

TESTIMONY OF SANDY BASS-CORS, EXECUTIVE DIRECTOR

THE COALITION FOR AUTO REPAIR EQUALITY (CARE)

JOINT COMMITTEE ON

CONSUMER AFFAIRS AND TRANSPORTATION

JUNE 2, 2011

PHILADELPHIA CONVENTION CENTER

IN FAVOR OF

THE MOTOR VEHICLE OWNERS' RIGHT TO REPAIR ACT

**CHAIRMEN ROBERT GODSHALL AND JOSEPH PRESTON, CHAIRMEN RICHARD GEIST AND MICHAEL MCGEEHAN, COMMITTEE MEMBERS: THANK YOU FOR THIS OPPORTUNITY TO SPEAK IN FAVOR OF THE MOTOR VEHICLE OWNERS' RIGHT TO REPAIR ACT.**

**MY NAME IS SANDY BASS-CORS, AND I HAVE BEEN THE EXECUTIVE DIRECTOR FOR THE COALITION FOR AUTO REPAIR EQUALITY (CARE) FOR 20 YEARS. CARE IS A NATIONAL, NON-PROFIT ORGANIZATION THAT REPRESENTS COMPANIES IN THE AFTERMARKET THROUGHOUT PENNSYLVANIA AND THE NATION, AMONG THEM: NAPA, MIDAS, CARQUEST, AUTOZONE, ADVANCE AUTO, O'REILLY'S AND BRIDGESTONE-FIRESTONE, AS WELL AS HELPING THOUSANDS OF "MOM AND POP" SHOPS.**

**CARE WAS FOUNDED IN IN THE SPRING OF 1991, TO HELP DEFEAT FEDERAL LEGISLATION KNOWN AS THE "DESIGN INNOVATION AND TECHNOLOGY ACT", HR 1790. THIS BILL WAS INTRODUCED ON BEHALF OF THE CAR COMPANIES AND THEIR FRANCHISED CAR DEALERSHIPS. HAD IT PASSED, IT WOULD HAVE GIVEN A 10 YEAR MONOPOLY ON ALL CAR PARTS AND EVENTUALLY SERVICE AND REPAIRS TO THE CAR COMPANIES AND THEIR DEALERSHIPS AND WOULD HAVE ELIMINATED COMPETITION, AFFAORDABLE AND SAFE CHOICES FOR MOTORING CONSUMERS. WE IN THE AFTERMARKET WOULD NOT BE HERE TODAY HAD THE "DESIGN" BILL PASSED.**

**IT WOULD HAVE MADE EVEN SMALL, LESS EXPENSIVE ITEMS LIKE WINDSHIELD-WIPERS PROHIBITIVELY PRICED FOR HARD WORKING PEOPLE. THE DESIGN BILL WAS DEFEATED IN THE WINTER OF 1992. THE AFTERMARKET HAS NEVER HAD, AND WILL NEVER HAVE, LEGISLATION THAT WOULD RESTRICT OR ELIMINATE CONSUMERS' CHOICES OR HURT THE CAR COMPANIES. WE ARE A PRO-COMPETITION INDUSTRY THAT EMPLOYS NEARLY 5 MILLION PEOPLE NATIONWIDE AND WE BELIEVE THAT CONSUMERS SHOULD ALWAYS BE THE DETERMINING FACTOR.**

**THE RIGHT TO REPAIR ACT DEVELOPED FOLLOWING THE PASSAGE OF CALIFORNIA'S BI-PARTISAN EMISSIONS LEGISLATION, ON-BOARD DIAGNOSTICS TWO, SENATE BILL 1146.**

**IN THE CLEAN AIR ACT AMENDMENTS OF 1990/91, CONGRESS HAD THE FORE-SIGHT TO INSERT LANGUAGE THAT ALLOWED FOR COMPETITION BETWEEN THE AFTERMARKET AND THE CAR COMPANIES ON THE REPAIRS OF EMISSIONS. TO PARAPHRASE THAT LANGUAGE, IT STATED "THAT ANYONE WHO WORKS ON VEHICLES OR VEHICLE ENGINES MUST HAVE ACCESS TO THE REPAIR INFORMATION" AND "THE CAR COMPANIES COULD NOT USE ENCRYPTED CODES TO LOCK OTHERS OUT." (MEANING THE AFTERMARKET).**

