

March 13, 2013

Federal Trade Commission
Office of the Secretary
Room H-113 (Annex T)
600 Pennsylvania Avenue, NW
Washington, DC 20580

And

Office of Information and Regulatory Affairs
Office of Management and Budget
Attention: Desk Officer for the Federal Trade Commission
725 17th Street NW, Room 10102
Washington, DC 20503

Re: Used Car Rule Regulatory Review, Project No. P087604

Dear Mr. Hallerud and FTC Desk Officer:

The Federal Trade Commission (FTC) is considering revisions to the Buyers Guide based on comments received in response to the Regulatory Review Notice. The FTC has determined to retain the Rule and is seeking comments on the following potential revisions to the Rule: (1) Revising the Buyers Guide to provide additional boxes where dealers would have the option to indicate manufacturers' and third-party warranties; (2) adding a statement to the Buyers Guide encouraging consumers to seek vehicle history information and directing consumers to an FTC Web site for more information about vehicle histories and sources for that information; (3) retaining the List of Systems and adding catalytic converters and airbags to it; and (4) adding a statement in Spanish to the English Buyers Guide directing consumers who cannot read the Buyers Guide in English to ask for a copy of it in Spanish.

CARFAX, Inc., a Polk company, which offers vehicle history reports to North American used car buyers and sellers, insurers, auto mobile manufacturers and local/state/federal governments among others, is providing comments on the FTC's notice of proposed rulemaking referenced above. Specifically, CARFAX is commenting on the FTC's proposal to add a statement to the Buyers Guide encouraging consumers to seek vehicle history information and directing consumers to an FTC Web site for more information about vehicle histories and sources for that information. Responses to the questions on vehicle history, posed in the rulemaking are below.

1) Should the proposed vehicle history statement on the front of the proposed Buyers Guide be adopted? Why or why not?

Response:

- Yes. Since the promulgation of the original used car rule, a number of commercial entities with national coverage, such as CARFAX and Autocheck now provide individualized vehicle history reports which may include a wealth of information about brands, total losses, prior wrecks, airbag deployments, open recalls, odometer readings, and even maintenance history. In addition, NMVTIS currently provides limited information about brands and total losses.

2) Should the proposed vehicle history statement be modified? If so, how?**Response:**

- Yes. The Buyers Guide primary need is for specific disclosures to protect used car buyers and sellers. A revision to the Buyers Guide, as proposed by CARFAX (attached), simplifies the basic concepts the FTC discusses in the rulemaking. CARFAX's proposed Buyers Guide provides clear disclosure for the used car buyer and seller by declaring whether the vehicle: 1) has a warranty; 2) has been inspected or being sold "as is"; 3) if a vehicle history report is available on the vehicle, and, if not, providing direction on where to obtain; and 4) if the vehicle has an open recall.

3) Should the proposed vehicle history statement list both *ftc.gov/usedcars* (the FTC Web site) and *vehiclehistory.gov* (the NMVTIS Web site)? Should it list only *ftc.gov/usedcars*? Should it list only *vehiclehistory.gov*? Why or why not?**Response:**

- The *ftc.gov/usedcars* should be the only Web site provided on the vehicle history statement. The FTC shouldn't be in the position of directing used car buyers or sellers to a single technology or system, such as the NMVTIS Web site, and leave buyers and sellers with a false sense of security that one site will provide the necessary protections. The FTC Web site should educate used car buyers and sellers on all the available options for obtaining vehicle history.
 - Used car buyers and sellers must be allowed to evaluate and choose the vehicle history provider or providers that they believe give them the greatest potential information.
- 4) The FTC also invites comments on the nature and extent of information that it should make available on the Web site, *ftc.gov/usedcars* that it proposes to create in connection with the proposed Buyers Guide.**

Response:

- The FTC should provide an overview of the car buying process and recommendations to potential used car consumers.
- These recommendations must reflect the new reality of internet based research and used vehicle buying.
- In terms of vehicle history, the FTC must create the broadest path for used car buyers and sellers to determine the history of a used vehicle.

5) If the FTC creates the proposed Web site, *ftc.gov/usedcars*, should the FTC include active links to other Web sites, such as the Web sites of providers of vehicle history reports, and, if so, which Web sites? If the FTC includes active links to other Web sites, what mechanisms and standards should the FTC apply to ensure that it directs consumers only to Web sites and firms that are trustworthy and that accommodate consumer privacy and data security expectations?

