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Forty-four states have discarded the unfair and outdated doctrine of vicarious liability for companies that rent or lease motor vehicles.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 problem requires attention—only 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. Smaller 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 hearings on this matter and working with my colleagues to ensure its passage.

HON. JOSEPH M. HOEFFEL
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, May 26, 1999

Mr. Hoeffel. Mr. Speaker, earlier today I introduced the Valley Forge National Cemetery Act. This bill would establish a new national cemetery for our nation’s veterans on land within the boundaries of Valley Forge National Historical Park. I am pleased to be joined in this effort by the entire Pennsylvania delegation.

The National Cemetery Administration is running out of space for the burial of deceased veterans of military service in the United States. New cemeteries must be established for our veterans. The Philadelphia National Cemetery in Pennsylvania and the Beverly National Cemetery and Finn’s Point National Cemetery both in New Jersey, are no longer open for in-ground, full casket burials, other than those who already have existing plots. There is also no national cemetery in the State of Delaware. Thus, the need for an additional national cemetery in our area is immediate.

Current population figures from the Department of Veterans Affairs show a population of 574,584 veterans in the 11-county Philadelphia region. The next decade will challenge the National Cemetery Administration to accommodate World War II and Korean War veterans, as well as veterans from the Vietnam era. Each of our veterans deserves the honor of burial in a national cemetery. In order to best be able to honor and remember their loved ones, families need access to those gravesites within a reasonable distance from their homes. The best opportunity to meet this need in the Philadelphia area is to dedicate existing federally owned property in the Valley Forge National Historical Park.

The Valley Forge National Historical Park is dedicated to the earliest American military veterans and the long winter of their suffering during the War of the American Revolution. Although no battle was fought on this land, it is nevertheless symbolic of our nation’s military valor and triumph over adversity. The bill will designate 100 acres of the 3,600 acre National Park for use as a national cemetery.

The section of land north of the Schuylkill River would be the ideal location for the national cemetery. This area is a historical markers and is separated from the rest of the park by the river. Dedication of this portion of the Historical Park as a national cemetery would thus add a solemn and appropriate place to honor and remember those who have served this country in the military.

Mr. Speaker, I urge swift consideration of this bill as an important and timely opportunity to honor our nation’s military veterans.