

May 22, 2012

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Hon. Barbara Boxer, United States Senator
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Dear Senator Boxer,

I would like to echo the message of the letter you received from our Chairman and CEO Andrew Taylor. Enterprise is committed to renting safe cars to our customers, which is why we are pleased to make the pledge you requested. In the spirit of that pledge and Mr. Taylor's letter, I'd like to underscore our desire to work with you to create a balanced federal solution to this issue.

As you know, we share your concern over the tragic accident that took the lives of the Houck sisters, and we will continue to do everything in our power to ensure that nothing like this ever happens again. In the more than eight years since the accident, our company and our industry have worked diligently with the automobile manufacturers to enhance the process for receiving and responding to recall notices. These efforts, along with the dramatic improvements we have made to our recall procedures, have helped prevent any similar event from occurring in the hundreds of millions of rental transactions since that time.

We also have voluntarily cooperated with NHTSA's as-yet-unfinished study of how quickly rental car companies have completed the recommended work/inspection on recalled vehicles. The information we have submitted to them shows that more than 90% of recalled vehicles have the required work or inspection completed in less than 30 days, which, as far as we call tell, substantially exceeds the performance of any other class of vehicles owners and is near the top of the industry.

In addition, our company has joined with the American Car Rental Association (ACRA) in discussions over the past several months with Consumers for Auto Reliability and Safety (CARS). These negotiations focused on trying to reach agreement on the specifics of federal legislation that would extend the jurisdiction of NHTSA to our industry's management of recalls. Some progress was made; but we believe more was possible. Unfortunately, CARS essentially refused to address our industry's legitimate concerns, and chose to terminate the discussion. But we remain ready to work with all interested parties toward the enactment of federal legislation that enhances motor vehicle safety.

To that end, with our pledge to you in place – along with the strong internal policies and practices described in Mr. Taylor's letter – we would like to meet with you face to face in hopes of moving this conversation forward. We believe that, in the spirit of your May 7th letter, we can work together to address the following items with respect to proposed legislation:

1. The legislation that ACRA supports would permit an exception to grounding in cases where the manufacturer of the recalled vehicle provides in the recall notice, which is subject to NHTSA's approval, that the vehicle may be rented if a disclosure is made to the renter. For example, this option might have been used for a recent minivan recall in which the maximum load capacity information on the door placard was overstated by varying amounts, depending on the vehicle configuration. The recall involved no mechanical inspection or repair, but rather the simple replacement of a sticker. Clearly, disclosure of the facts enabled these vehicles to be safely operated until the new stickers were obtained and applied. We believe that, under the right circumstances, this is a safe, sensible option, and we ask you to consider supporting this provision. As background, this type of disclosure was the backbone of draft legislation in this area that NHTSA supported in 2011. Disclosure in appropriate circumstances preserves consumer's informed freedom of choice without jeopardizing their safety. Still, we have decided not to implement a disclosure option until one is codified in the statutory language.
2. When we receive the recall notice to owners from a manufacturer and the VIN (Vehicle Identification Number) allowing us to identify that one of our vehicles is subject to the recall, we ground all such vehicles as soon as practicable. Such vehicles are not made available for rental until a remedy specified by the manufacturer has been completed. In some rare cases in the past, the remedy may have been an interim measure specified by the manufacturer pending a permanent remedy (as was the case with the Toyota recall where the interim remedy was removal of the floor mats). But in all cases, the vehicle is not made available for rent until the remedy has been implemented.
3. We hope you will also consider our industry's proposal to extend the ban on the rental of vehicles subject to a recall, to taxis, limousines and vehicles owned and operated by car services that also are subject to safety recalls. Passengers in those vehicles do not receive recall notices and are in no different position than our renters. This will strengthen the legislation by expanding our shared goal of enhanced consumer safety.
4. As you know, the law does not currently place any restrictions on the sale of used vehicles subject to recalls. Our policies, as described in Mr. Taylor's letter, have been voluntarily undertaken. We will be happy to work with you on reasonable and effective legislation to deal with the sale of used vehicles,

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whether in retail or wholesale transactions. Rental vehicles make up about one percent of the total vehicles registered in the U.S. and thus represent a very small fraction of used vehicle transactions. Limiting restrictions on the sale of used vehicles subject to recalls to just those owned by rental car companies is not consistent with concern for safety.

We believe that a face to face discussion between you and representatives of our industry would be helpful as we all look to arrive at a balanced legislative solution to this issue. On behalf of our 60,000 U.S. based employees we hope to have the opportunity to meet with you soon to discuss the future of regulation in our industry.

Sincerely,



Thomas P. Laffey
General Counsel