

## **NHTSA Announces Consent Order with Zipcar**

First-ever enforcement action against a rental company for renting vehicles with open, unrepaired recalls

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The National Highway Traffic Safety Administration has announced a [consent order](#) with car-sharing network Zipcar. A [NHTSA investigation](#) found that Zipcar allowed customers to rent vehicles with open recalls in violation of the National Traffic and Motor Vehicle Safety Act.

The consent order includes a civil penalty of \$300,000, half of which must be paid upfront. The other half is deferred and may become payable under circumstances specified in the consent order.

This is NHTSA's first enforcement action against a rental car company for recalls. The Fixing America's Surface Transportation Act of 2015, or the FAST Act, included a prohibition on renting unrepaired recalled vehicles, giving the agency expanded enforcement authority.

"Vehicles with open, unrepaired recalls pose a safety risk to everyone on the road. NHTSA takes violations of the Safety Act very seriously. The agency will continue to use the full scope of its enforcement authorities to protect the public from safety defects in their personal vehicles or in a vehicle they rent," NHTSA Acting Administrator Ann Carlson said.

As part of the consent order, NHTSA is requiring Zipcar to submit an audit report of all Zipcar vehicles with an open recall at any time within 150 calendar days after the effective date of the consent order, as well as mandatory updates to Zipcar's employee training materials about NHTSA compliance obligations. Additionally, updates to Zipcar's written recall compliance procedures must be reviewed by outside counsel, submitted to NHTSA for review, and must incorporate feedback from NHTSA prior to going into effect.

The initial term of the consent order is one year and may be extended an additional year at NHTSA's discretion. Zipcar and NHTSA will meet quarterly to discuss the progress of performance obligations and other issues or concerns.

Zipcar has agreed to the consent order and said since 2018 when NHTSA opened its investigation, it undertook improvements to its recall policies and procedures. The improvements include implementing a centralized, real-time automated documentation system for recalled vehicles, making such vehicles unavailable for new rental reservations, and addressing the recall remedy status of vehicles and release of vehicles post-remedy. The company also said it has increased the frequency of communications between Zipcar's home office and field offices about grounded vehicles and recall remedies.

To learn more about vehicle safety recalls, [click here](#).

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