

Hertz CEO Resigns After Blowing Big Gamble on EVs

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Stephen Scherr, chief executive officer of Hertz Global Holdings Inc. and a member of its board of directors, will step down on March 31, following the car rental company's largest quarterly loss since 2020 after a risky bet on electric vehicles.

According to [Fox Business](#), Scherr is working with Gil West, former chief operating officer of Delta Airlines and General Motors' Cruise unit, to ensure a smooth transition.

West will officially start his new role at Hertz on April 1.

Scherr, 59, joined Hertz two years ago as the company was emerging from bankruptcy and putting a big focus on [EVs](#) during that time. Prior to that, he spent nearly 30 years at Goldman Sachs.

According to [Quartz](#), Hertz soon discovered that EVs are more expensive to maintain than they had initially thought.

And Scherr stated to investors that EVs turned out to be more of an "operational distraction."

Scherr reportedly also told investors that Hertz's profits experienced a \$348 million loss, which he blamed EVs for.

In January, Hertz announced its plan to offload 20,000 electric vehicles from its U.S. fleet throughout 2024, and [switch back to gas cars](#).

This move contrasts sharply with the Biden administration's [previous praise](#) for Hertz's investment in EVs.

Hertz's electric vehicle and CEO about-face is the latest twist after a COVID bankruptcy filing and a deep relationship with Carl Icahn. <https://t.co/0Q9kCuEXDL>

— FORTUNE (@FortuneMagazine) [March 17, 2024](#)

The move has been part of the president's effort to promote widespread adoption of EVs as part of his climate agenda.

In November, the [Associated Press](#) reported on a Consumer Reports survey that found EVs from the 2021 to 2023 model years are significantly less reliable than gasoline-powered vehicles.

A whopping eighty percent less reliable, according to the AP, particularly with battery and charging systems, as well as fit issues with body panels and interiors.

Car dealers and manufacturers are reportedly also struggling to sell EVs despite using deep discounts and promotional tactics.

The market has reached a point of saturation with early adopters, a small yet enthusiastic group willing to embrace new technologies at any cost.

Consequently, widespread hesitancy persists among the general population, deterred by steep prices, increasing interest rates and inflation, all of which have led to a surplus of unsold EVs on lots, with EVs taking significantly longer to sell than gas-powered and hybrid vehicles.

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