



## California New Car Dealers Association

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April 6, 2011

The Honorable Mary Hayashi  
Chairperson, Assembly Business and Professions Committee  
State Capitol – Room 3013  
Sacramento, California 95814

**Re: AB 1061 (Eng), As Introduced – Automobile Warranties**  
**Position: OPPOSE**  
**Hearing: Assembly Business, Professions and Consumer Protection Committee,**  
**April 12, 2011**

Dear Assembly Member Hayashi:

The California New Car Dealers Association (CNCDA) is a statewide trade association that represents the interests of over 1100 franchised new car and truck dealer members. CNCDA members are primarily engaged in the retail sale and lease of new and used motor vehicles, but also engage in automotive service, repair and part sales. We are writing to oppose AB 1061 which would require manufacturers to specifically disclose items that are not covered in vehicle warranties.

California law already requires that all express warranties must be in "simple and easily understood language" and conform to federal standards for "disclosure of warranty terms and conditions." *See* Civil Code Section 1793.1(a)(1). AB 1061 would turn this principle on its head by requiring vehicle manufacturers to specifically describe what is *not* included in such warranties. Considering that many vehicles today have at least 10,000 parts *each*, such a disclosure would be quite lengthy and difficult for the average consumer to decipher while making impossible compliance with the "simple and easily understood" standard. As retailers offering new vehicles to consumers, dealers will be inundated with questions about what may or may not be included in warranties (including items that are typically excluded today such as accidents, abuse, unauthorized repair, "normal" wear and tear and the installation of aftermarket parts). Plus, dealers will be hard pressed to explain to consumers how one manufacturer's warranty differs from another's as opposed today's environment where competition is fierce over who has the longer warranty or more extensive coverage.

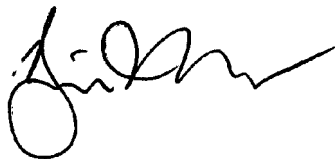
To make matters worse, dealers and manufacturers will likely be named in expensive litigation for failure to meet this vague and unmanageable statutory requirement, driving up the cost of new vehicles at a time when vehicle sales are already substantially less than they were a few short years ago. Finally, we see no reason why decades of warranty law should be reversed by requiring disclosure of what is *excluded* rather

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than emphasizing to consumers what matters: – disclosure of items actually covered by the manufacturers' warranty. We know of no other warranty statute anywhere in the country that would require the disclosures contemplated by AB 1061.

Based upon the foregoing, we respectfully must oppose AB 1061 and urge you to vote "NO" when the bill is heard in the Assembly Business, Professions and Consumer Protection Committee. Should you or your staff have any questions or comments, please do not hesitate to give me a call.

Very truly yours,

A handwritten signature in black ink, appearing to read "Brian Maas", with a large, stylized initial "B" and a long, sweeping horizontal stroke extending to the right.

Brian Maas  
Director of Government Affairs

BWM:ef

cc: The Honorable Mike Eng  
Members of the Assembly Business, Professions and Consumer Protection Committee  
Angela Mapp, Consultant, Assembly Business, Professions and Consumer Protection Committee  
Ted Blanchard, Assembly Republican Caucus  
Ralph Simoni, California Advocates, Inc.

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