



GOVERNMENT AFFAIRS POSITION PAPER

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Founded in 1985, the National Limousine Association (NLA) is a voluntary, non-profit organization representing the national, state and local interests of the chauffeured ground transportation industry. NLA membership, which currently exceeds 2,000, includes the limousine owners, operators, suppliers, manufacturers, and regional and state limousine associations that make pre-arranged ground transportation for the country possible.

CURRENT LEGISLATIVE AGENDA

I. REAL INTERSTATE DRIVER EQUITY (RIDE) ACT OF 2002

CURRENT LAW

The current RIDE Act was intended by Congress to prohibit States and any political subdivision, other than the home licensing State, from requiring a fee or other payment from providers of prearranged ground transportation service. The law was self-executing and did not require any rulemaking on the part of DOT. ([H.R. 2546, 107TH CONGRESS, CODIFIED PRINCIPALLY AT 49 U.S.C. §14501\(d\)](#)).

NLA POSITION

The RIDE Act was enacted to ensure limousine operators (properly licensed in their home states) would be able to provide ground transportation service without discrimination wherever their customers are located. Since its passage, however, many abuses – primarily by airports and other transportation terminals – have arisen. DOT has not enforced the legislation and, consequently, several transportation terminals have abused the law and have charged unreasonable and illegal fees to ground transportation providers.

Thus, the National Limousine Association seeks to modify the law such that an operator of a transportation terminal that is the recipient of any federal funds (used in that terminal's construction, expansion, renovation or other capital improvement, or for the purchase or lease of equipment installed in the transportation terminal or on its property) may not charge any fee to any provider of prearranged ground transportation service except in the case(s) of:

- A fee charged to the general public for access to or use of any part of the transportation terminal; and
- A fee, determined via DOT rulemaking, for the availability of corresponding ancillary facilities at the transportation terminal, e.g. restrooms, vending machines, arrival/departure monitoring facilities, that is reasonable in relation to the costs of operating the ancillary facilities and that is necessary for the business of providing prearranged ground transportation.

Senators Frank Lautenberg (D-NJ) and David Vitter (R-LA) have introduced legislation – S. 3667 in the 110th Congress to create an even playing field and abate the fees levied on small operators (80% of the chauffeured transportation industry is comprised of companies operating three or fewer vehicles).

II. AVIS/WE DRIVEU PROGRAM

CURRENT PRACTICE

Under a program Avis has introduced that has the effect of avoidance of certain local regulation, an Avis customer can reserve a WeDriveU chauffeur to operate an Avis vehicle of the customer's choice. Accordingly, the chauffeur can pick up the Avis rental car for the customer, meet and transport him/her wherever desired, and return the vehicle to Avis for the customer. Currently AVIS/WeDriveU promotes available services in 600 cities and 25 metro areas in the U.S.

The Avis/WeDriveU program offers livery-type transportation services, though that program subjects neither the chauffeurs, nor the vehicles they are called upon to operate, to the same permitting, certification, regulatory fee payment, and/or vehicle inspection requirements and standards with which taxis, limousines and other passenger vehicles and their operators must comply under local regulation.

NLA POSITION

The National Limousine Association believes the AVIS/WeDriveU arrangement constitutes unregulated *de facto* chauffeur service that competes directly with regulated for-hire chauffeur businesses. The NLA and its member associations are therefore appealing to local regulators in several markets to secure a level playing field for all operators of commercial livery-type services, to ensure that the Avis/WeDriveU program is subjected to the same local regulatory requirements that other ground transportation service providers must meet.

III. REPEAL OF THE GAS GUZZLER TAX

CURRENT LAW

Under present law, the Tax Code imposes a tax on automobiles that are manufactured for use on public streets, roads and highways and that are rated at 6,000 pounds unloaded gross vehicle weight or less ("the gas guzzler tax"). Since 1991, cars with a combined fuel economy rating under 22.5 miles per gallon (approx. 10.5 L/100 km) have been subject to the tax. Light trucks, which include virtually all sport-utility vehicles, pickup trucks and vans, are not subject to the tax. The tax averages about \$1700 per vehicle but varies based on the fuel efficiency of the limousine. **(SECTION 4064 OF THE IRS TAX CODE)**

NLA POSITION

The National Limousine Association is seeking repeal of the gas guzzler tax for all livery vehicles, including limousines, regardless of weight, as usage of livery services reduces the overall number of vehicles on the road and thus fuel consumption per traveler. The industry (limos, vans, minibuses, etc.) averages just over 7 passengers per trip so each trip on average takes more than 6 cars off the road.