



December 9<sup>th</sup>, 2020

Honourable Chrystia Freeland  
House of Commons  
Ottawa, ON K1A 0A6

Sent via email: [Chrystia.Freeland@parl.gc.ca](mailto:Chrystia.Freeland@parl.gc.ca)

Dear Minister Freeland,

As a follow up to our letter sent November 23<sup>rd</sup>, 2020 we are pleased to see the federal government acknowledge the need for financial aid for the hardest hit sectors. The Highly Affected Sectors Credit Availability Program (HASCAP) will be a significant source of relief for many of our partners in the travel and tour industry. While we have concerns with respect to whether the HASCAP will apply to the motor coach industry as a key player in travel and tourism, these concerns are offset by the fact that the motor coach sector does not stand to benefit from additional loans even if guaranteed by the government. The motor coach industry has experienced a nearly 100% loss of revenue since March 2020 and is in urgent need of grant funding, not repayable loans.

Motor Coach Canada members operate both charter buses and scheduled transportation services across Canada. With ridership numbers at an all time low, scheduled service operators have been operating at a loss since March 2020, and charter operators are virtually non-operational. As mentioned in our earlier letter, with travel and tourism, groups and gatherings, weddings and events, sports and leisure all halted by the COVID19 pandemic, the motor coach sector has been decimated. While hotels, restaurants, and tour oriented venues have been altering operations in an effort to generate at least some small degree of revenue, this simply isn't an option for the motor coach industry, a sector that relies on both travel and groups; two key factors in risk associated with COVID19.

Organized group travel ensures that likeminded people are transported in a safe, efficient, affordable, and environmentally responsible manner. While other transportation sectors such as trains and planes garner far more media attention for the plight of the industry, the motor coach sector is often overlooked, yet motor coaches provide a critical role for Canadian communities. A recent survey of our members indicated that 92% of motor coach operators have experienced between 75% - 100% drop in revenue since March. Many of these are family run businesses. More than 83% anticipate going out of businesses in the next six months unless the federal government is prepared to offer financial assistance, and more debt is not the solution.

The motor coach sector has experienced a loss of \$542.52 million since March 2020. Half of our members have had to let go of 100% of their part time employees. Small businesses (those employing less than 20 employees) have experienced anywhere from 84% – 100% full time employee lay-offs. With no revenue for 2020 being generated and no travel and tour business on the horizon, our members simply cannot afford to keep their staff in place and cannot take on more debt.

The Canada Emergency Commercial Rent Assistance (CECRA) has been helpful, with 30% having benefitted, but the recent changes that only allow 25% top up for businesses located in lockdown regions has severely impacted our members' ability to take advantage of this program. Unfortunately, for motor coach operators, where the business is located has nothing to do with their ability to generate revenue and pay bills. For our members, the business is mobile, moving from city to city, and town to town. Without people moving, and moving in groups, there is no revenue to pay the rent regardless of where the head office is located.



The Canada Emergency Business Account (CEBA) has also helped with 55% of our members taking advantage of that program. However, more debt is not an option for motor coach operators and the CEBA was only so helpful in providing some immediate liquidity.

The Canada Emergency Wage Subsidy (CEWS) was the biggest benefit to members, with 72% taking advantage of that program. Our members will continue to use the program to keep as many staff on payroll as possible. For many, the CEWS has been touted as the single biggest factor in their ability to remain in business up to this point.

Unfortunately, with no sign of increased travel, or social gathering restrictions being lifted, there is very little optimism on the horizon for this sector. Even the emergence of vaccinations will take some time to restore travel to the motor coach sector. As such, the fatal outcomes forecasted for this industry over the next year cannot be overstated.

In our previous letter, we asked for assistance from the federal government through three immediate initiatives, the first two being continuation of the Canada Emergency Wage Subsidy at 65% for the motor coach sector, and access to the Canada Emergency Commercial Rent Assistance (CECRA) program, including access to the additional 25% top up for the motor coach sector.

Today, in light of the federal government's acknowledgement of the impact of COVID to the hardest hit sectors, we are pleading for financial support in the form of grants for our sector. We are seeking financial aid in the amount of (up to) \$39,500 per motor coach. Working with our members, we have determined this is the cost of a motor coach sitting idle for 6 months. A grant of this nature would demonstrate that the federal government recognizes the critical role motor coaches play to Canadian travel and tourism, the economic sustainability of local communities and community groups and the critical role of motor coaches in connecting people particularly the vulnerable, those in rural in remote locations, those with accessible transportation needs, and low or fixed income persons and families.

I look forward to hearing from you to discuss possible options to provide financial aid to our sector and mobilize coaches and drivers to deliver vaccinations, whether flu or COVID19, to all Canadians.

Please contact me at [jennifer@motorcoachcanada.com](mailto:jennifer@motorcoachcanada.com) or directly at (613) 455-6121 or on my mobile at (416) 845-8579.

Thank you in advance for heeding the calls of our sector for immediate and direct assistance.

Kindest Regards,

Jennifer Fox  
Vice President  
Motor Coach Canada

cc: The Right Honourable Justin Trudeau Prime Minister's Office  
The Honourable Marc Garneau, Minister of Transport  
The Honourable Mélanie Joly, Minister of Economic Development  
The Honourable Mary Ng, Minister of Small Business, Export Promotion and International Trade  
The Honourable Catherine McKenna, Minister Infrastructure and Communities