



LEGISLATIVE PRIORITIES – June 18, 2024

NEW FTC RULE HARMS CAR BUYERS: COSPONSOR THE "FTC REDO ACT" (H.R. 7101/S. 3014)

The Federal Trade Commission (FTC) recently finalized its Vehicle Shopping Rule “VSR” (also known as the “CARS” Rule) that would overwhelm car buyers and small businesses with needless and additional costs, paperwork and a lengthened sales process affecting over 40 million consumer vehicle transactions per year. A new study by the Center for Automotive Research (CAR) found that the rule would cost consumers more than \$24.1 billion (over ten years) and add an additional 60 to 80 minutes to the car buying process and cost consumers \$1.3 billion per year in lost time. The FTC finalized this rule amid ongoing congressional oversight into the agency’s vast regulatory overreach in proposing the rule, its lack of credible data-driven analysis, and significant process flaws. The FTC’s rule would make the auto buying experience worse, not better, for consumers. NADA supports efforts to stop the FTC from enforcing the VSR in the FY 2025 Financial Services and General Government (FSGG) Appropriations bill. NADA-supported language to deny FTC funding to enforce the VSR was included in the FY25 FSGG appropriations bill that passed the House Appropriations Committee on June 13.

NADA also supports the “FTC REDO Act” (H.R. 7101/S. 3014) which would stop the VSR and require the FTC to follow certain procedures to ensure the rule is the result of an informed process if it chooses to “REDO” the rule. The bill requires the FTC to 1) issue an Advance Notice of Proposed Rulemaking; 2) conduct a quantitative study on auto retailing; 3) undertake consumer testing; and 4) publish a cost benefit analysis based on actual data. The FTC failed to perform these essential steps before finalizing its rule. **Members of Congress are urged to cosponsor the “FTC REDO Act” to stop the flawed VSR and prevent the FTC from needlessly imposing significant burdens and costs on consumers and small business dealers.**

EPA’S DE FACTO ELECTRIC VEHICLE MANDATE GOES TOO FAR, TOO FAST

The Biden Administration has finalized a new regulation that could effectively require 56% of car sales to be electric by 2032. New car and truck dealers are essential to sell and service electric vehicles (EVs) and already have spent or committed to spend \$10 billion of their own capital in EV inventory and special tools, equipment, training, and recharging infrastructure needed for these vehicles. However, the charging infrastructure is not ready, the current incentives are not sufficient, and high EV prices will price out millions of consumers, particularly low-income Americans, from the new-car market.

Our experience working with consumers every day makes us highly skeptical that consumers will adopt EVs anywhere near the levels required in the Environmental Protection Agency’s (EPA) final rule. NADA supports H.J.Res. 136/S.J.Res. 75, joint resolutions which would disapprove the EPA’s Multi-Pollutant Emissions Standards for Light-Duty and Medium-Duty Vehicles for MY 2027 and Later rule. Relatedly, on April 18, NADA supported S. 4072, which would stop funding of the EPA’s de facto EV mandate rule. This bill garnered a majority of Senators with a 52-46 vote, but a 60-vote threshold was needed for passage. Significantly three Democratic Senators and an Independent voted in support. **Congress should pass H.J.Res. 136/S. J. Res. 75 to stop EPA’s overly aggressive de facto EV mandate.**

“RIGHT TO REPAIR” LEGISLATION RAISES SERIOUS VEHICLE PRIVACY, SECURITY AND SAFETY ISSUES FOR CONSUMERS: OPPOSE H.R. 906

Advocates for “right to repair” legislation claim that independent automotive repair shops do not have access to the parts or data necessary to repair vehicles. However, this concern was rectified by a 2014 Memorandum of Understanding, signed by “right to repair” proponents and auto manufacturers. Today, the information independent shops need to repair vehicles is readily available from every auto and truck manufacturer. H.R. 906 has little to do with repairing a vehicle; instead, the bill compels auto and heavy-duty truck manufacturers to provide any “aftermarket parts manufacturer” the information necessary “to produce or offer compatible aftermarket parts,” i.e., parts not made by the auto or truck manufacturer. This legislation would also give any third-party remote, bidirectional access to consumer data from vehicles, which raises significant privacy, cybersecurity, and automotive safety concerns.

H.R. 906 is also built on a faulty premise that independent repair shops are at risk, even though these businesses currently perform more than 70% of all non-warranty repairs. Despite numerous concerns over this legislation articulated on a bipartisan basis by members of the House Subcommittee on Innovation, Data and Commerce, that subcommittee reported out this legislation by voice vote on Nov. 2. NADA and other industry stakeholders submitted a coalition letter opposing this fundamentally flawed legislation. **Members of Congress are urged not to cosponsor or vote for H.R. 906.**