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VIA ELECTRONIC MAIL

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Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
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International Accounting Standards Board
First Floor
30 Cannon Street
London
EC4M 6XH
United Kingdom

Re: Exposure Draft – Leases Topic 842 (a revision of the 2010 proposed FASB Accounting Standards Update, Leases Topic 840)

Dear Board Members:

Enterprise Holdings, Inc. ("Enterprise" or "we") appreciates the opportunity to respond to the Financial Accounting Standards Board and International Accounting Standards Board (collectively the "Board") regarding the Exposure Draft – Leases Topic 842 (the "Exposure Draft"). Enterprise, together with its domestic and international subsidiaries, is the world's largest car rental company, operating the Enterprise Rent-A-Car, National Car Rental, Alamo Rent-A-Car, Citer and Atesa brands. Enterprise is a privately held company with over 6,000 Company-owned locations across the United States and Puerto Rico and over 1,300 Company-owned locations throughout Canada, the United Kingdom, Germany, Ireland, France and Spain. For the majority of our locations, we lease the building, property and related equipment under operating lease arrangements as defined in the current lease accounting standards. Given the volume and type of lease arrangements we enter into, the Exposure Draft will have a significant impact on our operations.

Enterprise responded to the previously issued lease exposure draft in our letter dated December 15, 2010. We are pleased the revised Exposure Draft addresses certain concerns set forth in our previous letter, related specifically to the topics of initial and recurring assessment of lease classification, assessment of renewal options and the inclusion of contingent rents using an expected outcome technique. However, consistent with our views expressed in that letter, we maintain the view that implementation of this proposed standard as currently drafted will result in significant costs to companies which will far outweigh any perceived benefits to investors. Companies will be required to expend an exorbitant amount of time, money and resources to comply with all aspects of the Exposure Draft including inventorying of all existing leases, regardless of materiality or significance to the business, developing and/or purchasing systems and software to automate and track lease accounting, developing internal controls to address and mitigate risks associated with application of the Exposure Draft and restructuring existing debt covenants and borrowing arrangements to avoid potential default, among others. We believe there is a reasonable likelihood that these costs may be of such significance to companies that they could impact lease vs. buy decisions, thus driving economic activity as opposed to reflecting it.

The Board states its reason for issuing the Exposure Draft is that "existing accounting models for leases have been criticized for failing to meet the needs of users of financial statements because they do not always provide a faithful representation of leasing transactions. In particular, they do not require lessees to recognize assets and liabilities arising from operating leases." For this reason, the Exposure Draft will require lessees to record a right of use asset and corresponding liability on the balance sheet at lease commencement, which are amortized/accreted over the respective lease term. However, for Type B leases, the pattern of expense recognition is the same as the current leasing standard, i.e. on a straight-line basis. From our point of view, it is difficult to conclude that the perceived value of this approach will outweigh the significant costs and effort to comply with the proposed standard given the fact that the end result is simply a balance sheet gross-up of right-of-use assets and lease liabilities. Furthermore, we believe the footnote requirements under the current lease guidance provide users of financial statements adequate information to quantify future cash flows associated with operating leases using established models.

We support the recommendations set forth in comment letter 10 submitted by the U.S. Chamber of Commerce, requesting the Board to perform the following:

1. Clearly identify the specific investor groups and users of financial statements that the Board believes it is serving in the current lease accounting proposal;
2. Provide the opportunity for investor groups and users of financial statements to participate in at least two rounds of public roundtables devoted to discussion of the recently released Exposure Draft;
3. Conduct and publish a robust cost-benefit analysis of the proposal;
4. Commit to field testing of the proposal prior to its finalization, to ensure that the cost-benefit analysis is rooted in reality.

Given the scope of this project and the significant impact to preparers of financial statements, we believe the recommended steps outlined above are justified and appropriate to adequately assess the true cost-benefit of this proposal.

In general, we support simplicity and clarity in accounting and believe the current lease accounting standards result in accurate financial reporting. However, under the pretext that the accounting as outlined in the Exposure Draft is finalized, there are several specific topics we would like to address, which are summarized below:

- We support the accounting policy election made available for short-term leases in the Exposure Draft, which allows for leases with maximum terms of 12 months or less to be treated as operating leases. We encourage the Board to consider a similar election for certain leases which are ancillary and insignificant to the operations of most businesses (i.e. copiers, fax machines, printers) which have maximum terms greater than 12 months. Under the current Exposure Draft, these leases would be treated as Type A leases, which results in an accelerated cost recognition pattern, which we do not believe reflects true economic activity or use of such assets.

- The Exposure draft requires lessees to monitor leases for changes that could trigger a reassessment of the lease term or lease payments, which include a change in an index or rate used to determine lease payments. A significant portion of our leases contain escalation provisions based on indexes and/or rates, which reset each year. For this population of leases, we would be required to reassess and re-measure lease liabilities and right of use assets on at least an annual basis, again adding to the significant administrative burden of application of the proposed standard.

- Under the Exposure Draft, lessee's right-of-use assets, for both A and B type leases, would be subject to existing impairment guidance set forth in Accounting Standards Codification 360, *Property, Plant, and Equipment*, whereby lessees will be required to analyze, at an individual lease level, indicators of impairment present at each reporting period. For Enterprise, this would mean separately evaluating over 6,000 leases annually to determine if impairment indicators are present, which would require an appropriate level of personnel knowledge of each individual location to make those determinations.

In conclusion, we do not feel the Exposure Draft will result in significant benefits to the users of financial statements. Furthermore, we believe the costs of implementation to companies will far outweigh any perceived benefits. We are of the opinion that the current lease accounting standards are not fundamentally flawed and appropriately contemplate the differences in legalities and substance of leasing transactions.

We appreciate the opportunity to respond and thank you for your consideration.

Respectfully,

Steven J. Brackney
Senior Vice President and Corporate Controller