

**STATEMENT OF VICTOR S. PARRA  
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AND ON BEHALF OF NTA (FORMERLY THE NATIONAL TOUR ASSOCIATION)  
HOUSE NATURAL RESOURCES COMMITTEE  
UNITED STATES HOUSE OF REPRESENTATIVES  
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Chairman Hastings, Ranking Member Markey, Members of the Committee. We appreciate you calling this hearing today and the opportunity to appear before the Committee and represent the motorcoach travel and tourism industry in my testimony. All too often the travel and tourism industry is ignored for its contribution to the American economy. Travel professionals represent real careers, restaurant and hotel workers represent real jobs, hotels and entertainment venues represent real capital investments and motorcoaches represent real infrastructure. Our participation today before this Committee to discuss this important subject recognizes our vital role and we welcome the opportunity.

On behalf of the United Motorcoach Association (UMA) and the travel professionals of the NTA (formerly National Tour Association), it is my goal to provide the Committee our perspectives on bus and motorcoach tourism, and how the current state of fuel costs impact group travel. I can think of few segments of the economy that are impacted as significantly by the availability and cost of fuel and the impact they have on economic growth and job creation.

Founded in 1971, the United Motorcoach Association (UMA) is the nation's largest association of bus and motorcoach companies and industry suppliers with over 1,200 members located across North America. Our Members represents the full spectrum of bus and motorcoach operations; from small family charter and tour - to nationwide scheduled and commuter service operations. The United States Small Business Administration estimates over 90% of all privately owned bus and motorcoach companies meet the definition of "small business."

NTA is the leading business-building association for professionals serving travelers to, from and within North America. NTA members are the tour operators who create packaged travel and the elements that comprise it: representatives of transportation companies, hotels, restaurants and attractions, along with tourism offices and visitors bureaus. More than 90 percent of NTA tour operators are headquartered in the United States, and more than half package travel into North



America from abroad. They represent 700 professional tour operators, 600 destinations, 42 countries, \$6.5 billion in annual sales, serving 11 million travelers.

Today's modern motorcoach represents a financial investment of over \$500,000; with many now approaching \$600,000. Industry wide, we provide 723 million passengers trips annually, connecting people every day to essential jobs, careers, education healthcare and tourism. Here are some additional statistics that may help this committee understand the full scope and reach of the motorcoach industry:

- 35,026 motorcoaches.
- 34.0 average number of passengers per service mile.
- 20,642 passenger trips per motorcoach.
- 1.675 million passenger miles per coach.
- 58.562 billion annual passenger miles.

Motorcoach tourism is an economic powerhouse generating nearly \$ 112.7 billion annually in total economic activity for the United States economy.

- A visit by a one-day motorcoach group leaves from \$2,536 to \$4,563 in a destination's local economy.
- A visit by an overnight motorcoach tour group leaves from \$5,094 to \$11,264 in a destination's local economy.
- A visit by a two-night or more motorcoach tour group leaves from \$9,021 to \$16,080 in a destination's local economy.

As an example, the Washington DC region cited the hospitality business as the reason for the 5.6% drop in unemployment. The region added 28,700 jobs in 2011, driven largely by new hotels and restaurants. "More tourists' means more jobs here," said a spokeswoman for Destination DC. Another recent analysis of Washington, D.C.'s Union Station found that motorcoach tourism represented approximately one-third (\$32 million) of their annual retail sales in that single location.

While popular motorcoach destinations include the obvious: Washington, D.C., New York City, and Orlando, FL ; motorcoach tourism is vital to less obvious destinations such as Lancaster, PA, Pigeon Forge, TN, and Branson, MO where motorcoach tourism is a mainstay.

Travel and tourism is one of only a few industries that possess a positive balance of trade. In 2010, 55.7 million visitors from countries around the world arrived on our shores to visit the great destinations and attractions we offer. It is safe to say the motorcoach travel played an important role in some part if not all of their stay. Motorcoaches routinely carry international tourists to our cities, rural America and our incomparable National Park system.

