



Association of Consumer Vehicle Lessors

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FOR IMMEDIATE RELEASE

ASSOCIATION OF CONSUMER VEHICLE LESSORS VOICES OPPOSITION TO HR 5312

Nashville, TN, April 15, 2008 – The Association of Consumer Vehicle Lessors (ACVL) has submitted a letter to Congresswoman Linda Sanchez announcing its opposition to HR 5312, “The Automobile Arbitration Fairness Act.” The letter, submitted in response to a hearing of the House Judiciary Subcommittee on Commercial and Administrative Law, cited numerous reasons why this Act would be detrimental to both consumers and those in the automobile industry.

“Arbitration is offered to consumers as a fair alternative to the oftentimes costly and lengthy legal process,” stated John Lindley, president of the ACVL. “Mandatory arbitration, which would be eliminated under this Act, is key to resolving consumer disputes in a way that provides both buyers and sellers with a fair process at a reasonable cost. “

The Federal Arbitration Act (FAA), the federal law which governs the nation’s arbitration system, supports arbitration as a fair process for consumer disputes for which consumers otherwise might not receive redress. The ACVL notes that, for instance, in a study performed by the Georgia State Law review, 72% of claims were won by individuals against corporate entities brought before the National Arbitration Forum, compared to only 55% won by individuals bringing claims against corporate entities in federal courts.

The ACVL also cites as a reason to oppose HR 5312 the problem of the Act’s ambiguous language, which will lead to increased cost to consumers due to corporations setting aside additional funds for possible consumer litigation. Additionally, HR 5312 ignores the fact that presently, courts routinely refuse to enforce arbitration agreements that contain unfair arbitration provisions.

In addition to the ACVL’s submission, Sanchez also received opposition letters from the Alliance of Automobile Manufacturers (“Alliance”), American International Automobile Dealers (AIADA), the American Financial Services Association (AFSA), National Automotive Finance Association (NAF Association), and the National Association of Dealer Counsel (NADC).

The ACVL was founded in 1993. Based in Nashville, Tennessee, the ACVL is a national trade association for the largest manufacturer and import distributor captive finance companies, banks, and independent leasing companies whose primary goals include increasing consumer understanding of lease benefits and responsibilities through improved disclosure.

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