



The American Car Rental Association is the national representative for over 98% of our nation's car rental industry. ACRA's membership is comprised of over 300 car rental companies, including all of the brands you would recognize such as 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 over 1.7 million registered vehicles in service in the United States, with fleets ranging in size from one million cars to ten cars.

2022 Car Rental Industry Statistics

Fleet Size	1.77 million vehicles (Down from 2.20 million in 2019)
Revenues	\$28 billion (Down from more than \$32 billion in 2019)
Locations	16,500 Nationwide ¹ (Down from more than 19,000 in 2019)
New Vehicles Purchased	734,000 in 2021 (Down from 1,740,000 in 2019)
Employment	More than 110,000 Individuals Nationwide (Down from 160,000 in 2019 ²)

¹ Source: Auto Rental News January 2022 Factbook.

² Source: U.S. Department of Labor Bureau of Labor Statistics NAICS Code 532111.

Sharon Faulkner, Executive Director (sfaulkner@acraorg.com)
Gregory Scott, D.C. Representative (gscott@merevir.com)

American Car Rental Association
P.O. Box 584
Long Lake, NY 12847
www.acraorg.com



Prevention of Vehicular Terrorism

ACRA's Safety Goals: Safety is a primary priority of every ACRA member company, whether it is the safety of the vehicles rented by ACRA members or the prevention of the use of rental vehicles as instruments of terrorism using every lawful tactic. That is why ACRA and its members maintain longstanding partnerships with DHS, the FBI and state and local law enforcement agencies. Sharing of information from these agencies and amongst the ACRA members is critical to this mission.

The Issue: Given the effective preventative measures employed by law enforcement agencies at the federal, state and local levels to thwart acts of terrorism using established terror weapons (aircraft, improvised explosive devices, etc.), groups intent on inflicting violence for political reasons on innocent citizens in North America and the European Union have shifted their tactics. Increasingly, these groups are developing plans to use vehicles – including rental cars and trucks -- to stage terrorist acts in the United States and in other countries.

2022 Legislation: The “Darren Drake Act,” H.R. 4089, was introduced on June 23, 2021 by Representatives Gottheimer (D-NJ) and Fitzpatrick (R-PA). The bill would require the Department of Homeland Security to develop and disseminate to rental companies and dealers “best practices” to report suspicious behavior to law enforcement. The text of H.R. 4089 was added as an amendment to the House FY 2023 National Defense Authorization Act on July 14, 2022 and currently is awaiting Senate consideration. No companion legislation to H.R. 4089 has been introduced in the Senate during this Congress.

ACRA's Position on Vehicular Terrorism Legislation: ACRA's members:

- Are acutely aware of the issue of vehicular terrorism and potential threats;
- Are united in their collective resolve to take lawful, reasonable and necessary steps to prevent vehicular terrorism using rental cars and trucks;
- Have forged strong working relationships with DHS and FBI on methods to prevent vehicular terrorism using rental vehicles; and,
- Are supportive of congressional action that provides for a dialogue involving all stakeholders and recognizes individual privacy and civil rights involved in virtually all preventative measures that ACRA's members may undertake, while at the same time does not signal to those who may seek to do harm alternative approaches based on congressional action.

Sharon Faulkner, Executive Director (sfaulkner@acraorg.com)
Gregory Scott, Senior Director of External Affairs (gscott@merevir.com)

American Car Rental Association
P.O. Box 584, Long Lake, NY 12847,
www.acraorg.org



**AMERICAN ALLIANCE FOR VEHICLE OWNERS' RIGHTS
SUPPORTS VEHICLE OWNER CONTROL OF AND ACCESS TO
VEHICLE-GENERATED DATA**

Diverse Coalition Membership Calls for Right of Vehicle Owners to Secure, Real-Time and Fair Access to Vehicle-Generated Data

VEHICLE-GENERATED DATA AND OWNER RIGHTS:

Vehicle-generated data is the new frontier for the development of future of mobility. Today's connected vehicles (cars, trucks and busses) offer consumers innovative new services, and bring significant downstream business development potential for all stakeholders in the automotive sector, including, but not limited to, navigation (real-time localization/traffic information), infotainment (access to online movies/music), maintenance (fleet management/remote diagnostics/vehicle recovery), insurance (pay-as-you-drive/claim investigation), traffic efficiency (reduced congestion), sustainability (reduced fuel consumption), and safety.

