

...ent order requiring a Spokane, Wash., seller, lessor and distributor of new and used automobiles and automotive accessories, among other things to cease making any claims as to the fuel consumption or economy of operation or ownership of any vehicle without a reasonable basis for such claim consisting of tests or surveys using statistically valid methodology and having such results available at places of retail sales in a language understandable to the average consumer.

### *Appearances*

For the Commission: *David R. Pender.*

For the respondent: *Allan Toole, Spokane, Wash.*

### COMPLAINT

The Federal Trade Commission, having reason to believe that Camp Chevrolet, Inc., a corporation, and Jerry W. Camp, individually and as an officer of said corporation, hereinafter sometimes referred to as respon-

dents, have violated the provisions of Section 5 of the Federal Trade Commission Act, and that a proceeding in respect thereof would be in the public interest, hereby issues this complaint stating its charges as follows:

PARAGRAPH 1. Camp Chevrolet, Inc., is a Washington corporation with its office and principal place of business located at 101 East Montgomery, Spokane, Wash.

Jerry W. Camp is an officer of Camp Chevrolet, Inc. He formulates, directs and controls the policies, acts and practices of Camp Chevrolet, Inc., including those hereinafter set forth. His business address is the same as that of Camp Chevrolet, Inc.

PAR. 2. Respondents are now and have been engaged in the business of selling, leasing and distributing new and used automobiles and automotive accessories.

PAR. 3. In the course and conduct of their business, respondents cause automobiles to be transported from outside the State of Washington to purchasers within the State of Washington and other States of the United States. Business correspondence, contracts, monies, and other documents related to the distribution of automobiles, including materials used in the preparation of the advertisements described below, are transmitted between respondents' office, customers, and other business entities located in various different states of the United States. Furthermore, respondents advertise in media of interstate circulation and broadcast. Therefore, respondents are engaged in commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. In the course of their business, respondents have disseminated and caused to be disseminated certain advertisements concerning Chevrolet automobiles. Typical and illustrative of such advertisements, but not all inclusive thereof, is the following portion of a newspaper advertisement published in Mar. 1974: [See p. 650 herein.]

PAR. 5. Through the use of such advertisements, and others not specifically set out herein, respondents have represented, directly or by implication, that:

A. The average consumer can obtain 47.18 miles per gallon driving a Chevrolet Vega.

B. The average consumer can obtain 31.45 miles per gallon driving a Chevrolet Nova.

PAR. 6. At the time the representations set forth in Paragraph Five were made, respondents had no reasonable basis from which to conclude that such representations were true.

Therefore, the advertisements and representations referred to in Paragraphs Four and Five were and are deceptive and unfair.

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# CAMP

## CAMP CHEV WINS ECONOMY RUN!

**VEGA NO. 1** **NOVA NO. 2**  
**47.18 M.P.G.** **31.45 M.P.G.**

**TOP CAR:**  
**47 Miles a Gallon**

A Chevrolet Vega won the first Inland Empire Economy Run Saturday, averaging more than 47 miles per gallon.

Twenty cars were entered in the event which was sponsored by the Sports Car Club of Spokane.

The 103-mile course over which the cars traveled was from Spokane to Coeur d'Alene, Idaho, and back, including both in-town driving and freeway driving. One-third of the course was over two-lane, country roads.

Some of the drivers were highly experienced in coaxing good gas mileage out of their cars, while others were just the average driver who wanted to know what type of mileage the old family sedan or station

wagon gets, Jack Deno, a spokesman for the club, said.

Eight of the cars were sponsored by local car dealers, including the winner.

"Some of the cars were prepared specially for the run, and some of the drivers really knew how to nurse them along.

"The test simply shows what the average person is able to do if he is really conscious of gas mileage and how he can improve it," Deno said.

The drivers were required to stop at four checkpoints along the way within a certain amount of time, thus prohibiting them from traveling at ridiculously slow speeds. Most cars finished within three hours.

Each car was entered in a specific class, based on engine size, and over-all winners were selected on a complicated formula which figured the mileage in relationship to the auto's weight.

Deno called it "ton-miles-per-gallon."

The Vegas, which had the best mile-per-gallon (mpg) record also had the top ton-mile-per-gallon score, averaging 62.28.