Response:

- Yes, the FTC must create the broadest path for used car buyers and sellers to determine the history of a used vehicle by directing consumers to the nationally recognized vehicle history services such as CARFAX and Autocheck, in addition to NMVTIS.
- Since the promulgation of the original used car rule, a number of commercial entities with national coverage, such as CARFAX and Autocheck now provide individualized vehicle history reports which include not only the information in a NMVTIS report but also may include a wealth of information about prior wrecks, odometer readings, and even maintenance history.
- Vehicle history providers that provide national coverage and work with and obtain data from all U.S. departments of motor vehicle should be included on the FTC Web site with active links.
- The FTC must not put itself in the position of choosing an exclusive technology and system by only providing information about a single public or private source of vehicle history.
- If a requirement is created to mention vehicle history, it must let the used car buyer or seller choose the best technology and system providing the greatest disclosure in their opinion.
- Today the vast majority of used car dealers already use one of the commercial providers in their everyday business practice when buying or selling a used car.
- Creating a new mandate which picks a specific technology or system would be overly burdensome and costly to many of these small businesses and provide a false sense of security to consumers.
- As the FTC acknowledges: *“Since the Rule’s promulgation in 1984, a variety of public and private sources offering information about the history of individual vehicles have become available. When the Rule was adopted, vehicle history information was available primarily from prior owners of used cars or from state car titling agencies like a state department of motor vehicles (“DMV”). For cars titled in several states, that information sometimes was difficult both for consumers and dealers to obtain. Today consumers can obtain useful title information from NMVTIS, and commercial services offer that in combination with vehicle history information from a variety of sources.”*

In addition, CARFAX is attaching a new, proposed, Buyers Guide in English and Spanish for the FTC's consideration. CARFAX believes it's essential the Buyers Guide be available in Spanish upon request and supports this effort. The Buyers Guide primary need is for specific disclosures to protect used car buyers and sellers. A revision to the Buyers Guide, as proposed by CARFAX, simplifies the basic concepts the FTC discusses in the rulemaking. CARFAX's proposed Buyers Guide provides clear disclosure for the used car buyer and seller by declaring whether the vehicle: 1) has a warranty; 2) has been inspected or being sold "as is"; 3) if a vehicle history report is available on the vehicle, and, if not, providing direction on where to obtain; and 4) if the vehicle has an open recall.

The Buyers Guide can do more to assist used car buyers. However, the FTC must be careful to not place the entire burden of disclosure on the used car seller. Leaving the seller in control of the complete disclosure leaves the buyer with a false sense of security. Buying a used vehicle must be a shared burden. The seller must disclose basic items about the vehicle as provided in the proposed CARFAX Buyers Guide. The buyer has a responsibility to obtain the missing information, take the vehicle for a test drive and have an independent mechanic's inspection. The FTC's role, through the Buyers Guide, should not only be one of disclosure but also of education.

CARFAX works with over 31,000 dealers across the United States. They are all small businesses who struggle with increasing regulation. Placing the sole burden of information gathering and disclosure on these dealers isn't the right approach.

Dealers and used car sellers should never be left as the sole source for disseminating important vehicle information just as the FTC must not rely on a single source for the dissemination of vehicle history information. The key is to educate consumers about their options and allow them to choose.

We appreciate the opportunity to comment on this important rulemaking. If you have any questions or need further information, please don't hesitate to contact CARFAX.

Sincerely,

Faisal Haşan
National Director of Government Relations
CARFAX, Inc.

BUYERS GUIDE

IMPORTANT: Spoken promises are difficult to enforce. Ask the dealer to put all promises in writing. Keep this form.

VEHICLE MAKE	MODEL	YEAR	VEHICLE IDENTIFICATION NUMBER
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WARRANTIES FOR THIS VEHICLE:

AS IS – NO DEALER WARRANTY

THE DEALER WILL NOT PAY FOR ANY REPAIRS. The dealer is not responsible for any repairs, regardless of what anybody tells you.

MANUFACTURER WARRANTY

THE MANUFACTURER MAY PAY FOR CERTAIN REPAIRS. It is almost industry standard now for a new car, truck, van, or SUV to come with some sort of manufacturer warranty. This used vehicle may be eligible for some of these protections.

DEALER WARRANTY

LIMITED WARRANTY. Ask the dealer for a copy of the warranty, and for any documents that explain warranty coverage, what is and is not covered, and the dealer's repair obligations. You may have additional rights under your state's laws.

INSPECTIONS AND RECONDITIONING:

DEALER INSPECTED

THE DEALER HAS PERFORMED A PRE-PURCHASE INSPECTION. A certified mechanic or automotive technician has inspected the cosmetic, mechanical, and safety condition of this vehicle. Ask the dealer for a copy of the results

NO PRE PURCHASE INSPECTION

THE DEALER HAS NOT PERFORMED A PRE-PURCHASE INSPECTION. You should have a pre-purchase inspection done by a qualified mechanic or automotive technician prior to purchase. A basic PPI will cost \$100 to \$200.

