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June 26, 2014

The Hon. Chuck Schumer  
322 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Schumer:

Thank you for meeting with me, our CEO Ms. Mary Barra, and for the continuing cooperation of your staff in an effort to find common ground on the provisions of S. 921, The Raechel and Jacqueline Houck Safe Rental Car Act of 2013.

As you know, under existing law auto manufacturers have the ability to defend against loss of use claims by rental car companies, because rental car companies have the ability to manage the way they repair their fleets subject to safety recalls or other safety-related notices. While we think that the rental companies will continue to have that ability as a practical matter (because of the size and diversification of their fleets) if S. 921 passes as currently drafted, our defense as a manufacturer might be degraded, since the rental companies would be able to point to the absolute statutory grounding of vehicles as the basis for claims of loss of use – even in the absence of a showing of actual “damages.”

Our primary concern with the current language of S. 921 is that the new requirements for rental companies to repair recalled vehicles could increase manufacturers’ liability under state laws for the losses suffered by the rental car companies as a result of having to ground recalled cars before they can be repaired. In discussion with your staff, it became apparent that you never intended to change the status quo with regard to loss of use, and believe that the issue would be best addressed in the contracts between the manufacturers and the rental companies.

As part of discussions I have had with your staff, and the staffs of the cosponsors of S. 921, I would like to suggest the below language as an amendment to the current provisions of the legislation.

*After section 8 (of S.921), insert the following:*

**SEC. 9. RULE OF CONSTRUCTION.**

*Nothing in this Act or the amendments made by this Act shall—*

*(1) be construed to create or increase any liability, including for loss of use, for a manufacturer as a result of having manufactured or imported a motor vehicle subject to a notification of defect or noncompliance under subsection (b) or (c) of section 30118 of title 49, United States Code; or*

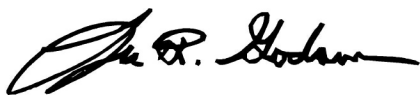
*(2) supersede or otherwise affect the contractual obligations, if any, between such a manufacturer and a rental company (as defined in section 30102(a) of title 49, United States Code, as amended by section 2).*

If this change in S. 921 can be accomplished and addressed, General Motors stands ready to support such a revised bill.

I would like to add that, in discussions with your staff, I have raised the possibility of mandating that rental car companies be obliged to report their repair completion rates monthly or quarterly to the National Highway Transportation Administration (NHTSA) – the goal being to prompt the companies to repair their vehicles in a timely fashion, and to make this completion rate more transparent and public. We support this requirement.

Lastly, our auto dealer partners (NADA) have expressed a concern that the NHTSA rulemaking authority in section 9 of the legislation is too broad. Section 9 states: *The Secretary of Transportation may promulgate rules, as appropriate, to implement this Act and the amendments made by this Act.* I understand through your staff that you are willing to delete this section of the legislation, and we support this deletion.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Hodman". The signature is fluid and cursive, with a long horizontal stroke at the end.