



# Motorcoach Association of South Carolina

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[www.scmotorcoach.org](http://www.scmotorcoach.org)

## **Preventing Subsidized Competition**

As the South Carolina Legislature and respective Agencies work through budget issues and consider alternatives to the current manner of school bus transportation for the children of South Carolina, we request those decision makers please consider the impact on the many small family businesses that make up the private bus industry in our State.

There are current laws and regulations that prohibit or restrict government entities from using tax dollar subsidies to compete with private companies. These laws and regulations are in place to ensure that private businesses, especially small businesses, are provided a business environment within our State to grow their businesses and, therefore, further contribute to our State's tax base.

We, the MotorCoach Association of South Carolina (MCASC), are not opposed to the outsourcing of school bus transportation to private for-hire carriers. In fact, we are always looking for opportunities to expand our local community businesses. However, we are concerned with the current methodology. The current methodology has no restrictions or limitations on the scope of operations by a private for-hire carrier who is awarded a school bus transportation contract. The unintended consequence of the current methodology is the creation of a negative business environment of subsidized competition.

We, the MotorCoach Association of South Carolina (MCASC), support laws and regulations that will limit and/or restrict the scope of operations of private for-hire carriers who receive tax subsidies from competing with private for-hire carriers who do not receive tax subsidies. We support a business environment that will enable the small private for-hire carriers to thrive and grow their local family businesses.



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## Importance of FMCSA Safety Ratings

The Federal Motor Carrier Safety Administration (FMCSA) rates the safety fitness of all private for-hire common carriers. This information can be found on their website at [www.fmcsa.gov/safer](http://www.fmcsa.gov/safer). The FMCSA awards three ratings based on their findings during a safety compliance review. Those safety ratings are unsatisfactory, conditional and satisfactory.

A company which is found not to be in compliance Federal Motor Carrier Safety Regulations (FMCSR) will be awarded an **unsatisfactory** rating. For passenger carriers and HAZMAT carriers, this rating will also be accompanied by an order to cease operations until such time as the company is found to be in compliance with the FMCSRs.

A company which is found to have some deficiencies, but in general is in compliance with the FMCSRs will be awarded a **conditional** rating. This rating indicates that the company needs to make some improvements in their safety program in order to comply with the federal safety standards. Passenger carriers with this rating are allowed to continue operations.

A company which is found to be in compliance with the FMCSRs will be awarded a **satisfactory** rating. This rating indicates that the company has sufficient safety programs and controls in place in order to comply with the federal safety standards. Satisfactory is the highest rating awarded by the FMCSA.

We, the MotorCoach Association of South Carolina (MCASC), support the requirement that any private contractor that is to be awarded a contract or is renewing a contract for any form of student transportation must have a **satisfactory** safety rating from the FMCSA as a condition of the award. We believe this position ensures that the students in South Carolina's public school system are afforded the services of the safest possible private for-hire carriers.