

TESTIMONY OF RAY POHLMAN, VICE PRESIDENT OF GOVERNMENT
RELATIONS, AUTOZONE, INC.

BEFORE THE HOUSE COMMITTEE ON CONSUMER AFFAIRS AND THE HOUSE
COMMITTEE ON TRANSPORTATION

JUNE 2, 2011, PHILADELPHIA CONVENTION CENTER

IN FAVOR OF THE MOTOR VEHICLE OWNERS' RIGHT TO REPAIR ACT

Mr. Chairmen, members of the Committee:

My name is Ray Pohlman. I am vice president of Government Relations for AutoZone, the nations leading retailer and a leading distributor of auto parts and accessories. Currently, we have more than 4600 stores in the United States and 250 stores in Mexico.

We employ about 2,000 AutoZoners in this state who work in 118 AutoZone stores and our new state-of-the-art distribution center in Hazelton, Hazel Township. These AutoZoners serve about 100,000 retail customers a week and like our competitors, we sell auto parts to thousands of independent repairers, the independent garages, in addition to the national chains and some dealerships.

Right to Repair is about our customers continuing to be able to choose where they buy their parts and have their vehicles serviced and repaired. The car companies and their dealer networks are deliberately withholding this vital information from the automotive aftermarket in an attempt to gain market share.

76% of out-of-warranty vehicle owners come to the automotive aftermarket, AutoZone, PepBoys, NAPA, CarQuest, Advance...they come to their local neighborhood garage or the national chains like Firestone, Goodyear, Midas and Meinke because of price, convenience and customer service.

Without the consumer protection afforded in Right to Repair legislation, soon our customers will no longer have a choice in where they shop for parts or repairs. They will be forced to go back to the dealership.

Now, you will hear from the manufacturers that parts companies like AutoZone is only interested in obtaining intellectual property, trade secrets, so we can set up manufacturing facilities overseas thus losing American jobs. First of all AutoZone, or any of the national auto parts chains, manufacturer parts. We have hundreds of vendors...many of whom also manufacture parts for new cars...do that. And, they have been reverse engineering parts for more than 100 years with not one single case of trade secret violation.

You must understand, we get some of these codes now. Have been since the first computers were put on the vehicles in the mid 90s to comply with the Clean Air Act and monitor emissions thru on the vehicle's On Board Diagnostic System (OBD).

But as you have already heard, the car companies have been slow to comply with federal law, enough so that our industry had to go to California a decade ago to craft legislation to force the manufacturers to comply with the key provisions of the Clean Air Act.

I should also point out that not once in the last 100 years, and certainly not once since the car companies have been forced to share computerized diagnostic and repair information over the last 15 years, has there been any hint, any accusation of an IP violation. Stealing trade secrets is illegal. We think the car companies should have the right to protect their trade secrets and that is why Right to Repair legislation proposed at the federal level and in various state legislatures specifically deals with this issue. And, specific language is inserted in the bills that protect the manufacturer's trade secrets. We asked the manufacturers repeatedly to review the language and if it not airtight enough, please suggested a substitute. As you might gather, we have heard or seen nothing. It's merely a smoke screen.

AutoZone has been in business 32 years and we stay in business because we provide outstanding customer service, both to our retail and commercial customers. We fight for business everyday with quality competitors..like NAPA,. CarQuest, Advance and Pep Boys. Competition makes all of us better. Competition is the consumer's friend. It keeps quality up and prices low. And, although we compete fiercely everyday for that business, we are united in this effort to see Right to Repair become a reality.

Right to Repair is about those two thousand jobs that AutoZone provides in this state. It is also about the future of the independent repairer, the entrepreneur, the trusted mechanic who has been working on your family's vehicles for decades. Without Right to Repair, he will cease to exist.

It's not about trade secrets for AutoZone and our competitors. It's about keeping a customer base.

Without Right to Repair, Pennsylvanians, your constituents, will be left but with just one choice for parts and service, and that will be the new car dealership.

Thank you for allowing me to testify this morning and I am available for any questions from the committee.