**WHAT CONGRESS DID NOT FORE-SEE, WAS THE CAR COMPANIES SKIRTED THAT LANGUAGE AND ESCAPED BEING PENALIZED BY GOING TO THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY (THE U.S. EPA) AND TELLING THE EPA THAT THE "AFTERMARKET WOULD STEAL THEIR PROPRIETARY INFORMATION, THAT THE AFTERMARKET WAS NOT TRAINED AND WOULD DAMAGE THE SYSTEMS. THE SAME ARGUMENTS THAT THEY USE TODAY ON RIGHT TO REPAIR.**

**THOUGH THE EPA BELIEVED THE CAR COMPANIES, THE CALIFORNIA LEGISLATURE DID NOT. THE LEGISLATURE PASSED SENATE BILL 1146, WHICH ALLOWED THE CALIFORNIA AFTERMARKET TO FULLY REPAIR THE EMISSIONS SYSTEMS, SO THAT CALIFORNIA'S MOTORISTS, LIVING UNDER SPECIAL CLEAN AIR RULES, COULD HAVE COMPETITIVE, CONVENIENT EMISSIONS REPAIRS.**

**THE AFTERMARKET DID SO WELL, AND CONSUMERS AND THE CALIFORNIA AIR RESOURCES BOARD WERE SO PLEASED, THAT THE U.S. EPA ACTUALLY REVERSED ITSELF AND RE- WROTE ITS REGULATIONS WHICH NOW STATED THAT THE CAR COMPANIES HAD TO RELEASE THEIR EMISSIONS REPAIR INFORMATION NATIONWIDE BY THE SPRING OF 2003. THAT INFORMATION IS ON THE INTERNET AND THERE HAS NOT BEEN ONE REPORTED CASE OF PROPRIETARY THEFT OR DAMAGES.**

**BUT, CALIFORNIA'S FORTITUDE AND THE U.S. EPA'S REVERSAL ALLOWED RESIDENTS OF PENNSYLVANIA AND THE NATION TO HAVE CLEANER AIR AND TO HAVE THEIR VEHICLES REPAIRED AT CONVENIENT AND AFFORDABLE LOCATIONS.**

**HOWEVER, CONSUMERS AND THE AFTERMARKET WERE STILL UNABLE TO FULLY, 100 PERCENT, REPAIR LATER MODEL VEHICLES. THE REASON IS THAT VEHICLES BEGINNING WITH 1994 MODELS (AND SOME EARLIER YEARS) AND ESPECIALLY THOSE BEGINNING IN 1996, ARE EQUIPPED WITH COMPUTERS THAT CONTROL THE REPAIR AND SERVICE INFORMATION ON MOST OF THE VEHICLES, FROM IGNITION KEYS TO ELECTRONICS, TO CHECK ENGINE LIGHT.**

**THE ONLY WAY FOR MOTORISTS TO HAVE THESE SYSTEMS AND THEIR "ENTIRE" VEHICLE FULLY REPAIRED IS TO RETURN TO THE NEW CAR DEALERSHIPS.**

**THIS HAS CREATED A FINANCIAL BURDEN ON LOW AND FIXED INCOME MOTORISTS, IT HAS CREATED A SAFETY HAZARD, IT HURTS CLEAN AIR EFFORTS, FUEL EFFICIENCY AND JOBS.**

**WITH THESE PROBLEMS, CONGRESS TOOK ANOTHER LOOK AT THE CAR COMPANIES GROWING MONOPOLY ON THE VEHICLE REPAIRS AND A BI-PARTISAN BILL WAS INTRODUCED BY REPRESENTATIVES JOE BARTON, TEXAS REPUBLICAN AND EDOLPHUS TOWNS, DEMOCRAT OF NEW YORK. THE BILL HAS HAD ONE VOTE IN A SUBCOMMITTEE WHERE IT PASSED BY ONE.**

**SINCE THEN, CONGRESSMEN BARTON AND TOWNS HAVE REINTRODUCED THE BILL AND NOW THE MAIN SPONSOR IS CONGRESSMAN TOWNS AND THE NUMBER TWO SPONSOR IS PENNSYLVANIA REPUBLICAN TODD PLATTS OF YORK.**

**RIGHT TO REPAIR WAS FIRST INTRODUCED IN THE EARLY FALL OF 2001, JUST PRIOR TO THE SEPTEMBER 11<sup>TH</sup> TRAGEDY. IT HAS BEEN RE-INTRODUCED IN EVERY CONGRESS SINCE, INCLUDING THREE TIMES IN THE SENATE.**

