

Honorable John Mica
Chairman
Committee on Transportation &
Infrastructure
United States House of Representatives
2187 Rayburn House Office Building
Washington, DC 20515

Honorable Nick Rahall
Ranking Member
Committee on Transportation &
Infrastructure
United States House of Representatives
2307 Rayburn House Office Building
Washington, DC 20515

September 7, 2011

Dear Chairman Mica and Ranking Member Rahall –

We are writing to respectfully request that you oppose any attempt to amend, weaken or repeal the Graves Law (currently codified at 49 USC 30106). This law, enacted in August 2005, uniformly eliminates a state-by-state patchwork of vicarious liability laws impacting the non-negligent owners of the interstate fleet of rented and leased cars and trucks. Repealing the Graves Law would not only hurt these owners, it would increase the cost of commercial transportation and limit consumers' choices when acquiring a vehicle.

Prior to the enactment of the Graves Law, the non-negligent owners of rented and leased vehicles could be held liable in some states for accident claims involving their vehicles solely on the basis of their ownership of those vehicles. These unfair "liability without fault" laws drove many small companies out of business and exposed countless more to multi-million dollar claims for accidents in which the rental or leasing company or company employees had absolutely no role. As a result, insurance coverage for vicarious liability claims was either very expensive or not available at all. This forced some companies to avoid leasing vehicles in states like New York, robbing businesses and consumers of an affordable and fixed-price alternative to purchasing.

The rented and leased fleet is very diverse and includes: automobiles leased to consumers, generally from three to five years; automobiles rented to consumers for periods of one day to 30 days; automobiles leased to businesses, generally for three

years; trucks rented to consumers for periods of 1 to 30 days; trucks rented to businesses for periods of 1 to 30 days; and trucks leased to businesses, usually for one to five years. Congress in 2005 correctly recognized the interstate nature of the automobile and truck rental/leasing market as well as the critical need for uniformity in liability laws impacting the non-negligent owners of these vehicles operated by their customers.

It is important to note that the Graves Law provides no protection for any vehicle owners from allegations of their own negligence. For example, if a renting or leasing company provides a defective or unsafe vehicle to a customer, the Graves Law will not shield that company from claims. The Graves Law also preserves the rights of states to mandate minimum levels of insurance coverage required to register and operate motor vehicles. These minimum levels are set by states to ensure that accident victims are not left without recourse to seek compensation from at-fault drivers.

Prior to its enactment, the Graves Law was debated twice on the House Floor and subject to a recorded vote. Since its enactment, the statute has been upheld by the highest courts in New York, Florida and Minnesota; the U.S. Court of Appeals for the 11th Circuit; the U.S. District Courts in the Eastern District of New York, Middle District of Florida, Southern District of Georgia, and the District of Maine; and the Circuit Courts of the 11th and 18th Judicial Circuits in Florida. Markets previously closed to leasing have re-opened and businesses and consumers alike are benefitting from increased choices in financing their vehicle acquisitions.

As the debate and deliberation on the congressional highway reauthorization bill begins to take shape, we ask you to please consider the positive impacts of the Graves Law (49 USC 30106) and oppose any efforts to amend or repeal this common-sense federal law.

Thank you for your consideration.

Sincerely,

Alliance of Automobile Manufacturers
American Automotive Leasing Association
American Automotive Policy Council
American Car Rental Association
American Financial Services Association
American International Automobile Dealers Association
The American Tort Reform Association
American Trucking Associations
Association of Global Automakers
Avis Budget Group Inc.
Dollar Thrifty Automotive Group
Enterprise Holdings
The Financial Services Roundtable
General Electric Company
Idealease, Inc.
The Hertz Corporation
Mack Leasing System – Volvo Truck Leasing System
National Association of Manufacturers
National Automobile Dealers Association
National Vehicle Leasing Association
NationaLease
PacLease
Penske Truck Leasing Co., L.P.
Putnam Leasing
Ryder System, Inc.
Truck Renting and Leasing Association
U-Haul International
U.S. Chamber Institute for Legal Reform
U.S. Chamber of Commerce
Volvo Group North America