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House Consumer Affairs Committee – Transportation Network Companies

Good morning. My name is Keith Lorfink and I am here today on behalf of Enterprise Holdings, the 57-year old, family owned company that operates the Enterprise, Alamo and National car rental brands. My area of responsibility within Enterprise is the oversight of our risk management division in eastern Pennsylvania. Chairman Godshall, Chairman Daley and members of the Committee, thank you for providing me with the opportunity to present testimony on the topic of Transportation Network Companies.

Enterprise, with more than 78,000 employees and almost 1.4 million cars and trucks owned and operated, is the largest car rental service provider in the world. We are fortunate to have a very strong presence in Pennsylvania. We have over 200 locations in the Commonwealth and employ over 2,000 residents. Beyond being just a rental company, Enterprise is a total transportation solution company. And that brings us to why we are here today.

There are numerous Transportation Network Company (TNC) bills that have been introduced in the General Assembly. Our primary objective is to ensure that legislative language is crafted in a manner that properly distinguishes the ride matching services that Enterprise, and other transportation companies, provide from the “for-hire, for profit driver” transportation services provided by TNCs. Some of the definitions that have been introduced are broadly crafted to define a TNC based on its digital delivery platform, and therefore may inadvertently sweep up other digital ride matching services that do not require the same regulation.

For example, Pennsylvania created a law providing for ridesharing arrangements many years ago. This law regulates carpooling and vanpooling practices offered by employers. Through the good work of Rep. Tom Killion and this Committee, House Bill 2295 proposes to modernize this Act in a manner that would allow Enterprise, and others that offer carpooling and vanpooling services, easier access to the marketplace. A key distinguishing factor between this traditional type of ridesharing and TNCs is that drivers in traditional ridesharing arrangements do not

operate vehicles with the intent to profit. Enterprise believes it is very important that this distinction be made abundantly clear in any TNC legislation that is advanced in the General Assembly. Without this distinction we fear that customers participating in a car or vanpool could inadvertently get caught up in regulations that TNC drivers must comply with.

In addition, there are a variety of other transportation related services available to individuals seeking rides to specific locations. Today, these individuals often find each other through some form of online or digital platform, such as an app. In many of these, the driver of the vehicle is not profiting from the transaction; but rather sharing the transportation expenses with others. We believe it is essential to distinguish between transportation services that include a “for-hire, for-profit” driver from those that do not.

Enterprise is not opposed to TNCs entering the marketplace. Disruptive technologies play an essential role in our economy and in improving consumer experience. Businesses that develop new ways to deliver one, or many, transportation services are welcome additions to our transportation and mobility networks.

What we do believe is critically important is that as new delivery methods arrive in the market, the services being offered are identified and regulated appropriately. One individual, or business, providing multiple services, should not be exempt from regulations that apply to each of the services provided. Equally as important is to prevent unnecessary regulatory schemes from extending to services based solely on their technology driven delivery method. In these situations, we ask that you carefully consider the service being provided to consumers and consistently apply appropriate regulations to each individually.

Thank you for the opportunity to provide testimony on this important topic. We would be happy to take any questions you may have.