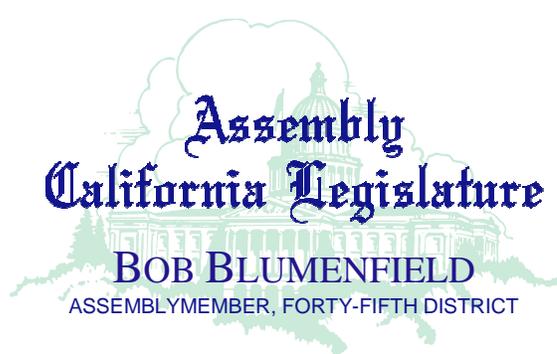


STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0045
(916) 319-2045
FAX (916) 319-2145

DISTRICT OFFICE
6150 VAN NUYS BLVD., SUITE 300
VAN NUYS, CA 91401
(818) 904-3840
FAX (818) 902-0764



February 11, 2013

Federal Trade Commission
Office of the Secretary, Room H-113 (Annex T)
600 Pennsylvania Avenue, N.W.
Washington, DC 20580

RE: Used Car Rule Regulatory Review, Project No. P087604

Dear Secretary Donald S. Clark:

After reviewing the Notice of Proposed Rulemaking for the Used Car Rule, I believe the FTC is missing a worthwhile opportunity to aid consumers by working with Congress to make it the responsibility of the dealer to advertise certain vehicle history information before purchase. The proposed rule change encourages *consumers* to visit the FTC website for more complete vehicle history information, however dealers are better equipped and should have responsibility for providing this information.

In California, a bill I authored, AB 1215, provides an excellent model that can be replicated nationally and I strongly encourage the agency to consider using California's framework. The bill requires all dealers selling used cars to run an NMVTIS vehicle history report and to make certain information available to the consumer prior to a retail sale. For any vehicle that has been reported as a junk or salvage automobile by a junk yard, salvage yard, or insurance carrier, the dealer is required to display a highly visible warning label in close proximity to the Buyer's Guide with the following text printed on a red background in 14-point bold, black type:

"WARNING

According to a vehicle history report issued by the National Motor Vehicle Title Information System (NMVTIS), this vehicle has been reported as a total-loss vehicle by an insurance company, has been reported into NMVTIS by a junk or salvage reporting entity, or has a title brand which may materially affect the value, safety, and/or condition of the vehicle. Because of its history as a junk, salvage, or title-branded vehicle, the manufacturer's warranty or service contract on this vehicle may be affected. Ask the dealer to see a copy of the NMVTIS vehicle history report. You may independently obtain the report by checking NMVTIS online at www.vehiclehistory.gov."

As presented, the NPR for the Used Car Rule does not go far enough to protect consumers, many of whom are unaware of their options when it comes to vehicle history information providers. While a pre purchase inspection is an essential step and may protect a consumer from a vehicle with obvious mechanical defects, it would not necessarily indicate whether there is a "brand" on the vehicle history.

Buyers should not be expected to know about obscure programs like NMVTIS. Moreover, many potential consumers lack access to computers, credit or both. Asking them to record the VIN and find a computer with internet access to look it up as they shop around is an unnecessary hurdle. Put plainly, there is no public benefit to placing this research burden on consumers and it is much more efficient for the dealers to do so themselves. NMVTIS "brands" follow a vehicle throughout its life, and protect consumers from vehicles with "cleansed" titles which cross state lines in order to avoid certain vehicle history disclosures.

In the aftermath of Superstorm Sandy, thousands of cars have been branded flooded or rated a total-loss by insurers and may find their way into the marketplace. Although on cursory inspection they may appear to be in excellent working order, NMVTIS was designed to protect consumers from unknowingly purchasing such vehicles.

California's model provides a valuable laboratory experiment in the best use of readily available information for consumer benefit, by mandating NMVTIS vehicle history report for every used vehicle sold. The cost is negligible. At vehiclehistory.gov, vendors advertise NMVTIS reports for as low as \$2.50 each, a price that would be discounted further for dealers that purchase reports in bulk. The actual cost could, and should, be passed onto consumers.

Thank you for the opportunity to weigh in on this important matter

Sincerely,

BOB BLUMENFIELD
Assemblymember, 45th District
California State Legislature