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March 18, 2020

The Honorable Steven Mnuchin
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue N.W.
Washington, D.C. 20220

Re: Impact of the COVID-19 Pandemic on the American Car Rental Industry

Dear Secretary Mnuchin:

As members of the Board of Directors of the American Car Rental Association (ACRA), we write today united in our request for the inclusion of the nation's car rental industry in the economic stimulus package being crafted by the Administration and Congress. The COVID-19 Pandemic is wreaking havoc on the American car rental industry – in much the same way as the Pandemic is harming the airline, hotel and other travel industries.

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, 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.

As an industry, in a stable environment, we generate approximately \$30 billion annually in revenue in the United States. Our industry employs 160,000 workers domestically and we have car rental and/or car sharing operations at every major and midsized airport and city in the country. We purchase approximately 1.3 million new vehicles annually – or one out of every eight sold in the United States each year.

The American car rental industry is an integral part of the transportation, travel and hospitality industries. We cannot stress enough that ACRA



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members provide critical transportation support for those who travel, to relief efforts, and to those who need mobility solutions.

Our industry is being hurt tremendously already by the COVID-19 Pandemic and there is no sign that this situation will turn around in the near future.

As policymakers pursue additional action to ameliorate the effects of the pandemic on U.S. businesses, we respectfully ask that the following policies be considered:


- Grants and Loans or a Voluntary Liquidity Facility to Purchase Car Rental Industry Assets (with reservation of 10% of grants or loans for companies with 500 or fewer employees);
- Federal Funds to Make Airports "Whole" for Minimum Annual Guarantee Payments and Airport Rents for Car Rental Concessions;
- Two-Year Deferral of Tax on Ordinary Income Gains on the Disposition of Rental Cars Purchased Over the Previous 24 Months; and,
- Temporary Deferment of Payroll Tax Obligations for the American Car Rental Industry.

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,



Michael DeLorenzo
NP Franchise Group
Laurel, Maryland



James East
Hertz Corporation
Estero, Florida



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