

Consumer Action

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March 22, 2012

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

Re: Oppose SB 990 (Vargas)

Dear Senator DeSaulnier:

Consumer Action is writing in opposition to SB 990, which threatens to eliminate key information that consumers need in order to evaluate whether the vehicle they are considering purchasing has been a salvage or junk vehicle.

Under AB 1215 (Blumenfeld), which passed last year with widespread bi-partisan support, a provision is scheduled to take effect July 1 of this year that will require car dealers to check NMVTIS prior to offering a used car for sale, and to post a prominent red warning sticker on the vehicle if it appears in NMVTIS with a branded title (such as "junk," "salvage," "non-repairable," or "flood"), or if it has a clean title but was reported to NMVTIS as a junk or salvage automobile by a junk yard, salvage yard, or insurance carrier pursuant to 49 U.S.C. 30504.

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.

SB 990 is a blatant attempt to thwart the will of the people in order to enrich a private company, Polk/Carfax. If the text of the bill rings familiar, that is because it is a virtual copy of the amendment Polk/Carfax sought last year that was rejected by this committee, when Carfax testified that it opposed AB 1215 unless its amendment was taken.

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.

We urge you to oppose SB 990 and to reject this attempt to obstruct full implementation of NMVTIS. 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