**YOU MAY HEAR THAT CONGRESS HAS TURNED AWAY FROM RIGHT TO REPAIR. THAT'S NOT TRUE. WHY WOULD IT BE REINTRODUCED? WHILE CONGRESS HAS A FULL PLATE OF ISSUES, IT CONTINUES TO GATHER COSPONSORS ON RIGHT TO REPAIR. AND, BECAUSE CONGRESS MOVES MUCH MORE SLOWLY THAN THE STATES, SEVERAL STATES SUCH AS NEW JERSEY, WHERE IT PASSED IN THE ASSEMBLY, NEW YORK WHERE IS HAS HAD HEARINGS, AND IN MASSACHUSETTS, WHERE IT OVERWHELMINGLY PASSED IN THE SENATE LAST SESSION AND IS NOW REINTRODUCED WITH EVEN MORE COSPONSORS.**

**RIGHT TO REPAIR IS NOT ABOUT KNOCK OFF PARTS. THE AFTERMARKET HAS BEEN RE-ENGINEERING PARTS FOR OVER 100 YEARS WITHOUT REPORTED VIOLATIONS.**

**IN THE YEAR 2010, OVER 20 MILLION VEHICLES WERE VOLUNTARILY RECALLED BY THE CAR COMPANIES. NO ONE IN HIS RIGHT MIND WOULD WANT TO STEAL DEFECTIVE PARTS INFORMATION FROM THE CAR COMPANIES. IT'S NOT THE AFTERMARKET WHO HAS MILLIONS OF RECALLS, BUT THE CAR COMPANIES.**

**ON MARCH 18<sup>TH</sup>, FOX TELEVISION LOCAL NEWS IN WASHINGTON, D.C., REPORTED THAT OVER 70 MILLION CARS WORLD-WIDE HAVE AT LEAST ONE JAPANESE PART. IN FACT, ONE OF THE MAJOR STEERING RECALLS ABOUT ONE YEAR AGO, AND I APOLOGIZE BECAUSE I CAN'T REMEMBER IF WAS A GM OR CHRYSLER, HAD TO RECALL THE CARS AND THE PART THAT FAILED WAS A JAPANESE PART MANUFACTURED IN JAPAN BY A COMPANY CALLED J-TEKT. AGAIN, USING PARTS VIOLATIONS AGAINST THE AFTERMARKET IS A RED HERRING.**

**YOU WILL ALSO HEAR ABOUT THE NATIONAL AUTOMOTIVE SERVICE TASK FORCE (NASTF). NASTF WAS FOUNDED, IS FUNDED AND IS MONITORED BY THE CAR COMPANIES IN 2002. A DECOY TO CONGRESS TO MAKE THEM THINK THAT NASTF WAS A VENTURE TO HELP THE AFTERMARKET. IN FACT, THE AFTERMARKET STOPPED USING IT AFTER REPEATEDLY NOT RECEIVING INFORMATION AND THEN NOT RECEIVING REFUNDS WHEN THEY WERE TOLD THE INFORMATION WAS NOT AVAILABLE TO THEM. LIKE A BAD SLOT MACHINE. MONEY IN AND RARELY ANYTHING BACK.**

**I WOULD LIKE TO QUOTE THE FORMER NASTF CHAIRMAN AND CURRENT NASTF BOAD MEMBER CHARLES GORMAN, WHO RECENTLY WROTE AN EDITORIAL IN THE "EQUIPMENT AND TOOL INSTITUTE MAGAZINE:**

**ON PROPRIETARY THEFT, MR GORMAN SAID AND I QUOTE:**

**"ARE THE VEHICLE MANUFACTURERS RIGHT WHEN THEY SAY THIS IS ABOUT PARTS COMPANIES ROBBING TRADE SECRETS AND INTELLECTUAL PROPERTY? NO. THE RIGHT TO REPAIR PROPONENTS HAVE SAID OVER AND OVER THAT THEY ARE NOT INTERESTED IN TRADE SECRETS AND THE LANGUAGE IN THE PROPOSED LEGISLATION CLEARLY EXEMPTS TRADE SECRETS FROM INFORMATION THEY ARE REQUESTING."**

