



P.O. Box 584
Long Lake, NY 12847

sfaulkner@acraorg.com
888.200.2795 Toll-Free

www.acraorg.com

April 28, 2020

The Honorable Corey Johnson
Speaker
New York City Council
City Hall Office
New York, NY 10007

Re: Opposition to Int. 1918 – 2020 by American Car Rental Association

Dear Speaker Johnson:

The American Car Rental Association respectfully opposes Int. 1918 – 2020 to provide premium payments to essential workers during the COVID-19 pandemic. While the proposal is well-intentioned, at least for car rental companies in New York City, enactment could lead to essential worker layoffs or furloughs – surely not the result the Council has in mind during the economic downturn that already has left millions in the City and throughout the nation without a job or applying for unemployment benefits.

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.

Many ACRA members, including several members of ACRA's Board of Directors, operate in New York City. Most of these ACRA members that are New York City car rental companies are classified as small businesses by the Small Business Administration and the City government.

Across the nation, the number of car rentals has dropped at least 50 percent in March and April -- and in some locations as much as 90 percent. Suffice it to say that many car rental companies, large and small, are struggling to meet their payrolls while also meeting their mortgage, rent and

vehicle-related debt obligations. At the same time, the U.S. Department of Homeland Security has designated vehicle rentals as “critical infrastructure businesses” that must be permitted to operate during the pandemic.

That is why it is almost ironic that Int. 1918 – 2020 would be introduced at this time. At a time when many ACRA small business and medium-sized members are seeking financial assistance from the federal government through the Paycheck Protection Program and the Main Street Program to avoid layoffs and furloughs of their employees and maintain employee benefit programs during this economic downturn, Int. 1918 – 2020 potentially would have the opposite impact – increasing payroll costs for car rental companies operating in the City and creating incentives for the very layoffs and furloughs the PPP and MSP are seeking to avoid.

Car rental companies operating in the City already have increased expenses from providing employees with personal protective equipment, employing extra cleaning and sanitation measures to their vehicles between rentals, and printing and posting signage to encourage social distancing at rental counters across the City and at the City's airports. Adding to these extraordinary costs by increasing payroll costs in the midst of the pandemic would be counter-productive and could in fact harm the financial situation of the City's car rental employees – not improve it.

As a result, ACRA respectfully urges the Council to oppose Int. 1918 – 2020 and to resist other well-intentioned proposals that will increase burdens on the City's essential pandemic response industries. If you have questions regarding ACRA's position, please do not hesitate to contact me.

Sincerely yours,



Sharon Faulkner
Executive Director