VEHICLE HISTORY REPORT:

DEALER WILL PROVIDE A VEHICLE HISTORY REPORT

THE DEALER HAS RUN A VEHICLE HISTORY REPORT. The vehicle history report provided should cover accidents and service reported, mileage, title brands, number of owners, open recalls, and other potentially important issues from a vehicle's past

NO VEHICLE HISTORY REPORT

THE DEALER HAS NOT RUN A VEHICLE HISTORY REPORT. You should obtain a vehicle history report prior to purchasing this vehicle. The report you obtain should include information about title brands, total losses, accidents, mileage, owners, service and maintenance, and airbag deployments. To find a vehicle history report provider visit: ftc.gov/usedcars

OPEN RECALLS:

THERE ARE NO OPEN RECALLS ON THIS VEHICLE

THE DEALER HAS CHECKED FOR AND CLOSED ANY OPEN RECALLS ON THIS VEHICLE.

THERE IS AN OPEN RECALL ON THIS VEHICLE

THE DEALER HAS CHECKED FOR BUT NOT SERVICED ANY OPEN RECALLS ON THIS VEHICLE.

GUÍA DEL COMPRADOR

IMPORTANTE: Las promesas verbales son difíciles de hacer cumplir. Solicite al vendedor que ponga todas las promesas por escrito. Conserve este formulario.

MARCA DEL VEHÍCULO

MODELO

AÑO

NÚMERO DE IDENTIFICACIÓN

GARANTÍAS PARA ESTE VEHÍCULO:

- COMO ESTÁ – SIN GARANTÍA**
EL VENDEDOR NO PAGAR LAS REPARACIONES. El vendedor no es responsable de las reparaciones, sin importar lo que alguien pueda decir.
- GARANTÍA DEL FABRICANTE**
EL FABRICANTE PUEDE PAGAR POR CIERTAS REPARACIONES. Es casi estándar en la industria que por un nuevo auto, camión, camioneta o SUV que tengan algún tipo de garantía del fabricante, pueda ser elegible para algunas de estas protecciones.
- GARANTÍA DEL CONCESIONARIO**
GARANTÍA LIMITADA. Pida al vendedor una copia de la garantía, y de todos los documentos que explican la cobertura de la garantía, lo que está y por lo que no está cubierto, y las obligaciones del concesionario de reparación. Usted puede tener derechos adicionales bajo las leyes de su estado.

INSPECCIONES Y REACONDICIONAMIENTO:

- CONCESIONARIO INSPECCIONADO**
EL CONCESIONARIO REALIZO UNA INSPECCIÓN PRE-COMPRA. Un mecánico certificado o un técnico automotriz ha inspeccionado la condición estética, mecánica y la seguridad de este vehículo. Pida al vendedor una copia de los resultados.
- NINGUNA INSPECCIÓN PRE COMPRA**
EL CONCESIONARIO NO HA REALIZADO UNA INSPECCIÓN PRE-COMPRA. Usted debe tener una inspección del vehículo de un mecánico calificado o de un técnico automotriz antes de comprar. Una inspección básica del vehículo tendrá un costo de \$ 100 a \$ 200.

INFORME DEL HISTORIAL DEL AUTO:

- EL CONCESIONARIO PRESENTARÁ UN INFORME DEL HISTORIAL DEL AUTO**
EL CONCESIONARIO REALIZARÁ UN INFORME DEL HISTORIAL DEL AUTO. El informe del historial del vehículo proporcionado deberá cubrir accidentes y servicios registrados, kilometraje, títulos, el número de propietarios, defectos de fábrica, y otros temas potencialmente importantes del pasado del vehículo.
- EL CONCESIONARIO NO PRESENTA UN INFORME DEL HISTORIAL DEL AUTO**
EL CONCESIONARIO NO REALIZARÁ UN INFORME DEL HISTORIAL DEL AUTO. Usted debe obtener un informe del historial del vehículo antes de comprarlo. El informe que obtenga debe incluir información acerca de las marcas de título, pérdidas totales, los accidentes, el kilometraje, propietarios, servicios y mantenimiento, y los despliegues del airbag. Para encontrar un proveedor que suministre el informe del historial del auto, visitar: ftc.gov/usedcars

RETIRADAS DEL MERCADO QUE AFECTA LA SEGURIDAD DEL VEHÍCULO

- NO HAY ALERTAS DE RETIRADA DEL MERCADO REPORTADA PARA ESTE AUTO**
EL CONCESIONARIO HA COMPROBADO QUE NO HAY RETIRADA DEL MERCADO EN EL VEHÍCULO.
- HAY UNA ALERTA DE RETIRADA DEL MERCADO EN EL VEHÍCULO**
EL CONCESIONARIO HA COMPROBADO QUE EXISTE UNA RETIRADA DEL MERCADO DE SEGURIDAD EN EL VEHÍCULO.