

**UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION**

**COMMISSIONERS: Deborah Platt Majoras, Chairman
Pamela Jones Harbour
Jon Leibowitz
William E. Kovacic
J. Thomas Rosch**

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In the Matter of)	
)	
BUDGET RENT-A-CAR SYSTEM, INC.,)	
a corporation.)	DOCKET NO. C-4212
)	
)	

COMPLAINT

The Federal Trade Commission, having reason to believe that Budget Rent-A-Car, Inc., a corporation (“Budget” or “Respondent”), has violated the provisions of the Federal Trade Commission Act, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent is a Delaware corporation with its principal office or place of business at 6 Sylvan Way, Parsippany, New Jersey.
2. Respondent has advertised, offered for rent, and rented, directly and through franchisees, vehicles to consumers.
3. The acts and practices of Respondent alleged in this Complaint have been in or affecting commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act.
4. Respondent traditionally has offered customers three options with respect to refueling their rental vehicle. Customers have been able to: (1) return the vehicle with as much fuel as was in the tank upon rental and not pay any fuel or service charge; (2) return the vehicle with less fuel than was in the tank upon rental, and pay the specified per-mile or per-gallon rate for the

difference; or (3) prepay for a full tank of gas up-front at a discounted rate, and forego credit for any fuel still in the tank upon return.

5. In November of 2004, Respondent launched a pilot program at six non-franchise locations to charge consumers who drove their rental vehicles fewer than 75 miles an automatic fee of \$5 or \$6, depending on the location, unless the consumer refueled the gas tank and presented a fuel receipt. Respondent refers to this program as the “EZ Fuel” program and the fee as the “EZ Fuel fee.”

6. In June of 2005, Respondent expanded the EZ Fuel program to all of its non-franchise U.S. locations, except for Hawaii.

7. In September of 2005, Respondent increased the EZ Fuel fee to \$9.50 for all locations that used the EZ Fuel program.

8. From November of 2004 to June of 2005, customers who were charged the EZ Fuel fee could have the charge reversed only if they refueled the gas tank and, after returning the rental vehicle and being checked out on the rental lot, went inside to the rental counter and presented a fuel receipt.

9. In June of 2005, Respondent began allowing customers with a corporate account who had been charged the EZ Fuel fee to have the charge reversed on the return lot if they refueled the gas tank and presented a receipt. Customers without a corporate account still had to present their fuel receipt inside at the rental counter to have the EZ Fuel fee reversed.

10. In March of 2006, Respondent began allowing all customers who had been charged the EZ Fuel fee to have the charge reversed on the return lot, without having to go inside to the rental counter, if they refueled the gas tank and presented a receipt.

11. Throughout the period Respondent ran the EZ Fuel program, Respondent continued to promote the traditional three fuel options described in Paragraph 4.

12. In connection with the renting of vehicles, Respondent has disseminated or caused to be disseminated promotional and informational material through its website, budget.com; its telephone reservation system; point-of-sale disclosures; and the rental contract.

13. Until March of 2006, Respondent did not inform consumers who reserved a rental car by telephoning Budget or via budget.com about the EZ Fuel program at any point during the reservation process.

14. Certain of Respondent’s promotional and informational material including, but not limited to, the website disclosures, the point-of-sale disclosures, and the rental contract, (attached as Exhibits A through D), describe the various charges renters will pay to rent a vehicle and the

renters' options and obligations with respect to refueling the vehicle. These disclosures contain the following statements:

A. [BUDGET.COM]

“Common Questions

. . .

Will any other fees apply?

. . . On budget.com, all additional charges are quoted as part of your total online rate so there aren't any surprises when you get to the rental counter. . . .The rate you reserve is the rate you pay!

. . .

Does the cost of the rental include the fuel?

Our prices do not include the cost of fuel. Your rental location will discuss the various fuel options available to you at time of rental. You will have the option to purchase a tank of gas at a discounted rate, or simply return the vehicle with a full tank of gas to avoid additional charges.

. . .

What is your fuel policy?

You have three options:

1. Pay in advance for the fuel . . .
2. If you aren't sure how far you'll be driving, but plan to stop for gas, don't pay Budget in advance for fuel. Simply bring the car back full to avoid any refueling service charge.
3. If you won't be using a full tank, and don't have time to stop for gas, pay us only for the fuel you use, based on the renting location's per-gallon refueling service charge. Budget customer service representatives can tell you what the renting location's refueling service charge is when you pick up the car. ”

(Exhibit A).

