

RetireSafe

Preserving Your Retirement. Securing Your Benefits.

FOR IMMEDIATE RELEASE
June 25, 2009

Contact: Vicki Robb
Phone: (703) 329-3356
Email: Vicki@jvrobb.com

RETIRESAFE TO CONGRESS: SUPPORT THE “ACCESS TO REPAIR PARTS ACT”

RetireSafe Applauds Solution to Looming Car Company Parts Monopoly

WASHINGTON — Today RetireSafe, on behalf of its 400,000 senior citizen supporters, joined a growing roster of consumer advocates, and representatives of the insurance and independent parts industry, in support of the “Access to Repair Parts Act” introduced by Rep. Zoe Lofgren (D-CA). The Access to Repair Parts Act would guarantee that consumers can continue to choose high-quality, low-cost alternative collision replacement parts when repairing their vehicles. This “repair clause” legislation preserves competition in the automotive replacement parts market, providing options for budget-conscious consumers and helping to keep businesses afloat in these tough economic times. For seniors on fixed incomes, this legislation is critical.

Aftermarket competition affords consumers a savings of up to \$1.5 billion each year. But recently, the car companies have obtained an increasing number of design patents on visible crash parts, attempting to block competitors from producing affordable alternatives. New research suggests that several characteristics of the market for crash parts grant the car companies an unusual ability and incentive to use design patents to raise prices and harm consumers. Again, this collision parts monopoly will fall most heavily on older Americans.

Increased costs for crash parts will lead insurance companies to declare more damaged vehicles as “total wrecks,” which in turn may force insurers to add an estimated \$3 billion to consumers’ premiums. With increased parts prices, customers of independent repair shops may skip necessary repairs, resulting in a loss of business for repair shops, and vehicles that are less than safe to drive for seniors.

“RetireSafe is committed to supporting the ‘Access to Repair Parts Act’ and the protection it gives to consumers and the aftermarket industry,” said Thair Phillips, president of RetireSafe. “Without a permanent legislative change to design patent law, consumers are left at a clear disadvantage and the livelihood of the industry is jeopardized, putting senior citizens needing repairs at even greater risk.”

“Congresswoman Lofgren understands the serious need for competition in the automotive aftermarket, and the importance of that competition for hard-pressed consumers,” Phillips continued. “RetireSafe urges every Member of Congress to join her in working to enact this important legislation into law,” he concluded.

A broad coalition of consumer and business groups has supported this critical measure in the past. In addition to RetireSafe, this diverse coalition has included, among others: Advocates for Auto and Highway Safety, American Insurance Association, Automotive Aftermarket Industry Association, Automotive Body Parts Association, Center for Auto Safety, Consumer Federation of America, Consumers Union, National Association of Mutual Insurance Companies, Property Casualty Insurers Association of America, Public Citizen, Quality Parts Coalition, and the Coalition for Auto Repair Equality. For more information about the Quality Parts Coalition, visit www.qualitypartscoalition.com.

RetireSafe is a grassroots organization representing more than 400,000 older Americans nationwide. Its mission is to preserve, protect and enhance the options and benefits of seniors and near-seniors.

-30-