Travel and tourism supports 14 million jobs and \$188.3 billion in wages, ranking number five in overall employment in the United States. It is among the top 10 employer in 48 states and the District of Columbia.

Our industry impacts the business of tourism and also has a very positive impact on the environment. A recent study by the Union of Concerned Scientists ("Getting There Greener: The Guide to Your Lower-Carbon Vacation") concluded with the following statement: "It's plain and simple: buses are the low-carbon travel champ. On a per-passenger basis, buses emit less than one-sixth the carbon pollution of a typical car with one passenger. Put another way, every person who chooses motor coach travel instead of driving alone reduces his or her carbon dioxide emissions by an average of 85 percent. Moreover, each motor coach has the potential to remove as many as 55 autos from the highway, reducing congestion." And the news gets better; motorcoach engines manufactured today emit less NOx and particulate matter than those manufactured just fifteen years ago. For comparison, it would take approximately 8 of today's diesel engines to equal the NOx and particulate matter emissions from one vehicle manufactured in 1987. In effect, the motorcoach can be considered the ultimate high occupancy vehicle (HOV) by removing cars from our Nation's highways, thus reducing congestion and creating efficient use of our Nation's already crowded highway system.

While the modern motorcoach industry is carbon-friendly, safe, and an economic powerhouse for jobs, tourism and tax revenue; make no mistake, similar to other modes of transportation (airlines, transit, trains and trucking), fuel is not an option but an absolute necessity. Fuel must be available in dependable and affordable supplies to avoid trip cancellations or offerings, reductions in employment and loss of capital investment. Erratic supply and pricing simply inhibits confidence in the market.



In April 2002 the average national price of diesel fuel was \$1.32 per gallon. In 2002 the cost of fuel represented approximately 10% of an operators cost. With the cost of fuel tripling in just ten years, motorcoach travel and tour professionals are challenged to offer affordable domestic travel. It should be noted that approximately two-thirds of motorcoach travel passengers are either budget conscious student or senior citizen groups. It is also noteworthy that many trips are packaged (including pricing) and offered up to a year before departure. The inability to collect additional revenue often requires the cancellation of many trips; causing a ripple effect of hotel restaurant and entertainment venue cancellations. Of course retail shopping, tourists' favorite activity is adversely affected as well.

As major consumers of fuel, we understand the complexities of the supply chain; however, we also know that dependable supplies, affordable and predictable pricing of fuel is possible through appropriate supply combined with expanded or new refining facilities. Many experts estimate we will be using oil for many decades to come and there is ample supply to meet those demands. Policies averse to meeting the demands of a mobile society serve to negatively impact investment, employment and deny the confidence required to grow travel and tourism.

Most recently, UMA and NTA joined a coalition of tourism industry professionals that encourage development of national tourism strategy. As today's hearing highlights, energy needs to be part of that strategy. Further, because each motorcoach carries, on average, 34 passengers, we are also saving fuel every time we take a trip because of the number of cars we remove from the road. Furthermore, we recommend the House Natural Resources Committee consider policies that:

1. Alleviate energy shortages that force increases in fuel prices.
2. Encourage consumers to utilize motorcoach transportation when appropriate and feasible.
3. Create policies that support motorcoach travel including removing restrictions and facilitating motorcoach travel on our Nation's highways.

Mobility is sacred in our Nation. The ability to pursue choice of job, career, education and even that long dreamt vacation, hinges on our ability to travel. While alternative forms of energy in transportation are under development, and some may

hold promise, we must not sacrifice dreams for reality. Today, fuel and travel are synonymous; and, while we pursue advance technologies that maximize fuel utilization and reduce emissions, we must focus on short and long-term strategies that insure availability and affordability of the fossil fuel our nation needs for the decades to come.

In conclusion, UMA and NTA believe the travel and tourism industry is playing a vital – if at times underappreciated - role in our Nation’s economic recovery. UMA and NTA welcome the opportunity to submit this testimony and we look forward to working with this committee to harness American Resources to Create Jobs and Address Rising Gasoline Prices: Family Vacations and U.S. Tourism Industry.