B. [POINT-OF-SALE SIGN]

“YOUR FUEL OPTIONS

**ONE: PAY US NOW...
BRING IT BACK EMPTY**

**New! Save Money And
Time!**

Pay us for your fuel at the
time of rental.

...

**TWO: DON'T PAY US
FOR GAS...BRING IT
BACK FULL.**

Save Money! Don't pay us
for any fuel! Start with a full
tank. If you have the time,
and want to save on refueling
charges, refill the car before
returning it. No fuel charge
will be added to your
contract.

**THREE: PAY US TO FILL
IT UP WHEN YOU'RE
THROUGH.**

Save time! Pay us only for
the fuel you use! You'll pay
more per galls, but it's a
smart option if you won't
have time to refuel the car
before returning.

ADVANCE FUEL RATE

\$2.70

per gallon

LOCAL AVG FUEL RATE

\$2.85

per gallon

REFUELING SERVICE

\$6.75

per gallon ”

(Exhibit B, typically larger than 8.5"x11" with blue background and white lettering).

C. [DIFFERENT VARIATIONS OF DISCLOSURE IN RENTAL AGREEMENT FOOTER]

“If car is returned with less fuel than when rented a service charge applies.”

“00-74 miles, \$9.50 refueling chge applies.”

(Exhibit C, text included in the footer of rental agreement, in the first of two columns, typically on the thirteenth line of 15 to 16 lines of text).

D. [RENTAL AGREEMENT JACKET]

“Fuel Service Charges. Most Budget rentals come with a full tank of gas, but that is not always the case. There are 3 fueling options:

- (1) IF YOU DO NOT PURCHASE FUEL FROM BUDGET AT THE BEGINNING OF YOUR RENTAL AND YOU RETURN THE CAR WITH AT LEAST AS MUCH FUEL AS WAS IN IT WHEN YOU RECEIVED IT, YOU WILL NOT PAY BUDGET A FUEL AND SERVICE CHARGE.

- (2) IF YOU DO NOT PURCHASE FUEL FROM BUDGET AT THE BEGINNING OF YOUR RENTAL AND YOU RETURN THE CAR WITH LESS FUEL THAN WAS IN IT WHEN YOU RECEIVED IT, Budget will charge you a Fuel and Service Charge at the applicable per mile or per gallon rate specified in the Rental Document. . . .
- (3) IF YOU CHOOSE TO PURCHASE FUEL FROM BUDGET AT THE BEGINNING OF YOUR RENTAL BY SELECTING THE GAS SERVICE OPTION, YOU WILL BE CHARGED AS SHOWN ON THE RENTAL DOCUMENT FOR THAT PURCHASE. . . .”

(Exhibit D).

15. Through the means described in Paragraph 14, including but not limited to the representations in Exhibits A-D, Respondent has represented, expressly or by implication, that, if consumers return their rental vehicle with a full gas tank, they will not have to pay any fuel-related charge, fee, or cost.

16. In truth and in fact, in numerous instances, if consumers return their rental vehicle with a full gas tank, they will have to pay a fuel-related charge, fee, or cost. Consumers who drive their rental vehicle fewer than 75 miles will have to pay the EZ Fuel fee, regardless of whether they return the vehicle with a full gas tank, unless they present a gas receipt. Therefore, the representations set forth in Paragraph 14 were, and are, false or misleading.

17. In connection with the renting of vehicles, Respondent has represented that consumers can avoid paying any fuel or fuel-related service fee by returning their rental vehicle with a full gas tank. Respondent has failed to disclose, or failed to disclose adequately, that consumers who drive their rental vehicle fewer than 75 miles and refuel will have to pay the EZ Fuel fee unless they present a fuel receipt. In addition, Respondent failed to disclose that, prior to March of 2006, consumers without corporate accounts who drove their rental vehicle fewer than 75 miles and refueled would have to pay the EZ Fuel fee unless they presented their fuel receipt inside at the rental counter after returning their rental vehicle and checking out on the return lot. These facts would be material to consumers in their rental transaction. The failure to disclose, or failure to disclose adequately, the existence and the terms and conditions of the EZ Fuel program, in light of the representations made, was, and is, a deceptive practice.

18. The acts and practices of Respondent as alleged in this Complaint constitute unfair or deceptive acts or practices, in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act.

THEREFORE, the Federal Trade Commission this second day of January, 2008, has issued this complaint against Respondent.

By the Commission.

Donald S. Clark
Secretary

SEAL: