

United States Federal Trade Commission

National Center for Dispute Settlement

(Automobile Warranty Arbitration Program)

2017 Audit

(January – December 2017)

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Table of Contents

	PAGE
INTRODUCTION	3
I. COMPLIANCE SUMMARY	4
II. DETAILED FINDINGS	6
III. FIELD AUDIT OF THREE GEOGRAPHICAL AREAS	39
A. FLORIDA	39
B. MICHIGAN	45
C. PENNSYLVANIA	51
IV. ARBITRATION TRAINING	57
V. SURVEY AND STATISTICAL INDEX COMPARATIVE ANALYSES	63
VI. AUDIT RELATED REGULATORY REQUIREMENTS	90
VII. APPENDIX/CODEBOOK	91

Introduction

This 2017 audit of NCDS' arbitration process is performed pursuant to the 1975 federal warranty law, the Magnuson-Moss Warranty Federal Trade Commission Improvement Act and Rule on Informal Dispute Settlement Procedures, 16 C.F.R. Part 703 (hereafter referred to as Rule 703).

Claverhouse Associates, a firm specializing in arbitration, mediation, and program auditing, performed the audit which was conducted under the supervision of Kent S. Wilcox, President and Senior Auditor. The statistical survey and analysis section of the report is based on a random sample drawn from data supplied by the manufacturers in cooperation with the staff of NCDS. For details see the Survey Section of the audit report.

Arrangements to conduct the audit were initiated by an invoice submitted in late 2017. Claverhouse Associates coordinated field audits, statistical survey planning, and arbitration training with the program's independent administrator, the National Center for Dispute Settlement (NCDS). This year's report performed a review of the National Center for Dispute Settlement, an independent administrator for multiple automobile manufacturers. The manufacturers participating in the NCDS automobile warranty arbitration program included in this national audit are: Acura, Chrysler,¹ Honda, Lexus, Mitsubishi, Suzuki, Tesla, and Toyota. The audit primarily assesses the dispute resolution Mechanism itself, but there are a few exceptions, wherein our review is manufacturer-specific, such as the requirement for manufacturers to inform consumers of the availability of the dispute resolution program whenever a warranty dispute arises.

The hearing that was scheduled in West Palm Beach, Florida, was held on February 08, 2018. The hearing scheduled in Novi, Michigan was held on March 08, 2018. The hearing scheduled in Elizabethtown, Pennsylvania was held on April 04, 2018. The assessments made of these hearings are described in the on-site field inspections sections of this report. Visits to these locations were arranged to coordinate with scheduled arbitration hearings. In addition, we audited an arbitrator training conducted in Dallas, Texas, from March 16 - 18, 2018 in Irving (Dallas), Texas, at the Westin Dallas/Ft. Worth Airport. Audits of the arbitration hearings and arbitrator training are sometimes conducted in the current calendar year rather than in the audit year but are assumed to reflect operations as they existed in the audit year (2017). Performing the field audits during the actual audit year would require initiating an audit much earlier and using a two-phased format: one commencing during the actual audit period and the other in the following year, after all annual statistics had been compiled. All case files inspected were generated during 2017 as required.

1. In the recent past, Chrysler only offered arbitration in four states: Arkansas, Idaho, Kentucky, and Minnesota, but they began gradually expanding into the other states and are now operating nationwide under the NCDS program.

SECTION I

Compliance Summary

This is the fifteenth Claverhouse Associates independent annual audit of the National Center for Dispute Settlement's (NCDS) national third-party informal dispute resolution mechanism, the Automobile Warranty Arbitration Program (AWAP). We have conducted several prior audits of the NCDS administered warranty arbitration program, some of which were manufacturer centered and manufacturer-specific. This review and several prior reviews, is more general in that the program itself is evaluated for compliance with the various applicable regulations, both federal and state. While some sections are devoted to specific participating manufacturers, our overall conclusions are applicable to the entire NCDS program.

Overall NCDS Dispute Settlement Program Evaluation

The NCDS third-party dispute mechanism, Automobile Warranty Arbitration Program (AWAP) is, in our view, in substantial compliance with the requirements of the Magnuson-Moss Warranty Federal Trade Commission Improvement Act and Rule on Informal Dispute Settlement Procedures, 16 C.F.R. Part 703. Individual manufacturers however, are at serious risk in that regard.

The three regions of the NCDS program audited are: Florida, Michigan, and Pennsylvania. All functioned during 2017 in compliance with FTC Rule 703.² Details of the field audits and any minor irregularities found are discussed in Section III of this report.

Our random sample survey confirmed the overall validity of the statistical indexes created by the National Center for Dispute Settlement.³ Our original survey sample consisted of 2,332 closed cases⁴, of which we completed surveys for 431 customers. As we have found in other audits, surveyed customers tended to report favorably on the program when the results of their cases were, in their view, positive. Conversely, those who received no award, or received less than they expected, were more likely to report dissatisfaction with the AWAP. As has been true in most audits we have conducted for various programs, the few statistically significant differences between the figures reported by the AWAP and the survey findings were deemed to be easily understandable and do not suggest unreliable reporting by the program. For a detailed discussion, see the Survey Section of this report.

2. As was related in earlier recent audits): "One aspect of the audit review has reached the stage where cumulatively manufacturers have so frequently failed to carry out their responsibility to inform inquiring individuals of the availability of the company's alternative dispute resolution process (in this case NCDS) and how to access it. The various manufacturers are subjecting themselves to the very real possibility of being found to be "out of compliance" with this provision of Rule 703 of the Magnuson-Moss Warranty Act with its attendant serious potential ramifications, especially as regards class-action law suits. Regulators are hereby advised of this situation. Rule 703 mandates that manufacturers must provide this information in the service departments of their dealership agents. Inquirers are not supposed to have to call a manufacturer to receive this information, but many service advisors now simply refer those seeking assistance and information, to someone else at the manufacturer's offices. This practice is inconsistent with Rule 703, and is increasingly problematic for all manufacturers."

3. There are discrepancies in some areas but those identified are either of no meaningful consequence or are understandable and without significant regulatory implications. Discrepancies are detailed in the Survey Section of the report.

4. The universe of available cases amounted to 3,079 but the operating universe from which the sample was drawn only included the 2,453 closed arbitrated, or mediated, cases. For details see Survey Section.

Arbitrators, AWAP personnel, and regulators we interviewed at both the state and federal jurisdictions view training for arbitrators as an important component of the program. The training provided for the AWAP arbitrators advances many of the AWAP objectives. Providing such training is, in our view, consistent with the broad regulatory requirement for fairness. The training component, in our view, comports with the substantial compliance requirements for a fair and expeditious process pursuant to the federal requirements. For more details concerning our assessment of this years arbitrator training see the Arbitrator Training Section of this report.

SECTION II

Detailed Findings

This section addresses the requirements set forth in 16 C.F.R. Para 703.7, of Public Law 93-637 (Magnuson-Moss Warranty Act, 15 U.S. C. 2301. et seq.).

After each regulatory requirement is set forth, the audit's findings are recorded, discrepancies are noted, and recommendations are made where appropriate.

This audit covers the full calendar year 2017. An important component of the audit is the survey of a randomly selected sample of 2,332 NCDS' Dispute Settlement Program applicants whose cases were closed in 2017 and found to be within the AWAP's jurisdiction.

We analyzed several NCDS generated statistical reports covering the AWAP operations in the United States. The reports were provided to us by the Detroit (Sterling Heights) office of the National Center for Dispute Settlement.

We performed field audits of the AWAP as it operates in Florida, Michigan, and Pennsylvania. We also examined a sample of current (i.e., 2017) case files for accuracy and completeness. A sample of case files was drawn from all case files for the years 2014-2017 and inspected to ensure that these records are maintained for the required four-year period. In the areas covered by each region, we surveyed several dealerships to see how effectively they carry out the information dissemination strategy developed by manufacturers to assist them in making customers aware of the AWAP.

In addition, we visited arbitration hearing sites in West Palm Beach, Florida, Novi, Michigan, and Elizabethtown, Pennsylvania to audit the scheduled hearings. We also interviewed participants including arbitrators and AWAP/NCDS administrative personnel.

To assess arbitrator training, we monitored the NCDS-sponsored training session held in Dallas, Texas, March 16-18 of 2018. In addition to monitoring the training itself, we again interviewed trainees (both before and after training), the training staff, and reviewed the training materials.

REQUIREMENT: § 703.7 (a) [Audits]

(a) The mechanism shall have an audit conducted at least annually to determine whether the mechanism and its implementation are in compliance with this part. All records of the mechanism required to be kept under 703.6 shall be available for audit.

FINDINGS:

This is the fifteenth annual audit (2017) conducted by Claverhouse Associates of the NCDS AWAP informal dispute settlement program. Records pertaining to

the NCDS' AWAP that are required to be maintained by 703. 6 (Record-keeping) are being kept and were made available for our review.

REQUIREMENT: § 703.6 (a) [Record-keeping]

(a) The mechanism shall maintain records on each dispute referred to it which shall include:

- (1) Name, address, telephone number of the consumer;**
- (2) Name, address, telephone number and contact person of the warrantor;**
- (3) Brand name and model number of the product involved;**
- (4) The date of receipt of the dispute and the date of disclosure to the consumer of the decision.**

FINDINGS:

The information referenced in subsections 1 through 4 is available from the staff of the National Center for Dispute Settlement, who provided us with access to all pertinent information, which is maintained as required. Our inspection of randomly selected case files for each of the three regions validated these findings. The inspections of case files typically take place at the Detroit (Sterling Heights) office of the program's independent administrator. Our review of randomly selected cases drawn from the four-year period (2014-2017) demonstrated that the case files were maintained in 2017, as required.

The pertinent data/records are maintained in the individual case file folders housed at the NCDS' arbitration program's offices in suburban Detroit, Michigan. Most of the required information can be found in these files or in the computer system.

The program provided us with access to all pertinent information, which is maintained as required. The individual case file inspection of randomly selected 2017 cases validated these findings. The review of selected cases drawn from the four-year period 2014-2017 was done this year in the same manner as that used in most previous years. Our review of selected cases drawn from the four-year period (2014-2017) demonstrated that the case files were being maintained in 2017, as required.

DISCREPANCIES:

The few administrative irregularities found, while appropriately noted, are relatively inconsequential and do not pose any serious undermining of the program's *substantial compliance* status. The AWAP meets this regulatory requirement and any inconsistencies we found were of the minor and inconsequential variety likely to be found in any large administrative program. The minor inconsistencies are highlighted in the appropriate sections of the report. For example, a particular case file may not contain a hard copy of the arbitrator's decision even though the decision was in fact sent out and can be found in the electronic file. We found some arbitrator decision statements which were poorly

worded or lacking in sufficient specificity. Nevertheless, the files were complete and maintained as required.

