Title II of this act will pre-empt the laws of a small number of states that impose unlimited vicarious liability on companies that rent or lease motor vehicles. Normally under our system of jurisprudence, defendants in lawsuits are held liable based upon their actions or inactions only. Unfortunately, a small number of jurisdictions—six states and the District of Columbia—ignore his general principle this minority of states subject rental and leasing companies to unlimited liability for accidents caused by their customers that involve the companies’ vehicles—despite the fact that the company was not at fault for the accident in any way. This type of vicarious liability—liability without fault—holds these companies liable even when they have not been negligent in any way and the vehicle operated perfectly.

The measure I am introducing prevents states from holding companies liable for accidents involving their vehicles based solely upon their ownership of the vehicle. The bill makes clear that rental and leasing companies would still be liable if they negligently rent or lease the vehicle. The bill also would hold the companies liable if the vehicle did not operate properly. It makes clear that these companies are not, under this bill, excused from meeting state minimum insurance requirements on their motor vehicles.

Forty-four states have discarded the unfair and outdated doctrine of vicarious liability for companies that rent or lease motor vehicles. This proposal needn’t draw attention to just the impact the policies of these small number of states have on interstate commerce. These vicarious liability states impose what amounts to a tax on rental and leasing customers nationwide. Rental and leasing companies must attempt to recover the roughly $100 million they annually pay on vicarious liability claims from customers nationwide—not just from citizens in vicarious liability states. Small rental and leasing companies and licensees of the larger systems have been driven out of business by just one vicarious liability claim.

In addition, vicarious liability discourages competition in these states. There are motor vehicle rental companies that will not do business in these states for the fear of being held vicariously liable—reducing competition in these states and impacting all customers that rent or lease in these states. Finally, vicarious liability establishes an absurd legal disconnect. If a vehicle is purchased from a bank or finance company, then there is no vicarious liability. However, if that same vehicle is leased, vicarious liability applies.

For these collective reasons, Title II of the Act and the reforms it implements are long overdue. Everyone, companies and individuals alike, should be held liable only for harm they caused or could have prevented. The only way these companies can prevent this harm would be to go out of business. This is an absurd expectation that will be remedied by this bill.

I look forward to hearing on this matter and working with my colleagues to ensure its passage.

EXTENSIONS OF REMARKS

HON. BOB CLEMENT
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1999

Mr. CLEMENT. Mr. Speaker, on rollcall votes 145 and 146, I was unavoidably detained on other business. Had I been present, I would have voted “aye” on both measures.

RONALD AND ARLENE HAUSER: MODELS FOR US ALL

HON. JAMES A. BARCIA
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1999

Mr. BARCIA. Mr. Speaker, people who devote their lives to teaching young people many of life’s diverse lessons provide one of the most valuable services that anyone can. This week marked the retirement of a teacher of Immanuel Lutheran Church in Bay City who came to honor Ronald and Arlene Hauser for their years of teaching and music ministry, and leadership within the school and church. This is a most deserved tribute to two people who have touched the lives of literally thousands of young people, making a difference for many young people at an impressionable age.

Ron Hauser has been a Called Lutheran school teacher for forty five years, and Arlene Hauser has been a Called Lutheran school teacher for thirty six years. They have provided instruction to children and adults in reading, writing, arithmetic, music, and most importantly, God’s love in Christ.

In 1954, Ron Hauser taught grades 1-4, served as Director of Music, and assisted the Sunday School, Bible Class, and Youth programs of Trinity Lutheran Church in West Seneca, New York. He went on to Peace Lutheran Church in Chicago in 1958, where he served as Principal. He went on to St. John’s Lutheran Church in LaGrange, Illinois in 1968, before coming to Immanuel Lutheran Church in Bay City in 1988. Here he has been a teacher and Coordinator of Music, the Bible class teacher, organist, director of the Senior Choir, Men’s Choir and Cantate Choir, as well as the school Advanced Band. He has also served in a number of professional and synodical positions with distinction.

Arlene Maier first taught at St. James Lutheran School in Grand Rapids in 1955. She and Ron Hauser married on June 23, 1956, and had three daughters—Lynn Little, Beth Peterson, and Ellen Nyahwihwiri. From 1964 through 1968 she was a preschool teacher and organist at Hope Lutheran School in Chicago, and then taught at St. John’s Lutheran School in LaGrange, Illinois from 1968 through 1988. She also came to Immanuel in Bay City in 1988, where she taught 2nd grade, and directed the handbell choirs, the Women’s Choir, Cherub Choir, and other special music activities.

Blessed with three daughters and nine grandchildren, Ronald and Arlene Hauser extended their own blessings to every person with whom they interacted throughout their careers of caring and devotion. Mr. Speaker, as they are honored at their retirement, I urge you and all of our colleagues to join me in thanking Ron and Arlene Hauser for their years of dedication and accomplishment, and in wishing them the greatest happiness possible as they move on to new activities.