

NAMIC To Congress: Support The “Access To Repair Parts Act”

Today, NAMIC joined a growing roster of consumer advocates and business groups applauding the introduction of the “Access to Repair Parts Act.” Introduced by Rep. Zoe Lofgren, D-Calif., H.R. 3059, and Sen. Sheldon Whitehouse, D-RI, S. 1368, the legislation would guarantee consumers the ability to choose high-quality, low-cost alternative collision replacement parts when repairing their vehicles. This “repair clause” legislation would amend current patent law and preserve competition in the automotive replacement parts market, providing options for budget-conscious consumers and helping to keep businesses afloat in these tough economic times.

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 the market for crash parts grant the car companies an unusual ability and incentive to use design patents to raise prices which harms consumers.

Consumers and businesses alike will feel the impact of a car company parts monopoly. 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 prices, customers of independent repair shops may skip necessary repairs, resulting in a loss of business. Likewise, as insurance companies declare more damaged vehicles as “total wrecks,” this will also translate into less work for these shops.

“The ‘Access to Repair Parts Act’ provides much needed protections to consumers,” said Kathy Mitchell, NAMIC’s director of federal affairs. “A parts monopoly does not simply affect people who are in an accident. Decreased competition in the replacement parts market will likely lead to an increase in costs for consumers across the board.”

Last Congress, Rep. Lofgren introduced similar repair clause legislation, H.R. 5638, which enjoyed broad support from a coalition of consumer and business groups. Some of these groups included: 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.

NAMIC, a member of the Quality Parts Coalition, has been working alongside fellow “repair clause” advocates to secure this permanent legislative change to U.S. design patent law.

For further information, contact
Nancy Grover

Director - Media Relations
(202) 628-1558 Tel
(202) 628-1601 Fax
ngrover@namic.org

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