REQUIREMENT: § 703.6 (a) (5)

- (5) All letters or other written documents submitted by either party;**
- (6) All other evidence collected by the mechanism relating to the dispute including summaries of relevant and material portions of telephone calls and meetings between the mechanism and any other person (including consultants described in 703.4 (b));**
- (7) A summary of any relevant and material information presented by either party at an oral presentation;**
- (8) The decision of the members including information as to date, time and place of meeting, and the identity of members voting; or information on any other resolution.**

FINDINGS:

Some case files contained, in addition to the various standard file entries, other communications submitted by the parties. Nothing in our findings suggests that any material submitted by a party was not included in the file, and every indication is that the files were complete. We made no attempt, however, to validate the existence of "summaries of relevant and material telephone calls" and other such information since we had no way of knowing whether such telephone calls took place. This is also true for documents such as follow-up letters. A review of this type may be theoretically possible, but it is not practical without having some objective measure against which to compare the contents of the file. Even in the theoretical sense, such a review assumes customers keep exact files of all correspondence, notes, and phone calls pertaining to their AWAP-cases. To validate this dimension, the audit would entail retrieving all such files as a first step. The obvious impracticality of that places such a review beyond the scope of the audit.

Information required in subsection 8 can be found on the *Arbitration Data Entry* form used by NCDS. This form also contains the essence of the decision along with most other information pertinent to the case.

DISCREPANCIES:

None

The required records were all available, appropriately maintained, and properly kept. Any exceptions were merely incidental and have no significant bearing on the program's compliance with the regulations.

REQUIREMENT: § 703.6 (a) (9-12)

- (9) A copy of the disclosure to the parties of the decision;**
- (10) A statement of the warrantor's intended action(s);**
- (11) Copies of follow-up letters (or summaries of relevant and material portions of follow - up telephone calls) to the consumer, and responses thereto; and**
- (12) Any other documents and communications (or summaries of relevant and material portions of oral communications) relating to the dispute.**

FINDINGS:

The information set forth in items 9 and 10 is maintained as required.⁵ As such, the information was readily accessible for audit.

The information set forth in items 11 and 12 was not audited for accuracy and completeness because of the impracticality of such a review. The examination of the case file contents revealed few instances of this type of information included in the file, and yet nothing indicated that information was missing.

DISCREPANCIES:

None

REQUIREMENT: § 703.6 (b)

- (b) The mechanism shall maintain an index of each warrantor's disputes grouped under brand name and subgrouped under product model.**

FINDINGS:

These indices are currently [2018] maintained by the NCDS staff at the NCDS headquarters in Detroit (Sterling Heights), Michigan.

The audit includes a review and assessment of a data printout for the calendar year 2017.

The *AWAP Statistics* identifies 3,395 AWAP disputes filed in 2017. Of these, 2,737 cases were eligible for AWAP review, and 581 cases were determined by the AWAP to be out-of-jurisdiction. Of the in-jurisdiction closed cases, NCDS

5. The warrantor's intended actions are a basic part of the program and are generally applicable to all cases. All decisions rendered by arbitrator(s) will be honored by all NCDS' AWAP participating manufacturers, thereby negating any necessity for providing a document in each individual file.

reports that 2,157 were arbitrated⁶ and 38 were mediated.⁷ There were 2,071 arbitrated decisions which were reported as “adverse to the consumer” per § 703.6 (E) representing 96% of all arbitrated cases.⁸

Each of the participating manufacturers submitted an index of their disputes grouped under brand name and subgrouped under product model as required.

Indices are complete and consistent with all requirements. Some of the data included in these reports are compared with the findings of our sample survey discussed in the Survey Section of this report.

DISCREPANCIES:

None

REQUIREMENT: § 703.6 (c)

(c) The mechanism shall maintain an index for each warrantor as will show: (1) All disputes in which the warrantor has promised some performance (either by settlement or in response to a mechanism decision) and has failed to comply; and (2) All disputes in which the warrantor has refused to abide by a mechanism decision.

FINDINGS:

AWAP reports that there were no such cases in 2017. Concerning subsection 2, the auditors are advised by NCDS that there is no reported incidence in which a NCDS AWAP participating manufacturer failed or refused to abide by a panel or arbitrator decision. As a matter of general corporate policy, all AWAP participating manufacturers agree to comply with all AWAP decisions. This information is supplied as part of NCDS' Annual FTC -703.6 (c) (1) and (2) Report.

DISCREPANCIES:

None

6. This number is not aggregated in the statistical reports provided for the audit. We arrived at this number by summing the “decided” items (4-7) listed on the AWAP mandated statistical report. [Note: the number we report here does not include those cases listed as “Pending Decision”.

7. The term “mediation” in the AWAP context does not necessarily imply that a neutral third-party assisted the parties in resolving a warranty dispute, but rather that the dispute was settled prior to an arbitrator rendering a decision. The number provided above is not aggregated in the statistical reports provided for the audit. We arrived at this number by summing the “Resolved” items (1-3) listed on the AWAP mandated statistical report.

8. What this high percentage reflects is the reality that, in many ways, the Magnuson-Moss Warranty Act is working as the U.S. Congress intended because manufacturers are building vehicles with fewer mechanical problems and their warranties' promises to resolve warranty disputes to customer's satisfaction within reasonable time constraints are being kept far better than in the period before the statute was enacted. These mandated audits were not intended, however, to discover the degree to which some customers may have had concerns but were not aware of their possible remedies under these dispute resolution programs.

REQUIREMENT: § 703.6 (d)

(d) The Mechanism shall maintain an index as will show all disputes delayed beyond 40 days

FINDINGS:

According to AWAP statistical index reports, as of December 2017, fourteen cases were delayed beyond 40 days.⁹ The National Center for Dispute Settlement typically provides a comprehensive report of all individual cases delayed beyond 40 days during the period of the audit. Such reports include the customer's name, case file number, and the number of days the case has been in process as of the date of the generation of the report. Our analysis indicates that these reports have always met the above requirement. Our review of reports, however, is not designed to test the accuracy of a report. We merely determine that the mandated report is being generated.

DISCREPANCIES:

None

REQUIREMENT: § 703.6 (e)

(e) The mechanism shall compile semi-annually and maintain statistics which show the number and percent of disputes in each of the following categories:

- (1) Resolved by staff of the Mechanism and warrantor has complied;**
- (2) Resolved by staff of the Mechanism and time for compliance has occurred, and warrantor has not complied;**
- (3) Resolved by staff of the Mechanism and time for compliance has not yet occurred;**
- (4) Decided by members and warrantor has complied;**
- (5) Decided by members, time for compliance has occurred, and warrantor has not complied;**
- (6) Decided by members and time for compliance has not yet occurred;**
- (7) Decided by members adverse to the consumer;**
- (8) No jurisdiction;**
- (9) Decision delayed beyond 40 days under 703.5 (e) (1);**
- (10) Decision delayed beyond 40 days under 703.5 (2);**
- (11) Decision delayed beyond 40 days for any other reason; and**
- (12) Pending decision.**

9. This reflects a substantial increase from our findings last year (2016 report filed in 2017) and as such, it warrants a closer examination, if that degree of increase repeats or exceeds these numbers next year.

FINDINGS:

NCDS collects and maintains the information required by § 703.6 (e) in the AWAP Statistics Report supplied to us by NCDS.

The information is available for inspection and is complete in all respects.

The figures reported in this index are analyzed in further detail in the Survey Section of this report.

DISCREPANCIES:

None

REQUIREMENT: § 703.6 (f)

THE MECHANISM SHALL RETAIN ALL RECORDS SPECIFIED IN PARAGRAPHS (a) - (e) of this section for at least 4 years after final disposition of the dispute.

FINDINGS:

(a) All of the information listed in the 12 subsections detailed in the previous section [§ 703.6 (e)] is maintained for the required four years. Any inconsistencies found would be addressed in the Survey Section of this report.

We inspected the collection of all case files for each region provided to us by the NCDS headquarters in Sterling Heights (Detroit), Michigan, and inspected and evaluated a random selection of case files from the four-year period for completeness. The files were appropriately maintained and readily available for audit.

(b) NCDS provided us with the various 2017 indices and statistical reports required by Rule 703. The corresponding reports for the previous four years are, of course, not available from any NCDS participating manufacturers which were not participating in the program for the entire four applicable years.

(c) [The two potential “non-compliance” categories] The information required by subsection (1) is, when applicable, maintained by NCDS. Subsection (2) is not applicable since all participating manufacturers, as a matter of corporate policy, always comply with AWAP decisions.

(d) [Complaints beyond 40 days] This information is stored in their computer system at the NCDS Detroit (Sterling Heights) office. Any required report can be obtained from Debbie Lech, Manager, Case Administration, at the NCDS headquarters. The information is maintained as required.

(e) [Includes 12 categories of statistics] The information referenced in this section, as well as any data pertaining to this requirement, is available from NCDS. The 12 categories of statistics to be maintained are being kept as required.

DISCREPANCIES:

None

REQUIREMENT: § 703.7 (b)

Each audit provided for in paragraph (a) of this section shall include at minimum the following (1) evaluation of warrantor's efforts to make consumers aware of the Mechanism's existence as required in 703.2 (d);

(d) The warrantor shall take steps reasonably calculated to make consumers aware of the Mechanism's existence at the time consumers experience warranty disputes.

FINDINGS:

The essential feature of both regulatory requirements cited above is timing. In our review, therefore, we give emphasis to efforts that would inform customers and ensure that they know about the existence of the AWAP at all times, as well as examining the manufacturers' strategies to alert customers to the availability of the AWAP when the customer's disagreement rises to the level that the regulations consider a "dispute."

Regardless of the excellence of a program, it is only effective if the customer knows of its existence and can access it. The "notice" requirement seeks to ensure that the program is actually usable by customers by informing them of its existence and making it readily accessible when they need it.

Individual Participating Manufacturer's Efforts and Assessment

[Note: In this section of the audit report, we review each of the participating manufacturers' programs for meeting this requirement. Readers will note that regulatory language is repeated along with some pertinent comments in each division for the various manufacturers so as not to focus strictly on a given manufacturer as well as to make the reading easier. Again, we repeat the applicable regulatory language to avoid cross-referencing and searching for such language in another section of the report. The eight current manufacturers are: Acura, Chrysler, Honda, Lexus, Mitsubishi, Suzuki, Tesla, and Toyota.]

For the 2017 report, we interviewed NCDS staff and inquired as to any changes from the previous year in each manufacturers' efforts to ensure their customers were being made aware of the availability of the NCDS arbitration program for resolving any of their customers' warranty disputes. Where we have new information supplied, we review and assess that information.

