

December 11<sup>th</sup>, 2020



Honourable Lisa MacLeod  
Ministry of Heritage, Sport, Tourism and Culture Industries  
6th Floor, 438 University Avenue  
Toronto, ON M5G 2K8

Sent via email: [Minister.MacLeod@ontario.ca](mailto:Minister.MacLeod@ontario.ca)

Dear Minister MacLeod,

On December 3<sup>rd</sup>, you announced funding to help support the Ontario tourism sector by establishing the Tourism Economic Development and Recovery Fund. We applaud you for recognizing the significant impact the COVID19 pandemic has taken on travel and tourism. I'm writing to you today on behalf of Ontario Motor Coach Association, to seek specific funding from the Tourism Economic Development and Recovery Fund in the form of grants for the motor coach group travel and tour sector.

Our members are in dire need of grant funding to keep their businesses alive. The alternative is mass bankruptcies within our sector, across the province. The Ontario Motor Coach Association represents motor coach operators and tour operators providing scheduled service, chartered bus service and organized tours throughout Ontario, and across provincial and international borders. It is with some urgency that I reach out to you today to ensure that the motor coach group travel and tour sector, are not forgotten in the slew of need being expressed by all sectors. Out of the \$4.4 million dedicated to tourism by the province, \$1 million should be specifically dedicated to motor coach and tour operators in Ontario.

While it goes without saying that 2020 has been a year of extraordinary challenges for Ontarians and so many industry sectors are struggling to weather the storm of uncertainty, perhaps nowhere is this felt more than tourism, and specifically within the motor coach industry. Travel and tourism, groups and gatherings, weddings and events, sports and leisure have all been halted by the COVID19 pandemic. The motor coach sector is the lifeblood of these events. We transport the people to and from airports, concerts, hotels, venues, sporting events and so much more. Our tour operators promote and sell Ontario. While many hotels, restaurants, venues, galleries and other tour related venues may have managed to shift or alter 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.

Motor coaches provide a critical role for Ontarians and their communities. Organized group travel ensures that likeminded people are transported in a safe, efficient, affordable, and environmentally responsible manner. Local community groups, seniors, children, amateur and skilled sports clubs and teams, family reunions, weddings, funerals, school trips, recreational tours and travel, including international visitors, are all reliant on motor coaches for transport. 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. Even amidst the challenges of COVID19, airlines are still generating revenue, as essential and business travel are supporting some flight routes. Rail travel is also still occurring, as trains can accommodate social distancing measures. By contrast, the charter bus industry is not operational. In fact, a recent survey of our members indicated that 92% of motor coach operators have had revenue



decrease between 75% - 100% over the last six months. These companies are not doing any business, whatsoever. Motor coaches are sitting idle.

The impact to our sector is taking its toll on our employees as well. Half of our member companies no longer employ any part time employees. Small businesses have experienced a 76% - 100% drop in full-time employees since March 2020. With no revenue and no business on the horizon, our members simply cannot afford to keep their staff in place, even with the available government supports thus far.

With travel restrictions in place, social circles limited, gatherings discouraged and no public events like festivals, concerts, or professional sports taking place, the charter bus industry has been all but decimated. The motor coach and tour operators we represent are unique in that many are family run businesses that have been in the industry for decades passed down from generation to generation. These family run businesses are facing closure. Some have shut their doors permanently and more than 83% anticipate going out of businesses in the next six months unless drastic measures are taken by the government to provide financial aid. Many have put their life earnings into their companies in order to support their staff and keep their business afloat, but now these funds are drying up and they will be left with nothing.

Our members have taken advantage of the programs already made available by the government, including 30% leveraging the Canada Emergency Commercial Rent Assistance (CECRA) program, 55% leveraging the Canada Emergency Business Account (CEBA), and 72% leveraging the Canada Emergency Wage Subsidy (CEWS). Unfortunately, with no sign of increased travel, or social gathering restrictions being lifted, there is very little optimism on the horizon for this sector. The dire outcome forecasted for this industry over the next year cannot be overstated.

In terms of the magnitude of the impact of COVID to the group tour and motor coach sector across Canada, the financial loss for our members totals \$542.52 million since March 2020. While the federal government has introduced the Highly Affected Sectors Credit Availability Program (HASCAP) for the hardest hit sectors, more debt is not a solution for the vast majority in our sector. Many business that operate in the tourism sector have ability to “pivot”, operating with reduced capacities at venues, restaurants offering delivery, hotels offering social distanced accommodations. This has allowed some businesses in tourism to generate at least a small degree of revenue, but the motor coach group travel and tour industry simply doesn’t have the same ability based on the business conditions in which we operate. Our members are in desperate need of grant funding and we are asking for your help. Out of the 4.4 billion earmarked for the tourism sector in Ontario, we are asking for \$1 billion of that to be dedicated to motor coach and group travel and tour operators in the form of non-repayable grants. A grant of this nature would only be a small step toward offsetting the catastrophic impact of ten months of operating with ZERO revenue and could make the difference between keeping the business open with an eye to recovery or closing the business permanently.

To demonstrate our commitment to Ontarians, and our communities we recently offered motor coaches and drivers to the province as “mobile flu shot clinics”, allowing the province to ensure that the most vulnerable and those in remote and rural areas would be able to get their flu shot. We stand by this offer to help our fellow Ontarians and are prepared to mobilize coaches to meet the need. Ontario Motor Coach Association members are committed to helping the government of Ontario, but in turn, we also need your help.

Recently the province of Ontario released its provincial budget that includes a personal income tax credit for travel within the province. Ontario is using the slogan “2021 the year of the Staycation” to help promote travel within Ontario. We have asked the Government of Canada to implement a similar personal income tax credit, up to \$5000 per person for any travel expenses within Canada involving a



motor coach. We would appreciate your support in this regard as this tax credit could be applied to the transportation ticket, or the cost of a tour booked involving a motor coach, and other associated travel costs, such as hotels and restaurants. This stands to benefit Canadian businesses in the hardest hit sectors of travel and tourism with a specific benefit to the environmentally sound, safe and efficient travel on a motor coach. This is an initiative that works with industry to help stimulate economic recovery and move past the pandemic that has so deeply affected us all.

We look forward to working with your government to be sure that funding from the Tourism Economic Development and Recovery Fund is specifically earmarked to help our members survive the next few months and be there to support Ontarians when travel safely resumes once again.

Please contact me at [jennifer@omca.com](mailto:jennifer@omca.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  
Director, Regulatory Affairs  
Ontario Motor Coach Association