



TESTIMONY OF PETER J. PANTUSO

PRESIDENT & CEO

AMERICAN BUS ASSOCIATION

SENATE COMMITTEE ON COMMERCE, SCIENCE, & TRANSPORTATION

SUBCOMMITTEE ON MANUFACTURING, TRADE, AND COMSUMER PROTECTION

“EXAMINING THE IMPACT OF COVID-19 ON THE LIVE EVENT ENTERTAINMENT  
INDUSTRY”

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Chairman Moran, Ranking Member Blumenthal, and distinguished members of the Subcommittee: on behalf of the American Bus Association (ABA) thank you for calling today's critical hearing regarding the live event entertainment industry and the impacts affecting the industry as a result of the ongoing COVID-19 pandemic.

My name is Peter Pantuso, and I am the President and CEO of the American Bus Association in Washington, DC. As CEO, I am responsible for the Association's day-to-day operations, including policy development, government and regulatory affairs activities, membership, communications and marketing, meetings and conventions, finances, and publishing. In addition to my role at ABA, I also serve as President of the National Bus Traffic Association and the ABA Foundation.

ABA has grown to become North America's leading and largest motorcoach, group tour, and travel association, and serves as the oldest and most respected voice of this industry. In addition to representing 800 motorcoach companies and 65 percent of all motorcoaches on the road, the ABA also represents more than 2,500 businesses in the tour and travel industry (those who rely on motorcoaches to bring business to their communities, including retail businesses, convention centers, hotels, restaurants, entertainment venues, and other attractions), along with motorcoach manufacturers and suppliers. The ABA has also expanded the breadth and inclusiveness of the industry by bringing management services to other organizations, including Skal International – USA and the Florida Motorcoach Association and creating the Hispanic Motorcoach Council, Entertainer Motorcoach Council and the Women in Buses Council, among others. The ABA also offers safety educational opportunities to the motorcoach industry by creating the Bus Industry Safety Council and Bus Maintenance and Repair Council. The ABA Foundation has evolved into an \$8 million organization that conducts critical motorcoach

industry research and provides scholarships to support and promote the industry, workers and their families. Since its inception, the ABA Foundation has awarded over \$1 million in scholarships to nearly 400 individuals.

ABA's motorcoach members represent private motorcoach operators, including entertainer motorcoach manufacturers and operators, tour operations and all facets of small businesses supporting the tour and travel industry. More broadly, motorcoach companies are a vital component of the national public transportation network, providing intercity scheduled bus service, commuter and shuttle operations, school bus transportation, charter, and entertainment services, and in some cases contracted services for public transit authorities, airlines, and Amtrak. Annually, the motorcoach industry provides nearly 600 million passenger trips, on par with the domestic commercial airline industry. The industry is comprised of 3,000 companies, mostly small family-owned businesses, operating 36,000 motorcoaches. While motorcoach companies directly employ nearly 100,000 people and generate \$15 billion in economic activity, the motorcoach, tour, and travel industry supports nearly two million additional jobs across America and creates over \$236 billion in direct and indirect economic activity nationwide.

Before March 2020, the motorcoach, tour, and travel industry helped drive the tourism and transportation economy, and the charter sector was preparing for another strong tourist and entertainment season. However, with outbreak and spread of COVID-19, the industry came to a standstill. Motorcoach ridership dropped on all scheduled service routes as people stopped traveling between communities and cities, and commuter buses stopped carrying passengers as workers shifted to work from home and stopped commuting. All contracted trips for charter operations, including entertainment and sports related contracts were cancelled. As the summer proceeded, hope further faded as government directives and spiking health concerns forced

anticipated concert tours and sporting events to be cancelled. For example, the NCAA's March Madness tournament was one of the first national sporting events to cancel at the beginning of the COVID-19 outbreak, impacting hundreds of motorcoach companies that would be moving teams and fans during that one-month march to the Final Four.

Today, the industry is operating at less than 10 percent of 2019 levels, with no clear path forward for a possible recovery, even factoring in the positive discussions surrounding vaccines. Lacking the support of any form of direct financial assistance, the motorcoach industry and specifically the entertainer motorcoach sector, face a dire situation. As this Committee examines the impact of COVID-19 on the live entertainment industry, we appreciate you identifying the motorcoach transportation industry as a supporting industry of the broader entertainment industry and including it in your examination. To date, our industry has been entirely overlooked in terms of its critical role in the nation's transportation network and economic engine.

For purposes of this hearing, it is important to understand that a live entertainment performance or event is a multifaceted undertaking, that includes advance preparation, post-event activities, and the actual events. Within the scope of this undertaking, motorcoaches play a critical but sometimes understated role. First, there are entertainer coaches which serve the unique and necessary transportation needs of not only artists, entertainers, and other celebrities and their crews, as well as politicians, the media, and other specialized customers that rely on motorcoaches for their businesses. These vehicles carry people and equipment, for ground-based tours to various entertainment venues, political events, or other scheduled events, and provide sleeping, meeting, and culinary accommodations in an efficient manner. In terms of the larger entertainment industry, these vehicles play a critical role in advancing the event and post-

event activities, facilitating the transportation of both the lead artist and the crew. Currently, there are 30 entertainer motorcoach companies nationwide, operating over 1,000 of these specialized vehicles. But, due to COVID-19, most of these vehicles are parked and providing zero revenue. A sad, but noteworthy outcome of this situation, is that during recent hurricanes in the gulf coast region hundreds of these coaches were put into service in the Lake Charles, LA area, and other parts of the gulf to support first responders by providing sleeping facilities and restrooms. If it were not for the horrible hurricane and wildfire season we experienced this year, where once again the motorcoach industry stepped up to help FEMA, these entertainer motorcoach operators, as well as other motorcoach companies around the country, would have been entirely out of work.

