

March 21, 2017

The Honorable Halsey Beshears
Chairman, House Careers & Competition Subcommittee
303 House Office Building
402 S. Monroe Street
Tallahassee, FL 32399-1300

SUBJECT: OPPOSE – HB 775 – MOTOR VEHICLE WARRANTY REPAIRS AND RECALL REPAIRS

Dear Chairman Beshears:

Global Automakers, www.globalautomakers.org, represents the U.S. operations of international motor vehicle manufacturers, original equipment suppliers, and other automotive-related trade associations. We work with industry leaders, legislators, regulators, and other stakeholders in the United States. Our goal is to create public policy that improves motor vehicle safety, encourages technological innovation and protects our planet. Our members represent 53% of the new vehicle market in Florida and 77% of the new green car market.

Valued Relationships

Our most significant automotive relationship, above all others, is with the customer. Since manufacturers work through independent automobile dealers to reach the retail customer, equally important is our relationships with dealers and the associations representing their interests. Global Automakers always seeks to reach consensus with dealers to develop public policy that is reasonable and in the best interest of the manufacturers, dealers and consumers.

Global Automakers, the Auto Alliance, the National Auto Dealers Association and state dealer associations came to an agreement called the “Rules of Engagement.” One of the key reasons for creating the Rules was to promote a process where auto-related concerns can be communicated in a timely fashion with an opportunity for resolution short of legislation. The Rules are intended to support other official channels of communication between automakers and dealers and, where possible, working collaboratively before engaging in the legislative process. One of the issues on which the industry and dealers have been working under the Rules is how to address used vehicles under recall.

Our Position

Global Automakers is writing to inform you of our **strong opposition to HB 775**. In other states, automakers and the dealers have come together under the Rules to agree on a framework for reimbursing dealers when used vehicles with “stop sale” recall directives from manufacturers cannot be sold because a remedy or parts are not available. Unfortunately, this has not occurred in Florida. As a result, should this bill be enacted, it would be an outlier in comparison to other states. We believe the legislature should delay further action on this bill so that all stake holders can begin negotiations through the “Rules of Engagement” described above.

Our Commitment to Consumers and Automotive Safety

Manufacturers also are focusing on ways to increase recall completion rates and are working with their dealer networks to improve this process and address this important issue on a national basis. In January 2016, the U.S. Department of Transportation, the National Highway Traffic Safety Administration and 18 automobile manufacturing companies announced the “Proactive Safety Principles,” which included commitments to accomplish four key objectives: 1. Enhance and Facilitate Proactive Safety; 2. Enhance Analysis and Examination of Early Warning Reporting Data; 3. Maximize Safety Recall Participation Rates; and 4. Enhance Automotive Cybersecurity. The industry and the federal agencies are working together to implement these Principles and to further our collective goal of enhancing motor vehicle safety.

Global Automakers member companies have invested billions of dollars to improve vehicle safety, particularly in the areas of crash avoidance and driver assistance technologies. **We are no less committed to the issue of vehicle safety recalls, with the goal of 100% recall completion, if at all possible.**

We respectfully request that the committee take no action on HB 775. Should you have any questions, please do not hesitate to contact me.

Sincerely,



David J. Garriepy
Manager, State Government Affairs