

**Congress of the United States**  
**House of Representatives**

COMMITTEE ON OVERSIGHT AND REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5051  
MINORITY (202) 225-5074  
<https://oversight.house.gov>

March 18, 2022

Mr. Stephen Scherr  
Chief Executive Officer  
Hertz Global Holdings, Inc.  
8501 Williams Road  
Estero, FL 33928

Dear Mr. Scherr:

The Subcommittee on Economic and Consumer Policy seeks documents and information on increases in rental car prices and possible predatory business practices by rental car companies. Over the past year, prices on rental vehicles have risen by 24%.<sup>1</sup> Three major rental car companies that control over 90% of the U.S. rental car market—including Hertz—appear to have significantly increased prices despite falling costs, leading to record profits and sizeable payments to shareholders.<sup>2</sup>

Hertz appears to have used its market position to raise prices substantially even as total expenses fell, resulting in the largest profits in company history. Due to cost-cutting measures, including a downsizing of its fleet, Hertz's total expenses decreased by nearly \$3 billion, or 31%, in 2021 compared to the three years before the pandemic.<sup>3</sup> Hertz's prices, however, moved in the opposite direction. A core measure of Hertz's rental car pricing increased by 39% in 2021

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<sup>1</sup> U.S. Bureau of Labor Statistics, *Consumer Price Index – February 2022* (Mar. 10, 2022) (online at [www.bls.gov/news.release/pdf/cpi.pdf](http://www.bls.gov/news.release/pdf/cpi.pdf)).

<sup>2</sup> *Avis and Hertz Stock Surged. Why the Rally Can Continue*, Barron's (Oct. 10, 2021) (online at [www.barrons.com/articles/rental-car-avis-hertz-stock-51633735787](http://www.barrons.com/articles/rental-car-avis-hertz-stock-51633735787)); Hertz Global Holdings, Inc., *Hertz Global Holdings Reports Fourth Quarter and Full Year 2021 Results* (Feb. 23, 2022) (online at <https://ir.hertz.com/news-releases/news-release-details/hertz-global-holdings-reports-fourth-quarter-and-full-year-2021>); *Hertz Targets \$2 Billion In Buybacks Amid Pandemic Recovery*, Wall Street Journal (Nov. 29, 2021) (online at [www.wsj.com/articles/hertz-targets-2-billion-in-buybacks-amid-pandemic-recovery-11638205059](http://www.wsj.com/articles/hertz-targets-2-billion-in-buybacks-amid-pandemic-recovery-11638205059)).

<sup>3</sup> Hertz Global Holdings, Inc., *Hertz Global Holdings Reports Fourth Quarter and Full-Year 2018 Financial Results* (Feb. 25, 2019) (online at <https://newsroom.hertz.com/news-releases/news-release-details/hertz-global-holdings-reports-fourth-quarter-and-full-year-2018>); Hertz Global Holdings, Inc., *Hertz Global Holdings Reports Record Fourth Quarter and Full-Year 2019 Revenue* (Feb. 24, 2020) (online at <https://newsroom.hertz.com/news-releases/news-release-details/hertz-global-holdings-reports-record-fourth-quarter-and-full>); Hertz Global Holdings, Inc., *Hertz Global Holdings Reports Fourth Quarter and Full-Year 2020 Results* (Feb. 26, 2021) (online at <https://newsroom.hertz.com/news-releases/news-release-details/hertz-global-holdings-reports-fourth-quarter-and-full-year-2020>); Hertz Global Holdings, Inc., *Hertz Global Holdings Reports Fourth Quarter and Full Year 2021 Results* (Feb. 23, 2022) (online at <https://ir.hertz.com/news-releases/news-release-details/hertz-global-holdings-reports-fourth-quarter-and-full-year-2021>).

compared to 2017 through 2019.<sup>4</sup> Prices were even higher during peak seasons with the daily median price reaching \$114 in August—147% above pre-pandemic prices.<sup>5</sup> With prices for consumers so high even as costs have fallen, Hertz achieved a net income of \$366 million in 2021—2,395% greater than average net income from 2017 through 2019—and a profit margin of 29%.<sup>6</sup> This strong financial performance came after Hertz filed for bankruptcy in May 2020. The company emerged from bankruptcy in June 2021 after shedding \$5 billion in debt. Since then, Hertz has announced \$2 billion in planned stock buybacks, and placed a \$4.2 billion order to add 100,000 Tesla vehicles to its fleet.<sup>7</sup>

Hertz's financials indicate that the company may have prioritized maximum profits and shareholder payouts at consumers' expense. We are deeply concerned that Hertz may have engaged in predatory business practices during the pandemic, taking advantage of consumers who rely on affordable rental car prices.