ACURA:

Acura uses the following means by which to meet this important requirement:

- The Acura responsibility to make customers aware of the dispute resolution Mechanism is well met in one sense by providing information that is easily located in the Owner's Manual in the Introduction to the Table of Contents where it is prominently located as the very first entry of the Table of Contents. On the following page of the Owner's Manual appears three steps for customers with warranty repair concerns. Step 3 includes contact information for filing a claim with The National Center for Dispute Settlement including their toll free telephone number. On the next page of the Owner's Manual, customers will find a more detailed explanation of the regulated NCDS dispute resolution program. We rate this aspect as excellent in complying with the federal requirement.

In addition to this aspect of our review, we visited dealer service departments to ascertain whether service department employees provide helpful and reasonably accurate information about the NCDS dispute resolution program and how a customer can contact NCDS. The dealer reviews are random and may not be included each year, if other manufactures were selected in our selected sample.

CHRYSLER:

In the recent past we have said this in our reports:

“Chrysler uses several means by which to meet this important requirement. They are as follows:

The (2015 audit year report submitted in 2016) states:

“Note: The Chrysler program has expanded into all states and is now fully operational nationwide as part of the NCDS dispute resolution program.”

- The 2015 Supplement to FCA’s Owner’s & Warranty Manuals supplied with each new vehicle references the “Customer Arbitration Process” (CAP) now administered by the National Center for Dispute Settlement (NCDS). The *booklet* provides a toll-free phone number for contacting the National Center for Dispute Settlement to obtain an application for arbitration as administered by NCDS. It also includes a mailing address for contacting NCDS.
- The booklet *Customer Care, Arbitration and Lemon Law Rights* is provided with each new vehicle.”

Note: The actual Owner’s Manual makes no reference to NCDS or to the existence of a free program available to any customer with a warranty dispute. Since the federal act governing these programs requires that such a reference be included on the face of the warranty, it seems more appropriate that the Warranty manual include in its “Table of Contents” a cross-reference to a no-cost arbitration program for customers with a warranty dispute that is explained in a supplement to the Owner’s Manual. In addition, the auditor has discussed with NCDS staff some concerns about the wording of the Supplement Manual regarding remedies that are available to arbitrators, which are tediously legalistic and which will necessitate further discussions.

We have received no information from NCDS or from the manufacturer suggesting that this situation has changed.

DISCREPANCIES:

None, with the qualifier given immediately above as a caveat.

HONDA:

Honda uses the following means by which to meet this important requirement:

- The Honda responsibility to make customers aware of the dispute resolution Mechanism is well met in one sense by providing information that is easily located in the Owner's Manual in the Introduction to the Table of Contents where it is prominently located as the very first entry of the Table of Contents. On the following page of the Owner's Manual appears three steps for customers with warranty repair concerns. Step 3 includes contact information for filing a claim with The National Center for Dispute Settlement including their toll free telephone number. On the next page of the Owner's Manual, customers will find a more detailed explanation of the regulated NCDS dispute resolution program. We rate this aspect of the Honda information program as excellent in complying with the federal requirement.

In addition to this aspect of our review, we visited dealer service departments to ascertain whether service department employees provide helpful and reasonably accurate information about the NCDS dispute resolution program and how a customer can contact NCDS. The dealer reviews are random and may not be included each year, if other manufactures were selected in our selected sample. Dealer 'secret shopper' interview results are located at the conclusion of this section of the report.

DISCREPANCIES:

None

LEXUS:

- Lexus publishes a manual entitled *Lexus Warranty and Services Guide* which has been updated from the information reviewed in our most recent audit. In addition, Lexus distributes to its new car buyers a pamphlet [52 pages of text] entitled *Lemon Law Guide* with a page which cross references useful NCDS arbitration information including their toll-free telephone number.

The manual includes four pages of accurate and useful information about the NCDS arbitration program including a mailing address and toll-free telephone number for contacting NCDS. The NCDS arbitration information begins on page eleven. Unfortunately, the information is organized as part of a multi-step process and is relegated to the position of "Step 3". Such a multi-step process is one obviously preferred by the manufacturer. A customer with a warranty dispute, however, is not required to go through steps one and steps two in order to access arbitration as regulated by the Magnuson-Moss Warranty Act and its accompanying Administrative Rule 703. By organizing the information in this manner, some readers may incorrectly interpret the information to mean they must follow these sequential steps. This seemingly minor matter could easily have consequences that are unintended and inconsistent with the regulations intent to provide "expeditious resolution of disputes. For example, if a customer's one week old "new" vehicle seems to be operating inconsistent with their auto engineering experience, and the dealer is perceived by the customer to be rude and unwilling to address their concern because they assert that the vehicle is operating normally, the customer may clearly want to proceed directly to arbitration. Such a decision by the customer is within their right to do so, notwithstanding any value judgements to the contrary. The manual's language suggests otherwise. Without a doubt, the three step process alluded to is usually the best way for customers to proceed but it is certainly not required. The problem herein alluded to is further exacerbated by initiating the entire section with the word "if" which may serve to reinforce the notion that a customer is obligated to go through steps one and two when such is not the case. It is important to point out this matter. It is equally important that we do not believe this matter, by itself, rises to the level of a regulatory non-conformity. It may, however, help to explain the seeming reluctance of some service department employees to provide arbitration information during our dealer visits.

- In 2006, we were provided a copy of the NCDS tri-fold, *Rules & Procedures for the Informal Resolution of Automobile Warranty Disputes* pamphlet, but this document is distributed to Lexus customers after the customer has filed an application. We have again been told by NCDS that there have been no material changes to this item.

We note here that manufacturer's difficulties in complying with this requirement are related in some respects to uncertainty as to the regulation's intent about when the customer is to be informed. A better information dissemination strategy could be developed if regulators provided manufacturers with an operational definition of the phrase, " ... **at the time consumers experience warranty disputes.**"

This limited information may have been provisionally acceptable in that period of adjustment that existed in the early days of Lexus' association with the NCDS program but, in our view, even then it fell short of what Rule 703 intends as regards informing customers of the availability of the arbitration program at the time a warranty dispute arises. There are, of course, many different strategies for accomplishing this mandated information dissemination program, but only having information about NCDS in a owner's manual or Lemon Law Guide in a glove box packet, is likely to find many customers with a warranty dispute unaware of the availability of arbitration. A fact demonstrated again and again over many years experience. That was clearly not the intent of the Federal Trade Commission when Rule 703 was promulgated as evidenced by the rule's lengthy discussion in the *Statement of Basis and Purpose*, published and promulgated as part of the rule (see Federal Register, 60215, Dec. 31, 1973). The FTC afforded great flexibility to manufacturers, at their request, as an alternative to far more draconian measures being proposed at the time, including the requirement that manufacturers engage in a national media campaign each year to announce the program's availability. The FTC opted instead to afford manufacturers the opportunity to use their own creative methods to achieve the objective and provided for an annual audit to ensure that manufacturers were carrying out effective strategies for ensuring that their customers were likely to be informed about the programs *at the time a warranty dispute arises* [FTC's emphasis.]

In 2018 we visited the following Lexus dealership:

Meade Lexus of Lakeside
45001 Northpointe Blvd.
Utica, Michigan 48315

The service consultant we interviewed was extremely pleasant and sought to provide assistance but assured us that he had no knowledge on the subject of warranty disputes and customers options for resolving their disputes. He called his supervisor who told him to provide us with a Lexus contact number. This response conflicts with the informal understanding established between federal regulators at the Federal Trade Commission and participating manufacturers that was an approach suggested by the manufacturers in response to the initial draft of Rule 703 implementing the Magnuson Moss Warranty Act. The initial proposed rule called for a mandated national advertising program informing the public about the availability of Informal Warranty Dispute Mechanisms. This aspect of the initial proposal was withdrawn at the request of manufacturers who asserted that in exchange for the withdrawal, the manufacturers would implement voluntary information programs at dealerships in the service departments where customers typically voiced their warranty concerns. These programs were supposed to make clear how customers with warranty disputes could initiate a no-cost claim for dispute settlement review by an independent third-party who were empowered to award refunds, replacements, reimbursements or repairs. The final rule, as promulgated, requires that customers with a dispute may file their claims for a hearing and a decision directly with the independent dispute resolution program without having to go through a dealer or manufacturer.

If Lexus, or any other manufacturer, implements a policy that requires a customer to contact the manufacturer in order to obtain information about the federally mandated Warranty Dispute Mechanisms, this policy is contrary to the informal agreement that was reached as a means by which manufacturers could avoid having to implement a national mass-media advertising program on this subject. Again, if this service advisor's response to our inquiry is accurate, then the FTC staff should be advised that Lexus may have decided to withdraw its earlier agreement. It is doubtful, however, that this is the true case, and it may be little more than a communication breakdown between Lexus and one of its dealerships.

In 2018, we visited one Lexus dealer in regard to this regulatory provision.

In 2016, however, we visited the following Lexus dealerships:

Lexus of Orland
8300 W. 159th
Orland Park, Illinois 60462

Similar to most of our findings at Lexus dealerships, the service department advisor provided no useful information concerning the National Center for Dispute Settlement or the Lexus sponsored Mechanism regulated by the Federal Trade Commission. The advisor at this location went so far as to advise that, "arbitration should be avoided at all costs."

The year before (2015), we visited, assessed, and reported about (for last year's report) the following Lexus dealership.

Lexus of Mishawaka
4325 Grape Rd.
Mishawaka, Indiana 46545

Below are the comments we made last year: (To distinguish them, the auditor has highlighted the prior years' comments and printed them in bold italics and a smaller font.)

"The result of this Lexus dealer visit was nearly as poor as what we found the year before. For last year's report, we interviewed a service advisor who informed us that a customer had to have seven repairs for the same warranty problem to go to arbitration. The advisor did not appear to be aware that the company sponsors a third-party dispute resolution program [arbitration]."

"In 2013 for the 2012 audit, we interviewed two advisors at once and both gave incorrect information about the customer's option to have warranty disputes handled by arbitration through the National Center for Dispute Settlement (NCDS)."

"In 2012, we visited the following Lexus dealerships"

***Lexus of Charleston
2424 Savannah Hwy.
Charleston, South Carolina 29414***

***Lexus of Jacksonville
10259 Atlantic Blvd.
Jacksonville, Florida 32225***

**Metro Lexus
13600 Brookpark Road
Brookpark, Ohio 44135**

“The dealership visit results were also poor at that time. In that year’s review of Lexus dealers, service advisors typically failed to be forthcoming with any useful information about how arbitration is handled and how to contact NCDS. Responses such as this, are at odds with federal regulations.

