March 6, 2023



The Honorable C. T. Wilson Chair, House Economic Matters Committee House Office Building Annapolis, Maryland 21401

> RE: HB 1193 - Motor Vehicle – Right to Repair Position: Unfavorable

Dear Chair Wilson:

On behalf of the Alliance for Automotive Innovation (Auto Innovators), I am writing to request an <u>Unfavorable report on HB 1193</u>, a bill seemingly filed under the premise that independent repair shops need a law to ensure that they have access to the information from automakers necessary to diagnose and repair a vehicle. This premise is simply wrong. Here's the truth: <u>Automakers already make available to independent repair businesses all the information needed to diagnose and service a vehicle</u>.

From the manufacturers producing most vehicles sold in the U.S. to autonomous vehicle innovators to equipment suppliers, battery producers and semiconductor makers – Auto Innovators represents the full auto industry, a sector supporting 10 million American jobs and five percent of the economy.

Questions around the repairability of modern automobiles were answered a decade ago under a nationwide agreement guaranteeing repairers and vehicle owners access to the same repair and diagnostic information provided to franchised dealers. To make it even easier to retrieve the information needed to repair a vehicle, automakers even created a one-stop location online. The website www.OEM1stop.comserves as a gateway to access virtually every automaker's individual repair website.

In 2013, the Massachusetts state legislature adopted Chapter 93k of the General Laws, which guaranteed access for independent repairers to all information needed to diagnose and repair a vehicle. As the Massachusetts law required vehicles to be built with specific hardware requirements, automakers could not risk a conflicting law being passed in another jurisdiction that would also regulate the same hardware. As such, within a few months of the Massachusetts law passing, automakers and representatives of the independent repair community negotiated and signed a memorandum of understanding in which automakers voluntarily agreed to follow the Massachusetts law everywhere across the country.

The nationwide MOU contains a dispute resolution provision that provides for an avenue to address needed repair information that is identified by a repairer as unavailable. In the 9 years since the MOU was signed, this dispute resolution process has never been triggered. The reason is simple. It is because all the information needed to repair and diagnose a vehicle is available to repairers today.

What's more, there are additional avenues for a repairer to seek assistance should the repairer not want to use the dispute resolution process. The National Service Information Task Force (NASTF) is an organization that has existed for many years to help repairers locate needed repair information. NASTF has employees on staff to help repairers find information to properly conduct a vehicle repair. While NASTF continues to field calls from repairers, often the calls seeking "missing information" are simply a case of not knowing where to look on an automaker's repair website. For example, a calibration sequence for a blind-spot monitoring sensor could be listed under Safety Systems for one automaker, and under Electrical Components for another. Repairers can also go straight to the source, calling an automaker directly. Automakers maintain toll-free lines for repairers to contact in the event a repair cannot be completed.

Some may suggest that simply passing another law that requires the same obligations as the Massachusetts law would be a "belt and suspenders" approach to this issue. We strongly discourage this course of action. Even if a law could be perfectly crafted to mirror the statute of another state, the problem would arise when the underlying laws ultimately need to be updated to reflect changes in new technology, for example. With only one law anchoring the repair practices of the industry, the discussion is rather simple to identify and address newfound needs. Were there to be two laws governing the same hardware on a vehicle, automakers would be in the unfortunate position of manufacturing two different vehicle models to comply with state-specific regulations if those laws were not amended at the exact same juncture.

Competition is alive and well in the automotive repair industry. When seeking to have their vehicle serviced or repaired, consumers have a wide range of options – including a dealer repair facility, a national chain repairer, or an independent repair facility. Independent repair facilities currently perform the vast majority of diagnostic and repair work. In fact, over 70% of out-of-warranty repair work is performed outside of an automaker's authorized dealer network. This competitive marketplace is possible because automakers make available the information and tools needed to diagnose and repair a vehicle.

Given the current dynamics of the independent repair marketplace, we request an Unfavorable report on HB 1193.

Thank you in advance for your consideration of our views. For more information, please contact our local representative, Bill Kress, at (410) 375-8548.

Respectfully submitted,

Josh Fisher

Senior Director, State Government Affairs

Alliance for Automotive Innovation