



For more information, contact:
Laura Bryant, 314-512-4178
laura.t.bryant@erac.com

Car Rental Industry Needs to Earn Public Trust with Fairness, Honesty and Transparency

Darrah warns: “Energy Recovery Fees have no place in our world”

March 31, 2009 (Las Vegas) – Matthew Darrah, Senior Vice President of North American Operations for Enterprise Rent-A-Car, National Car Rental and Alamo Rent A Car, warned attendees at the 2009 Car Rental Show yesterday to avoid short-sighted policies that undermine consumer trust.

In particular, he pointed to so-called “Energy Recovery Fees” as a prime example of industry decisions that focus on short-term financial gain at the expense of customer relationships.

“Energy Recovery Fees became popular as gasoline prices soared above \$4 a gallon,” Darrah said in his keynote address. “For whatever reason, several car rental companies saw the increase in gasoline prices as an opportunity to create a new fee, even though – in our opinion – energy expenses are a standard cost of doing business and should be bundled into the rental rate.

“The Energy Recovery Fee became an opportunity for companies to disguise a legitimate operating expense. They position it as something akin to a tax or another charge forced upon our companies, when in fact it is a pure revenue enhancement,” said Darrah. “To make matters worse, as gasoline prices began to drop dramatically – down from a national average of \$4.11 a gallon in July of 2008 to less than \$2 in February of this year – Energy Recovery Fees did not go away, or even come down in price.”

Enterprise, National and Alamo chose not to impose an Energy Recovery Fee because, in Darrah’s words, “Fees like this have no place in our world. They are essentially disingenuous and intentionally worded in such a way as to mislead customers.”

The National Business Travel Association expressed similar concerns in a recent letter, noting that such fees are unfair and contradict the consumer-friendly concept of bundling. The NBTA wrote: “To protect the integrity of the industry, separate line-item fees should be properly calculated, disclosed in advance and should not serve as a profit center.”

Misleading line-items like the Energy Recovery Fee not only outrage customers and consumer advocates, but they also hurt the industry’s overall credibility as it tries to fight against discriminatory and arbitrary car rental excise taxes on behalf of customers.

(more)

Page 2
Energy Recovery Fees

“Since 1976, more than 100 car rental excise taxes have been enacted across 43 states, with dozens more under discussion,” Darrah said. “And the pace increases each and every year. Since 1990, car renters have paid more than \$7.5 billion in car rental excise taxes at the state, county or municipal level.”

Darrah argued that, unlike Energy Recovery Fees, excise and sales taxes should be itemized separately – if for no other reason than to make people fully aware of the unfair and extremely heavy tax burden placed on car rental customers.

“These excise taxes pay for sports stadiums, arenas, infrastructure and a wide variety of other civic projects,” Darrah said. “Our customers are easy targets for these taxes. They are forced to carry a hugely disproportionate share of the funding burden for these projects – despite the fact that they often have no vote in the matter, and they derive no special benefit from them.

“What we object to is the excessive and undue burden of excise taxes placed on our customers. A well-designed tax system shouldn’t single out customers of just one industry. And it is our responsibility, both as industry leaders and local operators, to continue to communicate the unfair, unreliable, regressive and discriminatory nature of these excise taxes – not only to our customers, but to our legislators and civic leaders as well.”

Darrah told the audience that the industry’s ability to stand up for consumers on the excise tax issue is compromised when car rental companies indulge in a misleading practice like Energy Recovery Fees.

He concluded by reiterating that these difficult times require thoughtful leadership and responsible actions from every member of the car industry at every level. “We are a bellwether industry,” Darrah said. “What we do, individually and collectively, impacts the health and well-being of our entire economy.”

About the Enterprise Family of Companies

With industry-leading rental car brands including Enterprise Rent-A-Car, National Car Rental and Alamo Rent A Car, the Enterprise family of companies owns and operates the largest fleet of passenger vehicles in the world today – more than 1 million cars and trucks. Other Enterprise business lines include Enterprise Fleet Management, Enterprise Commercial Truck Rental and Enterprise Car Sales.

Collectively, the Enterprise family of companies – headquartered in St. Louis – operates a network of more than 8,000 car rental locations in neighborhoods and at airports worldwide and is the most comprehensive service provider in the industry, unparalleled in size, strength and stability. The North American Enterprise family of companies is part of a global strategic alliance with Europcar, creating the world’s largest car rental network.

#