“At one Lexus dealership, the service advisor told us that arbitration is available but the customer has to file through Lexus. In every review, Lexus’ service agents provided inaccurate information. In all, Lexus dealers were unable or unwilling to provide us useful information about warranty dispute options that involved arbitration generally or the NCDS program specifically.

“Our findings on this regulatory requirement replicate last years finding, which bears repeating:

“Overall, the Lexus findings were negative and suggest that Lexus review their training of service advisors as concerns warranty dispute mechanisms. Together with previous report findings, including the misrepresentation of one dealer, demonstrates the need for continuing oversight by regulators. While this finding is problematical, it does not, by itself, rise to the level of a risk to Lexus’ compliance status but it does constitute a significant regulatory problem.”

DISCREPANCIES (2017 audit):

The findings related to Lexus this year are similar to those of the recent past years. Lexus’ compliance status is open to question due to its consistently poor results in regards to making customers aware of the existence of their dispute settlement program and how to access it via a toll-free telephone number as mandated by Rule 703.

MITSUBISHI:

Mitsubishi uses the following means by which to meet this important requirement:¹⁰

- Mitsubishi, has addressed many of the concerns we raised in some of our past audits. Below, in italics, are some of the comments from our prior audits.

Our 2003 [conducted] random audits of dealerships in the areas surrounding the field audit sites again found no consistent and significant commitment by most dealers to educate their employees to provide DRP information to customers making general inquiries about warranty-related dissatisfactions or disputes.

In addressing the concern outlined above, Mitsubishi initiated a program described in the communication below which was sent to various Mitsubishi executive employees:

Good Morning Gentlemen, We are pleased to announce the rollout of our Dispute Resolution Process posters. Three 11x17 posters and a cover letter will be shipped to the attention of each Dealer Service Manager in today's weekly drop. I've attached a copy of the cover letter for your review. In addition, we will be shipping 75 posters to each of the Regions so that your AWAPMs have some on hand for dealer visits. There is also a small supply of posters at Standard Register that can be ordered (Form # DR00204).

It's extremely important that each Service Manager displays the posters in areas that are clearly visible to customers who bring in their vehicles for warranty repairs. Please make sure that your DPSMs are checking for the posters when they conduct their dealer visits!

You may be aware that the FTC conducts a yearly audit of our Dispute Resolution Process through NCDS. The audit will be commencing in the next few weeks - and part of the audit includes "mystery shop" visits to retailers. Unfortunately, last year, the majority of dealerships visited by the auditor could not accurately describe the Dispute Resolution Process. Per Joan Smith's email to you dated 1/14/04 please ensure DPSMs are training their dealer personnel on our Dispute Resolution Process.

It is a requirement of the FTC, that if a manufacturer participates in an informal dispute resolution process, the customer must be made aware of how they can go about pursuing arbitration. In addition, to the Dispute Resolution

10. NCDS headquarters informs us that the manufacturer-specific review of this individual program for ensuring that consumers are made aware of the arbitration program's existence "at the time consumers experience warranty disputes" has not changed from last year's report.

Process booklets in each new owner's glove box - the posters should increase the awareness of the Dispute Resolution Process that is available at the time a customer is not satisfied with repairs completed under warranty.

In addition, Mitsubishi has replaced and updated the manual to address several prior concerns. The new Warranty and Maintenance Manual [2006] now specifically references the National Center for Dispute Settlement along with a toll-free telephone number to contact for assistance in obtaining resolution of their dispute.

We also said at the time,

Claverhouse Associates has not reviewed the actual cover letter sent to each Dealer Service Manager. This e-mail copy, supplied to us by NCDS, strongly suggests that important steps are being taken to bring Mitsubishi into compliance with this aspect of Rule 703.

We continue to view these innovations as clear evidence of intent to comply with the applicable rule, for which Mitsubishi should be given credit.

We include here, for reference purposes, our findings from two prior years:

In multi-manufacturer Rule 703 Dispute Resolution Mechanisms, the fiscal restraints of audits do not necessarily allow for visiting all manufacturers' dealer's service departments each year. We visited a Mitsubishi dealer in 2015 for this report, during our on-site visit to Saint Paul, Minnesota, the results of which are reported below.

I interviewed a service advisor who failed to provide me with any useful information about the availability of a dispute resolution program (i.e., "Mechanism") for resolving warranty disputes. No reference was made to the Owner's Manual, nor to the National Center for Dispute Settlement (NCDS).

In 2013, we visited the following Mitsubishi dealership for the 2012 audit:

Albany Mitsubishi
1000 East Oglethorpe Ave.
Albany, Georgia 31701

"I spoke to a service advisor who appeared to be the service manager. He focused his remarks to the "Lemon Law" and gave inaccurate information even on that. He appeared to have no knowledge of NCDS or the warranty dispute resolution process operated by them and sponsored by

Mitsubishi. He provided no useful information on what the NCDS program entails or how to access the process.”

In 2012, we visited the following Mitsubishi dealership for the 2011 audit:

Hoover Mitsubishi
2250 Savannah Hwy.
Charleston, South Carolina 29414

“Our Mitsubishi dealership experience in 2012 (for 2011 audit) was again this year a disappointment consistent with our experiences in 2010 for the 2009 report. The dealership personnel we interviewed for this report were very pleasant but did not provide us with any useful information about the NCDS program or warranty dispute options for customers beyond working with the dealership. This result falls short of the federal regulation’s intent.”

“We said in our last several reports that:

Clearly, one of the principal reasons that the annual independent audit requirement was included in Rule 703 was to ensure that adequate consumer awareness was provided for by sponsoring manufacturers. That the original draft of Rule 703 was modified so as to require this audit was an outcome fostered by manufacturers who complained that the proposed alternatives were too onerous and in fact, “draconian.” The Federal Trade Commission declined to mandate the national media campaigns and dealer incentives requirements, opting instead for voluntary efforts by the manufacturers, or their agent dealers, which would then be audited annually to ensure compliance with the stated objective of ensuring consumer awareness of the availability of the program. In any event, it is abundantly clear that no audit findings are complete without an evaluation of this aspect of the arbitration program since it is specifically set forth in the administrative Rule requirements in that section identified as the “Proceedings.” This extensive Federal Trade Commission commentary was promulgated as a fundamental part of the Rule, as is the case with all promulgated FTC Rules.”

“Because of the varied and heavy responsibilities of service managers, they were not always available during our “secret shopper” visits to dealerships. It is predictable that the customers of dealerships whose employees are completely unaware of the AWAP will be less likely to be informed of the availability of AWAP, a situation “at variance” with the regulation’s intent.”

Overall, efforts of the Mitsubishi’s information program had no effect on this dealership.

Claverhouse Associates did not visit a Mitsubishi dealership in 2018 for this 2017 audit.

What we said in regards to last year’s report, holds true with respect to this year’s findings. In this the Mitsubishi program is failing despite the manufacturer’s efforts.”

DISCREPANCIES:

None, with the qualifier given immediately above as a caveat.

SUZUKI:

- Suzuki provided customers with a Vehicle Warranty Information booklet. This booklet contains information pertaining to customers ability to use the dispute settlement program administered by NCDS. On page 4, they provide a very brief description of NCDS along with a toll-free telephone number. As such, they have provided useful, complete and accurate information as envisioned by the federal regulations. It should be pointed out however that this is a passive strategy and is helpful only if the customer discovers the information. Importantly, the manufacturer should instruct dealerships that inquiring customers should, at a minimum, be referred to this section of the booklet when expressing that they are experiencing a warrant dispute, or words to that effect.

We did not visit a Suzuki Dealership for this year's 2017 audit report.

DISCREPANCIES:

None, with the qualifier given immediately above as a caveat.

TESLA:

We said in our last year's audit the following regarding Tesla:

"Tesla uses the following means by which to meet this important requirement:

- *Tesla, a recent addition to the NCDS program, uses their Owner's Warranty Manual to provide information to their customers with a warranty dispute. The "Table of Contents" of the manual references, "Warranty Enforcement Laws and Dispute Resolution" as being on page six. In sum, the information provided by Tesla on pages six and seven is comprehensive, but confusing, and may be misleading to customers. To say for example, "NCDS will schedule a technical evaluation, if applicable", fails to reveal that such an evaluation is only "applicable" if the customer agrees to such an inspection. It may be confusing because it fails to reveal a material fact in light of a positive representation.*

"This issue has been brought to Tesla's attention and we anticipate appropriate modifications in Tesla's information awareness program."

In 2016 we received information from NCDS that Tesla has informed them that Tesla has decided to modify their procedures concerning the Magnuson-Moss Warranty Act compliance requirements contained in this sub-section and will adopt language into their Owner's Manual that will mirror that used by manufacturers that have been determined by the auditors to be in substantial compliance in this regard. Presumably, there has been no change in the status reported to us last year.

DISCREPANCIES:

None

TOYOTA:

Toyota uses the following means by which to meet this important requirement:

- Toyota publishes a 32-page booklet, entitled *Owner's Warranty Information*, that briefly explains, among many other things, the NCDS process and how and where to file an application. The pamphlet is distributed in a variety of ways, but the principal method is by way of the dealer. Dealers are to provide the brochure as part of the initial information packet given to new customers as well as making them available in the dealership. Note: Our random audits of dealerships conducted for the national audit found no consistent and significant commitment by dealers to educate their employees about providing NCDS information to customers who make warranty-related inquiries or, assert warranty related disputes. [This section's findings are based on the status quo in our 2010 report insofar as nothing we reviewed this year suggests any material change as pertains to this requirement.]
- Toyota publishes a 56-page booklet, entitled *Owner's Warranty Rights Notification* booklet, that contains state-specific, warranty-related regulatory information (lemon law provisions) and an application form for accessing the NCDS. The booklet provides useful and accurate information. (DATED 1/09). Like the *Owner's Warranty Information* booklet, it is distributed, in the main, by dealership sales personnel at the point of sale/delivery as part of the glove box kit.
- There is a NCDS pamphlet (one-page tri-fold) published by Toyota that is reasonably informative about the NCDS and how to access it. The pamphlet cross-references the *Owner's Warranty Rights Notification* booklet as one of two sources for obtaining a *Customer Claim Form*.¹¹ Those interested in knowing about the program are referred to a toll-free telephone number where they can request a NCDS pamphlet. This one-page document is distributed primarily by the Toyota Customer Assistance Center.

[This information is based on the findings of last year's audit as we are not in receipt of information from Toyota indicating any material change from last year's audit findings excepting the re-printing with additions of the *Warranty Rights Notification* booklet in 2009.]

Despite the manufacturer's efforts, there remains a concern about NCDS information dissemination at the dealership level where most warranty disputes arise. For that reason, we have included for reference purposes our experiences last year.

