

September 27, 2023

Hon. Cathy McMorris Rodgers Chair, Committee on Energy and Commerce 2125 Rayburn House Office Building Washington, DC 20515

Hon. Gus Bilirakis Chair, Subcommittee on Innovation, Data, and Commerce 2125 Rayburn House Office Building Washington, DC 20515 Hon. Frank Pallone
Ranking Member, Committee on Energy
and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

Hon. Jan Schakowsky Ranking Member, Subcommittee on Innovation, Data, and Commerce 2125 Rayburn House Office Building Washington, DC 20515

Dear Chair Rodgers, Chair Bilirakis, Ranking Member Pallone and Ranking Member Schakowsky:

The National Automobile Dealers Association (NADA), representing over 16,000 franchised new car dealers who employ 1.1 million Americans, and the American Truck Dealers (ATD), a division of NADA representing over 3,200 franchised medium- and heavy-duty truck dealers nationwide, strongly oppose H.R. 906, the "Right to Equitable Parts and Repair Act" (REPAIR Act).

H.R. 906 is built on a faulty premise that independent repair shops are not able to obtain parts or data necessary to service and repair vehicles. However, this issue was rectified years ago¹, and today 100% of all information independent repair shops need to repair vehicles is readily available. Several large public companies,² completely independent of auto manufacturers, provide affordable access to service and repair information for independent repairers, individual owners, and franchised dealerships. As a fail-safe to fill any gaps, the industry has a long-standing formal process to ensure data is made available from every truck and auto manufacturer (through the National Automotive Service Task Force) and that process continues to work well. As a result, independent repair shops currently perform more than 75% of all non-warranty repairs.

¹ Both light duty and heavy-duty vehicle manufacturers have entered into nationwide <u>agreements</u> to provide this information, including telematics information.

² For example, AutoZone which owns <u>100%</u> of ALLDATA (<u>www.alldata.com</u>), claims: "We're the industry's #1 choice for OEM-accurate mechanical and collision repair information, shop management software and support services, trusted by more than 400,000 technicians in over 115,000 shops worldwide. ALLDATA Repair delivers online OEM repair information in a single, reliable source, with factory-direct diagrams, repair procedures, TSBs, DTCs, and more. ALLDATA doesn't alter the OEM data, **so you get exactly what you need from each manufacturer** – all in one easy-to-use program (emphasis added)."

H.R. 906 creates new privacy, vehicle security and safety risks by requiring vehicle manufacturers to provide any third-party with "bi-directional" access to vehicle telematics systems "without restrictions or limitations." This overbroad requirement not only allows access to all the vehicle's data, but also allows data to be sent to vehicles. It is unrelated to the servicing of the vehicle and creates serious privacy and safety concerns by unnecessarily exposing sensitive consumer information and jeopardizing the security of vehicle driving functionality and driver safety.

H.R. 906 is similar to a 2020 Massachusetts law passed by ballot initiative that requires new vehicles be equipped with an "open data platform." The National Highway Traffic Safety Administration (NHTSA) noted the "significant safety concerns" such a requirement would raise, stating:

"Open access to vehicle manufacturers' telematics offerings with the ability to remotely send commands allows for manipulation of systems on a vehicle, including safety-critical functions such as steering, acceleration, or braking, as well as equipment required by Federal Motor Vehicle Safety Standards such as air bags and electronic stability control. A malicious actor here or abroad could utilize such open access to remotely command vehicles to operate dangerously, including attacking multiple vehicles concurrently. Vehicle crashes, injuries, or deaths are foreseeable outcomes of such a situation."

On Aug. 22, NHTSA provided a refinement of its position in a follow up letter to the Massachusetts Attorney General, <u>stating</u> that automakers could share diagnostic data with independent shops using short-range wireless technology. NHTSA said that automakers should be allowed "a reasonable period of time" to put the technology in place. While NHTSA's noting that "close range" (e.g., Bluetooth) access to data may not present all the same safety concerns, we share the concerns of those who believe that even that important limitation would expose vehicles to substantial cybersecurity risks.

H.R. 906 undermines intellectual property rights. This legislation compels auto and truck manufacturers to provide any "aftermarket parts manufacturer" the information necessary "to produce or offer compatible aftermarket parts," meaning parts not made by the truck or auto manufacturer. This unfairly promotes the interests of aftermarket companies by allowing aftermarket parts manufacturers to gain access to automakers' proprietary information. This giveaway of proprietary information could then be used to facilitate reverse engineering of genuine, original auto and trucks parts, including safety-critical parts.

The bill is also flawed because it treats heavy-duty trucks the same as light-duty vehicles and makes no provision acknowledging the vast differences between these two types of vehicles.

³ Kerry E. Kolodziej, Assistant Chief Counsel, National Highway Traffic Safety Administration, <u>Letter</u> to Counsel for Vehicle Manufacturers (June 13, 2023)

As you are aware, many federal laws and regulations governing safety, fuel economy and emissions have been bifurcated, with separate rules for light-duty vehicles and another set of rules for heavy-duty vehicles. The law treats these vehicles separately because of the vast differences between these two types of vehicles. For example, heavy-duty trucks are custom built and exclusively sold to businesses or governments. In contrast, light-duty vehicles are mass produced for the public. Light-duty vehicles are designed primarily to carry passengers; heavy-duty trucks are designed to carry freight or perform a specific job. Despite all these differences, H.R. 906 regulates a sedan the same as a Class 8 heavy duty truck.

The REPAIR Act is a solution in search of a problem and has very little to do with repairing a vehicle. NADA/ATD urges members of the House Energy and Commerce Committee to oppose H.R. 906.

Sincerely,

David W. Regan

Executive Vice President

National Automobile Dealers Association

Ivette E. Rivera

Senior Vice President

National Automobile Dealers Association

cc: House Energy and Commerce Committee Members