National Automobile Dealers Association

Oppose the REPAIR Act (H.R. 1566/S. 1379)

ISSUE

The REPAIR Act (H.R. 1566/S. 1379) is based on the false premise that independent repairers do not have the same access to the information and tools necessary to repair vehicles as franchised dealers. The language of the REPAIR Act reveals that its true purpose is *not* to improve vehicle repair options for consumers. Instead, the bill expands access to sensitive driver and vehicle data, enables the reverse engineering of OEM parts, and advances policies that discourages the use of original, genuine replacement parts. These provisions would primarily benefit insurers by lowering claim costs paid to consumers for vehicle repairs, while raising significant concerns about privacy, safety, and consumer choice. **Members of Congress are urged to oppose the controversial REPAIR Act and instead support the House Energy and Commerce Committee-approved language, which provides a strong balance between competing stakeholders.**

BACKGROUND

The House Energy and Commerce Committee passed a scaled-back version of the REPAIR Act on May 21 with language that: 1) codifies the 2014 "right to repair" Memorandum of Understanding (MOU) between auto manufacturers and the independent repair industry to provide access to repair information and tools; 2) provides Federal Trade Commission (FTC) enforcement; and 3) directs the FTC to study access to vehicle repair issues. The Committee included this language in the Motor Vehicle Modernization Act (H.R. 7389) which could be added to the surface transportation reauthorization bill.

The Committee did not approve controversial insurer-backed repair provisions included in the original REPAIR Act, though efforts may be made to reinsert these provisions on the House floor. The committee-approved language makes the MOU legally binding and provides FTC enforcement, which was a major concern of REPAIR Act proponents. The bill also orders the FTC to study the complex issues of vehicle privacy, cybersecurity, and safety, addressing stakeholder concerns that these issues need further study, and report their findings to Congress by 2030.

NADA worked in good faith on modifications to H.R. 1566 and ultimately found the committee-passed language acceptable. Prior to the markup, a broad modified draft was circulated that NADA could not support, as it included major flaws such as 1) promoting auto insurance company priorities without improving consumer repair choice; and 2) posing serious privacy and safety risks by requiring third party access to vehicle telematic systems that are directly connected to critical safety functions, such as braking systems.

KEY POINTS

- **Currently over 75% of post-warranty repairs are performed outside of the dealer network. Proponents of the REPAIR Act have failed to make the case that a new federal regulatory regime for vehicle repair is needed**. There has been no substantiated evidence that independent repair facilities are being denied vehicle repair tools/information or that the existing MOUs or dispute resolution mechanisms are ineffective.
- **Insurers are pursuing controversial provisions to lower their costs and limit consumer choice by expanding the use of cheaper, non-original and recycled parts for vehicle repairs.** This legislation would steer consumers towards using replacement parts that could compromise safety, reliability and quality, particularly for safety systems and crash repairs that require precise fit and alignment.
- **REPAIR Act proponents have failed to demonstrate that broadening the committee-passed bill to include telematics and wireless data access can be achieved in a secure and safe manner.** Opening third party access to telematic systems increases cybersecurity threats and road safety concerns and needs further scrutiny and study.

STATUS

H.R. 7389 passed the House and Energy and Commerce Committee by a vote of 48-1 and may be added to the broader surface transportation bill, the Build America 250 Act. The surface transportation bill could be considered by the House after the election. The Senate REPAIR Act (S. 1379) sponsor, Sen. Ben Ray Lujan (D-N.M.), offered and withdrew S. 1379 during a recent Senate Commerce Committee markup (see letter in opposition). **Members of Congress should retain the House committee-passed REPAIR Act language and not cosponsor H.R. 1566/S. 1379.**

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