

Remarks

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NAFTA Land Transport Conference

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Thank you. I am honored to be a part of this important meeting today with my distinguished colleagues and friends from Canada and Mexico. This is truly a historic event as we take the next step in bringing our three nations closer together by strengthening the ties that make us one of the world's most powerful trading blocks.

Moving people and freight across our borders more efficiently will create opportunities for the people of Mexico, Canada and the United States, to experience the best of what each country has to offer.

And the motorcoach associations of the North America are working together to share information that will allow our members to form the relationships that will in turn make that possible.

I want to commend U.S. Secretary of Transportation Norm Mineta and Assistant Secretary Read Van de Water as well as the Free Trade Alliance for all their efforts to put this conference.

DOT has certainly had a full plate of challenges to deal with over the past months: implementing a new transportation security regime in the wake of the September 11 attacks – a time when our friends in Canada and Mexico demonstrated great character by showing their support for our nation at a time that challenged us all as citizens of North America and that placed new burdens on all modes of North American transportation.

And in the midst of this new environment, the department is attempting to fulfill our nation's commitment to NAFTA and put in place the rules and procedures that will support that effort.

All this along with major transportation bills pending in Congress including the reauthorization of TEA-21, a historic piece of legislation that has transformed surface transportation policy, planning and funding.

Let me take just a few moments to provide a brief background on the American Bus Association and the industry we represent.

INDUSTRY BACKGROUND

ABA is the national trade association for the private intercity motorcoach industry. ABA member 800 motorcoach companies operate 2/3 of all the private buses in the United States and ABA has as members another 2,700 member companies that provide related services to the industry. Nearly all of our operator members provide charter, tour or commuter services and special operations, approximately 100 of our members provide regular route scheduled service.

All of our membership categories and many of our 3500 member companies include businesses in Canada and Mexico. The American bus industry is large and diverse. ABA's members provide service to over 4000 communities, often where no other form of intercity transportation exists and move more than 774 million passengers annually – more than the commercial airlines and more in two weeks than Amtrak moves in one year.

Another 2,500 ABA members include representatives of the travel and tourism industries.

We are a small business industry and small business is the backbone of the American economy. Small businesses account for more than 40% of the gross domestic product of the United States. Small business operators in ABA and the industry provide the majority of all trips and services.

We are also a major part of the U.S. tourism industry – an industry that employs one in eight working adults in the United States. Eighty percent of U.S. domestic tourism-related travel takes place on our nation's roads. And our industry is an economic engine for many local economies bringing groups to hotels, restaurants, entertainment venues, and retail establishments nationwide and throughout North America.

According to a recent study by George Washington University, an average overnight motorcoach trip leaves between \$5,000 and \$12,000 in a destination's economy.

When you consider that in Washington D.C. alone more than 7 million annual visitors travel throughout that city by motorcoach, you begin to understand the full impact of this industry's economic clout.

Crossborder Motorcoach Operations

The American Bus Association has long believed in the promise of NAFTA. Implemented fairly and safely NAFTA has the potential to dramatically increase already significant travel and tourism opportunities within North America. According to the US DOT's Bureau of Transportation Statistics, Canadians and Mexicans spent nearly \$15 billion for travel or fares to visit the U.S. and US travelers spent approximately the same amount in Canada and Mexico.

And in 2000 alone, according to BTS, more than 3 million passengers entered the U.S. by bus from Mexico and almost 5 million traveled by bus from Canada. Total recorded passenger roundtrips for all modes between the U.S. and Mexico and the U.S. and Canada has increased by more than five percent since 1999. While these numbers are impressive they may be largely understated and we expect that once the new NAFTA rules take affect, those numbers will rise at an increasingly rapid rate.

So there is much at stake to ensure traffic moves efficiently and passengers are well-served.

For the U.S. motorcoach industry, NAFTA means

- Lifting of crossborder access restrictions on charter, tour bus and regular route or scheduled service; and
- Increased opportunity to invest in bus companies based in the NAFTA countries.

U.S. and Canadian carriers have been operating in each other's countries for years. The Mexican market is new to us and we see both challenges and opportunities south of the border. But we have set a process in motion to begin to deal with those challenges and seek out those opportunities.

ABA Visit to Mexico

Last Spring ABA brought a delegation of U.S. operators and ABA staff to Mexico to learn about the Mexican bus industry.

We were very impressed with what we saw. Our colleagues at CANAPAT welcomed us with tremendous good will and hospitality and allowed us to tour their facilities. The scheduled service industry in Mexico is large and efficient. The terminals we visited were similar to small airport terminals in the U.S. And bus ridership in Mexico is more than triple that in the U.S.

Then we traveled to the border at Brownsville where we saw U.S. border enforcement officials at work. They are working hard to ensure safe and efficient border crossings.

We came away committed to ensuring that resources at the border are allocated in a way that provides at least an equal focus on freight and passenger travel. During our visit most of the emphasis seemed to be focused on trucks not on motorcoaches, but we understand that much of the focus is changing and we applaud FMCSA for its good work in this area.

Moving forward, though, there is much to be done to insure that the promise of NAFTA is achieved in a fair and equitable manner for all three countries. We at ABA are committed to that goal.

On our agenda for the future will be:

- Working with CANAPAT, our counterpart organization in Mexico as we have been doing for many years with our counterparts in Canada, to share information and provide opportunity for members to learn more about the culture, the market and the shared business opportunities in the NAFTA countries.
- Equitable implementation of the Motor Carrier Safety Improvement Act – legislation that provides a new safety and regulatory framework for our industry that should be applied equally to all carriers operating domestically on U.S. roads. Canada’s safety requirements for buses are nearly identical to those in the U.S. and vice versa.
- Insuring that any new rules relating to the heightened transportation security environment are implemented in a way that effectively deals with the threat but that is based on a thorough understanding of our complex industry and does not unnecessarily restrict travel. For example, recent legislation directed toward securing our borders calls for studying the feasibility of implementing a passenger manifest system for our industry – does that include crossborder charters to sporting events or shopping excursions where there is no ticketing mechanism? More importantly what are we to do when passengers board the bus at a stop that is just miles from the border and there is no opportunity to add the individuals to a manifest?
- We understand and support the intent but will work to insure that any recommendations fully consider the complexity of our industry’s operations.
- We will look forward to a future where new technologies are implemented in a way that speed border crossings but also provide thorough inspections of equipment, drivers, passengers and luggage.

- We will encourage the NAFTA governments to coordinate with an eye to harmonizing rules and regulations so that no one country's motorcoach industry is placed at an economic disadvantage to another country, keeping all prudent safety and regulatory protections in place.
- And there are many questions yet to answer...In a NAFTA framework, where do we stand on ADA compliance? Axle weight rules? Hours of Service, insurance and labor rule enforcement? Cabotage? Rules governing equipment manufacturing standards? Rules governing access to terminals and rules relating to movements in our country by foreign-based drivers are very important issues for our members. We hope to learn much more at this conference about these and other issues.

CONCLUSION

But we are here today to learn. And we are here with both old and new friends and old in an environment of camaraderie and new beginnings.

We have an open mind and we look forward to cementing new alliances based on trust and shared understanding.

Thank you for including us in your deliberations this week. I fully expect that we will meet again on the road ahead as we continue to uncover the full potential of NAFTA for crossborder transportation

You have ABA's commitment to be a hardworking transportation, tourism and business partner along the way.