

VIA FEDERAL EXPRESS

October 21, 2011

The Honorable Donald S. Clark
Secretary
Federal Trade Commission
Room H-113 (Annex G)
600 Pennsylvania Avenue, NW
Washington, D.C. 20580



Re: Magnuson-Moss Warranty Act Rule Review, 16 CFR Part, P114406

Dear Mr. Secretary:

The Coalition for Auto Repair Equality (CARE) is a national organization that represents companies in the automotive aftermarket, among them: NAPA, Midas, CARQUEST, AutoZone, Advance Auto Parts, O'Reilly's Auto Parts and Bridgestone-Firestone. On behalf of our membership, we are writing to comment on the Magnuson-Moss Warranty Review.

The automotive aftermarket is a \$280 Billion-a-year industry that employs nearly five million people in over 495,000 businesses. We substantially contribute to the economic stability of the nation, states and local towns. We hope to continue to do so, and we further hope to increase our hiring ability, which will be jeopardized if the Magnuson-Moss Warranty Act is not upheld and, indeed, strengthened.

The automotive aftermarket, which includes CARE's members, is greatly concerned that the Original Equipment Manufacturers (OEMs) have been conducting a well-orchestrated, misinformation campaign against aftermarket parts. This blatant misinformation is ironic since many of the aftermarket's parts, especially the hard parts, are manufactured at the SAME companies that produce the car company-labeled parts. In addition, aftermarket parts are as good, if not better, than the OEM application simply because these vehicles come to our industry parts and service about five years into their life-cycle when they are out-of-warranty.

During those five years, our vendors have the opportunity to make significant improvements to the OEM part. Furthermore, the aftermarket parts come with a life-time or long-term guarantee, which the OEM parts do not. And, the *identical* aftermarket parts cost up to 50 percent LESS than the OEM parts. This is obviously important to consumers.

MORE

COALITION FOR AUTO REPAIR EQUALITY

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In addition, the year 2010 witnessed 20.3 Million voluntary recalls by the car companies, as reported by the National Highway Traffic Safety Administration. These were NOT aftermarket recalls.

Over the decades, the car companies, with support from their local new car dealerships, have tried to pass state legislation that stated that vehicle owners' warranties would be negated if aftermarket parts or non-original equipment or 'imitation' parts were used in the repairs. The proposed legislation goes nowhere when legislators understand that these bills are in direct violation of Magnuson-Moss.

Without Magnuson-Moss, motoring consumers, especially those in lower or fixed income brackets, would be unable to safely and affordably repair their vehicles. I refer to you a recent American Automobile (AAA) Financial Auto Repair Survey on car owners' repairs that illustrate that 'one in four car owners can't afford to pay for their car repairs...and therefore forgo having them done.' The AAA Phone Survey was conducted with 1,900 adult car owners. Magnuson-Moss is thus a safety and affordability issue and, needless to say, a consumer choice issue.

American car owners should enjoy the principles and benefits of free-market competition, not the unfortunate scare tactics of the car companies trying to carve out more of a profit margin. Taxpayers bailed out the car companies and should not have their tax dollars used against them.

Choice, not monopolies and false scare tactics, should be the working motto for the strengthening of the Magnuson-Moss Act.

Thank you for inviting comments. Please feel free to call me at: 703-519-7555

Sincerely,

Sandy Bass-Cors
Executive Director

Attachments: 1

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CollisionWeek

Wed, 3 Aug 2011

One in Four Americans Could Not Pay for Major Car Repair

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One in four American drivers could not pay for a car repair of \$2,000 if faced with one today, according to the results of a survey released by AAA. The survey also found one in eight would be unable to pay for a repair bill of \$1,000. It stands to reason that this same group could no more afford a \$1,000 insurance deductible after a collision.

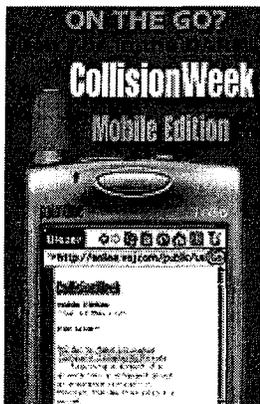
More than half of American drivers also said they are holding onto their older vehicle because they do not want the financial burden of a new one. And, one quarter of drivers admitted to neglecting repairs and maintenance on their vehicles in the past 12 months due to the economic climate.

"Economic conditions have taken their toll on many Americans resulting in them neglecting their cars and leaving them at increased risk for very expensive repair bills," said Marshall L. Doney, AAA Vice President, Automotive and Financial Services. "Many Americans rely on their cars for their livelihood and losing access to them could be financially devastating during an already troubling economic time.

According to the survey, 38 percent of American drivers could pay for a \$2,000 repair bill with funds in a savings account, while 20 percent would pay with their credit card. Eleven percent said they would have to borrow money from their friends, family, retirement or home equity in order to pay for a \$2,000 repair.

Slightly more Americans reported being able to pay for a \$1,000 repair bill with 46 percent saying they could use savings and 22 percent using a credit card. Fourteen percent would look to borrow from their friends, family, retirement or home equity.

The telephone survey was conducted among a sample of 1,009 adults.



CollisionWeek News