

**STATEMENT OF**  
**JOHN CABANISS**  
**ASSOCIATION OF INTERNATIONAL AUTOMOBILE MANUFACTURERS**  
**BEFORE THE**  
**SUBCOMMITTEE ON COMMERCE, TRADE, AND CONSUMER PROTECTION**  
**COMMITTEE ON ENERGY AND COMMERCE**  
**U.S. HOUSE OF REPRESENTATIVES**

**NOVEMBER 10, 2005**

Thank you for the opportunity to testify before the Subcommittee regarding vehicle service technology issues. My name is John Cabaniss. I am the Director for Environment and Energy at the Association of International Automobile Manufacturers (AIAM),<sup>1</sup> on behalf of which I am testifying today. I have been in my current job with AIAM for ten years. Prior to that, I worked in the U.S. Environmental Protection Agency's (EPA) motor vehicle emissions program for fifteen years and in the State of Virginia's air pollution control program for about ten years. I grew up with an automotive trades background. Both my father and my grandfather were shop owners and technicians for many years.

For the past five years, I have had the privilege of serving as the chairman of the National Automotive Service Task Force (NASTF), a voluntary, cooperative

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<sup>1</sup> The Association of International Automobile Manufacturers (AIAM) is a trade association representing 14 international motor vehicle manufacturers, which account for 40 percent of all passenger cars and 20 percent of all light trucks sold annually in the United States. AIAM members have invested over \$27 billion in U.S.-based production facilities, have a combined domestic production capacity of 2.8 million vehicles, directly employ 93,000 Americans, and generate an additional 500,000 U.S. jobs in dealerships and supplier industries nationwide. AIAM members include Aston Martin, Ferrari, Honda, Hyundai, Isuzu, Kia, Maserati, Mitsubishi, Nissan, Peugeot, Renault, Subaru, Suzuki and Toyota. AIAM also represents original equipment suppliers and other automotive-related trade associations. For more information, visit our website at [www.iam.org](http://www.iam.org).



activity involving the automotive service industry, the equipment and tool industry, and automakers.<sup>2</sup>

The focus of today's hearing is on the discussions between the proponents of H.R. 2048, represented by the Coalition for Automotive Repair Equality (CARE) and the Automotive Aftermarket Industry Association (AAIA), and the opponents of the legislation, represented by AIAM, the Alliance of Automobile Manufacturers (Alliance), the Automotive Service Association (ASA), and the National Automobile Dealers Association (NADA). These discussions were held at the request of Chairman Barton and Senator Lindsey Graham during August and September of this year, were facilitated by the Council of Better Business Bureaus (CBBB), and observed by representatives of the Federal Trade Commission. The goal was to reach a non-legislative agreement over the "right to repair" issue.

Personally I participated only in the initial meeting of the facilitation group, but I worked closely with our facilitation team throughout the process. I have been involved in vehicle service issues in one way or another for over 40 years. I have been involved specifically in the "right to repair" issue even before legislation was introduced in Congress five years ago. I have testified several times before Congressional committees in opposition to the "right to repair" legislation with my most recent testimony being on June 28, 2005 before the House Subcommittee

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<sup>2</sup> NASTF itself takes no positions on issues.

on Workforce, Empowerment, and Government Programs. That testimony is attached to this statement for the record of this hearing.

It was very clear throughout the CBBB facilitation process that the two sides were in agreement on most issues and lacked agreement on very few.

- All parties are pro consumer choice.
- All parties support aftermarket service providers.
- All parties support independent information providers.
- All parties support independent training providers.
- All parties support equipment and tool providers.
- All parties agree independent shops need open and timely access to the same information, tools, and training that are available to dealers.
- All parties agree the current voluntary, cooperative NASTF process is working effectively.

The only significant area of disagreement is that we believe the current cooperative NASTF process is working and government intervention is unneeded and counter-productive, while proponents support legislation and a regulatory program.