However, this requires the right legal framework, which enables all stakeholders to access data generated by vehicles, starting with individual consumers and fleet owners, and extending through Original Equipment Manufacturers (OEMs), parts suppliers, vehicle repairers, and the other many players across the entire transportation sector. This vehicle-generated data is related to nearly every aspect of the vehicle's operation and has been historically accessed through a physical "on-board diagnostics" (e.g., OBD-II in passenger cars) port. A growing number of vehicles are transitioning to wireless access, bypassing the in-cabin, wired-access port. Increasingly, vehicle owners' access to the data their vehicles generate is being restricted by the technology embedded in the vehicle.

Vehicle-generated data – whether accessed through a wired port or wirelessly -- already provides many benefits to both consumers who own individual cars and companies that own dozens or thousands of vehicles. But these benefits will only be realized if vehicle owners: (1) retain the ability to securely access and control the data their vehicles (and equipment attached to their vehicles) generate, collect and store; (2) without artificial barriers that reduce consumer choice or competition; (3) in real-time through secure, technology-neutral, standards-based, in-vehicle access; and, (4) without obtaining consent from an entity that does not own or lease the vehicle.

COMPETITION IN THE MOBILITY MARKET:

Two significant public policy challenges are on the near-term horizon with respect to owner rights with respect to control of and access to vehicle-generated data: (1) the danger of reduced consumer choice if access to

American Alliance for Vehicle Owners' Rights
Contact: Greg Scott, gscott@aavor.org 202-297-5123

vehicle-generated data is controlled by entities other than the owner or lessee of the vehicle; and, (2) a high risk of reduced competition for mobility services – in fact of vertical monopolization -- if entities that do not own or lease the vehicles – such as vehicle manufacturers or software providers -- are permitted to restrict and control access to vehicle-generated data that is created by the vehicle owner’s or lessee’s use of a vehicle.

CYBERSECURITY IN MOTOR VEHICLES, INCLUDING CONNECTED AND AUTONOMOUS VEHICLES

There is nothing more important than safety and security when discussing motor vehicles, including securing the data collected and stored by vehicles. Unfortunately, cybersecurity as it relates to these vehicles is often viewed as an “either/or” proposition in terms of vehicle owner rights and data access. It is factually incorrect to posit that data access cannot be provided to vehicle owners due to the need to protect the integrity of a vehicle’s data system. In fact, industry standards are already in place that will permit data to be both accessible and controllable by vehicle owners while still ensuring a high level of cyber security.

AAVOR’S POSITION ON CONGRESSIONAL ACTION

The American Alliance for Vehicle Owners’ Rights (AAVOR) believes Congress should have the lead role in guaranteeing vehicle owners and lessees access to and control of all data generated, collected and stored by vehicles. AAVOR supports enactment of legislation that safeguards the rights of vehicle owners to:

- securely access and control their vehicle data (including authorizing access by third parties);
- directly, through in-vehicle access, in real-time;
- through a technology-neutral, standards-based, secured interface;
- that provides interoperable and bi-directional communication with the vehicle.

The rights of vehicle owners to control and access the data generated by their vehicles is too important to be left unaddressed by Congress. AAVOR supports bi-partisan, bi-cameral legislative efforts to establish a framework for securing the continued rights of vehicle owners – and entities that secure the express permission of vehicle owners -- to control and access vehicle-generated data on a real-time, secure and competitive basis.

