



## Car Rental Giant Hertz to Sell One-third of Its US Electric Vehicle Fleet

In a move that's almost certain to ding their corporate ESG score, car rental giant Hertz announced on Thursday that it is looking to sell 20,000 of its electric vehicles (EV) in 2024. The 20,000 vehicles represent approximately one-third of the company's U.S. fleet of EVs.

In an SEC [filing](#) dated January 11, Hertz Global Holdings stated that it hoped to use a portion of any proceeds from the sales to purchase gasoline-powered vehicles. The announced sales, which began in December, should add approximately \$245 million in depreciation expenses to the corporation's fourth-quarter earnings.

The company said that at least part of the reason for the EV sell-off was due to the cost of maintaining the vehicles.

"The elevated costs associated with EVs persisted," Hertz Chief Executive Officer Stephen Scherr [said](#). "Efforts to wrestle it down proved to be more challenging."

Previously, the company had announced a deal with Tesla to purchase 100,000 new EVs and a deal with GM to purchase 175,000. In addition, they planned to purchase 65,000 from Polestar.

"EV's will be slower than our prior expectations," Scherr said.

According to Hertz, the company still plans to follow through on those purchases, although it may take longer than first expected.

"We're committed to the strategy" Scherr said. "It will take more time to execute it."

It's as if Hertz put the electric-powered cart in front of the gas-powered horse.

"This will position the Company to eliminate a disproportionate number of lower margin rentals and reduce damage expense associated with EVs. The Company will continue to execute its strategy around EV mobility and offer customers a wide selection of vehicles," Hertz said in its SEC filing.

It's yet another example of the inability of EVs to catch on with the public. Despite an influx in the number and types of EVs over the past few years, consumers are concerned about their price, reliability, and range. Additionally, in the United States, consumers have not seen enough moves toward a nationwide charging network.

"We must convince potential EV customers that their travel experience will be as easy and seamless as an ICE (internal combustion engine) experience," [said](#) General Motors CEO Mary Barra.

The problem is that, right now at least, the EV experience is not "as easy and seamless" as the gas-



The Hertz Corporation/Wikimedia Commons



Written by [James Murphy](#) on January 12, 2024

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powered vehicle experience. And it's far more expensive as well.

EV sellers are attempting to reduce costs to calm consumer fears about the new technology. Faced with overstocked 2023s, Tesla has reduced prices. GM is redesigning the Chevy Volt, which sold at under \$30,000 before being discontinued last year. It also has an electric Chevy Equinox listing at only \$35,000 going into production.

There are several advantages to driving EVs. They're quiet, you don't have to change the oil, there are no tailpipe emissions, etc. Unfortunately, the technology isn't yet comparable to the more reliable and less expensive gasoline-powered vehicles. Why would Hertz (or anyone for that matter) wish to pay more money for a less reliable and more expensive vehicle? Especially when the main reason for switching to EVs is to address a climate-change problem that doesn't truly exist.



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