



California New Car Dealers Association

June 23, 2009

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

**Re: SB 427 (Negrete McLeod), As Amended June 22, 2009 – Redundant Crash
Parts Notices**
Position: OPPOSE
Hearing: Assembly Business and Professions Committee, June 30, 2009

Dear Assembly Member Hayashi:

The California New Car Dealers Association (CNCDA) is a statewide trade association that represents the interests of over 1200 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 SB 427 which would, among other things, require a mandatory disclosure notice on each repair invoice. The bill is similar to AB 1483 (Carter) of 2007 and AB 2825 (Carter) of last year, both bills having been vetoed by the Governor.

The veto message for AB 2825 (Carter) of 2008 read:

“The bill is essentially similar to a bill I vetoed last year. The provisions in this measure are duplicative of existing law and therefore unnecessary. Requiring automotive repair dealers to provide additional paperwork is unnecessarily burdensome and would increase expenses that could be passed on to the consumer, with no additional benefit.”

This year’s measure still suffers from the same congenital defect: requiring automotive repair dealers to duplicate work already required by statute. Although SB 427 differs from its predecessors in some respects, the bill does not confront the fundamental flaws of these prior efforts.

It is already fraud (intentional misrepresentation) to disclose on an estimate that the repair dealer will put OEM parts on a car, not do so, and then itemize that he or she did so on the invoice. If the proponents of this bill are truly concerned with preventing fraud and curtailing the practice of part switching, zealous prosecution of existing law by the Bureau of Automotive Repair (BAR) would accomplish that objective without the unnecessary paperwork this bill would require. The bill’s flaws are compounded by requiring a new notice on the first page of a final repair invoice. Repair dealers already have signs posted in their facilities listing the 800 number of BAR; repeating the fact that BAR is available to conduct free car inspections adds little but cost to the repair dealer. Moreover, a statement “installing a part, other than a part described on the written estimate, is unlawful” by its very terms presupposes problems with the repair that could be faced by the customer at *this* repair dealer. The negative inference diminishes the reputation of the vast majority of law-abiding and honest repair facilities. The disclosure in 12 point font surrounded by a

The Honorable Mary Hayashi
June 23, 2009
Page 2

box, even if improved in tone, will do little to educate consumers about the practice of part switching. Working with BAR to spread the word about this nefarious practice, including dissemination of more information about the free Auto Body Inspection Program *other than on the repair invoice itself when it is potentially too late*, would be a much more effective strategy than adding duplicative and unnecessary disclosures.

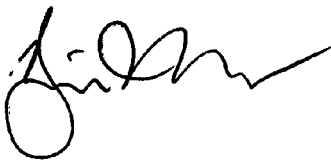
We also fail to understand the purpose for which the definition of “aftermarket crash part” in Business and Professions Code 9875 is being modified. Over the last several years numerous bills have been proposed seeking state “certification” of aftermarket crash parts made by someone other than the original equipment manufacturer (OEM). None of those bills have ever been enacted. Yet, your bill which is focused on consumer disclosure changes this definition and adds others for no discernable purpose related to the central aim of the bill. We are concerned that the sponsor Certified Auto Parts Association is attempting to achieve through definitional changes what they have failed to do in the marketplace: make certified parts the equal of those made by OEMs.

SB 427 will not only cost the automotive repair dealers time and money by mandating that they duplicate work already required by statute, but will also create an added burden on BAR to monitor the superfluous disclosure requirements proposed by this bill. This imposition of new enforcement burdens is particularly ironic since the proponents criticize BAR for lax enforcement.

In sum, this bill will hinder, rather than help, automotive repair customers who already face challenges in understanding exactly how their car will be fixed.

Based upon the foregoing, we respectfully must oppose SB 427 and urge you to vote “NO” when the bill is heard in the Assembly Business and Professions Committee. Should you or your staff have any questions or comments, please do not hesitate to give me a call.

Very truly yours,



Brian Maas
Director of Government Affairs

BWM:ef

cc: The Honorable Gloria Negrete McLeod
Members of the Assembly Business and Professions Committee
Joanna Gin, Consultant, Assembly Business and Professions Committee
Ted Blanchard, Assembly Republican Caucus
Paul Navarro, Deputy Legislative Secretary, Governor’s Office
Ralph Simoni, California Advocates, Inc.