- | | |
|--|--------------------------|
| American Bus Association | Allianz Technology |
| American Car Rental Association | Enterprise Holdings Inc. |
| American Property Casualty Insurance Association | Geotab, Inc. |
| Automotive Service Association | Hertz Corporation |
| Automotive Recyclers Association | Lytix, Inc. |
| Consumer Action | MiX Telematics |
| NAFA Fleet Management Association | Privacy4Cars |
| National Consumers League | Recall Masters |
| National Vehicle Leasing Association | Safelite Group |
| National Motor Freight Traffic Association | |
| Owner Operator Independent Drivers Association | |

American Alliance for Vehicle Owners’ Rights
 Contact: Greg Scott, gscott@aavor.org 202-297-5123



ACRA'S CONCERNS WITH THE

"AMERICAN DATA PRIVACY AND PROTECTION ACT"

The Issue: Many stakeholders have weighed in regarding the strengths and potential weaknesses of the "American Data Privacy and Protection Act of 2022," passed by the House Energy and Commerce Committee on July 20, 2022. ACRA's comments on the ADPPA have focused on the simple fact that the provisions of ADPPA cannot (and should not) be implemented by the United States' car rental industry. For example:

1. ADPPA would prohibit a car rental company from refusing to rent a car to an individual who refused to present a valid driver's license and agree to the car rental company storing that information during the term of the rental;
2. ADPPA would permit a renter to withdraw consent for a car rental company to monitor and collect covered data during in the middle of a car rental period, leaving the car rental company with no way to locate the vehicle in the event of a maintenance issue or if road side assistance is needed, to contact the individual in the event of a "do not drive" safety recall, or to track a vehicle that is overdue and might be stolen; and,
3. ADPPA would prohibit a car rental company, which owns the rental vehicle, from refusing to rent a car to an individual who did not consent to the collection of sensitive data, including the vehicle's geolocational data, by the car rental company.

ACRA's Position:

1. ACRA supports creation of an exemption to the general prohibition on collecting certain data under the definition of "covered data" and "covered entity" for rental vehicles because the individual does not own the vehicle (unlike a cell phone or a computer):
 - a. Motor vehicles are inherently different from smart phones, computers or other electronic devices; they are significantly more valuable, are owned by the car

Sharon Faulkner, Executive Director (sfaulkner@acraorg.com)
Gregory Scott, Senior Director of External Affairs (gscott@merevir.com)

American Car Rental Association
P.O. Box 584, Long Lake, NY 12847,
www.acraorg.org

rental company (not the individual) and individuals with no contractual arrangement with the car rental company (and thus not in a position to provide consent required by ADPPA) frequently are passengers in the vehicle;

- b. Such an exemption is necessary to provide for existing car rental, car-sharing and shared mobility services involving motor vehicles – pro-consumer (safer vehicles through preventative maintenance and better rental experience through over the air mileage and fuel level data), pro-environment (increased vehicle efficiency and maintenance) and pro-competition vehicle services;
 - c. Such an exemption is necessary to provide for the deployment of advanced autonomous vehicles in the future; ADPPA must look into the future with respect to the application of its provisions to AVs that are not owned by individuals; and,
 - d. Such an exemption is necessary to prevent fraud and illegal activity.
2. Supports a clarification that collection of motor vehicle data that is not covered data or sensitive data (including geolocational data) is excluded from provisions of ADPPA.

Sharon Faulkner, Executive Director (sfaulkner@acraorg.com)
Gregory Scott, Senior Director of External Affairs (gscott@merevir.com)

American Car Rental Association
P.O. Box 584, Long Lake, NY 12847,
www.acraorg.org



ACRA URGES CONGRESSIONAL ATTENTION ON “ELECTRIFICATION” OF CAR RENTAL FACILITIES AT AIRPORTS, INCLUDING CONSOLIDATED RENTAL FACILITIES (CONRACs)

The Issue: Policymakers, vehicle manufacturers and many mobility service providers have embraced aggressive motor vehicle fleet decarbonization and electrification goals. The 2021 Bi-Partisan Infrastructure Law provided funds for the installation of hundreds of thousands of EV (and other alternative fuel) charging locations. The 2022 Inflation Reduction Act 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 ignored the huge sustainable mobility benefits that can be realized relatively inexpensively by “electrifying” the car rental facilities, including consolidated airport car rental facilities (so-called “CONRACs”), at publicly owned airports. ACRA urges Congress (and the Department of Transportation) to focus on the electrification of car rental facilities in connection with existing federal EV promotion programs and as an integral part of the 2023 Federal Aviation Administration (FAA) reauthorization legislation.

