

June 13, 2024

The Honorable John Carney Governor of Delaware Tatnall Building 150 Martin Luther King Jr. Boulevard South Dover, DE 19901

RE: Enact HB 209: An Act To Amend Titles 6 And 21 Of The Delaware Code Relating To Rental Car Companies And Peer-To-Peer Car Sharing

Dear Governor Carney:

On behalf of the Chamber of Progress, a tech industry coalition promoting technology's progressive future, I urge you to **sign HB 209 into law**. This bill represents a significant advancement in protecting consumers who utilize rental cars and peer-to-peer car-sharing services from unexpected fees, while also promoting competition in the vehicle rental industry.

HB 209 would protect consumers from unexpected and potentially exorbitant fees

Many rental car companies charge loss of use fees to recoup lost revenue when cars in their fleet have to be removed from service for repairs. Supply chain issues, overall inflation, and reduced supply of vehicles resulted in a 51% increase in the price of rental cars between 2019 and 2023.¹ Vehicle repair costs and wait times also increased from 2022 to 2023, adding an additional 3 days and increasing costs by 17%.² For rental car customers, increased rental rates and repair costs could translate into exorbitant loss of use charges. These fees are also not currently regulated in Delaware, leaving consumers susceptible to inflated rates and opaque charges.

¹ https://www.nerdwallet.com/article/travel/car-rental-price-increase

² https://www.minneapolisfed.org/article/2023/despite-easing-inflation-vehicle-repair-costs-soar

Eliminating these fees for traditional rental car companies and peer-to-peer carsharing services ensures fairness and competition within the industry

By eliminating the use of these fees industry-wide, HB 209 would ensure that the incumbent rental car companies and newer services, like peer-to-peer car-sharing companies, play by the same rules. Peer-to-peer carsharing encourages more efficient utilization of privately owned vehicles and facilitates more livable cities, freeing up street space devoted to vehicle parking. These services also allow car owners to earn extra income by sharing their vehicles. Applying consistent rules throughout the industry avoids unfairly advantaging one type of service over the other, protecting competition and consumer choice.

Chamber of Progress believes this legislation is essential for advancing consumer rights and reinforcing Delaware's commitment to fairness and consumer protection. For these reasons, we **urge you to sign HB 209 into law**.

Thank you.

Sincerely,

Brianna January

Director, State & Local Government Relations, Northeast Region

Chamber of Progress