11. The *Toyota Dispute Settlement Program* pamphlet references the *Toyota Owner's Manual Supplement*, but it appears they mean the *Owner's Warranty Rights Notification* booklet. It's a mere administrative oversight, but customers could easily be confused. Fortunately the theoretical problem is mitigated by virtue of the second reference to a toll-free telephone number to Toyota's Customer Assistance Center where customers may obtain a *Customer Claim Form*.

In 2017 [for 2016 Florida audit], we visited three dealerships in Florida:

Fountain Acura
8701 S. Orange Blossom Trail
Orlando, Florida 32809

Central Florida Toyota
11020 S. Orange Blossom Trail
Orlando, Florida 32837

Ocean Honda
8442 US Highway 19
Port Richey, Florida 34688

Upon inquiring about warranty dispute options, none of the three Florida dealership personnel we interviewed provided truly useful information about the NCDS warranty arbitration program. At one dealership a service advisor representative said, "You're talking about the Lemon Law and you have to go through Honda" which is incorrect. He then mistakenly added, "If the dealership says no problem was found, then there is no arbitration." At another dealership the advisor referred to the Lemon Law pamphlet in the glove box, but did not refer to the Owner's Manual where there is useful information.

Yet another dealer's service advisor said, "I don't know anything about any warranty dispute program." As we said in last year's report, "These kind of responses do not meet the requirements of the Magnuson-Moss Warranty Act's Rule 703 requirement that manufacturer's make customers, with a warranty dispute, aware of their sponsored Mechanism, and how to file a claim with the Mechanism. A requirement provision in the Rule, that was voluntarily offered by the manufacturers during the Rule promulgation process, as an alternative to what was originally proposed by the Federal Trade Commission staff. The manufacturer's proposal was thereafter substituted for the far more onerous original requirement.

The dealers' performance in Florida last year was dismal. At that time we said: "Like last year, our findings this year is not consistent with the progress we have seen in recent years. The manufacturer's duty is consistent with the underlying intent of federal requirements of Rule 703 as well as the requirements of the State of Florida.

"The results of our review of Ohio dealership personnel interviewed during the dealership visits this [i.e. 2017 for 2016] year were somewhat mixed as regards providing useful information about the Toyota warranty dispute mechanism in response to our inquiries concerning customer options when the customer is experiencing warranty disputes. One of the reviewed Toyota dealers in Ohio did not provide any useful and accurate information about arbitration and NCDS. We were not able to locate an Ohio mandated poster at two of the three dealers visited. As stated in earlier audits, the mandated poster is supposed to be prominently displayed. These posters are designed to inform customers with a warranty dispute important information about how to initiate a claim for arbitration."

This year (2018 for the 2017 report) we visited the following Toyota dealerships:

For the 2017 Ohio report, we visited the following Toyota dealerships.¹²

Toyota of Boardman
8250 Market St.
Boardman, Ohio 44512

Toyota of Warren
2657 Niles-Cortland Rd. SE
Warren, Ohio 44484

Don Joseph (DJT) Toyota
1111 West Main St.
Kent, Ohio 44240

The results of our review of dealership personnel interviewed during the dealership visits were again somewhat mixed as regards providing useful information about the Toyota warranty dispute mechanism in response to our inquiries concerning customer options when the customer is experiencing warranty disputes. Two of the reviewed Toyota dealers in Ohio did not provide any useful and accurate information about arbitration and NCDS. At one dealership, however, were directed to the appropriate section of the Owners Manual for detailed information concerning dispute resolution options available to customers with a warranty dispute. We were not, however, able to locate an Ohio mandated poster at any of the three dealers visited. As stated in earlier audits, the mandated poster is supposed to be prominently displayed. These posters are designed to inform customers with a warranty dispute important information about how to initiate a claim for arbitration.

In Pennsylvania:

Faulkner Toyota
3400 Paxton St.
Harrisburg, Pennsylvania 17111

The result of our visit to this dealership was disappointing and unhelpful. The service advisor gave us no useful information about the NCDS Dispute Resolution process. The advisor said, he knew nothing about arbitration or warranty dispute resolution. He gave us a toll-free telephone number for Toyota.

In Michigan :

Fox Toyota
1490 N. Mitchell St.
Cadillac, Michigan 49601

12. As is the case with several dimensions of several previous audits, we carried out this aspect in the year 2018.

The result of our visit to this dealership was not helpful. Two service advisors provided no useful information about NCDS or how to contact NCDS for dispute resolution assistance (arbitration and or mediation.) They did not mention NCDS.

Because of the varied and heavy responsibilities of service managers, they were not always available during our "secret shopper" visits to dealerships. It is predictable that the customers of dealerships whose employees are completely unaware of the NCDS will be less likely to be informed of the availability of NCDS, a situation "at variance" with the regulation's intent.

There is a toll-free phone number to the Toyota Customer Assistance Center that may offer assistance to customers in terms of the "making customers aware" requirement. This office is designed to facilitate an open line of communication between the servicing dealer, Toyota, and the customer. The toll-free line facilitates the NCDS by providing NCDS information to those who specifically request information about arbitration. We contacted the number and were referred to the glove box packet and the specific manual which contains a NCDS application form. The primary objective of the Toyota Customer Assistance Center is to keep the customer and Toyota working together to resolve warranty-related problems. This facet of the program operates consistent with § 703.2(d) which allows:

703.2 (d)... Nothing contained in paragraphs (b), (c), or (d) of this section [notice requirements] shall limit the warrantor's option to encourage consumers to seek redress directly from the warrantor as long as the warrantor does not expressly require consumers to seek redress directly from the warrantor. The warrantor shall proceed fairly and expeditiously to attempt to resolve all disputes submitted directly to the warrantor.

The information dissemination methods employed by Toyota together with the number of applications filed nationally with NCDS in the last three audited years: 1,719 claims filed in 2013, 1,854 claims filed in 2014, and 2,820 in 2015, 3,615 in 2016 and 3,395 in 2017 amounting to approximately 13,000 claims filed in the course of the last five years, many of which were filed by Toyota customers. This demonstrates that many Toyota customers were somehow made aware of the program, and for these customers access is obvious.

On the other hand, our dealer inspections in several parts of the country showed a general lack of knowledge on the part of many dealer service department employees about the NCDS, and in some cases, complete unawareness of its very existence.

Our visits to dealerships suggests that customers who seek assistance from their salespersons are unlikely to receive any useful information about the NCDS. Few of the salespeople we interviewed appeared to have any knowledge of the NCDS or arbitration options in general.

We feel obligated to point out that the Federal Trade Commission staff in the section of Federal Register that contains "the Proceedings" reported that the party

who is in the best position to communicate with customers, at most junctures in the warranty repair context, is the servicing dealer.¹³ Unfortunately, dealers who wish to ignore their role in facilitating "fair and expeditious" warranty dispute resolution may do so with regulatory impunity, notwithstanding the efforts of Toyota.

We note here that manufacturers' difficulties in complying with this requirement are related in some respects to uncertainty as to the regulation's intent about when the customer is to be informed. A better information dissemination strategy could be developed if regulators provided manufacturers with an operational definition of the phrase, " ... **at the time consumers experience warranty disputes.**

DISCREPANCIES:

None, with the same qualifier given immediately above.

REQUIREMENT: § 703.7 (b) (3)(I)

Analysis of a random sample of disputes handled by the Mechanism to determine the following: (I) Adequacy of the Mechanism's complaint and other forms, investigation, mediation and follow-up efforts, and other aspects of complaint handling; and (ii) Accuracy of the Mechanism's statistical compilations under 703.6 (e). (For purposes of this subparagraph "analysis" shall include oral or written contact with the consumers involved in each of the disputes in the random sample.)

FINDINGS:

The FINDINGS for this section are arranged as follows:

- (1) **Forms**
- (2) **Investigations**
- (3) **Mediation**
- (4) **Follow-up**
- (5) **Dispute Resolution**

13. The Proceedings is the first part of the section wherein the promulgated Rule 703 appears and at the proceedings' conclusion it is pointed out that the Proceedings is promulgated as part of Rule 703. See pg. 60215 of Federal Register, Vol. 40, No. 251, December 31, 1975.

FINDINGS:

1) Forms

The auditors reviewed most of the forms used by each regulated component of the dispute settlement program administered by the National Center for Dispute Settlement (AWAP).

The many forms used by AWAP comprise an important aspect of the arbitration program. The forms we reviewed are "user friendly," well balanced, and provide sufficient information to properly inform the parties without overwhelming them with non-essential paperwork. Overall, the AWAP forms promote efficiency and assist the program in meeting the stated objective of facilitating fair and expeditious resolution of disputes. We found the forms used by NCDS' AWAP program that we reviewed well within the regulatory expectations.¹⁴

We said in our last few reports the following:

"We note that the *Customer Claim Form* solicits some information that raises questions about the purpose and appropriateness of some questions in this regulated arbitration process. For example, "Are your loan payments current? Yes - No." We are hard-pressed to see what this question might have to do with the arbitrator's ability to render a decision, or on NCDS' ability to process the matter. Moreover, Rule § 703.5 (c) says: "The Mechanism shall not require any information not reasonably necessary to decide the dispute." Although each manufacturer uses their own *Customer Claim Form* seeking different information from their customers, NCDS requires only that information required by the Magnuson-Moss federal statute and the related Rule 703. Superfluous inquiries then should not be included on the Customer Claim forms."

NCDS has informed us that the claim forms that included these superfluous questions have been revised and the inappropriate inquiries are no longer a part of the form.

DISCREPANCIES:

NONE

NCDS general policies for the AWAP are set forth in the pamphlet provided to each applicant for arbitration. Some additional policies are printed in the arbitrator training manual and appropriately arranged in sections which are indexed by subject matter.

In summary, the numerous forms used by the AWAP are in substantial compliance with the federal regulatory requirements.

14. We note that the *Customer Claim Form* solicits some information that raises questions about the purpose and appropriateness of some questions in this regulated arbitration process. For example, "Are your loan payments current? Yes - No." We are hard-pressed to see what this question might have to do with the arbitrator's ability to render a decision, or on NCDS' ability to process the matter. Moreover, Rule § 703.5 (c) says: "The Mechanism shall not require any information not reasonably necessary to decide the dispute." Although each manufacturer uses their own *Customer Claim Form* seeking different information from their customers, NCDS requires only that information required by the Magnuson-Moss federal statute and the related Rule 703. Superfluous inquiries then should not be included on the Customer Claim forms.

2) Investigations

This facet of the arbitration program is governed by section 703.5 [c] (Mechanism's Duty to Aid in Investigation).

Field audits, monitoring of arbitration hearings, and interviews with arbitrators and AWAP staff found only a limited number of requests by arbitrators for technical information, but such information is provided by the applicable manufacturer on request.