To assist the Committee in our review of this matter, by April 1, 2022, please produce the following documents from January 1, 2020, to the present:

1. All documents, including research, analyses, policies, presentations, internal communications, and external communications, related to the prices Hertz charges for rental vehicles, and how Hertz sets these prices;
2. All documents, including research, analyses, policies, presentations, internal communications, and external communications, related to the impact of rental vehicle price increases on Hertz's revenue, dividends, stock buybacks, or executive compensation; and

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<sup>4</sup> *Id.*

<sup>5</sup> *US Car Rental Prices Could Double by August Amid Shortage*, New York Post (June 16, 2021) (online at <https://nypost.com/2021/06/16/us-car-rental-prices-could-double-by-august-amid-shortage/>).

<sup>6</sup> Hertz Global Holdings, Inc., *Hertz Global Holdings Reports Fourth Quarter and Full-Year 2018 Financial Results* (Feb. 25, 2019) (online at <https://newsroom.hertz.com/news-releases/news-release-details/hertz-global-holdings-reports-fourth-quarter-and-full-year-2018>); Hertz Global Holdings, Inc., *Hertz Global Holdings Reports Record Fourth Quarter and Full-Year 2019 Revenue* (Feb. 24, 2020) (online at <https://newsroom.hertz.com/news-releases/news-release-details/hertz-global-holdings-reports-record-fourth-quarter-and-full>); Hertz Global Holdings, Inc., *Hertz Global Holdings Reports Fourth Quarter and Full Year 2021 Results* (Feb. 23, 2022) (online at <https://ir.hertz.com/news-releases/news-release-details/hertz-global-holdings-reports-fourth-quarter-and-full-year-2021>).

<sup>7</sup> Hertz Global Holdings, Inc., *Hertz Exits Chapter 11 as a Much Stronger Company* (June 30, 2021) (online at <https://newsroom.hertz.com/news-releases/news-release-details/hertz-exits-chapter-11-much-stronger-company>); *Hertz Targets \$2 Billion in Buybacks Amid Pandemic Recovery*, Wall Street Journal (Nov. 29, 2021) (online at [www.wsj.com/articles/hertz-targets-2-billion-in-buybacks-amid-pandemic-recovery-11638205059](http://www.wsj.com/articles/hertz-targets-2-billion-in-buybacks-amid-pandemic-recovery-11638205059)); *How Hertz Went From Bankrupt to Buying 100,000 Teslas*, Forbes (Nov. 7, 2021) (online at [www.forbes.com/sites/kevindowd/2021/11/07/how-hertz-went-from-bankrupt-to-buying-100000-teslas/?sh=cee6e91d8bb5](http://www.forbes.com/sites/kevindowd/2021/11/07/how-hertz-went-from-bankrupt-to-buying-100000-teslas/?sh=cee6e91d8bb5)).

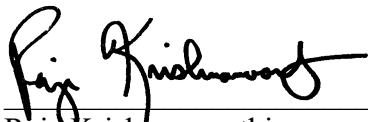
3. A list of all known federal and state investigations of Hertz related to the prices Hertz charges for rental vehicles, and how Hertz sets these prices, and all documents related to those investigations.

The Subcommittee also requests answers to the following questions by April 1, 2022:

1. Please explain why you have increased rental vehicle prices to such a degree even as costs have declined.
2. Please explain what steps you are planning, if any, to make rental vehicles more affordable for consumers in the coming year.

The Committee on Oversight and Reform is the principal oversight committee of the House of Representatives and has broad authority to investigate “any matter” at “any time” under House Rule X. An attachment to this letter provides additional instructions for responding to the Subcommittee’s request. If you have any questions regarding this request, please contact Subcommittee staff at (202) 225-5051.