A Chevrolet Nova, which averaged 31.45 miles per gallon, placed second in ton-miles-per-gallon with a 57.24 total. A Ford Galaxie achieved 56.67 ton-miles-per-gallon, averaging 25.95 mpg.

Printed in The Spokesman-Review, Sunday, March 10, 1974.

The Chev Vega won against such competition as Yamaha Motorcycle, Datsun 8210 Sedan, Ford Pinto, Toyota Corona, Ford Galaxie 500, Pontiac Catalina, Plymouth Wagon, and Subaru GL Coupe, Honda Civic, Opel Rallye, Pontiac Grand Prix.

**"BEATS THEM ALL"**

PAR. 7. In the course of their business, respondents are in substantial competition in commerce with corporations, firms and individuals engaged in the sale, lease, and distribution of new and used automobiles of the same general type as those sold by respondents.

PAR. 8. Respondents' use of the aforesaid deceptive and unfair advertisements and representations has had, and now has, the tendency and capacity to induce members of the public to rely thereon and to purchase or lease substantial quantities of Chevrolet Vega and Chevrolet Nova automobiles, thereby unfairly diverting substantial trade to respondents from their competitors.

PAR. 9. Respondents' aforesaid acts and practices were and are all to the prejudice and injury of the public and of respondents' competitors and constitute unfair and deceptive acts and practices in commerce and unfair methods of competition in commerce in violation of Section 5 of the Federal Trade Commission Act.

#### DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Seattle Regional Office proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty days, now in further conformity with the procedure prescribed in Section 2.34(b) of its rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

## Decision and Order

84 F.T.C.

1. Respondent Camp Chevrolet, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Washington, with its office and principal place of business located at 101 East Montgomery, Spokane, Wash.

Respondent Jerry W. Camp is an officer of said corporation. He formulates, directs and controls the policies, acts and practices of said corporation, and his business address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

## ORDER

I. *It is ordered*, That respondents Camp Chevrolet, Inc., a corporation, its successors and assigns, and its officers, and Jerry W. Camp, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporation, subsidiary, division or other device, in connection with the advertising, offering for sale or lease, sale, lease, or distribution of motor vehicles, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from making any representation, directly or by implication, as to the fuel consumption or economy of operation or ownership of any vehicle or type of vehicle, unless:

A. The representation reflects the average consumer's customary or usual driving experience with the vehicles referred to;

B. At the time the representation is made, respondents:

1. have a reasonable basis for such representation, consisting of tests or surveys using statistically valid methodology, and

2. have made available to the general public, at the point of retail sale, copies of a brief but comprehensive statement of the results and methodology of such tests or surveys, in terms understandable to the average consumer;

C. In immediate conjunction with the representation, respondents clearly and conspicuously disclose:

1. the year, make, and model of each vehicle or type of vehicle referred to or used as a basis of comparison, and

2. where and how the test or survey results and methodology may be obtained; and

D. Respondents retain copies of all sales promotional materials which contain such representations, including newspaper advertise-

ments and radio and television scripts, for a period of three years after use of such materials; and retain for a like period all records made pursuant to this order.

II. *It is further ordered*, That the corporate respondent shall forthwith distribute a copy of this order to each of its officers, agents, representatives or employees who are engaged in the preparation or placement of advertisements.

III. *It is further ordered*, That the corporate respondent notify the Commission at least thirty days prior to any proposed change in said respondent, such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the corporation which may affect compliance obligations arising out of this order.

IV. *It is further ordered*, That the individual respondent named herein promptly notify the Commission of the discontinuance of his present business or employment, and of his affiliation with a new business or employment, in the event of such discontinuance or affiliation. Such notice shall include his current business address and a statement as to the nature of the business or employment in which he is engaged, as well as a description of his duties and responsibilities.

V. *It is further ordered*, That the respondents herein shall within sixty days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

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IN THE MATTER OF  
GENERAL MOTORS CORPORATION

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF  
THE FEDERAL TRADE COMMISSION ACT

*Docket C-2564. Complaint, Oct. 7, 1974—Decision, Oct. 7, 1974*

Consent order requiring a Detroit, Mich., automobile manufacturer, among other things to cease misrepresenting the superiority of the fuel economy of its automobile performance; disparaging competing products; and furnishing means and/or instrumentalities of misrepresentation or deception to its dealers.