



U.S. Department
of Transportation
**National Highway
Traffic Safety
Administration**

MAR 17 2011

1200 New Jersey Avenue SE
Washington, DC 20590

Via USPS Certified Mail and E-mail

Mr. Michael K. Tucker
Executive Vice President & General Counsel
Avis Budget Group, Inc.
6 Sylvan Way
Parsippany, New Jersey 07054

NVS-215jt
AQ10-001

Re: AQ10-001: Rental Vehicle Audit Query

Dear Mr. Tucker:

Thank you for providing Avis Budget Group, Inc.'s (Avis Budget) views, insights, and information with respect to the information and data NHTSA received in response to its information requests to General Motors, Ford Motor Company, and Chrysler Group, LLC concerning recall completions by rental car companies on the safety recalls included in our audit query (AQ) 10-001. The information Avis Budget shared will not only be added to the investigation record as requested, but will be carefully considered as we continue to conduct our audit.

Your letter expressed frustration with the placement of the vehicle manufacturers' responses in the public investigation file. In addition to honoring our obligations under the Freedom of Information Act, NHTSA has long offered the public access to its investigation records online for a number of important reasons, including transparency. We appreciate and understand that this level of accessibility and transparency means that documents in the public file might be interpreted in ways that some do not agree with. However, the agency's considered view is that the benefits of transparency outweigh this potential disadvantage. Our investigation is ongoing. Our record is an open one, and your company's letters of March 3 and March 7 have been placed in the public file.

We are interested in learning what Avis Budget's policies and procedures, past and present, are with respect to safety recalls on the vehicles within its fleet. We are also interested in learning how Avis Budget manages and executes the important business of disseminating safety recall information to its rental facilities and verifying that the free remedies offered by manufacturers are applied. To that end, please provide information responsive to the following questions. To the extent there is written documentation that sets out or explains or supports your response, please provide that documentation.



1. Does Avis Budget have a policy or procedure on having repairs and other remedies pursuant to U.S. vehicle safety recalls performed on vehicles within its fleet? If so, please describe in detail that policy or procedure and produce a copy of it. To the extent that policy or procedure has changed over the past three (3) years, please identify and explain: (a) what changes were made; (b) why they were made; and (c) when the changes were made.
2. Does Avis Budget draw distinctions between safety recalls in terms of severity, size of affected population, or other factors? If so, please describe how Avis Budget makes those distinctions and describe how, if at all, those factors influence or change whether, or how quickly, Avis Budget disseminates information to its rental facilities about a particular safety recall or requires application of the recall remedy to the vehicles affected in its fleet.
3. Does Avis Budget have a policy or procedure for ensuring that vehicles within its fleet have had safety recall remedies applied before Avis Budget sells or otherwise transfers ownership of those vehicles? If so, please describe that policy or procedure and produce a copy of it. To the extent that policy or procedure has changed over the past three (3) years, please identify and explain: (a) what changes were made; (b) why they were made; and (c) when the changes were made.
4. How does Avis Budget receive and manage safety recall notifications and information from vehicle manufacturers? For example, are those notifications received at one location and then distributed from there or are the notifications sent to multiple locations?
5. How does Avis Budget inform and educate its rental locations and other involved Avis Budget parties concerning safety recalls to ensure that the affected vehicles are identified and the recall remedy performed on them? Does Avis Budget “flag” or otherwise note vehicles subject to safety recall and does Avis Budget have a policy for how quickly those vehicles are flagged?
6. Please describe how Avis Budget enforces its policies or procedures on remedying of its vehicles subject to a safety recall. Please describe, for example, whether there are personnel at Avis Budget dedicated to reviewing Avis Budget’s performance of safety recalls and identifying vulnerabilities or weaknesses within Avis Budget or its rental locations as to performance of safety recalls on its vehicles.
7. Does Avis Budget subscribe to the agency’s recall notification service and have personnel dedicated to receive notifications from that service?
8. NHTSA understands that Avis Budget has, or had, a policy whereby it would not rent vehicles subject to a safety recall if NHTSA or the manufacturer had indicated those vehicles should not be driven, or should be “grounded.” Please confirm whether this is current Avis Budget policy and, if the converse is true -- that Avis Budget does not “ground” vehicles unless and until NHTSA or the manufacturer instructs that this is appropriate.
9. Does Avis Budget report safety concerns to NHTSA when and if it learns of those concerns from its rental locations, its renters, or otherwise? If so, please state whether Avis Budget has personnel designated to do the reporting or whether the reporting is performed at the discretion

of individual Avis Budget staff, describe how Avis Budget reports those concerns to NHTSA, (e.g., through an owner complaint form available online at www.safercar.gov, by calling NHTSA's toll-free hotline at 1-888-327-4236, or other means), and state whether it has a policy or procedure for reporting those concerns to NHTSA and, if so, provide a copy of that policy or procedure. In your description, to the extent they exist, identify and explain any minimum criteria or other factors Avis Budget may have for reporting a safety concern to NHTSA (e.g., a certain number of complaints on an issue, Avis Budget's assessment of the risk involved, etc.).

10. Please provide any additional information or documentation that would be helpful to NHTSA's understanding of how Avis Budget views, manages, and executes safety recalls affected its vehicles.

Please provide your company's responses and supporting documentation to our requests **within 3 weeks** from the date of this letter.

If Avis Budget claims that any of the information or documents provided in response to this information request constitute confidential commercial material within the meaning of 5 U.S.C. § 552(b)(4), or are protected from disclosure pursuant to 18 U.S.C. §1905, the company must submit supporting information together with the materials that are the subject of the confidentiality request, to the Office of Chief Counsel, National Highway Traffic Safety Administration, 1200 New Jersey Ave., SE, Washington, D.C. 20590. Please see 49 CFR Part 512 for further instructions as to what is required to properly file a request for confidential treatment.

Please direct your response to me and note conspicuously on your response the investigation number assigned to this matter (e.g., AQ10-001). Should you have any questions or concerns, do not hesitate to contact me on (202) 366-0209 or by email at jennifer.timian@dot.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'J.T.T.', with a stylized flourish at the end.

Jennifer T. Timian
Chief, Recall Management Division
Office of Defects Investigation
Enforcement