



# Written Submission for the Pre-Budget Consultations in Advance of the Upcoming Federal Budget- 2022

**Updated: January 2022**

**Submitted by:**

**Vince Accardi, President of Motor Coach Canada, and the Ontario Motor Coach Association**

## Summary List of Budget Recommendations

1. ***EXPAND WAGE AND FIXED COST SUPPORT PROGRAM UNTIL THE END OF SUMMER 2022.***
2. ***INTRODUCE A SPECIFIC ECONOMIC RELIEF PROGRAM FOR MOTOR COACH TRANSPORTATION SERVICE PROVIDERS***
3. **REDEVELOP A NATIONAL COAST TO COAST MOTOR COACH TRANSPORTATION NETWORK**

**About Motor Coach Canada (MCC)** MCC is a national association representing motor coach and tour operators in Canada. MCC represents the interests of motor coach tour operators and bus operators supplying scheduled, charter, private transit, and tour services.

**About Ontario Motor Coach Association (OMCA)** OMCA is comprised of motor coach operators providing scheduled and charter transportation services in Ontario as well as tour operators, tourism businesses, and destinations.

### **Our Motor Coach Members:**

- are mostly small to medium size, family-owned businesses that have been in the industry for generations.
- are essential in connecting cities, towns, and rural communities across Canada.
- are essential to tourism sector recovery
- provide group travel services for seniors, students, and organized groups
- provide anchor services to business meetings, festivals, sports, and attractions
- provide the most cost-efficient and environmentally responsible means for organized groups to travel. This includes amateur sporting teams, tour groups, universities, colleges and schools, community groups, and seniors' groups.
- provide the most environmentally responsible way to travel. Each motor coach on the road potentially removes 56 passenger vehicles. This improves the lifespan of infrastructure, enhances safety by reduced traffic volumes, improves congestion, and reduces GHG emissions.
- service passengers that largely rely on scheduled services. Often fixed-income families, students, the elderly, and those in remote and rural communities.

### **Services beyond Tourism and Transportation**

MCC and OMCA motor coach members provide regular emergency services to Canadian. During the pandemic period members have provided:

- Flooding evacuations transportation in BC and ON
- Transportation for first responders and medical staff
- Wildfire support for rural communities
- Rail and Airline emergency passenger transportation

## The Economics

The Tourism Satellite Account (TSA) breaks down tourism demand by the product that tourists are spending money on. Transportation accounts for 37% of total tourism demand in Canada. The bus component under transportation in the TSA covers urban transit, interurban bus travel, charter bus services, shuttle services, and sightseeing by bus. The contribution of this industry accounts for nearly 900 million dollars to Canada's economy. 37% of which is domestic demand, 7% is interprovincial and 56% is international demand. Yet Canada's National Tourism Indicators (NTI) shows a dramatic drop in demand.

Both the TSA and NTI pull out the tourism revenue component from the Statistics Canada - Canadian Passenger Bus and Urban Transit Industries Survey. In their June 3, 2021, data release, Statistics Canada indicated that it will be a "bumpy road ahead." Measures to combat COVID-19, including travel restrictions along with the temporary closures of businesses and schools, have hampered the Canadian passenger bus and urban transit industries. First, charter, airport, scenic, and sightseeing bus services are all down drastically, and school busing is also hurting. Then, Greyhound Canada announced in May 2021 that it will no longer offer domestic intercity service in Canada because of the pandemic.

## Canada is calling for Support

**The Federation of Canadian Municipalities (FCM)**, recent Municipal solutions for Canada's 44th Parliament report is seeking federal leadership on the deepening crisis in inter-community passenger bus services.

**The Federal Pathway to Address Missing and Murdered Indigenous Women, Girls, and 2SLGBTQIA+ People, National Action Plan** calls for the urgent need for more safe spaces, shelters, transition housing, and safe modes of transportation in remote areas.

**Destination Canada's** new report, **Tourism's Big Shift: Key Trends Shaping the Future of Canada's Tourism Industry**, identifies the Lack of Access & Reduced Transport Connectivity as a major barrier to connecting travellers with their destinations. DC's report states that ground transportation is increasingly limited across the country, creating challenges to the movement of travellers once in-destination.