We included arbitrator requests for Technical Assessment under this investigative category. In the past, arbitrators in many arbitration programs have sometimes relied inappropriately on the manufacturer's technical experts' intervention or on manufacturer reports, losing sight of the fact that this information is provided by manufacturer employees who, despite any expertise they may possess, are nonetheless a party to the dispute. Thus, their representations cannot generally be given the same value as that provided by an independent neutral source. Because this problem has surfaced in many of our reviews of various automobile warranty arbitration programs, we believe it is important that the training of arbitrators continue to stress this as a potential problem that should generally be avoided. This will help avoid a problem that many such programs have experienced. Conflicts between the parties on questions of fact may, in some limited circumstances, be best resolved by an independent inspection conducted by a neutral ASE-certified mechanic.

The manufacturer provides cooperation in responding to arbitrator requests for independent inspections. It appears to be rare for arbitrators to request that the manufacturer provide a copy of a Technical Service Bulletin (TSB) and then delay action on the case pending receipt of the bulletin. Whether a TSB *exists* is apparently more likely to be central to an arbitrator(s) determinations than any information contained therein. The existence of a TSB may increase, in the minds of some arbitrators, the likelihood that a customer's otherwise unverified concern is real. The program would be well served by having TSBs included in the case file whenever the company knows that there is a TSB that could very likely address the central concerns set forth in the customer's application and related documentation submitted to the AWAP.

Occasionally, independent inspections are conducted to confirm or deny one party's representations or to resolve conflicts between the representations of the parties. Our monitoring of arbitration hearings in the past suggests that many arbitrators do not understand the real purpose of these inspections, inappropriately viewing them as a means by which to diagnose the vehicle's alleged mechanical problem rather than as a means to resolve conflicts of fact between the parties. This orientation suggests that arbitrators may inappropriately become involved in efforts to achieve customer satisfaction rather than seeing themselves as arbiters of disputes.

Arbitrators would be greatly aided by continued emphasis at arbitrator training on the appropriate use of independent inspections and technical assistance. The AWAP has developed and implemented a national training program that, of necessity, addresses so many issues in a short period of time that it is understandable why arbitrators often lose sight of some of the trainers'

admonitions. This underscores the importance of an efficient, on-going feedback loop that provides regular reminders from program staff to arbitrators.

NCDS has addressed the needs related to the concerns referred to above and developed a regular newsletter entitled "NCDS Arbitrator Bulletin." This newsletter is supplemented, on an as needed basis, by such special editions as the one directed to the NCDS California arbitrators which addresses California's unique regulatory requirements.

The general newsletter addresses specific issues that arise from staff's regular observations of arbitrators' needs or program innovations like their coaching and mentoring opportunities for newly added arbitrators. We reviewed several of these newsletters and found them both accurate and of great potential utility.

Other areas to be investigated include:

number of repair attempts;

length of repair periods; and

possibility of unreasonable use of the product.

Customers provide some information on these subjects on the AWAP application and the applicable manufacturer provides it on their own forms entitled *Manufacturer's Response Form*.

The customer application form, unfortunately, does not ask for information about the issue of possible misuse or abuse of the vehicle. Customers should know that the possibility of abuse or misuse of the vehicle may become a significant issue in the arbitrator's decision process so that they can present information accordingly. The company reports may include information on this topic whenever they think it is appropriate, but the customer has no way of knowing that this is a subject they would be well advised to address in the information they present to the board or an individual arbitrator.

In the event that misuse is asserted or suggested as a possibility in the *Manufacturer's Response Form*, the customer is able to submit supplemental information challenging or explaining his/her perspective on the issue. Rather than delay the process or put the customer in the position of having to present a response on short notice, customers could be advised at the onset of the process that the issue might come up in the arbitrator(s)/board's deliberations. The fact that customers receive copies of the statements from the company in advance of the hearings, allowing them the opportunity to challenge any such suggestion, is not, in itself, sufficient to address our concern. Unfortunately, not all questions of possible misuse arise in response to the *Manufacturer's Response Form*. The subject of abuse or misuse of the product may only emerge during the arbitrator(s)/board's deliberations. Based on our interviews with arbitrators, an arbitrator may suspect the possibility of abuse or misuse without having been asserted in the paperwork. In such cases, "misuse" may not be the primary or deciding factor, but can still be a significant factor. Because of its secondary importance, however, it may not be detailed in the decision nor reflected in the fairly brief communications announcing the arbitrator(s) decision. Thus, a

customer who may have important rebuttal information on the subject of suspected abuse, might not be aware that abuse of the vehicle had become an issue.

FINDINGS:

The investigation methods used by the AWAP are well known to regulators and appear to be acceptable to them. Moreover, the processes envisioned when Magnuson-Moss was enacted were understood to be substantially abbreviated in comparison to litigation. Ultimately, the question comes down to, "How much investigation is enough?" In our view, more inquiries in the initial phase of the arbitration process would enhance the process, but we are unwilling to assert that this concern threatens compliance.

The methods currently employed by the AWAP clearly result in a useful collection of pertinent information, but it is also clear that there is opportunity to gather significantly more valuable information at virtually no additional cost.

3) **Mediation**¹⁵

This facet of the arbitration program was historically carried out exclusively by the manufacturer or its dealers. The NCDS process attempts to mediate the case prior to arbitration by having a trained staff person contact the customer and the applicable manufacturer where the facts as they receive them appear to warrant. When mediation fails to result in a settlement, the matter is arbitrated and a decision rendered.

The mediation function envisioned by rule 703 is governed, at least in part, by section 703.2(d) which allows:

... Nothing contained in this subchapter shall limit the warrantor's option to encourage consumers to seek redress directly from the warrantor as long as the warrantor does not expressly require consumers to seek redress directly from the warrantor. The warrantor shall proceed fairly and expeditiously to attempt to resolve all disputes submitted directly to the warrantor.

FINDINGS:

After a case is opened, the manufacturer generally intercedes in an attempt to resolve the dispute to the customer's satisfaction prior to arbitration. Detailed records are kept as required by § 703.6. This information is contained in the case files maintained by NCDS.

This audit assesses the mediation function only in terms of its impact on the requirement to facilitate fair and expeditious resolution of disputes. All indications are that the mediation function meets the minimum requirements for fair and expeditious resolution of disputes. Mediation is voluntary and in no way is intended to impede or delay a customer's access to arbitration. The degree to

15. Mediation in this regulatory context does not necessarily imply the use of a neutral third-party mediator, but rather means, the case has been settled prior to the arbitrator rendering a decision.

which performance of mediated resolutions conforms with time limit requirements is reviewed in the survey section of this report.

4) Follow-up

NCDS is responsible for verifying performance of decisions or mediated settlements.

When the customer accepts a settlement offer or an arbitration decision, NCDS monitors the promised performance. NCDS logs the performance information into the file. Once a decision mandating some action on the part of the applicable manufacturer has been rendered and NCDS has received notice that the customer has accepted the decision, a performance survey is mailed to the customer to determine that:

- a) the promised performance has taken place, and
- b) the performance that has taken place is satisfactory.

If the survey is returned, it is placed in the case file folder.

The recording of performance and maintenance of the AWAP records were reviewed by our inspection of case files provided by NCDS. We reviewed a random sample of case files for each region selected for the audit. The sample is drawn from the computer system maintained by NCDS.

NCDS has developed a policy to ensure that performance verification information is maintained in an electronic case file which may be reviewed by anyone reviewing the case file and, importantly, a note to that effect will appear in the hard copy case file folder.

DISCREPANCIES:

None

5) Dispute Resolution

The AWAP uses three arbitration formats. The three formats are: a) a board consisting of three arbitrators; b) individual arbitrators or, c) a panel of three arbitrators for Lexus cases. Customers, other than Lexus may opt to use either a) or b) formats. Importantly, the board process is one wherein the decisions are made after considering only documentary evidence and excludes oral presentation. Of course, customers may opt for a one-member (arbitrator) hearing, wherein oral presentations may be made by the parties. When using a board, the "Members" (i.e., arbitrators) are each provided with a case file that contains pertinent facts gathered by the program. The three arbitrators include: a consumer advocate, a technical member, and a member of the general public. Two members constitute a quorum and the board relies on documents provided by the parties. The arbitrators meet to discuss the facts presented to them and then render a decision. Most board decisions are arrived at by consensus, but sometimes the members resort to a vote to close the matter. The board may request additional information, usually in the form of an independent inspection conducted by a specialist in auto

mechanics. Occasionally, the board asks for Technical Service Bulletin information, although technical questions can often be answered by the board's technical member.¹⁶

In the AWAP formats using a documents only board and single arbitrators, hearings are open, as required by Rule 703, to observers, including the disputing parties. The Lexus panel process is not open to observers. We have said in all our recent reports:

It should be noted however, that we HAVE audited a Lexus hearing in Houston, Texas as part of the national Rule 703 audit report and discovered that Lexus has elected to have their cases heard by a three-member panel which takes testimony/evidence from each of the parties and then dismisses the parties while they deliberate and decide the case. We believe this approach is inconsistent with the requirements of Federal Trade Commission Rule 703.8 (d) which provides that meetings of the members to hear and decide disputes shall be open to observers on reasonable and nondiscriminatory terms. Further, the Rule's, *Statement of Basis and Purpose* (pp. 60215, Federal Register Vol. 40, no. 251) explains that the one case where they allow for the exclusion of persons to the meeting is limited to non-party observers. The FTC further emphasizes the importance of the parties being present to provide the scrutiny function intended. Lexus and NCDS will need to re-visit this aspect of their program to ensure compliance. [NOTE: NCDS has interpreted the regulatory language differently and administers the program so that actual deliberation is conducted by the arbitrators without the presence of the parties.]

Nothing has changed since we issued last year's report referencing the Lexus process as regards the open meetings provision [§ 703.8 (d)].

The parties are sent copies of the case files before the board meets and are informed that they may submit additional information if they choose to clarify or contradict information in the file. Any additional information is then provided to the board prior to its deliberations.

In most cases, the NCDS process involves a single arbitrator. In such instances, the hearing is conducted solely by the arbitrator with no administrative assistance. Moreover, it is typically held outside of an NCDS office so the only support services (e.g., copy or fax machines) are those that may exist at the place selected for the hearing. Most often the site selected is a participating manufacturer's dealership.

16. Each facet of the AWAP has Automotive Service Excellence (ASE) certified mechanics available to provide independent inspections to resolve conflicts of facts as presented by the parties. ASE is a private association that tests applicants to ascertain whether they possess a specified degree of expertise in automotive mechanics.

Decisions of the arbitrator(s) are binding on participating manufacturers but not on the consumer.

FINDINGS:

The AWAP's meeting process is in substantial compliance with the federal regulation and provides for fair and expeditious resolution of warranty disputes. Overall, the program meets the requirements of Rule 703. The exception pertains to the Lexus panel process as regards open meetings as discussed elsewhere in this report.

