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From: Donald Fonte [DFonte@hertz.com]
Sent: Wednesday, April 12, 2006 3:20 PM
To: EP, RegComments
Subject: Proposed Regulations of Environmental Quality Board - Pennsylvania Clean Vehicles Program



PA_Clean.pdf

Attached below are comments of The Hertz Corporation related to the proposed rulemaking of the Environmental Quality Board amending Chapter 126, Subchapter D. Please contact me if there are any difficulties in opening the attachment.

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----- Forwarded by Donald Fonte/COR/PRK/Hertz on 04/12/2006 03:11 PM -----

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PA Clean Vehicles Program

To
cc
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April 12, 2006

To: Members of the Environmental Quality Board:

Thank you for the opportunity to offer comments on the proposed rulemaking of the Environmental Quality Board related to the Pennsylvania Clean Vehicles Program.

The Hertz Corporation ("Hertz") has many concerns about the potential adverse impact that compliance with the proposed rule would have on its business if it does not address the exemption relating to daily rental vehicles. It is our understanding that under the proposed rule a vehicle rental company may not rent new vehicles in Pennsylvania that have not received certification from the California Air Resources Board for the LEV II program, with the exception of vehicles that are registered and principally operated outside of the Commonwealth. Because of the uncertainty created in determining when a vehicle is "principally operated outside of the Commonwealth," meeting such a requirement will impose extreme burdens on the way Hertz manages its vehicle fleet and severely restrict the vehicle choices available to the renting public.

As a company that conducts interstate business Hertz rents vehicles in PA that are registered not only in the Commonwealth but also vehicles registered in other states as well. Vehicles regularly migrate to different states as a result of "one-way" rentals. Customers may pick-up a rental vehicle in say, Virginia, but may drop it off in PA. Conversely, a PA-registered vehicle could be dropped at a location outside the Commonwealth.

If Hertz only rented vehicles in the Commonwealth then compliance with CA emissions standards would be rather straightforward. CA LEV II compliant vehicles are supplied to Hertz for states that require such emissions standards. However, many other states have not adopted the CA LEV II program and only require compliance with federal emissions standards. In these federal emissions states, manufacturers supply Hertz with federal emissions vehicles, which are non-compliant with CA LEV II standards. When non-compliant rental vehicles from another state find their way to PA, under the proposed rule an exemption is provided if the vehicle was principally operated outside of the Commonwealth. No definition of "principally operated outside of this Commonwealth" is provided. Since rental vehicles are constantly moving in interstate commerce, their location of principal operation is subject to constant change.

Under the International Registration Plan formula Hertz registers a certain minimum number of vehicles in each state based on gross revenue. Hertz does not object to the requirement that vehicles registered in PA be CA LEV II compliant. As a matter of business necessity however, Hertz would strongly request a clarification regarding the exemption from CA emissions standards for rental vehicles that are registered outside PA. The clarification could confirm that any vehicle that is registered outside of the Commonwealth and engaged in interstate commerce shall be deemed to be principally operated outside of the Commonwealth. Such flexibility will allow Hertz to maintain its ability to efficiently operate in the Commonwealth.

while also ensuring that vehicles registered in PA will meet the emissions requirements as set forth by the Commonwealth. The exemption could read:

Motor vehicles held for daily lease or rental to the general public which are registered outside Pennsylvania and engaged in interstate commerce shall be deemed to be principally operated outside of the Commonwealth and shall not be subject to the requirements of the Pennsylvania Clean Vehicles Program.

Thank you for your consideration of these comments. Hertz would welcome the opportunity to open a dialogue with the Environmental Quality Board on the proposed rule.

Sincerely,


Donald Fonte