



Testimony for HB 3001
Port of Portland
March 20, 2019
House Committee on Business and Labor

Chair Barker, Members of the Committee, thank you for the opportunity to speak with you today regarding the -1 amendment proposed to HB 3001.

My name is Nathan Orf and I am an Assistant General Counsel at the Port of Portland. At the Port, my responsibilities include advising PDX Concessions Development and Ground Transportation teams regarding transactions involving airport concessions, including rental cars, as well as the use of the commercial roadway at Portland International Airport (PDX).

My brief comments before you today will be focused on the peer-to-peer car rental companies, how they are currently regulated by the Port, and their impact on airport operations.

The Port's existing ordinances require all individuals and business engaging in commercial activity on airport property to first obtain a permit, enter into an operating agreement, or enter into a lease. The Port, like many other airport operators, has in recent years been confronted with peer-to-peer car rental companies that have commenced operations at PDX without first entering into the requisite agreement. The Port has consistently and clearly communicated with these companies that agreements are required to do business at PDX, but to date these companies have neither entered into agreements nor ceased operating at PDX.

The exact business model of peer-to-peer car rental companies varies, but in general they function by hosting a marketplace and providing transaction support for individuals and business seeking to rent their cars to the public. While these companies do not directly own the vehicles that are ultimately rented out, on balance they actively market themselves as rental car companies, advertise their presence at PDX, profit from each rental transaction entered into by their users, and offer ancillary services (such as insurance) to both car owners and car renters for additional fees just like traditional rental car companies. While the model varies from a traditional rental car company that owns and operates its own fleet of vehicles, both traditional rental car companies and peer-to-peer companies are engaged in the same business—renting cars to the public.

At PDX, we are required to treat similarly situated businesses in substantially the same way. As a practical matter, because the individual users of peer-to-peer car rental companies are engaged in rental transactions (even if the companies themselves are not, though this is not at all clear), the Port is required to charge them the same fees and otherwise treat them in the same manner that the Port does more traditional rental car companies.

In recognition of the different organizational structure of the peer-to-peer model, the Port has offered to allow the peer-to-peer car rental companies to enter into agreements on behalf of their users under its existing ordinances, which is similar to the manner in which the Port has addressed other business that rely on independent operators as part of their business model (e.g. Uber and Lyft). In the absence of an umbrella permit, each individual user of a peer-to-peer rental car company would be obligated to enter into an agreement with the Port in order to operate at PDX.

While the Port is willing to, and in many cases does, enter into agreements with individual sole proprietors that operate legally at PDX, we believe that entering a single permit with each peer-to-peer car rental company will be more efficient for all parties involved. While the Port has the authority to require a single permit under its enabling statute and existing ordinances, HB 3001 and the -1 amendment thereto would serve to clarify and codify this approach as a matter of state law.

Lastly, the Port's ability to directly regulate and generate revenue from companies doing business at PDX is crucial to the Port's ability to operate the airport in a manner that provides high quality service to the regions passengers and businesses while maintaining economic self-sufficiency. HB 3001 and the -1 amendment provide a measure of clarity while allowing PDX and other Oregon airports the flexibility to match regulations to their own unique circumstances and operations.

Thank you for the opportunity to speak to the bill and the amendment and I'd be happy to take any questions.

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