

STATEMENT

OF

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**BEFORE THE
U.S. HOUSE ENERGY AND COMMERCE COMMITTEE
SUBCOMMITTEE ON COMMERCE, TRADE AND CONSUMER
PROTECTION**

NOVEMBER 10, 2005

Good Afternoon Chairman Stearns, Members of the Subcommittee, my name is Steve Brotherton. I am the President and owner of Continental Imports in Gainesville, Florida. I have owned my own repair facility since 1978. We are a European specialty shop servicing primarily BMW's and Mercedes. I hold a Bachelor of Science from the University of Florida in Metallurgic Engineering and have twice served as President of the Automotive Service Association's (ASA) Local Chapter in Gainesville, FL. I am a contributing editor for Import Car Magazine and serve as Vice President of IAI BMW SP an internet technician group for BMW.

I am here today representing the Automotive Service Association (ASA), our national trade association. ASA is the oldest and largest trade organization in the automotive industry with the distinction of serving only those businesses that perform service and repairs for the motoring public. ASA's Board of Directors is made up of independent repair shop owners, small business men and women. I repair automobiles. This is indicative of my business' mission statement and that of my trade association.

ASA has testified before the Congress, including this Subcommittee, on several occasions regarding the automotive service information issue. Prior to the fall of 2002, we believed there were problems in obtaining service information from automobile manufacturers. In September 2002, ASA signed a voluntary agreement with the automobile manufacturers assuring the same emission and non-emission related service information, training information and diagnostic tools as provided franchised new car dealers. The automakers have kept their commitment. Reports from the aftermarket

equipment and tool industry indicate that our industry is receiving more technical information from automakers than ever before.

In order to deal with issues that may arise with service, training and tool information, the automotive industry established the National Automotive Service Task Force. This inclusive, voluntary organization involves automakers, independent repair shop owners, technicians, aftermarket information providers, trainers, aftermarket manufacturers, distributors and others interested in moving our industry forward. The NASTF meets twice a year, and committees specializing in problem-solving work throughout the year on issues such as anti-theft systems, service information, training, communication and tool information. At the NASTF's meeting during Automotive Industry Week this past week, participants voted overwhelmingly to set up a formal structure and hire professional staff for the NASTF. There were more than 200 attendees at the NASTF meeting.

Last year, the NASTF received 48 complaints regarding service, training and tool information. All 48 complaints were resolved. Please note that these complaints pale in light of the 451 million repairs handled by independent repairers each year. Independent repairers perform 75 percent of automotive repairs. Typically these repairs occur after the vehicle warranty period has expired.

ASA participated in the recent Better Business Bureau (BBB) meetings, arranged by the Federal Trade Commission (FTC), on service information. ASA found the meetings productive and was sorely disappointed when the talks did not result in the resolution of the Right to Repair debate. ASA believes the October 3, 2005, BBB letter to the FTC is an accurate depiction of the discussions.

ASA agrees that resolution was possible on core issues such as:

- Strengthening and new funding of the NASTF process.
- Remedies for a third-party dispute resolution framework.
- Time frames for problem resolution.
- Dispute resolution procedures.

ASA references the restructuring and governance issue as the primary reason the talks failed. Auto parts distributors insisted that any NASTF Board of Directors would be compromised of 50% parts distributors and 50% automakers. This concerned ASA for several reasons. First, the principle participants in this debate should be independent repairers and automobile manufacturers, not parts distributors. Second, the NASTF is a voluntary, industry organization. No closed facilitation process should dictate governance standards for an organization in existence for several years, operating successfully. How frustrating it might be for those industry leaders toiling for the last several years to resolve industry service, training and tool concerns to learn that lawyers, lobbyists and government bureaucrats, who have not attended or participated in the NASTF, have now established a structure and Board of Directors for this same organization. The message would resonate throughout the automotive repair industry, “We are the FTC and we are here to help.”

I would advocate this morning that our industry, post Clean Air Act Amendments of 1990, had a serious service information problem. At the urging of congressional leaders, we met with our adversaries, the automakers, and realized we had more in common than we realized. We agreed on an industry solution after extensive

dialogue. Our September 2002 agreement has been successful. Is it perfect? No. With nearly 500 million vehicle repairs a year, the NASTF is a necessity for assuring that information gaps caused by new technology are resolved in an environment of problem-solving, not of regulation and litigation.

ASA believes we have an agreement with the automakers that is working in today's highly technical environment. The NASTF is an industry process allowing us to work together in an environment of problem-solving versus regulation and litigation. Please allow us to continue to move our industry forward, working together. We do not need federal intervention in the service information issue. We should know, we successfully repair vehicles everyday and we are the beneficiaries of these efforts.

If our voluntary, industry service information process fails, we will be the first in line asking for the Congress' help. We see no signs of failure to date.

Thank you for allowing us to testify again before your Committee.