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## **TRUCK RENTING AND LEASING ASSOCIATION**

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January 31, 2013

To: Senate Transportation Committee members  
From: Thomas James, President and CEO, TRALA  
Cc: Kendra Hems, Executive Director, NYSMTA  
RE: TRALA Opposition to S. 1911

I am writing on behalf of the members of the Truck Renting and Leasing Association (TRALA) that rent and lease vehicles in New York. TRALA is opposed to S 1911, which proposes a more than 300% increase in mandated levels of Minimum Financial Responsibility (MFR) only for motor vehicles rented and leased in the state.

The new levels of MFR in S 1911 would require, for motor vehicles rented or leased from vehicle renting and leasing companies, an insurance policy with a combined single limit of at least \$ 1 million because of bodily injury or death to one or more persons or because of injury or destruction of property of others in any one accident, and a limit of \$25,000 because of damage to a vehicle in the care, custody and control of the insured. For privately owned vehicles, current law requires: \$25,000 because of bodily injuries to and \$50,000 because of death of one person in any one accident; \$50,000 because of bodily injury to and \$100,000 because of death of two or more persons in any one accident; \$10,000 because of injury to or destruction of property of others in any one accident. This seems to imply that rented and leased vehicles are somehow more dangerous than the exact same vehicles owned by individuals. This is clearly not the case.

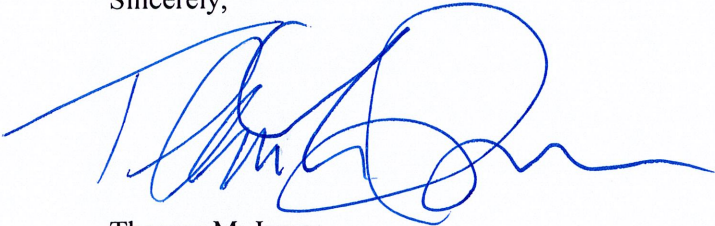
Higher levels of MFR for rental vehicles are likely to put New York residents, especially those who live in urban areas, at a disadvantage. Residents in urban areas like New York City who do not own their own vehicles rely on the availability of rentals as a popular mode of transportation. Requiring rental companies to comply with MFR levels more than 300% higher than the exact same vehicles which are privately owned will drive up prices and discourage their customers from doing business with them in New York. Higher levels of MFR for rental trucks will also impact those who can least afford it --- lower-income residents who use moving trucks to complete their household move needs because they are more affordable than hiring professional movers. Their costs would go up considerably under this proposal.

Small businesses in New York who commonly use renting and leasing to meet their transportation needs would be put at a competitive disadvantage due to the 300% increase in MFR compared to what they are currently complying with. This would be made even worse by the provision in section 2, paragraph (c) which states, "The owner of any leased or rented vehicle that fails to maintain the proof of financial security required above may be held personally liable for any judgment entered against any driver and/or registrant of the leased or rented vehicle for damages sustained as a result of personal injury, wrongful death and/or property damage suffered as a result of the use and operation of the leased or rented vehicle." Provisions such as this that could potentially hold non-negligent vehicle owners responsible for

the actions of their customers have proved to be very bad for both businesses and consumers in New York. In the past, such legal regimes have resulted in car and truck rental and leasing companies being forced to stop doing business in New York completely.

TRALA urges you to preserve the current levels of MFR in existing law for all vehicles in order to protect the interests of New York residents and businesses who rely on rented and leased cars and trucks. Please do not hesitate to call me at (703) 299-9120 to further discuss this issue at any time.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Thomas M. James', with a large, stylized flourish at the end.

Thomas M. James  
President and CEO