



# TESTIMONY

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## Senate Bill 352 Peer-to-Peer Vehicle Sharing Program Act

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The City of Wichita supports Senate Bill 352.

This legislation would provide a level playing field between authorized motor vehicle rental companies which are legally conducting business at Kansas airports and the peer-to-peer vehicle sharing companies which are renting vehicles to customers by circumventing the requirement to have an agreement with an airport. These peer-to-peer vehicle sharing companies are not playing by the same rules, are not entering into agreements with the airports, and are not paying fees to the airports for the privilege of conducting a business activity on an airport. They are not complying with access requirements and are operating in violation of airport rules and regulations. A customer renting a vehicle from one of these companies would have no assurance that the peer-to-peer operator provides any insurance or if it meets any safety standards.

In Wichita, the nine (9) legally authorized rental car companies have entered into concession agreements with the Wichita Airport Authority that allow them to conduct business on Eisenhower National Airport. The agreement requires them to pay percentage of gross revenue fees, a Customer Facility Charge fee, and rents for the locations they occupy to park and where their customers access those vehicles. Those revenues support the maintenance, and the safe, efficient operation of the Airport.

The Airport Authority receives more than \$6 million annually from the authorized rental car companies. It receives nothing from the peer-to-peer vehicle sharing companies, which is grossly unfair and discriminatory to the companies which are paying for the same privilege. As an entity which receives federal funding for the development of Eisenhower National Airport, the Airport Authority is required by federal law to charge non-discriminatory fees to users of the Airport that are conducting similar business activities. The peer-to-peer vehicle sharing companies benefit from using the Airport without paying any fees or meeting any of the other obligations that all others who conduct business on the Airport are required to do.

Airports across the country have been faced with similar issues involving peer-to-peer vehicle sharing companies which are operating without legal authority. In the absence of state legislation at these other airports which could govern such activities, numerous court actions are pending, and many other airports have issued cease and desist orders to the peer-to-peer companies to halt their unlawful business activities.

The proposed SB 352, if enacted into legislation, would vastly improve the operating landscape at our airports by providing a statutory structure that would require peer-to-peer vehicle sharing companies to enter into agreements with the State's airports at which they desire to operate. Such agreements would require these companies to meet the same or similar standards, regulations, procedures, and access requirements, and to pay similar fees as those applicable to any motor vehicle rental company. In addition, under the proposed bill, these companies would be required to provide insurance and to meet safety standards that would ensure the public safety of its customers.

In conclusion, passage of this bill would have the effect of permitting the State's airports to meet their federal grant assurance obligations by eliminating an economically discriminatory situation with respect to not being able to charge businesses that are conducting similar operations. The force of a State statute would give the airports the ability to require peer-to-peer vehicle sharing operators to enter into contracts with the airports and obligate those operators to meet the same standards as traditional motor vehicle rental companies.

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