Many of these entertainer coach companies are also often considered second stage manufacturers and these companies are small, family-owned businesses, often multi-generational, that pride themselves on their unique niche in the motorcoach industry. Generally, they purchase a bus “shell” from an original equipment manufacturer and customize it to meet the needs of their customers. An average entertainer coach, depending on its configuration for the “star” or crew will accommodate up to 12 passengers. Over time and use, these coaches are often modified for reuse within the same industry, for the life of the vehicle.

In addition to entertainer motorcoaches serving the explicit travel needs of entertainers and others, the motorcoach industry also plays an important role in the entertainment industry by bringing fans and audiences to events and venues. As these vehicles generally seat 35 or more, and include a bathroom facility, they provide an opportune way for large groups to travel to widely attended events. It is not unusual within the motorcoach tour industry to offer entertainment events as part of a tour or larger tour package. But, like the entertainer

motorcoaches, due to COVID-19 and the cancellation of tours, sports and entertainment events, this segment of the industry is almost entirely parked and has been for months, with no to limited expected recovery within the next 12 months – even with a smooth vaccine process.

In short, ABA and its members have been at the center of the COVID-19 “storm.” The cancellation of entertainment events, including concerts and tours, theatrical productions, sports schedules and more, compounded by broadly publicized warnings against using public modes of transportation, and government directives limiting movement, is taking a serious toll on the collective motorcoach industry. Because the motorcoach industry is dominated by small entrepreneurial businesses, 95 percent of which are privately owned family businesses who operate on very thin margins, it was not prepared to withstand this unprecedented, significant economic downturn. For comparison, the current situation is far worse than the downturn following the tragic events of September 11, 2001, and the industry’s condition continues to deteriorate as we head into the slow winter season for the industry. Following 9/11, although fear of travel was a factor, it was focused on air travel and travel to larger urban areas. Travel did continue by other modes and to other venues and it returned to “normal” in a much shorter period of time.

We are hearing daily from our members who are struggling to survive and are seeking a bridge to recovery, which at this point we believe is at least 12 to 24 months away. In the interim, we note that the Administration’s and Congress’s efforts to assist have fallen short for our industry. The motorcoach industry is a capital-intensive business with more than 60% of the costs tied to equipment, facilities, insurance, and other fixed costs that companies must continue to pay despite the lack of passengers and income. The Paycheck Protection Program (PPP), although well-intentioned, reached about 10-20% of our membership and only provided short-

term assistance. The PPP money was quickly spent to bring employees back although there was no possible work, and the PPP program provided no relief from the burdens associated with the capital-intensive nature of the industry. The Main Street Lending Program, also well-intentioned, was delayed in implementation and the requirements are too steep for most struggling companies seeking a lifeline for survival. At this point, targeted financial assistance to bridge the industry through this crisis is necessary for it to survive.

We need Congress to act and include the Coronavirus Economic Relief for Transportation Services Act or CERTS Act, or other direct financial assistance in a COVID-19 relief package before the end of the 116<sup>th</sup> Congress. As background, the CERTS Act provides direct relief for private motorcoach, school bus and passenger vessel industries and now has 59 bipartisan co-sponsors in the Senate (S. 4150), and over 270 bipartisan co-sponsors in the House (H.R. 7642), which is 60% of the entire Congress and more than any other relief bill that has been proposed – and both bills continue to gain support as members start comprehending the extreme circumstances facing the motorcoach industry. The supporters include bipartisan leaders in both chambers, including chairman and ranking members of appropriations and authorizing committees.

All sectors of the motorcoach industry provide vital transportation services to not only the entertainment industry, but to the larger national transportation network. The motorcoach industry also provides sustainable employment for hundreds of thousands of workers, both directly and indirectly. As well, One third of motorcoach companies provide critical school bus service, and those operations of our members have also been harmed by school districts refusing to pay contracts during school closures in the spring and continuing this fall.

The motorcoach industry also serves this country in times of crisis, moving people out of harm's way, such as evacuating citizens during hurricanes and wildfires, and serving as component of our national defense by moving our military and their equipment for training and deployment and protecting critical infrastructure. A robust motorcoach industry is an essential element to the recovery of the live entertainment industry, as well as the entire national economy. If this industry fails, the effects will be devastating. The industry's failure will exacerbate the unemployment burden and reduce transportation capacity nationwide, and will reach beyond the immediate industry to the related supply chains, affecting manufacturing , financial services, tourism and beyond. For these reasons, an immediate investment in bridging the motorcoach industry through this crisis will yield a more long-term and sustainable outcome for the national economy.

We need your leadership now and urge you to work with your colleagues in this body and the U.S. House of Representatives to negotiate another COVID-19 relief package with the inclusion of the CERTS Act. This legislation provides the direct economic assistance the motorcoach industry needs. The latest \$908 billion proposal offered by a bipartisan, bicameral group of members included \$8 billion in funding based on the CERTS Act language, and has broad support in both Chambers. The ABA strongly encourages members of this Subcommittee and all Senators and Members of Congress to pass a bipartisan package of this nature, that includes \$8 billion for these severely impacted industries including the motorcoach industry, before the end of this Congress.

Thank you again for the opportunity to testify today before this Subcommittee. In sum, we need Congress to provide dedicated funding for motorcoach, tour, and travel industry



businesses. Timing is critical, and ABA stands ready to assist Congress and this Committee in any capacity.