

Written Testimony
Before the Ohio State Senate
Transportation, Commerce, and Workforce Committee
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By
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Good morning Chairman McColley and members of the committee. Thank you for the opportunity to speak with you this morning. My name is Michael Filomena with Enterprise Holdings and I am here to testify regarding Senate Bill 61 and the provisions that pertain to peer-to-peer car sharing.

Enterprise Holdings is a privately held, family owned company based in St. Louis, Mo. The brands in our portfolio include Enterprise, National, and Alamo Rent-a-Car. Our other divisions operate truck rental, car sales, car share, commute, and fleet management. We have been in business for sixty-two years, including twenty-eight years, here in the state of Ohio. We operate over 200 neighborhood Enterprise locations throughout the state, as well as locations at all the major airports. We employ 3,500 Ohioans and operate more than 40,000 vehicles in our fleet statewide. We hire locally, buy locally, and give generously back to our communities. We contribute greatly to the economic footprint of all the communities we serve throughout Ohio. As a result, we pay over \$30 million dollars in taxes to the state on an annual basis. We are truly invested in the State of Ohio.

I am here this morning to strongly endorse the language in Senate Bill 161 as it pertains to the peer-to-peer car rental marketplace. Peer-to-peer companies are organizations that act as a vendor and connect a car owner with a consumer who is looking to rent a vehicle. In most cases, this is an individual who is renting their personal car, or it can be a company that has multiple vehicles they've made available for rent on their platform. These rental transactions happen throughout our state, most often in or around our major airports. The brands in the peer-to-peer carsharing space include, Get-around, Maven, and Turo. Today, Turo is the only peer to peer company doing business in Ohio.

Since March, we have been working diligently with the peer-to-peer industry and the Ohio Insurance Institute on mutually agreeable language that is fair to all interested parties. We've had two meetings,

one in March, and the other in May, to discuss provisions that would be attached to Senate Bill 61. After the first meeting led by Representative Seitz, we left with what we thought to believe an agreement on mutually acceptable language. Between that March meeting, and our second meeting on May 28th, the peer-to-peer industry drug their feet. They came up with language that was completely self-serving, not addressing any of the main topics. Finally, at our second meeting, they attempted to renegotiate all the issues from our first meeting as if we never had any previous discussions.

It has become clear to us that the peer to peer industry is doing everything they can to slow down the work that we've done over the past three months. They'll agree to an issue, then come back and state that they never did. The reality is that they appear to not want any regulation of their industry of any kind – and we fundamentally disagree. The four main issues are:

1. **Taxes** – The Department of Taxation has defined them as a vendor, and as such, are required to collect and remit sales tax. This item was discussed and agreed to at our first meeting.
2. **Airport language** – Peer-to-peer companies should be required to enter into an agreement with a public-use airport to do business under parameters set forth by the airport entity. Today, these companies sidestep normal pick up procedures and will pick up customers at the curb (which is not permitted by the car rental industry) or pick them up at the Consolidated Rental Car facility (Cleveland) or the Car Rental garage (Columbus). Peer-to-peer companies engage in these practices to escape concession fees levied by airports. Enterprise Holdings has invested significant capital at all Ohio airports and remits all applicable taxes and fees levied by them. The peer-to-peer platforms, who have invested no capital at our Ohio airports, should not enjoy a competitive advantage versus our industry. Airport language was also discussed and agreed to at our first meeting.
3. **Insurance** – The Ohio Insurance Institute (OII) has been working tirelessly on language that again, is mutually agreeable to the peer-to-peer and car rental industries. Enterprise Holdings has had multiple conversations with OII and Mike Farley and feel good with the language they've come up with. Peer-to-peer now has issues with recall language and coverage provisions. Enterprise Holdings grounds every car that has a recall per the Federal

Safe Car Rental Act and makes the necessary repairs before it can be rented again. The peer-to-peer industry shouldn't be struggling with how to handle recalls.

4. **Motor Vehicle Renting Dealer** – The peer-to-peer industry would like to carve themselves out of this definition because they continue to state that they're "not a car rental company". Yet when you look at their branding, (Turo in particular) it says "rental" across their channels: web, app, television commercials, etc. For peer-to-peer companies to state that they're not in the business of renting cars is ludicrous. Attached to my testimony, are some examples of their branding for your review. Peer-to-peer companies want to carve themselves out of the definition of a Motor Vehicle Renting Dealer because they don't consider themselves Car Rental. This would also allow them to escape any future potential taxation. We fundamentally disagree with their assertion.

To summarize, we feel that peer-to-peer companies operate and behave just like other car rental companies that have been serving this state for many years. They should be held responsible to collect and remit sales tax, enter into airport agreements, and have responsible insurance provisions. They should also not escape the definition of Motor Vehicle Renting Dealer as established by Chapter 4517 of the Ohio Revised code. We have been working with all interested parties on this language for the last four months, and Senate Bill 61 addresses these items.

It is for these reasons, that we strongly endorse Senate Bill 161 and its provisions pertaining to the peer-to-peer industry.

Regards,

Michael Filomena