

March 8, 2022

The Honorable Frank Pallone
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Cathy McMorris Rodgers
Ranking Republican Member
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Bobby Rush
Chairman
Subcommittee on Energy
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Fred Upton
Ranking Republican Member
Subcommittee on Energy
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

**Re: ACRA Submission for Subcommittee Hearing – “Charging Forward:
Securing American Manufacturing and Our EV Future” on March 8, 2022**

Dear Representatives Pallone, McMorris Rodgers, Rush and Upton:

The American Car Rental Association (ACRA) respectfully submits its views in connection with the Committee on Energy and Commerce’s Subcommittee on Energy’s hearing on “Charging Forward: Securing American Manufacturing and Our EV Future” on March 8, 2022. ACRA respectfully asks that this letter be made a part of the official record of the hearing.

The American Car Rental Association

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.

The Role of the Car Rental Industry in Achieving Sustainable Mobility

ACRA members over the past 10 years on average purchased one in every ten new light duty vehicles sold in the United States each year (10 percent), although that number dropped to approximately 5 percent in 2021 due to supply chain constraints reducing the number of new vehicles available to all buyers and reduced consumer demand during the first part of the year.¹ Approximately 25% of all light duty vehicle miles travelled in the United States each year are in a rented vehicle.²

Thus, the car rental industry can be 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. 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.

ACRA's Views on Key Constructs for Achieving Light Duty Vehicle Decarbonization and A Successful EV Fueling Infrastructure Program

ACRA's views on sustainability mobility policies and EV infrastructure charging programs can be summarized in the following principles:

- Public charging infrastructure must support "open fleet" usage models – especially for shared mobility service models to flourish;
- 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 to which all consumers have become accustomed over decades of experience;
- Charging infrastructure must provide an opportunity for customers to charge at home, at work and at play;
- 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);

¹ Sources: Alliance for Automotive Innovation and Auto Rental News.

² Source: U.S. Department of Commerce Bureau of Economic Analysis.

- Co-investment in private infrastructure that supports adoption of electric vehicles must be encouraged and incentivized through federal and state tax and EV acquisition policies;
- Incentives for personal vehicle and fleet transition should be encouraged at the federal, state and local levels of government;
- Co-investment by public agencies, private companies and fleets, and electric utilities to upgrade electricity infrastructure to facilitate fleet charging (not only the chargers but upgrading the grid and substations, etc.); and,
- Public charging infrastructure should attempt to replicate, to the maximum extent possible, the current consumer fueling experience to reduce consumer resistance to changes in long-standing vehicle fueling habits.

Finally, over 50 percent of motor vehicle rentals across the United States occur at airports and train stations. Combining this statistic with the fact that on average car rental companies purchase 10 percent of new light duty vehicles each year, that means that on average approximately 5 percent of all new EVs sold each year for the foreseeable future will be purchased by car rental companies and based at airports and train stations.

To date, ACRA does not believe that Congress, the U.S. Department of Energy or the U.S. Department of Transportation have focused on this fundamental fact: if sufficient EV charging infrastructure (and electricity transmission infrastructure) is not dedicated to support EV rentals at airports and train stations, then such a charging program will not serve a substantial portion of the EV charging demand across the nation. Most consolidated car rental facilities (CONRACs) at airports and train stations are owned by airport or transportation authorities and other units of local and state governments.

As a result, a portion of the \$7.5 billion in federal EV charging infrastructure funds authorized by the Infrastructure Investment and Jobs Act of 2021 (IIJA) could be used by these public entities to provide EV charging infrastructure for electric rental cars at airports and train stations. ACRA's members look forward to working with federal, state and local officials to secure sufficient EV charging infrastructure to serve the demand that will come from CONRACs at airports and train stations.

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ACRA appreciates the opportunity to submit its views to the Committee on these important policy matters. If additional information would be helpful to the Committee as it oversees the implementation of IIJA and considers further policy initiatives, or if ACRA's comments raise questions or require clarification, please contact Gregory M. Scott, ACRA's Government Relations Representative, at gscott@merevir.com or 202-297-5123.

Sincerely yours,



Sharky Laguana
President
American Car Rental Association

Chief Executive Officer
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San Francisco, CA