**MR. GORMAN CONTINUED "THAT NASTF IS NOT A REPAIR INFORMATION SOURCE. HE SAID THAT NASTF'S REAL VALUE IS IN ITS CAPABILITY TO DETERMINE AND DELIBERATE WHETHER INFORMATION REQUESTS ARE LEGITIMATE AND IF THEY ARE, "NEGOTIATE" FOR ACCESS TO THAT INFORMATION. HE ADDED THAT SOME DELAYS ARE CAUSED BY THE INABILITY OF SOME VEHICLE MANUFACTURER EMPLOYEES TO PERSUADE THEIR SENIOR MANAGEMENT THAT COMPLIANCE WITH SOME INFORMATION REQUESTS NEED TO BE ACTED ON AND IT'S EASIER AND FASTER FOR LOWER-LEVEL EMPLOYEES TO PERSUADE MANAGEMENT THAT CERTAIN INFORMATION NEEDS TO BE PROVIDED TO THE AFTERMARKET IF THERE IS A LEGAL REQUIREMENT TO DO SO."**

**IN MY CONCLUDING REMARKS, I WOULD LIKE TO SAY, THAT YOU MAY ALSO HEAR ABOUT THE NATIONAL CRIME INSURANCE BUREAU. THESE ARE THE "RE-PO" GUYS. THE CAR COMPANIES TRUST THE RE PO GUYS WITH CONSUMERS REPAIR CODES BUT NOT THE CAR OWNERS. RETIRED NEW JERSEY ASSEMBLYWOMAN NILSA CRUZ-PEREZ, AS CHAIRWOMAN OF THE CONSUMER AFFAIRS COMMITTEE, SAID HER DAUGHTER AND TWO GRANDBABIES WERE LOCKED OUT OF THEIR CAR UNTIL 4 IN THE MORNING, WAITING FOR HELP. HER DAUGHTER COULD NOT AFFORD THE \$200 DUPLICATE KEY AND THEN LOST THE ONLY ONE SHE HAD. THAT, ASSEMBLYWOMAN CRUZ-PEREZ SAID, WAS THE REAL SECURITY ISSUE.**

**ON SECURITY, I WOULD LIKE TO ADD, THERE IS A TELEVISION COMMERCIAL THAT SHOWS A FATHER WHO IS OUT OF TOWN. HIS DAUGHTER WANTS TO BORROW HIS CAR. HE SAYS SURE, AND WITH HIS PHONE, STARTS THE CAR FOR HER FROM HIS OUT OF TOWN LOCATION. WHAT IF HIS PHONE IS STOLEN? THE CAR COMPANIES SHOULD CONSIDER THAT TO BE A SECURITY ISSUE. NOT EVERYDAY MOTORISTS TRYING TO SURVIVE WITH HIGHER GAS PRICES AND POSSIBLE UNEMPLOYMENT WHO JUST WANT TO HAVE THEIR VEHICLES AFFORDABLY REPAIRED.**

**ALTHOUGH RIGHT TO REPAIR STARTED IN THE UNITED STATES, IT WAS PASSED IN THE EUROPEAN UNION ABOUT 4 YEARS AGO. IT WAS RE-AUTHORIZED IN JUNE 2010 AND MADE EVEN STRONGER AND EXTENDED UNTIL THE YEAR 2023. THE MOTORISTS IN THE EUROPEAN UNION CAN ENJOY COMPETITIVE AND AFFORDABLE REPAIRS, BUT WE IN THE UNITED ARE HAVING THIS DIFFICULTY. AND, BY THE WAY, THE EUROPEAN UNION AFTERMARKET HAS NOT VIOLATED PROPRIETARY OR DAMAGED CARS.**

**PRIVATE OWNERSHIP AND DECISIONS ARE AN AMERICAN RIGHT AND PRINCIPLE. THAT EXTENDS TO CAR REPAIRS, EVEN THOSE MORE RECENTLY OUT OF WARRANTY.**

**FINALLY, I WOULD LIKE TO SAY THAT MANY TAXPAYERS ARE OUTRAGED THAT AFTER THE CAR COMPANIES OUT, THE SAME CAR COMPANIES ARE NOW TELLING THE MOTORING TAXPAYERS THAT THEY CAN NOT HAVE A CHOICE IN THEIR REPAIRS. THE CAR COMPANIES TOOK MILLIONS OF DOLLARS IN TAXPAYERS' MONEY AND THEN OUT-SOURCED JOBS AND MANUFACTURING TO FOREIGN COUNTRIES. IT WAS NOT THE AFTERMARKET WHO DID THIS.**

**ON BEHALF OF PENNSYLVANIA'S 80 THOUSAND EMPLOYEES, I RESPECTFULLY URGE YOU  
TO PASS THE PRO-CONSUMER AND PRO-COMPETITION "RIGHT TO REPAIR ACT."**

**THANK YOU AGAIN. I AM PLEASED TO ANSWER QUESTIONS.**