## Budget Recommendations

On January 20<sup>th</sup>, 2022, the Canadian Council of Tourism Ministers (CCTM) committed to pursuing shared objectives of 1. collaborating to address the challenges posed by workforce shortages; 2. addressing access to destinations; and 3. promoting economic growth for the entire tourism sector, specifically sustainable tourism, events, and Indigenous experiences.

In 2021 the Government announced new public transit investments to build strong communities, fight climate change, and create new jobs across Canada. This \$14.9 billion budget is allocated for public transit projects over the next eight years, which includes permanent funding of \$3 billion per year for Canadian communities beginning in 2026-27.

To support the CCTM objectives for Tourism's economic recovery MCC and OMCA suggested that the budget 2022 provides a 5% carve-out in federal transit investments to directly support private motor

coach operators. Most Canada's private sector transit service providers currently do not receive support through federal/provincial transportation transfers, nor do they benefit from GST/HST fuel rebates, and yet play a vital role in connecting communities. They offer 100's of thousands of kilometers in nonsubsidized routes and are often the only mode of transportation into rural tourist destinations and communities. By their very nature they are the most environmentally responsible mode of road transportation. Federal leadership is needed to shore up the motor coach sector by:

- **INTRODUCING SPECIFIC ECONOMIC RELIEF FOR MOTOR COACH TRANSPORTATION SERVICE PROVIDERS** Countries around the world are safeguarding their motor coach sector. The U.S. Department of Treasury introduced a Coronavirus Economic Relief for Transportation Services (CERTS) Grant Program in the spring of 2021 that provided grants to eligible motor coach companies and other transportation service providers that have experienced annual revenue losses of 25 percent or more because of COVID-19. Canada must do the same to safeguard against the total collapse of this affordable and environmentally sustainable ground transportation service.
- **REDEVELOPING A NATIONAL COAST TO COAST MOTOR COACH NETWORK** to reconnect communities and Canadians no longer serviced by bus or train or cut off from essential services. Motor Coaches provide Canadians with an affordable, safe, and environmentally responsible way to connect our country. Currently, Canadians in many rural communities are cut off from essential ground transportation services. Canadians have lost their ability to travel from coast to coast on a single ticket, via affordable and environmentally sustainable mode of transportation.
- **EXPANDING WAGE AND FIXED COST SUPPORT PROGRAM UNTIL THE END OF SUMMER 2022.** The cliff effect on subsidies and current program end dates jeopardizes motor coach and tourism business across Canada. Program extensions will provide support to hardest hit businesses in our industry and represents a minimal risk for the government. In fact, over 95% of the economy has experienced recovery, and only sectors that are truly the hardest hit would remain eligible for support.

## Supporting Canada's Tourism Sector

Motor Coach and group travel have provided rural communities the opportunity to grow and benefit from tourism. Motor coach travel presents visitors with the opportunity to get off the beaten path and explore the lesser-known parts of the country, most often during the off-peak seasons. Group travel connects urban and rural destinations for spectacular fall colors and rugged northern landscapes. We draw international and domestic tourists to destinations not serviced by air or rail and connect visitors to landscapes, skiing, sports tournaments, festivals, events, and so much more.

Canada is a country of large spaces and breathtaking nature. Supporting Canada's Motor Coach sector is an investment in rural and remote areas which will create middle-class jobs and new economic opportunities in these communities. It will help entice domestic and international tourists to visit lesser-known parts of the country. Consistent with the aims of the Rural Economic Development Strategy and Canada's Tourism Growth Strategy, this will help rural communities build on their strengths to transition to a more diverse economy through strategic planning.

## Conclusion

Canada's competitiveness and economic recovery relies on all tourism and transportation industries working with the government to ensure that policies set up our sectors to thrive. Group tourism and motor coach transportation were devastated by the pandemic and although our sector may not be doing well now, with government support and leadership, employing a whole-of-government and Covid business lens approach to policy, we can ensure that our sector is able to recover and thrive. Canada needs to ensure that an affordable and environmentally sustainable motor coach transportation network is available to connect Canadians and visitors to communities.