

Consumer Action

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June 23, 2011

The Honorable Mark DeSaulnier
Chairperson, Senate Committee on Transportation
California State Senate
State Capitol
Sacramento, CA 95814

Re: Support AB 1215 (Blumenfield)

Dear Senator DeSaulnier:

Consumer Action is writing in support of AB 1215, with amendments as proposed by the author, which would advise consumers when the vehicle they are considering purchasing has been a salvage or junk vehicle.

It is key these disclosures appear on the vehicle itself in order to properly notify consumers. If car buyers are aware of the vehicle's status from the outset, they will be better able to reach an informed decision regarding the inherent tradeoffs between price, safety, and reliability that salvage vehicles present.

When consumers purchase a "totaled" or salvage vehicle, the manufacturer's warranty is voided, their insurance company may refuse to offer collision coverage, and consumers often face difficulties in settling a claim even when a wreck was another driver's fault. Insurance companies often will insist that the damage was due to a pre-existing condition or made worse by previous damage. Safety is also a critical issue; salvage title cars frequently will no longer have functional airbags. To make matters worse, salvage car resale values will be merely about half of what a good car with a "clean" title sells for. It is vitally important, therefore, that consumers be made aware when the vehicles they are considering have been deemed salvage or junk by insurers or by a NMVTIS vehicle history report.

We believe that consumers will greatly benefit from establishing NMVTIS as the disclosure standard, as NMVTIS reports are both cheaper and more comprehensive than private vehicle history reports such as CARFAX, which, by incorporating fewer data from junk/salvage reporting entities, falls noticeably short of what consumers need. NMVTIS is the only vehicle history database that obtains reports from those sources in

all 50 states, and updates them at least every 30 days.

According to the analysis commissioned by the Department of Justice, use of the NMVTIS database will save Americans between \$4.3 billion and \$11.7 billion a year, by preventing frauds involving salvage vehicles, and related crimes.

Thank you for considering our views. Should you or your staff have any questions regarding our position, please do not hesitate to contact me.

Sincerely,

Joe Ridout
Manager of Consumer Services
Consumer Action