

PETITION FOR INVESTIGATION AND LEGAL ACTION TO CHANGE ENTERPRISE O

. *In the Matter of Budget Rent A Car Corporation*, 113 F.T.C. 1109 (1990). The Center is most known for its work on airbags, lemon laws, and recalls of defective vehicles, including the Ford Pinto. The Center frequently testifies before Congress, including four times within the past six months on issues related to Toyota Sudden Acceleration.

Petitioner Consumers for Auto Reliability and Safety is a national, award winning, non-profit auto safety and consumer education and advocacy organization dedicated to preventing motor vehicle-related fatalities, injuries, and economic losses. CARS has worked to enact legislation to protect the public and successfully petitioned the National Highway Traffic Safety Administration (“NHTSA”) for promulgation of regulations to improve protections for consumers. The United States Congress has repeatedly invited the President of CARS to testify on behalf of American consumers regarding auto safety practices and policies.

¹ Safety recalls are issued pursuant to the National Traffic and Motor Vehicle Safety Act, 49 U.S.C. 30101 *et seq.*, and the regulations promulgated thereunder, 49 C.F.R. 501 *et seq.*

Petitioner Carol S. Houck was a plaintiff, along with Charles Houck, in a wrongful death action against Ent

received the recall notice. Far from being told that the vehicle was recalled but unrepaired, the Houck sisters were told that this PT Cruiser, apparently the last vehicle on the rental lot, was a “free upgrade.”⁴ Consistent with this, Mark Matias, the Area Manager of Enterprise Car Rental of San Francisco at the time of the Houck tragedy, executed a declaration⁵ indicating it wasn’t uncommon for vehicles with pending safety recalls to be rented to customers. He did say that Enterprise had procedures for handling

they also say that Enterprise independently reviews all recalls as well. The official statement, but not Ms. Nicholson's, goes on to say that "recalls involving the risk of sudden loss of control, airb

Enterprise's practice of renting such vehicles makes Mr. Murphy's claim and Enterprise's message of customer service false or misleading.

In short, not only is it deceptive for Enterprise to fail to disclose its practice of renting recalled but unrepaired vehicles, it is deceptive for Enterprise to have such a practice to begin with.

The Remedy for Enterprise's Practices is to Remove Recalled Vehicles from Rental Service Until They Are Repaired

While the Commission's 1990 *Budget* consent order is a useful reference in this matter, petitioners do not believe the remedy in the *Budget* order should be duplicated with Enterprise. The *Budget* order was the product of an era that was much different in information technology, among other ways. The *Budget* order gave the company the choice of adopting a policy of disclosing to prospective renters that a particular vehicle was subject to a recall but unrepaired, or adopting a policy of repairing recalled vehicles within a reasonable period of time (defined as 120 days after receipt of the recall notice). Petitioners maintain that Enterprise should not be given the option of adopting just a disclosure policy because disclosure alone is inadequate to address Enterprise's apparently longstanding practice of renting cars with unrepaired safety defects which is antithetical to its claimed business model and representations. The repair policy alternative in the *Budget* order is also inadequate because it does not address removing the vehicles from rental service and gives too long a period to accomplish repairs.

