



# Consumer Federation of America

FOR IMMEDIATE RELEASE  
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Contact: Jack Gillis  
(202) 737-0766

## **CONGRESSIONAL PROPOSAL DOES LITTLE TO PROTECT CONSUMERS FROM UNKNOWNLY PURCHASING WRECKED CARS**

### **CFA Presents Alternative Designed to Disclose Rebuilt, Wrecked and Totalled Vehicles At Congressional Hearings**

Washington D.C. — The sale of rebuilt, wrecked or “totalled” vehicles is a major national problem. Each year, over 2.2 million vehicles are wrecked and declared a total loss. These cars are then bought at auction, refurbished to conceal the prior damage, and sold to unsuspecting consumers without safety inspections or disclosure of the prior history. The sale of undisclosed rebuilt wrecks costs consumers and automobile dealers more than \$4 billion a year. Even worse, these cars represent huge safety threats.

Many salvage vehicles have bent frames and pull sharply to one side. Others may have defective brakes or steering problems. Others are “chop jobs,” where two different wrecked vehicles, one damaged in the front and the other in the rear, are cut in half and welded together. In a minor crash, they can literally split in two. Putting these cars back on the highway creates a substantial risk of death, disability, and personal injury to large numbers of people throughout the country.

Congress is now considering a bill, HR1839, which provides ineffective protection to consumers. This bill is seriously deficient in that it:

1. Does not require prominent disclosure that the car is a rebuilt wreck at the time it is resold;
2. Defines a car to be described as a salvage vehicle only if it would cost an appallingly high 80% of its value to repair it;
3. Would not require safety inspections before allowing the rebuilt salvage back on

- the road;
4. Does not disclose major damage to subsequent buyers;
  5. Does not give injured consumers a right to sue; and
  6. Would wipe out stronger state laws which give consumers greater rights.

Consumer groups, including the Consumer Federation of America, National Association of Consumer Advocates, Consumers for Auto Reliability and Safety, Center for Auto Safety, U.S. PIRG as well as the National Association of Attorney's General are calling on Congress to enact meaningful reform. These organizations believe consumers deserve better, and Congress has the ability to pass a bill that can protect consumers. Such a bill must include:

1. Disclosure that the car has been wrecked and rebuilt at the time it is sold;
2. Defining a car as a salvage vehicle if it costs 65% of its value to make repairs;
3. Mandatory safety inspections before vehicles can be resold;
4. Prominent marking on the vehicle and signed disclosure at point of purchase and permanent branding on its title that it is salvage; and
5. Giving injured consumers the right to go to court to sue for damages.

These vehicles are dangerous to drive, not only for their drivers and passengers, but also for the occupants of other vehicles with which they may collide. Congress should use this opportunity to address and prevent this safety hazard.

EVENT: Hearing of the House Subcommittee on Telecommunications, Trade and  
Consumer Protection  
DATE: June 26, 1997  
PLACE: 2123 Rayburn Building, Capital Hill  
TIME: 10:00 a.m.