

The Bailey family has been serving the travel needs of South-Central PA since 1933, I am proud that we are a third-generation company celebrating 88 years this year. Today our services consist of passenger transportation via deluxe Motorcoaches and Sedan/Van transportation to the region's airports and cruise ship terminals from New York to Washington DC transporting 130,000 passengers per year pre-Covid. Our maintenance facility in Spring Grove provides repairs and PA state inspection services to the public servicing vehicles from Tractor Trailers, Motorhomes to personal vehicles. With devastating reduction and loss of 95% of our business since March 15, 2020 we had to lay off 58 of our 60 staff people. I made a personal promise to pay the health insurance for the staff that we had to lay off. I needed a way to generate monies. We had been using a specialized Electrostatic sprayer for the past 3 years to disinfect our vehicles mainly against the spread of flu and colds. We took this one sprayer and a promise to the staff to provide health insurance. In 11 months, we have not only kept that promise but we have hired over 30 staff back and founded Baileys Zero Hazard-- a disinfecting company. We provide disinfecting services to businesses from Philadelphia to Baltimore and treat 3 million square feet each week. In addition to these services, we sell specialized sprayers and non-toxic solution in 17 states. Our non-toxic disinfecting solution is manufactured in Lewisberry PA. Our transportation business for many years has provided services for FEMA, the PA Turnpike, US Military and most recently the US Secret Service for the Presidential inauguration-- transporting essential personal and providing evacuations.

Since last March, the 3,200 mostly family-owned transportation companies like Bailey Coach have been driven to an almost complete halt. Over 500 companies have voluntarily cancelled their US DOT operating authority and without financial assistance soon industry sources estimate up to 50% of the remaining companies could go out of business this year.

Bailey Coach and many other transportation companies in PA, pay their drivers by the hour, along with a gratuity, these are taxable wages to the employee and the company. Under the proposed \$15.00 minimum wage proposed by the Governor this proposed increase will not only cause us to increase our rates to our customers but will force us to make other cuts in overhead expenses to remain in business. We pay our drivers by the hour when we transport your children or grandchildren to a sporting event or destination. Our drivers stay with the vehicle

and wait for the group to return to depart for home. It is not uncommon for a driver to get paid for 100-120 hours in a 2 week pay period.

By increasing the wage to \$15.00 per hour not only will it cause our payroll costs to increase, but we will have to pay an increase for our Workers comp insurance. In my case we pay \$6.00 per hundred in workers compensation coverage. If we have a \$2.00 increase in pay per hour for our drivers, this would be an additional cost of thousands of dollars to my company each month that we cannot afford. In the state of PA approximately 35,000 people are paid less than \$15.00 per hour. This increase would force me to reduce my staff and downsize my operation.

The proposed PIT Personal Income Tax increase from 3.07% to 4.49% would again increase costs to my company a Sub S Corporation. This will be taking monies from my bottom line that allows me to remain profitable and we must be profitable. Our equipment is very expensive-- the average cost of a new 56 passenger motorcoach is \$560,000.00 if we are not profitable the banks will not provide financing for our equipment needs. The Governor's proposal would benefit larger corporations in PA, but the lion's share of transportation businesses in PA are family-owned Sub S corporations.

In closing small business has suffered enough during the Covid crisis and we need the help of our legislators and the Governors office not additional burdens and taxes that could cause even more businesses to close their doors. I appreciate the time you have given to me today and I will answer any questions you may have.

John W. Bailey

The Bailey Family of Companies