
March 20, 2021

The Honorable Dereck E. Davis
Chair, House Economic Matters Committee
231 House Office Building
Annapolis MD 21401

Re: Letter of Opposition HB1304-353497-01 – Amendments to HB 1304 regarding Peer-to-Peer Car Sharing Programs

Dear Chair Davis and Committee Members:

The Maryland Department of Transportation Maryland Aviation Administration (MDOT MAA) **supports HB1304** which brings parity as it relates to conditions, fees, and charges between traditional rental vehicle companies and Peer-to-Peer (P2P) car sharing platforms. However, MDOT MAA **opposes the above-referenced amendment** regarding P2P transportation business activities at the Baltimore Washington International Thurgood Marshall (BWI Marshall) Airport.

The proposed amendments pose significant financial risks and operational concerns at BWI Marshall Airport.

Financial Risks:

- The maximum \$4 fee for P2P is lower than the current \$5 roundtrip per trip fee already established for ground transportation activities and well below the fees and charges paid by BWI Marshall rental car companies. P2P companies will be at a significant financial and competitive advantage.
- The financial risks also revolve around servicing the outstanding bonds for BWI Marshall's Consolidated Rental Car Facility (CRCF) and protecting MDOT MAA's rental car concessions contract. There is approximately \$80 million dollars in outstanding bonds for the CRCF, requiring approximately \$9 million in annual debt service payments. The growth of these P2P transactions at below market fees puts these bonds at risk along with the investment grade A3 those bonds enjoy.

Operational Risks:

- The proposed pilot program of allowing P2P transactions to occur at the airport curbside is unsafe and provides additional congestion. BWI Marshall's terminal roadway is a scarce asset and is highly congested during peak hours. In order for a P2P transaction to occur, the renters and rental car owners must stand outside of the vehicle and photograph the vehicle for damage. This type of activity increases vehicle dwell times and creates safety concerns thus should be prohibited.

COMAR 11.03.01.05(J)(3) already directs off-airport rental car transactions to occur at the CRCF. P2P customers would use the current rental car bus service to conduct their transactions at the CRCF. Thus, P2P companies should be defined, as per COMAR, as an off-airport rental car company and subject to the fee structure included in COMAR. Part of the purpose and intent of the COMAR regulations regarding off-airport car rental transactions fees and operational requirements is to protect the CRCF rental car concessions and bond holders by promoting a level playing field. MDOT MAA does not want to surrender this vital regulatory position and advocates for the protection of its rental car concession and its bondholders.

For these reasons, MDOT MAA respectfully requests the Committee to oppose this amendment.

Respectfully Submitted,

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