

Defeat the Blumenthal Used Car Recall Amendment to the Senate Highway Bill
Amendment: It Hurts Consumers and Rolls Back Safety Protections

The “Blumenthal Amendment” would: bar dealers from selling a recalled vehicle unless it has been remedied; needlessly disrupt the buying and selling of used cars for consumers; and roll back safety protections by pushing recalled cars into the unregulated private market, making it even less likely the cars will get fixed.

The Amendment does not actually require fixing the recalled vehicle, and grounds all used vehicles, even ones with minor compliance issues. Everyone agrees that serious recalls accompanied by a “stop drive” notice need to be grounded. When a recall involves a “stop drive”, vehicles are held in inventory until the vehicle is fixed. The Amendment, however, would also ground recalled vehicles for minor safety compliance matters, such as: a misprinted phone number in the owner’s manual; an airbag sticker that may peel off the sun visors; tire labels with incorrect gross axle weight ratings; and brake reservoir cap labels using pictographs rather than text.

The practical effect of the Amendment will make it difficult for consumers to trade-in cars with open recalls and devalues a customer’s trade-in. Due to a shortage of recall parts, it often takes weeks or months for many recalled vehicles to be repaired. The Amendment will prompt dealerships to pay significantly less for trade-ins with open recalls, if they decide to accept them at all. These trade-ins are often critical to help consumers afford a newer, safer vehicle.

Consumers will have fewer options to trade in their vehicle. Dealerships will be less likely to take an “off-brand” vehicle in trade. For example, a Chevrolet dealership is unlikely to accept a Ford trade-in subject to recall, when they can neither fix the vehicle nor sell it.

Rural consumers would be hurt the most. For some franchises, dealerships will be especially reluctant to take-in trades subject to open recall if the nearest dealership authorized to do repair is hundreds of miles away. For example, a dealership trading a Lexus in North Dakota would have to take it out of state to have it repaired by a Lexus dealership.

Unrepaired vehicles will be pushed into the unregulated private market. By devaluing trade-ins and not similarly regulating private sales, frustrated vehicle owners will resort to selling their vehicles in the private market, where the consumer has almost no safety or consumer protections, **making it even less likely the vehicles will get fixed.**

This Amendment is not a solution to boosting recall completion rates. It does not address the shortage of recall parts or why a quarter of vehicle owners simply choose not to fix their vehicle. Grounding vehicles with open recalls will not lead to faster repairs. The best way to strengthen consumer protections is to ensure that the most pressing safety recall issues are fixed in a timely manner. **The Senate should reject the Blumenthal Amendment.**