We have noted continued improvement in awareness of important legal principles and various warranty doctrines among established arbitrators who have been provided arbitrator training. Arbitrators' increased awareness of their scope of authority, the essential components of a decision, and factors that may be important when considering whether to apply a mileage deduction in repurchase or replacement decisions are clearly attributable to the professional training program NCDS provides for its arbitrators.

Arbitrators are volunteers whose only compensation is a nominal per diem and mileage expense allowance.¹⁷ Arbitrators are not required by the program to have any established expertise in the complexities of automobile warranty law at the time of their appointment. Fairness, as envisioned by state policy makers, however, requires that arbitrators have some level of knowledge of the state and federal regulations that set forth the basic rights and responsibilities of the parties to a warranty dispute.

Our monitoring of arbitration hearings and interviewing of arbitrators in virtually all such programs has continually underscored the importance of on-going arbitrator training. Without regular input and feedback mechanisms, arbitrators are occasionally uncertain about their rights and responsibilities. Since the AWAP hearings/meetings are rarely attended by people other than the parties and a manufacturer representative, the arbitrators operate in a kind of self-imposed vacuum, without direct access to a feedback mechanism other than an occasional independent vehicle inspection report. In addition, because arbitrators are volunteers who usually participate in the AWAP process infrequently, a mistake made at one hearing can easily become an institutionalized error that could subject the program to a possible compliance review. On-going training would greatly alleviate these concerns for arbitrators.

The NCDS program has also informed us that they continue their efforts to address the "boilerplate" problem, alluded to in previous reports, including explanations provided at arbitrator training to ensure that arbitrators understand that the "Lemon Law" thresholds for establishing presumptions do not serve as a threshold for their awarding "buy back" relief. At our review of training some time ago, we confirmed that these efforts had some noteworthy effects. Our findings set forth in our last few years' reports are, in many respects, consistent with our experience with this year's Texas arbitration training. We have had discussions, however, with NCDS staff concerning the balance in focus between the federal Magnuson-Moss Warranty Act and its related Administrative Rules

¹⁷ Currently, NCDS arbitrators are provided a per diem allowance of \$100.00 a hearing plus reimbursement for any mileage expenses incurred.

versus the state Automobile "Lemon-Laws." [For details see the training section of this report.]

Overall, the AWAP members demonstrate a clear commitment to providing fair and expeditious resolution of warranty disputes.

DISCREPANCIES:

None, with the caveats noted in the above section.

SECTION III

Field Audit of Three Geographical Areas

Three Geographical Areas that were reviewed for this year's annual Federal Trade Commission audit are: Florida, Michigan, and Pennsylvania

I. Florida

A. Case Load and Basic Statistics

[Note: As pointed out in other sections of this report, the numbers reported below will sometimes appear to be at variance with numbers appearing elsewhere. Most likely this is due to numbers reported according to subtle differing requirements of federal and state regulatory reporting mandates. In some cases, a variance may be the result of double-counting of survey responses.]

(2)(b) - This aspect of the 2017 NCDS Florida report for the certified manufacturers identifies 139 disputes filed and 10 disputes found to be dismissed or withdrawn by the consumer. (2) (c)- Refunds = 4; Repairs = 2; Trade Assists = 0; Partial Refunds = 0; No Jurisdiction = 29¹⁸; Replacements = 3; Other Relief = 0; No Award = 58; Total number of decisions = 67.

We analyzed several NCDS statistical reports covering 2017 NCDS' arbitration program operations, including some that are Florida-specific. The material required to be maintained and reported by § 5J - 11.010(2) (b) and (c) above was submitted to us in a document cross-referencing the Florida regulatory requirement, Chapter 5J 11.010. As such, the requirement is met.

The above referenced reports are available upon request from Ms Debbie Lech, Manager of Dispute Resolution Operations, National Center For Dispute Settlement, 12900 Hall Road, Suite 401, Sterling Heights, MI 48313.

In Florida, NCDS handled 139 AWAP cases in 2017.

Of the total number of 2017 Florida cases, 29 (28.9%) were "no-jurisdiction" cases. There were 93 cases arbitrated (92.3%) of the 94 in-jurisdiction cases, and one case was mediated. Of the 93 cases arbitrated, 80 of them (86%) were decided "adverse to the consumer." The average number of days for handling a 2017 case in Florida was 34 days. This compares with an average of 34 days handling nationwide.

18. It appears that all of the 29 reported "no jurisdiction" cases set forth in the FTC reported statistics were pre-arbitration conclusions rendered by staff and of these, none were apparently contested. Otherwise, the Florida mandated statistics report would not indicate that there were no "No Jurisdiction" conclusions. The national (FTC) statistics and the Florida statistical report requirements simply treat the "No Jurisdiction" issue quite differently creating, at first blush, some confusion about the two different findings. We found them both accurate reflections of what the respective requirements intend.

B. Record-keeping, Accuracy and Completeness

We requested a random sample of case files drawn from all cases closed during the audit period and examined them to determine whether they were complete and available for audit. Generally, the records were complete and available for audit.

In 2018 we analyzed several NCDS-generated statistical reports covering the 2017 NCDS' Operations. Those reports are available from Ms Debbie Lech, Operations Manager, National Center for Dispute Settlement, 12900 Hall Road, Suite 401, Sterling Heights, MI 48313.

The results of the random sample inspection of case file folders are detailed below:

§ 703.6 (a) (1-12)

(a) The Mechanism shall maintain records on each dispute referred to it which shall include:

- 1) Name, address and telephone number of the consumer.**
- 2) Name, address and telephone number of the contact person of the Warrantor.**
- 3) Brand name and model number of the product involved.**
- 4) The date of receipt of the dispute and date of disclosure to the consumer of the decision.**
- 5) All letters and other written documents submitted by either party.**

FINDINGS:

The auditor examined the case file folders extracted from all 2017 "in-jurisdiction" case files. We examined each sample file with respect to the items enumerated in subsections 1 through 5 with the following results:

- 1) All case files contained the customer's name, address, and telephone number.
- 2) The requirement is met. The name and address of the warrantor's contact person is included with the initial correspondence that the customer receives from the program. In addition, the various regional office contact addresses and phone number is included in each Owner's Manual that accompanies all new vehicles when they are delivered. The contact person is so generally known as to not require it to be placed in each individual case file.

3) All case files inspected contain the make and vehicle identification number (VIN) of the vehicle. It is usually found in the customer application form, the richest source of information within most files, but the vehicle make and VIN is often located in documents throughout the file. As a result, cases are seldom, if ever, delayed because the customer has failed to provide the VIN when filing their application.

4) All case files inspected contain this information.

5) Many files contained letters and additional documents, but since there is no standard by which to measure this item, we determined this subsection to be "not applicable."

§ 703.6 (a) (1-12) [Continued]

6) All other evidence collected by the Mechanism relating to the dispute, including summaries of relevant and material portions of telephone calls and meetings between the Mechanism and any other person (including consultants described in section 703.4(b) of this part);

7) A summary of any relevant and material information presented by either party at an oral presentation.

8) The decision of the members including information as to date, time and place of meeting, the identity of the members voting; or information on any other resolution;

FINDINGS:

All files for cases that were arbitrated contained the information required by sections six and eight. Oral presentations are a basic component of the NCDS program in this jurisdiction, and section seven requires summaries of the oral presentations to be placed in the case file. In the case files we reviewed for this region, the record-keeping requirements were met.

9) A copy of the disclosure to the parties of the decision.

Each applicable case file contained a copy of the decision letter sent to the customer. This letter serves as both the decision and the disclosure of the decision.

10) A statement of the warrantor's intended action(s);

FINDINGS:

The warrantor's intended action(s) and performance are inextricably linked. Thus, we validate this item in terms of performance verification. Performance verification is a function carried out by NCDS. This office sends a survey to the customer following receipt of the customer's acceptance of those decisions mandating some action on the part of the manufacturer to ask, among other things, whether any required performance has taken place. Customers are asked to return the survey to the office of NCDS. As noted elsewhere, we found few returned

survey forms in the case files. In the past, we have stated that the absence of performance verification forms in the case file does not constitute a regulatory inconsistency since performance verification information may not be available from the customer. By mailing a performance verification survey NCDS goes as far as can be expected in determining whether arbitration decisions are, in fact, being performed. It seems entirely appropriate for the program to assume performance of the decision has taken place when the customer performance survey is not returned. For those who may be skeptical about such important assumptions, it should be remembered that even if a manufacturer engaged in a programmatic attempt to avoid performing arbitration decisions, that fact would, of course, emerge in the context of our national random survey of customers who have used the program. Performance verification status should and does appear in the case file as is indicated by sections 11 and 12 below.

11) Copies of follow-up letters (or summaries of relevant and material portions of follow-up telephone calls) to the consumer and responses thereto; and

12) Any other documents and communications (or summaries of relevant and material portions of oral communications) relating to the dispute.

FINDINGS:

Section 11 above is not applicable for purposes of the audit because there is no practical means by which to verify the completeness and accuracy of such possible additions to the files. Section 12, however, appears to mandate that a summary form be created whenever the arbitrator receives an oral communication that may have any bearing on the matter in dispute from either party. Of course, most such communications come in the form of oral presentations by the parties at the hearing, in which case the communications are summarized in the arbitrator's decision. All summaries are now included in the case file.

CONCLUSIONS:

The NCDS program's record keeping policies and procedures, with the alluded to necessary modifications made in the recent past, are in substantial compliance with the federal Rule 703 requirements.

C. Case File Records (4 yrs. 2014-2017)

§ 703.6 (f)

(f) The Mechanism shall retain all records specified in paragraphs (a) through (e) of this section for at least 4 years after final disposition of the dispute.

A random sample of case numbers from the years 2014 through 2017 was drawn from the NCDS data base program. Our inspection of this sample verified that they were being maintained per requirement § 703.6(f).

These particular closed files are stored at an off-site record storage facility of the NCDS suburban Detroit, Michigan, office. We did not inspect the off-site facility for this year's audit. The files we viewed, however, were intact and readily available for inspection. The random sample inspection of case files drawn from all cases in the four-year universe of cases validated the program's maintenance of these records as required.

D. Arbitration/Hearing Records

i. Case file folders

Most information that is required to be maintained is found on a series of forms found in the case files maintained at the NCDS headquarters in Detroit, Michigan.

ii. Arbitrator Biographies

The arbitrator biographies for the national program are available for review from Debbie Lech, Operations Manager, National Center For Dispute Settlement, 12900 Hall Road, Suite 401, Sterling Heights, MI 48313. The biographies are thorough and current. The list of arbitrators for each district includes the dates of their appointments.