Sincerely,



Raja Krishnamoorthi  
Chairman  
Subcommittee on Economic and  
Consumer Policy



Katie Porter  
Member  
Subcommittee on Economic and  
Consumer Policy

Enclosure

cc: The Honorable Michael Cloud, Ranking Member  
Subcommittee on Economic and Consumer Policy

## Responding to Oversight Committee Document Requests

1. In complying with this request, produce all responsive documents that are in your possession, custody, or control, whether held by you or your past or present agents, employees, and representatives acting on your behalf. Produce all documents that you have a legal right to obtain, that you have a right to copy, or to which you have access, as well as documents that you have placed in the temporary possession, custody, or control of any third party.
2. Requested documents, and all documents reasonably related to the requested documents, should not be destroyed, altered, removed, transferred, or otherwise made inaccessible to the Committee.
3. In the event that any entity, organization, or individual denoted in this request is or has been known by any name other than that herein denoted, the request shall be read also to include that alternative identification.
4. The Committee's preference is to receive documents in electronic form (i.e., CD, memory stick, thumb drive, or secure file transfer) in lieu of paper productions.
5. Documents produced in electronic format should be organized, identified, and indexed electronically.
6. Electronic document productions should be prepared according to the following standards:
  - a. The production should consist of single page Tagged Image File ("TIF"), files accompanied by a Concordance-format load file, an Opticon reference file, and a file defining the fields and character lengths of the load file.
  - b. Document numbers in the load file should match document Bates numbers and TIF file names.
  - c. If the production is completed through a series of multiple partial productions, field names and file order in all load files should match.
  - d. All electronic documents produced to the Committee should include the following fields of metadata specific to each document, and no modifications should be made to the original metadata:  
  
BEGDOC, ENDDOC, TEXT, BEGATTACH, ENDATTACH, PAGECOUNT, CUSTODIAN, RECORDTYPE, DATE, TIME, SENTDATE, SENTTIME, BEGINDATE, BEGINTIME, ENDDATE, ENDTIME, AUTHOR, FROM, CC, TO, BCC, SUBJECT, TITLE, FILENAME, FILEEXT, FILESIZE, DATECREATED, TIMECREATED, DATELASTMOD, TIMELASTMOD,

INTMSGID, INTMSGHEADER, NATIVELINK, INTFILPATH, EXCEPTION,  
BEGATTACH.

7. Documents produced to the Committee should include an index describing the contents of the production. To the extent more than one CD, hard drive, memory stick, thumb drive, zip file, box, or folder is produced, each should contain an index describing its contents.
8. Documents produced in response to this request shall be produced together with copies of file labels, dividers, or identifying markers with which they were associated when the request was served.
9. When you produce documents, you should identify the paragraph(s) or request(s) in the Committee's letter to which the documents respond.
10. The fact that any other person or entity also possesses non-identical or identical copies of the same documents shall not be a basis to withhold any information.
11. The pendency of or potential for litigation shall not be a basis to withhold any information.
12. In accordance with 5 U.S.C. § 552(d), the Freedom of Information Act (FOIA) and any statutory exemptions to FOIA shall not be a basis for withholding any information.
13. Pursuant to 5 U.S.C. § 552a(b)(9), the Privacy Act shall not be a basis for withholding information.
14. If compliance with the request cannot be made in full by the specified return date, compliance shall be made to the extent possible by that date. An explanation of why full compliance is not possible shall be provided along with any partial production.
15. In the event that a document is withheld on the basis of privilege, provide a privilege log containing the following information concerning any such document: (a) every privilege asserted; (b) the type of document; (c) the general subject matter; (d) the date, author, addressee, and any other recipient(s); (e) the relationship of the author and addressee to each other; and (f) the basis for the privilege(s) asserted.
16. If any document responsive to this request was, but no longer is, in your possession, custody, or control, identify the document (by date, author, subject, and recipients), and explain the circumstances under which the document ceased to be in your possession, custody, or control.
17. If a date or other descriptive detail set forth in this request referring to a document is inaccurate, but the actual date or other descriptive detail is known to you or is otherwise apparent from the context of the request, produce all documents that would be responsive as if the date or other descriptive detail were correct.

