

National Automobile Dealers Association



Oppose So-Called "Right to Repair" Legislation (H.R. 1566/S. 1379)

ISSUE

The REPAIR Act is not about repair; it is about allowing third-party access to customer data. 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, the REPAIR Act is unnecessary as this concern was addressed by a 2014 Memorandum of Understanding between "right to repair" proponents and auto manufacturers, and reaffirmed by a 2023 industry commitment. Today, the information independent shops need to repair vehicles is readily available for every auto and truck manufacturer. Members of Congress should not cosponsor H.R. 1566/S. 1379 since independent repair shops have what they need to fairly compete in today's marketplace, and the legislation creates a significant new federal regulatory structure.

BACKGROUND

The "REPAIR Act" has little to do with repairing a vehicle. For example, H.R. 1566 provides that "direct, real-time invehicle data" can be sold "to any other person" with the consent of the vehicle owner. Such consent could consist of the owner merely checking a box on a form authorizing service of their vehicle. The House bill also gives aftermarket parts manufacturers the ability to glean vehicle data "for purposes...related to the manufacture or service of such...parts." This data cannot be deleted even if requested by the vehicle owner. In addition, both House and Senate bills mandate that no manufacturer "impairs the ability" or "employ[s] any barrier" for an aftermarket parts manufacturer "to produce" aftermarket parts. Proponents have failed to articulate a compelling reason for these provisions, which are unrelated to their claim that they lack information or tools to fix a vehicle.

The information necessary to repair vehicles is already widely available. In addition to the 2014 MOU, automakers and independent repairers have a longstanding formal mechanism through the National Automotive Service Task Force to ensure information for service, tools and training is available from every truck and auto manufacturer. Additionally, multiple private entities such as oem1stop.com provide this information, and the MOU created a resolution panel to remedy situations where an independent repair facility believes a manufacturer has failed to provide the necessary information to repair a vehicle. Even though the MOU is working as intended, "right to repair" proponents now want a new federal regulatory structure that does much more than address so-called "right to repair."

The bills are so proscriptive that they forbid a manufacturer from even recommending their own auto parts unless the automaker also provides "in the same font" and "font size" what is obvious—that consumers are already free to choose their own auto repair parts. This legislation also includes a new paperwork burden which will unnecessarily lengthen the car-buying process for over 28 million purchasers annually and could cost in excess of \$100 million.

KEY POINTS

- The "REPAIR Act" is unnecessary because the information necessary to repair vehicles is already available. Aftermarket parts manufacturers and independent repair shops already have what they need to fairly compete in today's marketplace. Currently 73% of post-warranty repairs are done outside of the dealer network.
- The bills are <u>not</u> about repair but rather are designed to provide third parties access to consumer data and enable aftermarket parts manufacturers to reverse engineer OEM parts. The requirement that no auto manufacturer may impair the ability of an aftermarkets parts manufacturer to produce "knock-off" auto parts is unnecessary if the purpose of the bills is to ensure the "right to repair."
- H.R. 1566/S. 1379 would create an entirely new regulatory framework with a mandated rulemaking, new advisory panel, and reports to Congress every two years all for a nonexistent problem. This new regulatory paperwork burden could cost over \$100 million annually, affecting 28 million transactions, and expose small business dealers to significant fines.

STATUS

Rep. Neal Dunn (R-Fla.) reintroduced H.R. 1566, the REPAIR Act and Sens. Ben Ray Lujan (D-N.M.) and Josh Hawley (R-Mo.) introduced S. 1379. NADA sent an opposition <u>letter</u> to all House members and an opposition <u>letter</u> to all Senators. **Members of Congress are urged <u>not</u> to cosponsor H.R. 1566/S. 1379.**

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