



December 15, 2022

The Honorable Maria Cantwell
Chair
Committee on Commerce, Science and
Transportation
United States Senate
Washington, D.C. 20510
Attn: Ronce Almond

The Honorable Roger F. Wicker
Ranking Minority Member
Committee on Commerce,
Science and Transportation
United States Senate
Washington, D.C. 20510
Attn: Michael Reynolds

Re: Reply to Request for Proposals for 2023 FAA Reauthorization Legislation

Dear Senators Cantwell and Wicker:

Thank you for requesting the input of the American Car Rental Association (ACRA) with respect to the 2023 FAA Reauthorization bill. We look forward to working with you and your staffs, as well as other interested stakeholders, in crafting a bi-partisan bill in the Senate.

ACRA's Role as The U.S. Car Rental Industry's Leader and Voice

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 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. As of January 1, 2022, ACRA members had almost 1.8 million registered vehicles in service in the United States, employed over 110,000 workers across the country, and had fleets ranging in size from one million cars to ten cars.

Sustainable Mobility, Airports and The Car Rental Industry

ACRA members on average purchase one in every ten new light duty vehicles sold in the United States each year. Twenty-five (25) percent of all light duty vehicle miles travelled in the United States each year are in a rented vehicle. Thus, the car rental industry is a key participant in the drive for sustainable mobility. In many instances, a driver's first experience in a zero emissions vehicle will be in the rental car context.

In addition, approximately 50 percent of all vehicle rentals take place at federally-assisted airports. Many of these airports own and operate the facilities at which car rental operations at the airport take place, including dozens of "Consolidated Rental Car Facilities" (CONRACs) across the nation. Combining all these factors,

the car rental industry likely is the most important shared mobility stakeholder for converting “motor vehicle trips” by an individual to “zero emission vehicle trips” – even more important than individually-owned vehicles.

Building on Existing Federal Sustainable Mobility Programs Through the 2023 FAA Bill

Policymakers, vehicle manufacturers and many mobility service providers have embraced aggressive motor vehicle fleet decarbonization and electrification goals. The 2021 Bi-Partisan Infrastructure Law (BIL) provided funds for the installation of hundreds of thousands of EV (and other alternative fuel) charging locations. The 2022 Inflation Reduction Act (IRA) authorized federal tax credits for the purchase of commercial EVs, including EVs for the fleets of car rental companies.

To date, however, the implementation of these sustainable mobility programs generally has largely ignored the huge sustainable mobility benefits that can be realized relatively inexpensively by “electrifying” the car rental facilities, including Consolidated Rental Car Facilities (“CONRACs”), at publicly owned airports. ACRA urges Congress to focus on, as an integral part of the 2023 FAA Reauthorization legislation, assisting airports prepare to be a critical location for eventually thousands of electric vehicles at their car rental facilities. .

Specific Policy Proposals for 2023 FAA Reauthorization Bill

- I. **“Land-Side” Electrification** -- ACRA urges the Senate Commerce Committee to consider the adoption of two innovative programs to promote the “electrification” of the “land” side of federally-assisted airports as part of the 2023 FAA Reauthorization bill. Funding for both of these programs must supplement funds targeted for the Airport Improvement Program (AIP) to avoid conflicts with existing short- and long-term airport improvement plans. Both of these programs would complement the sustainable mobility provisions in the 2021 BIL and the 2022 IRA laws and would further advance the transition from ICE to electric vehicles.
 - a. **Grid Infrastructure Readiness** – Federally-assisted airports presently are not connected to electric grid infrastructure with the capacity to support the charging of hundreds, and what will ultimately be thousands, of electric rental cars. The rental industry has unique charging needs due to the nature of customer demand in our market. Current turnaround times between rental customers is completed within minutes, including refueling the vehicles. Maintaining those customer expectations with fully or near-fully charged electric vehicles will require large scale fast charging, necessitating high-power capacity at often

relatively centralized locations. Even if charging infrastructure [in the form of the range and number of charge points necessary to support an airport's combined rental fleet] were in place, new or enhanced substations and transmission lines will be necessary to support those charge points that do not currently exist. This upgraded grid infrastructure can require several years of planning and must be undertaken proactively to bring power to the airports and airport rental facilities to support the scale of charging required. ACRA suggests a five-year, \$10 billion program under the 2023 FAA bill to fund such grid capacity readiness at federally-assisted airports.

- b. Rental Car Facilities Electrification – Virtually every rental car facility at federally-assisted airports, including CONRACs, in the nation is owned directly or indirectly by airport authorities or their governmental owners (not by private entities, such as ACRA members). In either situation, the vast majority of the land on which these operations take place at federally-assisted airports is owned by the airport. ACRA suggests a five-year, \$10 billion program under the 2023 FAA bill to: (i) identify charging infrastructure needs for rental car facilities, including charge points and all ground work needed to make them operational; (ii) equip the nation's top 200 federally-assisted airports to fund the infrastructure and EV charging equipment necessary to achieve electrification at rental car facilities. These EV charging facilities will not be open to the public, but will be owned by a governmental agency and will be used by a consortium of private car rental companies at each airport.
- II. Level Playing Field for All Airport Car Rental Companies – In general, car rental companies doing business at federally-assisted airports sign a concession contract and pay a concession fee to the airport equal to a percentage of the company's gross receipts. In recent years, however, so-called peer-to-peer car rental companies (a business model similar to AirBNB) have been renting cars without a driver for compensation at airports, but have refused to sign concession agreements. Several airports have been engaged in extended litigation with one or more of these peer-to-peer car rental companies over the past several years – and different and at times conflicting court decisions have left the status of these peer-to-peer companies and their operations on federally-assisted airports unsettled. Action by Congress in this area would settle the issue and relieve airports of the burden of litigating this issue on an airport-by-airport basis.

ACRA urges Congress to assist federally-assisted airports with requiring standard car rental concession contracts from peer-to-peer car rental companies doing business on the airports – whether as part of an airport's AIP grant assurances or through a modification of the anti-revenue diversion

provisions of existing federal law that would prevent federally-assisted airports from foregoing revenue from peer-to-peer car rental companies by signing contracts or agreements that provide less revenue than standard car rental concession contracts.

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Thank you again for asking for ACRA's input into the Committee's planning for the 2023 FAA Reauthorization bill. If our response has raised questions or if there is additional information we can provide, please do not hesitate to contact Greg Scott, ACRA's government relations representative, at 202-297-5123 or at gscott@merevir.com.

Sincerely yours,



Sharky Laguana
President

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