

Attachment E

Ojai Valley News Blog

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Enterprise Issues Policy Statement

with 3 comments

The following statement was provided to the Ojai Valley News on Wednesday, June 23, 2010 in response to the deaths of Raechel and Jacqueline Howck:

Statement

Enterprise Rent-A-Car Reiterates Procedures for Automobile Manufacturers' Recalls *"If and when manufacturers recommend that vehicle owners park or ground their vehicles, we promptly do so. However, we also believe there are times when recalled vehicles need to be grounded regardless."*

With more than 30 million vehicle rental transactions every year, Enterprise Rent-A-Car is reiterating its policies and procedures for handling automobile manufacturers' recalls.

"Our customers' safety is our top priority," said Greg Stubblefield, executive vice president and chief strategy officer for Enterprise. "Customers should know that when they come to our rental counter, they can count on our commitment to provide a vehicle that is safe and dependable. That's been the foundation of our business for more than 30 years."

Every year, auto manufacturers – together with the National Highway Traffic Safety Administration (NHTSA) – issue hundreds of recalls and service bulletins affecting millions of vehicles in North America, including thousands of our rental cars and trucks, Stubblefield stated. In the vast majority of cases, manufacturers do not suggest grounding, but instead ask owners to contact their local dealers to schedule a service appointment.

"If and when manufacturers recommend that vehicle owners park or ground their vehicles, we promptly do so," Stubblefield stressed. "However, we also believe there are times when recalled vehicles need to be grounded regardless."

Over the last decade, Enterprise has taken a number of steps to address manufacturers' recalls in an appropriate and timely manner. Among them:

- In addition to the evaluation that car manufacturers and NHTSA make in deciding whether to ground a vehicle, Enterprise also independently reviews all recalls. Importantly, recalls involving the risk of sudden loss of control, airbag failures or fire hazards will be grounded until repaired.
- The company also has made investments in information technology to help address auto manufacturer recalls. The ECARS computerized rental management system – which connects the reservations and reporting operations of more than 6,000 Enterprise rental offices – automatically identifies all affected vehicles in real time for employees to view throughout the day.
- Enterprise regional subsidiaries can monitor all notices and bulletins and track compliance – including individual rental transactions – in a timely fashion. In addition, many auto manufacturers have upgraded their systems so that more of their notices and bulletins are delivered electronically to the major rental car

systems so that more of their notices and bulletins are delivered electronically to the major rental car companies.

- In 2007, Enterprise added more than 100 service facilities across the country. At these facilities, certified technicians not only provide routine maintenance work, but also supplement local dealers' efforts to respond quickly to recalls, particularly large-scale ones. The pace of repair work, however, can be subject to the availability of parts.

The issue of how rental car companies handle manufacturers' recalls has been put in the spotlight following the resolution last week of a lawsuit in Alameda County, Calif. "This was a long, complicated and difficult case for all involved, one that had to work its way through the court system to reach resolution," Stubblefield said. "But, more significantly, this is a terrible tragedy for the Houck family. Our hearts go out to them, and we are very sorry for their loss."

In the Houck case, neither Chrysler nor the NHTSA recommended grounding the more than 400,000 PT Cruisers recalled in 2004. (Chrysler, the manufacturer of the PT Cruiser, was a defendant in the Houck lawsuit, but was dismissed due to bankruptcy in 2009.) Instead, owners were asked to contact their local dealers to schedule a service appointment.

"Given all we have learned, today we would ground the recalled PT Cruiser until repaired," Stubblefield said. "That is why we continue to work with our employees and automobile manufacturers on ways to improve our policies and procedures for handling recalls.

"We share the Houcks' goal of preventing anything like this happening again," Stubblefield said. "Of course, nothing can change this heartbreaking situation for the Houck family and, again, we are truly sorry for their terrible loss."

Written by admin

June 23rd, 2010 at 10:12 am

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3 Responses to 'Enterprise Issues Policy Statement'

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1. [...] Enterprise Statement 6/23/2010 After more than five years of "delays and futile mediations," experts and depositions, lawyers and paperwork, it's finally over — Cally and Chuck Houck have won retribution for the deaths of their two daughters, Nordhoff grads Jackie and Rachel Houck. Last week, an Alameda County, Calif., jury awarded the Houcks \$15 million for the wrongful and unreasonable deaths of their two girls, who died in a fiery head-on traffic collision with an 18-wheeler on the 101-north near King City on Oct. 7, 2004. The defendant, Enterprise Rent-a-Car, claimed the deaths were a result of Rachel's bad or negligent driving, but mom Cally knew her daughter better than that. "I knew in my heart, always, that Rachel was a very good driver," Houck said. "Having lived in Europe for two years, she spent a lot of time driving the roads of rural Italy. She was very cautious and would never have taken any chances." Turns out, Cally's gut feeling was spot-on. The Capitola, Calif., Enterprise branch which rented the girls a 2004 Chrysler PT Cruiser had been informed a month before that the vehicle had a safety recall, but did nothing about it. The repair that would have saved the lives of the Houck girls — the replacement of a power steering hose that could leak and ignite on the catalytic converter, causing a fire under the hood — was never made. Houck lawyer Larry Grassini, of Grassini and Wrinkle law firm, said that the branch had actually rented that same vehicle out four times before they gave the keys to Rachel. According to a Grassini and Wrinkle press release, "Both of the managers-in-training who rented the PT Cruiser to the Houck sisters provided statements to the parents' lawyers saying that Enterprise intentionally overbooked vehicles 'to get customers in the front door' and knowingly rented out vehicles in need of service and maintenance. The recalled PT Cruiser rented to Rachel Houck was the last car on the lot and was represented to her as a 'free upgrade.'" A few hours later, the girls were dead. "Our experts and our attorneys," Cally Houck said, "remained

The branch manager is still the head of that operation and assumes responsibility for that trainees actions and decisions.