Automakers already make all vehicle service and training information available to independent technicians via the Internet at the same time it is available to

dealers. Why do we do this? Because very simply no automaker wants to develop a reputation for producing vehicles that are difficult to repair or which can only be serviced at specific, sometimes inconvenient, locations. With all due respect, we believe that proponents of this bill fail to appreciate this basic, built-in market incentive for the dissemination of service and repair information.

As I mentioned, we support a cooperative approach that allows ALL interested stakeholders to be involved in the process of developing workable solutions to managing and accessing large volumes of information and addressing new issues that, given the pace of technological change, are certain to emerge. It may be tempting to think that there are only two principal groups concerned about these issues – automakers on the one hand and those represented by CARE on the other. In fact, there is a much larger number of stakeholders currently involved in the NASTF process, including tool companies, independent information providers, training providers, technicians, shop owners, dealers, locksmiths, and others. A viable NASTF program – which all parties agreed in the context of the CBBB talks should be the centerpiece of a voluntary solution – must be open to all stakeholders and incorporate decision-making procedures that are open and transparent.

This is the case today. For example, automakers are already working with the Equipment & Tool Institute (ETI), the trade organization representing tool companies, through the NASTF Equipment and Tool Committee to facilitate the

transfer of information they use to design and manufacture generic tools for the aftermarket. In addition, automakers offer for sale to independent shops all factory tools available to dealers. Automakers are already working with independent training providers through the NASTF Training Committee to address any training issues. Other work in progress includes developing a methodology for dealing with security related information through the NASTF Vehicle Security Committee and addressing some issues related to collision repair information through the NASTF Service Information Committee. If any gaps are identified in any of these areas, automakers work within the NASTF process to address them.

The formalization of NASTF as an organization with full-time staff has been under serious consideration since the April 2005 NASTF general meeting. While NASTF has been very successful in its first five years operating as a group of volunteers sharing a common mission, its activities have grown to the point where some full-time staff support is needed. A proposal for a three-year transition period to establish a permanent organization with a full-time staff and budget was submitted by ETI in mid August. A special NASTF meeting of a wide range of stakeholders was convened on October 19, 2005, to discuss the ETI proposal. It was agreed that a follow-up meeting would be scheduled to sort out details. On November 2, 2005, the semi-annual NASTF general meeting was held with over 150 participants in attendance. The ETI proposal was discussed and a general floor vote of support was called with no dissenting votes. We are

currently working with interested stakeholders to schedule the follow-up meeting in mid December.

For the record, automakers oppose H.R. 2048 because we believe such legislation is unnecessary and counter-productive.<sup>3</sup> The types of problems identified by proponents of H.R. 2048, such as, the cost of accessing automakers' websites, format differences in automakers' websites, occasional content errors in information, and lack of enforcement are not issues which will be effectively addressed in regulations by FTC or any other agency. Given that the current automaker websites and cost structure are based on EPA's emissions regulations and approved by EPA, there is no reason to believe that the FTC would conclude that any significant changes are needed. Occasional content errors need to be and will be addressed through a process of continuous improvement, with or without regulation. And federal regulatory and enforcement processes are laden with procedural steps, which do not lend themselves to addressing problems quickly. As noted by the FTC in a recent letter to Representative John Dingell, self-regulatory programs are often the best way to address matters in an expeditious manner. This is especially true in such a dynamic area as information technology. The only thing that further federal regulation under H.R. 2048 would clearly do is slow down the process and delay further progress while the parties educate the FTC on the issues and debate the merits of regulatory approaches. ***This outcome benefits no one – not the service industry, not the automakers, not consumers.***

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<sup>3</sup> More information on the automakers' position on H.R. 2048 is available at [www.carfixinfo.org](http://www.carfixinfo.org).

In conclusion, automakers are completely committed to the National Automotive Service Task Force and to continuing to work cooperatively with the service industry on service technology issues. We welcome the support and participation of all parties in the service industry to improve and expand this voluntary process to make it even more effective. Bringing everyone's efforts and resources to bear on producing results, not rhetoric, can only improve our ability to provide the information, training, and tools needed by the service industry.

Thank you for the opportunity to address the Subcommittee on this important issue.