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More drivers allege electronic tracking by rental companies ONE PLAINTIFF SAYS HE WAS BILLED $7,300 FOR CROSSING STATE LINES

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Big Brother may be watching your rental car. Again.

A flurry of lawsuits filed in the past few months claims a Budget Rent a Car licensee in Tucson used satellite technology to track renters who took cars out of state -- and penalized them thousands of dollars under a policy that charged $1 per mile if the car was taken beyond the boundary. The suits allege invasion of privacy and fraud, among other claims.

In one case, company employees allegedly told a renter which hotels he and his wife had stayed in.

The Tucson cases follow a notorious one last year in which a Connecticut rental company allegedly used the same technology to fine renters who drove faster than 79 mph. Earlier this year Connecticut's consumer commissioner ordered the company to stop the practice and refund the fines.

The Tucson Budget licensee, Consolidated Enterprises Inc., has denied most of the allegations in court filings; its attorney declined to comment. The nationwide Budget Rent a Car company has tried to distance itself from the licensee, saying it does not endorse tracking renters or charging extra for going out of state.

The cases spotlight rental companies' embrace of telematics technology, which includes using the Global Positioning System of satellites and wireless devices to transmit location data. A popular use is on-board navigation systems that help direct drivers to their destinations. But a lesser-known and growing application by rental companies is to track vehicles, which has troubling implications for consumers.

The company that made the devices used in New Haven and Tucson is Canadian-based AirIQ.

The AirIQ OnBoard system uses a small unit that is a combined computer processor, GPS receiver and wireless transceiver. Using signals from a system of 24 orbiting satellites, it calculates the vehicle's position and transmits it to AirIQ's operations center near Toronto, which can map it within seconds. Rental companies access the data from the Internet.

Most of AirIQ's customers use the system to find stolen vehicles, says Miguel Gonsalves, vice president of marketing. But it can do many other things: monitor the car's speed, calculate mileage, notify the owner when the car has crossed a state line or other boundary and, by connecting to the car's operations, disable the starter and open locked doors.

Gonsalves declines to say how many units AirIQ has sold to rental car companies. But he

says it deals with most major ones and has sold more than 25,000 units total to various types of customers.
He also says he doesn't know how many rental car companies use the system for matters other than theft control. ``We can't as a business dictate how things are used," he says.
Budget Rent a Car spokeswoman Jennifer Sullivan says her company has AirIQ units in some luxury vehicles and others with a high theft rate. ``We only use it for theft recovery, and the GPS is only turned on when the vehicle is missing," she says of Budget's corporate-owned outlets, which rent 80 percent of the fleet. She says she thinks most licensees have the same policy.
At Thrifty Car Rental, where AirIQ is the ``preferred supplier," spokesman Jason Logan says the system is in limited use in higher-end vehicles and in bigger cities, mainly for theft control. ``In some cities it is used for enforcement of boundaries," he says, when, for instance, the insurer may restrict liability in certain states or different laws may apply.
Avis has a different GPS-based system, GM's OnStar, in about 10,000 vehicles, or about 5 percent of its fleet, mostly luxury cars, says spokesman Ted Deutsch. The renter can turn it on with a button to get directions from a live operator or emergency assistance. Working with police, Avis turns on the system only if the car appears to have been stolen, Deutsch says. The system will also automatically activate if the air bag inflates, indicating a possible accident. In that event, Deutsch says, you may hear a voice through your radio ask, ``Are you OK? Are you all right?" The system indicates your location for emergency aid.
But the privacy and disclosure issues involved in tracking renters' speed and location are troubling.
In one of the Tucson cases, plaintiff Alfred Schafer claims he told the outlet when he rented an SUV in March that he was going to Florida and that he thought that was permitted. When he arrived in Florida, he says, he found his credit card was exhausted by penalties assessed by the rental company for taking the car out of state without written approval. In all, he says, he was billed $7,300 -- all based on tracking of his movements by a GPS system. In court filings, the company disputes his version of events.
Of the general issues raised by the Tucson and New Haven cases, David Sobel, general counsel for the Electronic Privacy Information Center in Washington, D.C., says, ``The problem is we currently have no federal law related to collection of location information." The uses of such information are impossible to predict, from companies trying to target advertising, to divorce litigants hoping to catch cheating spouses, he adds.

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