

**INFORMATIONAL HEARING ON THE
'RIGHT TO REPAIR' ISSUE**

**HOUSE CONSUMER AFFAIRS COMMITTEE
AND THE HOUSE TRANSPORTATION COMMITTEE**

June 2, 2011 – Philadelphia Convention Center

**TESTIMONY OF
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Good morning Chairman Godshall and Chairman Geist. Thank you very much for providing an opportunity for me to appear today to offer my industry's insights into the 'right to repair' issue. While it is my understanding that presently there is no specific legislation relating to this issue under consideration by either of your committees, I believe the conduct of an informational hearing such as this will be of great benefit to the members of your standing committees as they attempt to develop an understanding of the nuances of this issue.

I appear today on behalf of the approximately 1,000 franchised new vehicle dealers doing business throughout the Commonwealth. Since 1919, the Pennsylvania Automotive Association has been the sole trade association dedicated to representing the interests of these dealers, and our membership is composed of both domestic and import line makes.

No doubt many of you committee members are acquainted with the new car and truck dealers in your legislative districts. The owners of these family-owned businesses are typically very involved with their communities and enjoy long-established roots. Additionally, new vehicle dealers can often be counted among the largest and best employers in their town. Dealer members of PAA employ over 50,000 persons statewide. Everyone in town knows their new car dealers, from the local high schools who turn to them for convertibles to transport their homecoming queens at halftime to the little league teams seeking a sponsor.

What I want to take a moment to comment on is that much of what these businesspersons invest in, as part of their franchise arrangement with the manufacturers of vehicles they sell, is at stake with the issue you are addressing

today. Also at stake is the safety of replacement vehicle parts purchased by Pennsylvania's consumers – your constituents.

For the record, I want to use this opportunity to clarify that this issue before your committees is *not* about new car dealers' unwillingness to compete with independent repair shops. I can think of no other business more competitive than the vehicle sales business – to my members, competition is a way of life and consumers benefit from this basic business premise. Assertions that we are hiding behind current restrictions on the blanket dissemination of parts and service information to establish an unfair monopoly on vehicle repairs are disingenuous and patently false. Currently, approximately 75 percent of non-warranty repairs are performed by independent repair shops - not new vehicle dealers. What monopoly would it be then that we are attempting to protect?

The truth is that the technical information necessary for independent repair shops to effectively repair vehicles is already available to them. Since 2000, responsible players in the automotive manufacturing and repair industry have come together under the banner of the National Automotive Service Task Force (NASTF) to make as much proprietary information commercially available to the repair

industry as possible. As a result, today, at this very minute, by simply investing in the proper equipment and subscribing to readily available web-based information services, legitimate repair shops can, and do, gain access to the information they need to repair a motor vehicle of any make and model.

Presently, through the NASTF process, all legitimate public and governmental concern about access to information has been addressed, providing consumers with the ability to use the repair shop of their choice. It is, therefore, not surprising that no other state has enacted 'right to repair' legislation. It appears to be a legislative solution in search of a problem.

As alluded to earlier in my testimony, I want to express our industry's concern with the possible unintended consequences of enacting 'right to repair' legislation – specifically, that the benefactors of the law's provisions would not be the consumer public but rather manufacturers of aftermarket parts, who could utilize parts specification information, which would now be required to be disseminated by the owners of this intellectual property, in order to manufacture similar, but not necessarily comparable, parts. My members, through their manufacturers, provide their customers with safe replacement parts that meet all factory and regulatory

agency standards. Their customers deserve no less, and dealers take their responsibility to their customers very seriously. The heavy costs they incur for service technician training and the acquisition of appropriate tools are testimony to their dedication to this responsibility.

In closing, because the information, tools, and training necessary for independent repair shops to effectively repair vehicles is already available to them, ultimately providing consumers with the ability to use the franchised new vehicle dealer or independent repair shop of their choice, other states who have examined 'right to repair' legislation have discovered that no problem exists requiring a legislative solution. However, the possible unintended consequences of enacting 'right to repair' legislation could harm the very consumers the legislation purports to protect.

Members of the committees, thank you very much for your attention. I would be happy to answer any questions you may have.