The Role of the Car Rental Industry in Achieving Sustainable Mobility

ACRA members on average purchase one in every ten new light duty vehicles sold in the United States each year. 25% 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 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.

Sharon Faulkner, Executive Director (sfaulkner@acraorg.com)
Gregory Scott, D.C. Representative (gscott@merevir.com)

American Car Rental Association
P.O. Box 584, Long Lake, NY 12847,
www.acraorg.org

Key Positive Constructs for Achieving Light Duty Vehicle Decarbonization

- Co-investment in public and private infrastructure that supports adoption of electric vehicles, including at car rental facilities and CONRACs at many of the nation's airports;
- Charging infrastructure must support "open fleet" usage models – especially for shared mobility service models to flourish;
- Charging infrastructure must provide an opportunity for customers to charge at home, at work and at play;
- Charging hardware and software must be standardized so that all electric vehicles can charge at every charging station and "Level 3" (fast charging) must be widely available to duplicate the internal combustion engine "refueling expectations of consumers;
- Electricity grid infrastructure must be resilient to ensure the electric vehicle power supply is available where and when it is needed to respond to electric vehicle load demands (which likely will be very different than residential or commercial demands on the grid);
- Co-investment in upgrade to facilitate fleet charging (not only the chargers but upgrading the grid and substations, etc.).

Sharon Faulkner, Executive Director (sfaulkner@acraorg.com)
Gregory Scott, D.C. Representative (gscott@merevir.com)

American Car Rental Association
P.O. Box 584, Long Lake, NY 12847,
www.acraorg.org



ACRA SUPPORTS THE EXTENSION OF FULL EXPENSING OF PERSONAL PROPERTY, INCLUDING RENTAL VEHICLES

The Issue: The 2017 Tax Cuts and Jobs Act (TCJA) authorized 100% expensing of vehicles, equipment, and other business personal property through 2022. Beginning in 2023, the deduction phases out at a rate of 20% year, fully expiring in 2027. ACRA members have taken advantage of this “full expensing” of their rental vehicles to survive the business downturn the car rental industry experienced during the COVID pandemic and continue to use full expensing to rebuild their rental fleets as travel and rental vehicle demand returns post-pandemic.

Background: The TCJA repealed the Like-Kind Exchange tax benefit used by larger ACRA members to defer the recognition of taxable gains when they replaced vehicles in their rental fleets. As a result, the phase-out of full expensing will require the car rental industry to amortize the cost of new cars over a 5-year period, spread out over 6 tax years. This will significantly increase the capital cost of new vehicles and does not accurately reflect the economic life of the fleet.

The planned phase out of full expensing for vehicles and other personal property comes at a particularly vulnerable time in the car rental business as the industry rebuilds its fleets while facing high inflation, rising interest rates, and supply chain issues that are driving up the cost of replacement vehicles.

ACRA members purchased 1 in every 8 new vehicles in American in the year before the pandemic. In 2021, this number slipped to 1 in every 10 new vehicles due to reduced demand and vehicle availability. Even this lower number, however, demonstrates the critical role ACRA members play in supporting that portion of our economy that depends on vehicle manufacturing.

ACRA’s Position: ACRA supports a delay in the phase-out of full expensing at least through 2025 as a short-term legislative action that can be accommodated within federal budget constraints. Ultimately, ACRA supports making full expensing of personal property, including rental vehicles, permanent.

Sharon Faulkner, Executive Director (sfaulkner@acraorg.com)
Gregory Scott, Senior Director of External Affairs (gscott@merevir.com)

American Car Rental Association
P.O. Box 584, Long Lake, NY 12847,
www.acraorg.org