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April 13, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20510

Re: Implementation of CARES Act and Potential Additional Federal
Legislation to Address Economic Distressed from COVID-19
Pandemic

Dear Senators McConnell and Schumer and Representatives Pelosi and
McCarthy:

The American Car Rental Association (ACRA) writes today to thank you and your colleagues for your expedited and broad legislative enactments to date in response to the COVID-19 pandemic. The enactment of the Families Coronavirus Response Act ("Families First Act") and the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") in March 2020 have addressed many of the individual and business challenges faced by American citizens and business entities as a result of the pandemic. For the 160,000 employees of the American car rental industry, however, more needs to be done to offset the impact of the pandemic and return our industry to sound financial footing.

ACRA is the national representative for over 98% of our nation's car rental industry. ACRA's membership is comprised of over 200 companies, including all of the brands you would recognize such as Advantage, Alamo, Avis, Budget, Dollar, Enterprise, Fox, Hertz, National, Payless, Sixt and Thrifty. ACRA members also include many system licensees and franchisees, mid-size, regional and independent car rental companies as well as smaller, "mom & pop" operators. ACRA members have almost 2.2 million registered vehicles in service in the United States, with fleets ranging in size from one million cars to ten cars.

Expansion of CARES Act Programs

Many ACRA members have taken advantage of the Payroll Protection Program (PPP) provisions in Title I of the CARES Act and the Main Street Program (MSP) established in Title IV of the CARES Act. However, in order for these programs to accomplish the greatest benefit for the American car rental industry and other impacted businesses, ACRA respectfully requests that Congress – if the CARES Act programs are revisited or revised in subsequent federal legislation – consider the following expansions to the CARES Act:

- Increased funding for the PPP so that all small businesses impacted by the pandemic can access the program;
- Extension of the time periods covered by the PPP And MSP programs, as well as the term of the loans under both programs, as it appears likely that the impact of the pandemic will be felt by the American economy far beyond the eight weeks provided for in the CARES Act and the economic recovery will be gradual; and,
- Authorization for covered entities to apply for more than one PPP and/or MSP programs to cover payroll and other expenses outside the covered period under the CARES Act.

CARES 2.0 or Additional Federal Pandemic Mitigation Legislation

Congress is considering additional legislation to move beyond the CARES Act program by advancing new and additional economic relief and stimulus policies. ACRA encourages Congress to consider the following new policies to promote the return of the nation's travel and tourism industries to full operation – and full employment – once the perils of the pandemic have been lessened substantially:

- Federal tax incentives to encourage Americans to start to travel again for business and leisure, such as a 20 percent tax credits for individuals and corporations when they book a plane ticket, reserve a hotel room, or rent a car;
- A vehicle buyback program to promote the purchase of new and late model vehicles and the retirement of older, less fuel-efficient vehicles

(stimulating the vehicle manufacturing, new car and used car industries), in conjunction with a program to purchase idled vehicles from car rental company fleets for use in government fleets;

- Protection for the travel and tourism industries from lawsuits alleging an individual contracted the virus during business or leisure travel;
- Federal pandemic business interruption insurance for all businesses, similar to the terrorism insurance underwritten by the federal government after 9/11;
- Federal funding of relief from Minimum Annual Guarantees under airport concession agreements for all airport concessionaires (food and retail vendors, parking lots, car rentals, etc.) in addition to the direct grants to airports under the CARES Act; and,
- Establishment of a travel industry “rainy day fund” to prepare for future major travel industry disruptions like 9/11 and this pandemic.

As the Administration and Congress consider options for federal assistance, please remember that the United States rental car industry is a full and complete partner with our other colleagues in the travel industry. ACRA's member companies and our employees look forward to working with you to craft meaningful relief.

Sincerely,



William Plamondon
President
American Car Rental Association

Advantage Rent A Car
Orlando, Florida