Anonymous

7 Jul 10 at 8:36 am

24. As a former Enterprise employee I can tell you I am shamed and sickened by this story. Renting recalled vehicles or vehicles with overdue maintenance is common practice. It isn't fair to blame the Management Trainee for renting the car – he or she is working 55+hours per week on an appalling salary and does as ordered by management. The blame lies with the senior management team who relentlessly drive their staff to generate maximum income that they can keep for themselves. They have no care for the well being of their own staff or the safety of their customers.

I am massively sorry this avoidable tragedy has befallen this family. My only hope is that perhaps now Enterprise will be forced to change its deeply unethical practices.



James K

7 Jul 10 at 9:06 am

- 25. this was emailed to all employees in US and Canada this morning from Pam Nicholson:

This morning, ABC News aired a report that included information about a recently resolved lawsuit involving Enterprise Rent-A-Car. The lawsuit pertained to two young women – sisters Rachael and Jacqueline Houck – who died in a tragic automobile accident while driving a recalled Chrysler PT Cruiser rented from Enterprise in October 2004. We cannot imagine the feelings of loss and grief their parents must carry with them each and every day, and our hearts go out to the Houck family.

Despite the length, complexity, and difficulty of the Houck's legal case against Enterprise and Chrysler, it was never our intention to lose focus on the human tragedy of this case. (Chrysler was a defendant in the suit until the company was dismissed due to bankruptcy in 2009.) Going forward, we can only try to do better. Over the past decade, Enterprise has taken a number of steps to improve the efficiency with which we handle manufacturers' recalls, including the following:

- Our computerized rental management system automatically identifies all affected vehicles in real time for our branch employees to view throughout the day.
- Our groups and regions receive manufacturers' notices electronically, helping them monitor compliance – including individual rental transactions – in a timely fashion.
- We have added more than 100 company-owned service facilities throughout North America where certified technicians not only provide routine maintenance work, but also supplement local dealers' efforts to respond quickly to recalls.

Every year, auto manufacturers – under the direction of the National Highway Traffic Safety Administration (NHTSA) – issue hundreds of recalls and service bulletins affecting millions of vehicles in North America, including thousands of our rental cars and trucks. In the vast majority of cases, manufacturers do not suggest grounding, but instead ask owners to contact their local dealers to schedule a service appointment. (Neither Chrysler or NHTSA had recommended grounding the PT Cruiser.)

If and when manufacturers recommend that vehicle owners park or ground their vehicles, we promptly do so. However, Enterprise also independently reviews all recalls and, in some cases, has grounded vehicles even when manufacturers have not issued any such notice. Further, we will put customers into another vehicle if they express concern about using any car.

In more than 30 million vehicle rental transactions every year, customer safety is our top priority. That is why we continue to work with manufacturers to improve our policies and procedures for handling recalls. Your

we continue to work with manufacturers to improve our policies and procedures for handling recalls. Your customers should know that they can count on our commitment to provide a vehicle that is safe and dependable. That's been the foundation of our business for more than 50 years.

Nothing can change this heartbreaking situation for the Houck family, but we can all share their goal of preventing anything like this from happening again. Thank you for your continued hard work to put our customers' and employees' safety first.

As always, please remember that media inquiries about this or any issue should be referred immediately to Christy Conrad, Vice President of Corporate Communications, at 314-512-2706.

- Pam



Christhee

7 Jul 10 at 2:55 pm

26. "In the Houck case, neither Chrysler nor the NHTSA recommended grounding the more than 400,000 PT Cruisers recalled in 2004."

Chrysler got away with a big one by being bankrupt.



Anonymous

7 Jul 10 at 11:51 pm

27. Let me shed some light on how this could have happened. Enterprise gives promotions based on how perky you are during an interview because "you know it's very competitive"(the interview process) instead of giving promotions based on ones grasp on the knowledge needed to competently do ones job. Someone's expertise and experience takes back seat to how well you do on a behavioral interview regime. Many companies fall prey to this ridiculous system of interviewing because of a lack of management talent to do a good interview, and all this perpetuates a lack of talent. It is a viscous circle and unfortunately enterprise uses this system to hire and promote. So it is a ticking time bomb until this kind of thing happens again apparent enthusiasm is more important than actual knowledge.



anonymous

8 Jul 10 at 5:34 am

28. I worked for Enterprise Rent A Car for almost 15 years and I can tell you this a common practice at all locations. I managed several locations and even remember my boss yelled at me for not putting a recall car on rent. There are a lot of other things people do not realize when they rent a car. I will share all, and it will be shocking.

John



worked for erac 14.5 years

9 Jul 10 at 9:41 am

29. To follow up on the last post, what knowledge are you suggesting is required that these enthusiastic applicants lack?