March 15, 2020

The Honorable Jared Polis
Governor of the State of Colorado
200 E Colfax Avenue
Denver, CO 80203

Dear Governor Polis:

First and foremost, we’d like to thank you for your aggressive initial response to the COVID-19 pandemic. We understand the severity of the situation and unequivocally support your efforts to mitigate its impact on Colorado’s people and economy.

While we do not want to impose on your time during this crisis, we write with great urgency to alert you to a situation that threatens the future viability of Colorado’s tourism sector: Given the immediate loss of business we’ve experienced from the COVID-19 pandemic – and compounded by the existing market challenges confronting our industry – we estimate that Colorado’s private transportation sector may collapse in 30-35 days.

We are not attempting to be alarmists. Our assessment is based on an audit of the operational condition of five of the largest carriers in the state. The audit was the product of an emergency meeting of the owners of those carriers in which we agreed to share private financial information and cooperate towards a solution.

Here is the data we gathered: All providers are 30 to 35 days away from financial collapse. Real business is down 85%, as is projected business for the next two months. Many drivers are unwilling to drive due to exposure risks, creating acute staffing shortages and financial strain. The pause in revenue is particularly dangerous because all of our companies depend on daily cash flow since we carry significant fleet debt and non-deferrable operating costs.

Given the massive investments in liability insurance required for our services, none of us could afford to purchase the kinds of general policies that would protect against revenue loss from these kinds of emergencies, so we have no clear avenues for private assistance beyond any voluntary programs implemented by our creditors.

Those of us who provide group transportation – which involves the use of buses and minibuses – face the daunting prospect of having to cover the full costs for those vehicles (and the CDL drivers who drive them) for the duration of this crisis without any revenue from those divisions (due to the mandated restrictions on group activities).

The potential impact of our sector collapsing is impossible to overstate: Every convention and group visiting Colorado would lose access to private shuttle transportation and limousine services. Every hotel would lose their transportation providers. The University of Colorado and other universities would lose transportation for their athletic teams. There would be no one to provide wedding, prom, and special event transportation. Companies would lose access to reliable car services and group transportation. Federal facilities would lose access to qualified contractors. Professional sports teams, musicians, the Stock Show, theater companies, and other entertainers would lose the motor coach services they depend on. Cities and counties would lose most of the contractors operating RTD routes, trailhead shuttles, and mobility transit services. There would no longer be shuttles to Red Rocks, camp and field trip transportation for children, or private ski transportation. Private bus service – including sightseeing tours – would cease to exist in our state.
In short, this collapse would fundamentally threaten Colorado’s ability to successfully host visitors.

While it may be tempting to believe that the transportation sector would eventually recover from such a collapse, this is where there are some significant wrinkles: In our meeting, there was unanimous agreement that none of us would build a transportation company again if we had to start it today. The onset of Uber & Lyft – with the unprecedented pricing pressure created by their willful loss of billions and their less burdensome regulatory regime – has already made it nearly impossible for us to be profitable. Compounding that with a recession would make it impossible to be viable.

In addition, qualified CDL drivers are very difficult to find, and losing them to other jobs now would mean potentially losing them forever. Driving is difficult, and those who do it for a long period of time acquire the experiential wisdom that drives our businesses. They create our customer experience, foster our corporate cultures, and train and inspire the next generation of drivers.

Our human capital is unique and irreplaceable, and rebuilding it from scratch would be impossible.

Finally, our companies depend on smaller transportation providers through a complex web of affiliate relationships. In that way, our sector has developed an organic and unique cooperation-competition model that doesn’t exist in any other industry and that promotes growth and trust across our ecosystem: We work together and depend on each other, so the failure of one company tends to impact the entire sector. These dependencies maximize efficiency and drive employment growth while allowing our companies to scale to meet seasonal demands. Losing them would threaten a reverse trophic cascade.

We’re a unique group. A diverse group. A proud group. We’ve all built companies against overwhelming odds, and we’ve received a continuing set of insurmountable challenges that never seem to abate. Some of us began as taxi drivers; others as dispatch. All of us risked everything and – in the essential sense – made our country proud. And yet, here we stand – all these years later – having to beg our state for help because we’re 30 days away from losing everything we’ve built.

Many in our industry have already collapsed (including two companies today) – as have our brothers and sisters in the taxi industry – and we have very little hope of ever regaining our competitive advantage.

The inertia of our historical efforts is the only thrust remaining in our engines.

We write to request your help in acquiring both federal disaster loan assistance and state financing (in the form of grants or other direct assistance) to help us meet this unprecedented challenge. In the longer term, we also request a broader conversation on the state of our sector and what the state can do to help us remain viable in the coming years.

We cannot overstate the urgency of our request: If assistance does not come within 30-45 days, it is very doubtful that our sector will survive. Not only would that wipe out a $150+ million dollar market in our state, but it would dramatically reduce Colorado’s capability to welcome and serve visitors of all kinds, threatening the foundational building blocks of our economy.

We sincerely appreciate your time and attention. Thank you for your service to our state.