18. This request is continuing in nature and applies to any newly-discovered information. Any record, document, compilation of data, or information not produced because it has not been located or discovered by the return date shall be produced immediately upon subsequent location or discovery.
19. All documents shall be Bates-stamped sequentially and produced sequentially.
20. Two sets of each production shall be delivered, one set to the Majority Staff and one set to the Minority Staff. When documents are produced to the Committee, production sets shall be delivered to the Majority Staff in Room 2157 of the Rayburn House Office Building and the Minority Staff in Room 2105 of the Rayburn House Office Building.
21. Upon completion of the production, submit a written certification, signed by you or your counsel, stating that: (1) a diligent search has been completed of all documents in your possession, custody, or control that reasonably could contain responsive documents; and (2) all documents located during the search that are responsive have been produced to the Committee.

### **Definitions**

1. The term “document” means any written, recorded, or graphic matter of any nature whatsoever, regardless of how recorded, and whether original or copy, including, but not limited to, the following: memoranda, reports, expense reports, books, manuals, instructions, financial reports, data, working papers, records, notes, letters, notices, confirmations, telegrams, receipts, appraisals, pamphlets, magazines, newspapers, prospectuses, communications, electronic mail (email), contracts, cables, notations of any type of conversation, telephone call, meeting or other inter-office or intra-office communication, bulletins, printed matter, computer printouts, teletypes, invoices, transcripts, diaries, analyses, returns, summaries, minutes, bills, accounts, estimates, projections, comparisons, messages, correspondence, press releases, circulars, financial statements, reviews, opinions, offers, studies and investigations, questionnaires and surveys, and work sheets (and all drafts, preliminary versions, alterations, modifications, revisions, changes, and amendments of any of the foregoing, as well as any attachments or appendices thereto), and graphic or oral records or representations of any kind (including without limitation, photographs, charts, graphs, microfiche, microfilm, videotape, recordings and motion pictures), and electronic, mechanical, and electric records or representations of any kind (including, without limitation, tapes, cassettes, disks, and recordings) and other written, printed, typed, or other graphic or recorded matter of any kind or nature, however produced or reproduced, and whether preserved in writing, film, tape, disk, videotape, or otherwise. A document bearing any notation not a part of the original text is to be considered a separate document. A draft or non-identical copy is a separate document within the meaning of this term.
2. The term “communication” means each manner or means of disclosure or exchange of information, regardless of means utilized, whether oral, electronic, by document or otherwise, and whether in a meeting, by telephone, facsimile, mail, releases, electronic

message including email (desktop or mobile device), text message, instant message, MMS or SMS message, message application, or otherwise.

3. The terms “and” and “or” shall be construed broadly and either conjunctively or disjunctively to bring within the scope of this request any information that might otherwise be construed to be outside its scope. The singular includes plural number, and vice versa. The masculine includes the feminine and neutral genders.
4. The term “including” shall be construed broadly to mean “including, but not limited to.”
5. The term “Company” means the named legal entity as well as any units, firms, partnerships, associations, corporations, limited liability companies, trusts, subsidiaries, affiliates, divisions, departments, branches, joint ventures, proprietorships, syndicates, or other legal, business or government entities over which the named legal entity exercises control or in which the named entity has any ownership whatsoever.
6. The term “identify,” when used in a question about individuals, means to provide the following information: (a) the individual’s complete name and title; (b) the individual’s business or personal address and phone number; and (c) any and all known aliases.
7. The term “related to” or “referring or relating to,” with respect to any given subject, means anything that constitutes, contains, embodies, reflects, identifies, states, refers to, deals with, or is pertinent to that subject in any manner whatsoever.
8. The term “employee” means any past or present agent, borrowed employee, casual employee, consultant, contractor, de facto employee, detailee, fellow, independent contractor, intern, joint adventurer, loaned employee, officer, part-time employee, permanent employee, provisional employee, special government employee, subcontractor, or any other type of service provider.
9. The term “individual” means all natural persons and all persons or entities acting on their behalf.