



CAR RENTALS & THE AUTO INDUSTRY

The rental car industry makes up almost 10% of the market for new vehicles manufactured by the US auto industry.

The Rental Car Industry purchases cars from US Manufacturers in one of two ways:

1) Program Vehicles: Rental car companies purchase new cars from US manufactures for their customers to use. At the end of that vehicles' rental service (usually one year or less), manufactures then buy-back those vehicles and resale them though the manufactures' networks.

2) Risk Vehicles: Rental car companies purchase new cars from US manufacturers for their customers to use. At the end of those vehicles' rental service the rental car companies then sell those vehicles through their used-car markets. These are called risk vehicles because the rental car company assumes the "financial risk" for reselling their used vehicles.

RENTAL USED VEHICLE MARKETS CREATES JOBS IN THE AUTO INDUSTRY

Reselling rental cars creates jobs within the auto industry. Used rental cars are sold through a variety of channels including auto auctions, dealerships and retail lots—each step in the process generates jobs within the auto industry.

RENTAL CARS CREATE DEMAND FOR US AUTO MANUFACTURERS' VEHICLES.

Car rental companies purchase a diverse mix of US Auto Manufacturers vehicles; this exposes consumers to a variety of vehicle makes and models. Consumer studies reveal that consumers are more likely to buy a vehicle after renting it.

RENTAL CARS RE-SALES PROVIDE AFFORDABLE VEHICLE CHOICES FOR CONSUMERS

A vehicle's rental life cycle is, on average, less than 12 months old. Having this steady stream of used vehicles less than 1 year old with low mileage helps both auto dealers and consumers.

Auto dealers benefit from having a steady stream of preferred used vehicles to sell to their customers.

Consumers benefit from having an affordable vehicle option to expensive new car choices.