

# Consumer News & Views

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## Consumers and Congress Push Rental Car Companies to Honor Recalls.

Car rental companies are under growing pressure from consumer groups and Congress to first repair cars under recall before renting them to consumers.

Hertz already has agreed to the pledge issued earlier this year by Sen. Barbara Boxer, D-Calif. But Boxer said other major companies such as Enterprise, Avis and Tulsa-based Dollar Thrifty Automotive Group are resisting.



"Our families deserve a permanent commitment to safety," said Boxer, who chairs the Senate Environment and Public Works Committee, which oversees highway policy. "Until they sign the pledge, tell your families not to go to those companies." Boxer is asking the companies to pledge "a permanent commitment to not rent out or sell any vehicles under safety recall until the defect has been remedied."

Thomas Hinton, president of the American Consumer Council, a non-profit consumer education organization with nearly 130,000 members said, "This is not only a matter of consumer safety, it's a matter of negligence for a car rental company to knowingly rent an unsafe vehicle for profit's sake that could injure or kill people. Every rental car company needs to step-up and take the pledge as Hertz has already done."

Dollar Thrifty CEO Scott Thompson said Wednesday in an emailed statement that the company never has had a serious personal injury result from a failure to address a safety recall. "Dollar Thrifty has an excellent record in dealing with safety issues and has extensive processes and procedures in place to ensure our customers' safety. We have advised Sen. Boxer that we support appropriate legislation on fleet safety. We do not think pledges are a substitute for legislation," Thompson said.

Enterprise, which also operates as National and Alamo, controls more than half the rental car market in the country, with \$14 billion in revenue in 2011, according to statistics Boxer compiled from Auto Rental News and Forbes.

The company's CEO, Andrew Taylor, told Boxer in a letter June 5 that the company has a policy not to rent or sell at retail "any vehicles subject to a recall notice until the recall has been remedied." In selling damaged vehicles at wholesale, Taylor says, Enterprise alerts dealers or auctions when a recall hasn't been remedied.

*The American Consumer Council and the Maryland Consumer Council welcomes NRL Federal Credit Union as a Sponsoring Member*



### **About NRL FCU:**

NRL Federal Credit Union opened its doors in 1946 as a financial cooperative designed to serve the Naval Research Lab Community. Today, NRL FCU has over \$430 million in assets and 21,000 members. [Click here to review NRL FCU's Annual Report](#) (you'll need Acrobat Reader).

NRL Federal Credit Union's mission is to assist the members of the NRL community in achieving personal financial strength by providing a broad spectrum of innovative, high quality financial services, while adhering to cooperative credit union principles. To meet this mission, the Board of Directors and NRLFCU Management subscribe to the following:

### **NRL Federal Credit Union will:**

1. Be the most member-service oriented financial institution available to the NRL community.
2. Provide economic growth opportunities for our members, while assuring the financial stability of the Credit Union.
3. Offer high quality innovative financial services through a wide variety of delivery methods.
4. Foster an environment where people are encouraged to contribute to and benefit from the success of the Credit Union.
5. Use the human and financial resources of the credit union to provide leadership to the local, national and international credit union movements.

NRL Federal Credit Union is dedicated to satisfying its members' financial needs through excellence in service now and in the future. If you're a member of the American Consumer Council, you're eligible to become a member of NRL FCU. For details on how to become a member of NRL FCU, please visit their website at: <https://www.nrlfcu.org/site/>

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We've done so for over 100 years, and we'll keep delivering on our promises – so we can keep making the things that make Tomorrow better.

The predecessor of Transamerica Life Insurance Company was founded in 1906. With more than a century of experience, Transamerica has built a reputation on solid management, sound decisions and consumer confidence. In 1999, Transamerica was acquired by AEGON N.V.



#### **High Industry Ratings:**

Consistently high ratings are a direct reflection of the care with which Transamerica manages its business. Transamerica's life insurance subsidiaries have received high ratings from the industry's most respected independent rating services.

*The American Consumer Council is proud to have Transamerica as its exclusive corporate sponsor for financial and insurance solutions to consumers.*

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## **Checked Baggage Fees Hurt Airlines' Customer Satisfaction Scores**

Passenger satisfaction with airlines has shown decline among both leisure and business travelers, according to a recent survey by J.D. Power and Associates.

According to the Huffington Post, the 2012 [North America Airline Satisfaction Study](#), which ranks satisfaction on a 1,000 point scale, satisfaction with the industry dropped two points (from 683 to 681) from last year. Among traditional carriers, the level of satisfaction dropped four points, to 647. Budget carriers fared better, seeing a three-point increase in satisfaction to 754.

The survey of more than 13,500 passengers bases satisfaction on factors including cost and fees, in-flight services, boarding/deplaning/baggage, flight crew, aircraft, check-in and reservations.



[According to a press release](#), checked bag fees are a particular area of customer irritation. Satisfaction among passengers who pay to check bags averages 85 points lower than those who don't. Also important are factors of an airline's process and people, which appear to outweigh price when it comes to a passenger's decision to fly the airline again.

Thomas Hinton, president of the American Consumer Council, a non-profit consumer education organization with nearly 130,000 members, continued to criticize excessive airline baggage fees calling them "unfair and "unreasonable." Hinton scolded airlines for gouging consumers with \$50+ baggage fees. Hinton noted that some passengers could pay up to \$200 just for their bags using United Airlines' or Spirit Airlines' current baggage pricing scheme. In comparison, Hinton pointed out that passengers that used a shipping service like UPS or FedEx Ground to send a 30-pound package sent from Florida to Ohio would only spend \$64 if they sent it five days before their arrival.

United's revenue is expected to increase by \$30 million annually, thanks to the new charges. In May, it was revealed, however, that the airlines made less money in 2011 in bag fees than they did in 2010, signaling perhaps that fliers were packing lighter and learning to carry-on.



United isn't the only airline to play the baggage fee game. Delta increased its checked bag fee from \$75 to \$100 earlier this year, notes The Consumerist. The airline also made a bit of a gaffe when it charged a soldier's unit \$2,800 in excess baggage fees on returning from Afghanistan.

Low-cost carrier Allegiant Air even instituted a carry-on bag fee back in April, with Spirit Airlines following suit a month later. Spirit has also introduced a fee to retrieve boarding passes.

How did all the airlines rank? Check out the slideshow below. To see how the airlines fared in each of the seven categories, check out the [survey results here](#).

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## Green C<sup>SM</sup> Certification Accepting Applications for 2012 Summer Cycle:

If your company or organization would like to increase its credibility with consumers, you should consider applying for the **Green C<sup>SM</sup> Certification**. Applications for the 2012 Summer cycle are now being accepted through August 31, 2012.

It's a proven fact that consumers want to do business with companies that are eco-friendly and practice Corporate Social Responsibility (CSR). The process is straight-forward and all applicants are recognized by ACC and the Green USA Institute.

All applicants complete the criteria and submit their responses to ACC's Green Consumer Council for review, assessment and feedback. Program details and the **Green C<sup>SM</sup> Certification** criteria can be viewed at ACC's website located at: <http://americanconsumercouncil.org/greenc.asp>

