**Before the**
**FEDERAL TRADE COMMISSION**

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| In the Matter of | ) | |
| | ) | |
| Magnuson-Moss Warranty Act Rule Review, | ) | FTC Matter No. P114406 |
| 16 CFR Part 700 | ) | |

**COMMENTS OF**

**MONRO MUFFLER BRAKE, INC**

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Date: October 21, 2011

## SUMMARY

Monro Muffler Brake, Inc. ("Monro") is a publicly traded corporation operating a chain of over 800 company-owned stores in the United States. Monro stores provide a broad array of automotive maintenance and repair services with either an emphasis on tire sales or underhood and undercar service. Monro participates in the Automotive Maintenance and Repair Association ("AMRA") and fully supports the Comments submitted by the Uniform Standards in Automotive Products Coalition and by AMRA in response to the Federal Trade Commission's ("FTC") request for comment released on August 23, 2011. In so doing, Monro urges the FTC to make two simple clarifications to its Interpretations, Rules and Guidelines ("Interpretations") under the Magnuson-Moss Warranty Act (the "Act") to better provide consumers with the protections discussed in the Consumer Alert and to bring the Act in line with the Federal law that served as the source of the Act's anti-tying provision:

- Amend Section 700.10(c) of the Interpretations to specifically prohibit "indirect" conditioning practices, as is currently required under the Clean Air Act; and
- Require automotive warranties to include a plain English anti-tying disclosure, similar to the disclosure already required of automotive warranties under the Clean Air Act, and to require the wording of such automotive warranties to be modeled directly upon the language approved by the FTC in its recent "Consumer Alert on Automotive Warranties".

By making these modifications, the FTC will be providing consumers with more effective notice of their rights and the assurance that warranty coverage will not be denied improperly, all in a manner consistent with the original intent of the Act.

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## MONRO MUFFLER BRAKE, INC. COMMENTS

Monro Muffler Brake, Inc. ("Monro") appreciates this opportunity to provide comments in response to the Federal Trade Commission's ("FTC" or "Commission") request for comment released on August 23, 2011 ("Request for Comment"). In the Request for Comment, the FTC sought comment on its warranty-related Interpretations, Rules, and Guides ("Interpretations") under the Magnuson-Moss Warranty Act (the "Act"). Specifically, the FTC asked whether Rule 700.10 should be revised to improve the effectiveness of the Act's tying prohibition. Monro agrees with the Comments articulated by the Uniform Standards in Automotive Products Coalition (the "Coalition") and supported by the Automotive Maintenance and Repair Association ("AMRA") that several minor modifications to 700.10 would greatly improve the effectiveness of the Act's anti-tying prohibition. Monro further agrees with the Coalition and AMRA that the FTC should update and clarify 700.10 in order to account for the emergence of *de facto* warranty tying practices that have evolved over the past decades that threaten to roll back the original protections of the Act.

First, Monro urges the FTC to revise Section 700.10 of its Interpretations under the Act in order to clarify that warrantors may not directly *or indirectly* condition a product's warranty coverage on the use of a branded part or service, unless that part or service is provided without charge under the terms of the warranty. While the use of "direct" tying provisions in warranties is clearly prohibited by the Act, the FTC needs to make clear that warranty language that creates

the impression that the use of a branded part or service is required in order to maintain warranty coverage is equally impermissible. The *in terrorem* effect of these ambiguous warranty provisions works to create a *de facto* tie in a manner recognized, and prohibited, under the Clean Air Act's anti-tying provision, which was the model for the Act's similar provision. The FTC should clarify its Interpretations to more expressly indicate that indirect tying arrangements are also prohibited by the Act.

Second, Monro urges the Commission to implement measures designed to provide consumers with knowledge of their rights under the Act. Simple and minimal disclosure language in automotive warranties, drawn from the FTC's recent "Consumer Alert on Auto Warranties," would ensure that consumers will enjoy the full protections afforded under the Act without imposing an undue burden on warrantors or service providers.

## CONCLUSION

Monro agrees with the Coalition and with AMRA that the time has come for the FTC to update its Interpretations of the Act to account for the evolution of warrantor practices. The recommendations set forth by the Coalition would protect consumers from warrantors who seek to impose a *de facto* tying arrangement that would otherwise be impermissible under the Act as well as under similar Federal law. The FTC should implement these suggested clarifications in order to remedy the inequality in bargaining power between consumers and warrantors that has re-emerged since the Interpretations were originally promulgated. By making these modifications, the FTC will be providing consumers with a better understanding of their rights and an assurance that warranty coverage will not be denied improperly, in a manner originally contemplated by the Act.

*Respectfully submitted,*

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Date: October 21, 2011