in the United States. For much of the 20th century, the U.S. was a global leader in motorcoach manufacturing, however due to a combination of factors during the 1980's including declining demand, shifting market conditions, new environmental regulations, and rising operational costs, many U.S. manufacturers exited the market leading to a shift in production abroad. Because there are currently no motorcoaches manufactured within the United States, the industry is forced to rely on foreign manufacturers.

While motorcoaches are currently imported from Canada and Europe, many key components—such as engines, transmissions, and electrical systems—are manufactured domestically. In addition, motorcoach manufacturers have large networks of dealers, parts and maintenance facilities in the US.

Consumer and Operator Costs

The imposition of tariffs on motorcoaches or their components would significantly raise costs for operating companies. These higher costs would result in increased prices for consumers, including local schools, colleges and universities, senior citizens, tourists, and commuters, all of whom depend on affordable motorcoach transportation for essential travel. This would disproportionately affect smaller companies, many of which operate on thin margins, leading to fewer fleet upgrades, reduced services, and potential layoffs. The motorcoach industry lost 50% of its operating companies due to the COVID-19 pandemic and is still in the early stages of recovery. Tariffs on motorcoach purchases, particularly for smaller operators, will likely put many more out of business.

Safety

It is worth noting that motorcoaches are remarkably safe. According to U.S. Department of Transportation statistics, from 2017 - 2021 there were 192,717 fatalities on our nation's roadways. While every life lost is one too many, motorcoaches incurred 28 fatalities during that same period, just .015% of the total fatalities⁴. The industry's record reflects that operating companies put safety of their passengers as the highest priority and are always looking to improve on their already excellent record.

Advancements in safety design and technologies come to market in the form of new motorcoach acquisition. As tariffs would raise the cost of new motorcoaches, operators are likely to keep operating an older motorcoach rather than purchase a new vehicle that

² Id.

³ Id.

⁴ Fatality Analysis Reporting System (FARS). Trends Table 28. Bus Occupant Fatalities in Crashes Involving Buses by Type of Bus, 1975-2021. Retrieved from <https://www.fmcsa.dot.gov/safety/data-and-statistics/large-truck-and-bus-crash-facts-2021#A5>

incorporates newer safety features. Tariffs will slow the adoption of new safety technologies.

Filling a Vital Transportation Role

While motorcoaches serve as a reliable mode of transportation for daily commuters and tourists and connecting passengers to airports, train stations, and cruise terminals, they also play a vital role in supporting national infrastructure and public safety as they are frequently used to transport military personnel and provide evacuation services during natural disasters. The industry supports over 400 million passenger trips annually, and serves an important role for rural and underserved communities where other modes of transportation may not be available⁵. Given the essential services that motorcoaches provide, it is crucial that these vehicles remain affordable and accessible to both operators and passengers across the nation.

Summary

Imposing tariffs on motorcoaches and their components will have a detrimental effect on U.S. businesses, the American public, and the broader economy. It would result in higher costs for U.S.-based manufacturing across the supply chain, including through potential retaliatory tariffs on U.S. businesses who export parts and components to Canada and other markets. By excluding motorcoaches and their components from any new tariffs, the U.S. can continue to foster business growth, support innovation, and ensure that Americans have access to safe and efficient transportation options.

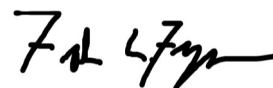
When considering there are no U.S manufacturer alternatives, we respectfully request that the incoming administration consider the critical role motorcoaches play in the U.S. economy and transportation infrastructure and not include motorcoaches and their components in any proposed tariffs.

Thank you for your consideration. We would be happy to provide additional information and look forward to meeting with you and your teams about this important issue.

Sincerely,



Scott Michael
President & CEO
United Motorcoach Association



Fred Ferguson
President & CEO
American Bus Association

⁵ American Bus Association. (2024). Retrieved from <https://www.buses.org/about/#::~:~:text=The%20American%20Bus%20Association%20serves,and%20products%20and%20service%20suppliers..>