

March 3, 2011

Via FedEx and e-mail

Jennifer T. Timian, Esq.
Chief, Recall Management Division
Office of Defects Investigation
National Highway Traffic Safety Administration
1200 New Jersey Ave., S.E.
Washington, DC 20590

Re: NHTSA Audit Query of November 18, 2010 re: Rental Cars

Dear Ms. Timian:

Enterprise Holdings, Inc. (on behalf of itself and its operating subsidiaries operating the Enterprise, National and Alamo brands), Avis Budget Group, Inc. (operating the Avis and Budget brands) and The Hertz Corporation (operating the Hertz and Advantage brands) write to express our concern with the manner in which NHTSA has handled the release of information obtained from Chrysler and General Motors in response to your Audit Query of November 18, 2010. This inquiry related to how rental car companies respond to recall notices from the automobile manufacturers. The information provided by Ford, Chrysler and General Motors to NHTSA in response to your Audit Query questions (and posted on your website, except for the information from Ford for which confidentiality was requested) does not accurately reflect the performance of our respective companies in this area. Rather, the data reported understates the frequency and speed with which our companies have been and are responding to such notices. For example, Ford's report regarding the number of the impacted vehicles owned by each respective rental car company at [each reported] launch date, and each interval date thereafter noted that its data was not "up to date" and as a result was not accurate. The data submitted by Chrysler and General Motors suffers from the same lack of accuracy as we shall explain herein. Nonetheless, the Agency posted the data on its website without giving our companies an opportunity to comment and apparently without making any effort to see if the data presented would provide an accurate picture of our performance in this area. The media then reported on this inaccurate data (See the ABC news story from last Friday) in a way that grossly mischaracterized how rental car companies respond to recall notices.

The inaccuracies in the data reported by the manufacturers are, in part, a function of an inherent limitation in the timeliness of vehicle owner data reported to the manufacturers. For the reasons described in greater detail below, these process limitations will continue to result in the manufacturer's responses to your Audit Queries overstating the vehicles actually in our fleet subject to any given recall, and thereby understating our actual completion rates.

The inaccurate nature of the data provided by the manufacturers stems from the following facts:



1. Rental car company fleets are turned over far more rapidly than vehicles owned by others, and the records relied on by the manufacturers to establish the number of affected vehicles each of our respective companies owns on any particular recall launch date will not be up to date and will almost always overstate(depending on the circumstances it can be significantly) the actual number of affected vehicles in the control of the car rental companies and potentially in the possession of customers.

Ford noted in its letter (regarding NHTSA Recall Notice #04V-602), that its FNSP database showed that Budget Rent A Car owned 1259 affected vehicles on the launch date of the recall notice but that other data indicated 1099 of these affected vehicles had been sold by Budget before the launch date. Stated differently, Ford's FSNP database regarding the number of unremedied vehicles for Budget was off by over 87%. Thus, when Budget reported the actual number of vehicles it had remedied, Ford's records would reflect a much higher number and percentage of vehicles with recall work not completed at Budget for each measured time interval. This kind of inaccuracy was repeated for each of the other car rental companies. [Ford's launch count numbers were based on its own FSNP database and all of our companies do supply Ford with data on which of its vehicles we own on a periodic basis but it is typically not updated more frequently than every 30 days.

GM's provided its responses to NHTSA based upon data it receives from RL Polk and Company ("Polk") regarding the number of affected cars owned by a rental car company on the launch date. Our understanding is that Chrysler also relies on data from Polk as well. The Polk data will not reflect a change of ownership until a new owner registers the vehicle. Polk periodically updates its records from state registration databases; however this information typically lags a month or two behind. We also understand that Polk only shows the month in which a new retail owner actually registered the vehicle. Since the vast majority of our vehicles are sold at auction or directly to dealers for resale, and will not be registered to a new owner until sold to an ultimate consumer Polk's data will overstate the number of vehicles still owned by rental car companies.

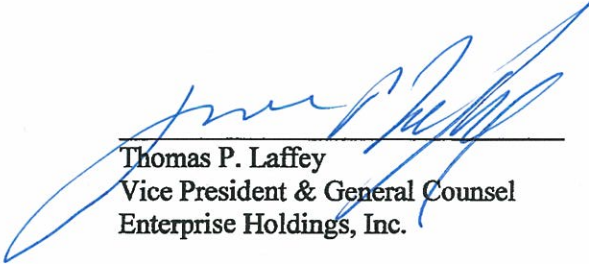
2. We further understand the manufacturers use their own claim records to determine and report when a vehicle, impacted by a recall notice, was inspected/repaired. The accuracy of this data depends on whether our service centers or the manufacturers' authorized dealers doing the required work submitted a claim. There are occasions when such claims are not submitted due to inadvertence or oversight. To the extent claims were not submitted, it would result in the percentage of completed repairs being understated.

We respectfully request that you post this letter on the NHTSA website as quickly as possible to provide the public with accurate information regarding the safety of rented vehicles. In addition, each of Avis Budget, Hertz/Advantage and Enterprise/Alamo/



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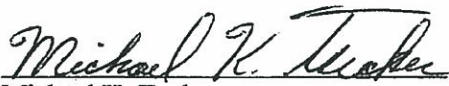
National intend to provide individual letters to the Agency, in a supplement to this letter, in order to provide more detail regarding their own personal concerns regarding the data reported by the manufacturers in response to your Audit Query for the calendar year 2010.



Thomas P. Laffey
Vice President & General Counsel
Enterprise Holdings, Inc.



Richard Broome
Senior Vice President
Corporate Affairs & Communications
The Hertz Corporation



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