E. Hearing process

The AWAP hearing was held as scheduled at the Palm Beach Toyota, 551 S. Military Trail, West Palm Beach, Florida, 33415, on February 8, 2018, at 10:00 a.m.

i. Physical Description of Hearing (i.e., Meeting)

The hearing room selected was of adequate size for accommodating the hearing including any reasonable number of visitors. The attendees included the arbitrator, the customer, two Toyota manufacturer representatives, and the auditor.

ii. Openness of Hearing

The meeting began at 10:08 a.m., eight minutes later than scheduled. Upon inquiry, the arbitrator explained to the auditor his understanding that the hearings are open and can be attended by any observers who agree to abide by the program's rules.

iii. Efficiency of Meeting

The arbitrator's case file appeared to be complete with all required documents. The experienced arbitrator demonstrated throughout the hearing that he generally knew how to properly conduct a hearing. The customer was informed that test drives were commonly taken where the

warranty dispute centers on driveability issues, and in the NCDS program, the customer drives the vehicle while the arbitrator and any others present simply observe.

The arbitrator then proceeded to allow each party to present their case, after explaining that the parties should not be interrupted by the opposing party.

iv. Hearing

The hearing was properly conducted. All parties were afforded an opportunity to present their versions of the dispute. Following each party's presentation, the other party was given an opportunity to ask clarification questions and then present arguments in rebuttal, as was appropriate.

At the conclusion of the hearing the arbitrator participated in a test drive of the customer's vehicle along with the manufacturer's representatives. He also inspected the vehicle and recorded its mileage, after which all those participating returned to the hearing room.

The parties made brief concluding remarks and thereafter the arbitrator concluded the hearing.

v. Board/Arbitrator Decisions

We reviewed the arbitrator's decision in this case, and a sample of Florida NCDS decisions rendered in 2017. Overall, the decisions we reviewed were reasonable and consistent with the facts of the case, at least insofar as the case file is concerned. This particular case's outcome was also consistent with the facts in the case file and as presented by the parties at the hearing.

CONCLUSION:

We conclude that the AWAP, as it operated in 2017 in Florida, is in substantial compliance with Rule 703. The NCDS administrative staff and the NCDS program demonstrates a clear commitment to ensure fair and expeditious resolution of warranty disputes. The administrative staff is clearly dedicated to the program's mission and demonstrates a high degree of professionalism

II. Michigan

A. Case Load and Basic Statistics

The 2017 Michigan Statistical compilations identifies 126 total disputes closed for the calendar year 2017. Of these, 22 were beyond jurisdiction for NCDS' arbitration program review. Of the remaining cases, two were mediated, 108 were arbitrated,¹⁹ and 22 were determined by NCDS to be "no jurisdiction" cases. One decided case's decision was still pending. The average day for handling a 2017 case in Michigan was 36. This compares with an average of 34 days handling nationwide.

The Michigan regional field audit includes a review of a hearing held at the Doubletree Hotel in Novi, Michigan on March 08, 2018. This assessment included interviews with the principal parties involved in the hearing. In addition, we reviewed a sample of NCDS case files for Michigan, which are stored at national headquarters of the National Center for Dispute Settlement (NCDS), in Sterling Heights, Michigan.

We requested a random sample of cases drawn from all Michigan cases closed during the audit period and examined the cases provided to determine whether they were complete and available for audit. Files were reviewed for accuracy and completeness. The findings of that review are set forth below.

B. Record-keeping Accuracy and Completeness

We had a random sample of 25 Michigan case files drawn from all cases closed during the audit period and examined them to determine whether they were complete and available for audit. The records were complete and available for audit.

We analyzed several NCDS statistical reports covering 2017 NCDS' arbitration program operations. They are maintained as required. Our survey sample analysis confirms their reasonable accuracy.

The above referenced reports are available upon request from Ms Debbie Lech, Manager of Dispute Resolution Operations, National Center For Dispute Settlement, 12900 Hall Road, Suite 401, Sterling Heights, MI 48313.

19. Of the 108 arbitrated cases that were fully "decided" at the time the statistical report was created, 95 were decisions "adverse" to the consumer. One case was categorized as "pending," so presumably, the grand total of arbitrated cases was 109. Twenty two cases filed were determined to be not in-jurisdiction.

The review of the Michigan facet of the NCDS program includes a review of an individual arbitration hearing wherein personal presentations are made and the applicable evidence submitted by the parties in light of the applicable Federal, and in some cases State Law. The hearing was held at the Doubletree Hotel in Novi, Michigan on March 08, 2018 at 11:30 a.m.

In addition, we reviewed a sample of current case files which are stored at the national headquarters of the National Center for Dispute Settlement (NCDS), in Sterling Heights, [Detroit area] Michigan as well as a sample of files drawn from three previous years which are stored nearby the headquarters.

§ 703.6 (a)(1-12)

(a) The Mechanism shall maintain records on each dispute referred to it which shall include:

- 1) Name, address and telephone number of the consumer;**
- 2) Name, address and telephone number the contact person of the Warrantor;**
- 3) Brand name and model number of the product involved;**
- 4) The date of receipt of the dispute and date of disclosure to the consumer of the decision;**
- 5) All letters or other written documents submitted by either party.**

FINDINGS:

We examined the case files extracted from all "in-jurisdiction" regional case files closed during the audit period. We reviewed these files for the items enumerated in subsections 1 through 5 with the following results:

- 1) All case files contained the customer's name, address, and telephone number.
- 2) The requirement is met. The name and address of the warrantor's contact person is included with the initial correspondence that the customer receives from the program. In addition, the various manufacturer's contact address and phone number is included in each Owner's Manual that accompanies all new vehicles when they are delivered. The contact person is so generally known as to not require it to be placed in each individual case file.
- 3) All case files inspected contain the make and vehicle identification number (VIN) of the vehicle. This information is generally found in the customer application and in a number of other documents in the file. As a result, cases are rarely delayed simply because the customer fails to include the VIN in the application.
- 4) All case files inspected contain this information. Not all cases necessitate a decision letter, but where a decision was rendered, the appropriate notification letter was present.

5) Many files contained letters and additional documents, but since there is no standard by which to measure this item, we determined this subsection to be "not applicable."

§ 703.6(a)

6) All other evidence collected by the Mechanism relating to the dispute, including summaries of relevant and material portions of telephone calls and meetings between the Mechanism and any other person (including consultants described in section 703.4(b) of this part;

7) A summary of any relevant and material information presented by either party at an oral presentation;

8) The decision of the members including information as to date, time and place of meeting and the identity of members voting; or information on any other resolution.

FINDINGS:

All files for cases that were arbitrated contained the information required by sections six and eight. Oral presentations are a basic component of the NCDS program in this jurisdiction, and section seven requires summaries of the oral presentations to be placed in the case file. It is NCDS policy that the arbitrator conducting the hearing must summarize all significant information presented orally by either party during any facet of the hearing. We noted such language in the case files we reviewed but we did not conduct a qualitative review of that portion of each case's decision. We offer no judgement then on whether these summaries are consistently detailed and/or accurate depictions. At the same time, we saw no particular reason to question the sufficiency of this method.

9) A copy of the disclosure to the parties of the decision.

FINDINGS:

All files for cases that were arbitrated contained the required information.

10) A statement of the warrantor's intended action(s);

FINDINGS:

The warrantor's intended action(s) and performance are inextricably linked. Thus, we validate this item in terms of performance verification. Performance verification is a function carried out by NCDS. This office sends a survey to the customer following receipt of the customer's acceptance of those decisions mandating some action on the part of the manufacturer to ask, among other things, whether any required performance has taken place. Customers are asked to return the survey to the office of NCDS. As noted elsewhere, we found few returned survey forms in the case files. In the past, we have stated that the absence of

performance verification forms in the case file does not constitute a regulatory inconsistency since performance verification information may not be available from the customer. By mailing a performance verification survey, NCDS goes as far as can be expected in determining whether arbitration decisions are, in fact, being performed. It seems entirely appropriate for the program to assume performance of the decision has taken place when the customer performance survey is not returned. For those who may be skeptical about such important assumptions, it should be remembered that even if a manufacturer engaged in a programmatic attempt to avoid performing arbitration decisions, that fact would, of course, emerge in the context of our national random survey of customers who have used the program. Performance verification status should and does appear in the case file as is indicated by sections 11 and 12 below.

- 11) Copies of follow-up letters (or summaries of relevant and material portions of follow-up telephone calls) to the consumer, and responses thereto; and**
- 12) Any other documents and communications (or summaries of relevant and material portions of oral communications) relating to the dispute.**

Section 11 above is not applicable for purposes of the audit because there is no practical means by which to verify the completeness and accuracy of such possible additions to the files. Section 12, however, appears to mandate that a summary form be created whenever the arbitrator receives an oral communication that may have any bearing on the matter in dispute from either party. Of course, most such communications come in the form of oral presentations by the parties at the hearing, in which case the communications are summarized in the arbitrator's decision. All summaries are now included in the case file.

CONCLUSIONS:

The NCDS program's record keeping policies and procedures are in substantial compliance with the federal Rule 703 requirements.

Note: Over the course of several years, the review of case files reveal anomalies that, when discussed with staff of the program, demonstrate significant problems that then have resulted in modifications to the program. These modifications in the program assist in maintaining the program's compliance status relative to the various federal and state regulations.

C. Case File Records (4 yrs. 2014-2017)

§ 703.6 (f)

(f) The Mechanism shall retain all records specified in paragraphs (a) through (c) of this section for at least 4 years after final disposition of the dispute.

The closed files are stored at an off-site record storage facility of the NCDS Sterling Heights [Suburban Detroit], Michigan, office. We did not inspect the off-site facility for this year's audit. The files we

viewed were intact and readily available for inspection. We inspected a random sample of closed case files drawn from all cases in the four-year universe of cases related to Michigan. Our review validated the program's maintenance of these records as required.

D. Arbitration/Hearing Records

i. Case file folders

Most information that is required to be maintained is found on a series of forms found in the case files maintained at the NCDS headquarters in Detroit, Michigan.

ii. Arbitrator Biographies

The arbitrator biographies for the national program are available for review from Debbie Lech, Operations Manager, NCDS at their headquarters in Sterling Heights [Detroit], Michigan. The biographies are thorough and current, and the list of arbitrators for each district includes the dates of their appointments.

E. Hearing Process

The AWAP Tesla hearing was scheduled to be held at the Doubletree by Hilton in Novi, Michigan, on March 08, 2018 at 11:30 a.m.

i. Physical Description of Hearing (i.e., Meeting)

Doubletree by Hilton in Novi, Michigan, on March 08, 2018 at 11:30 a.m.

The hearing room was of adequate size for accommodating the hearing. The numerous attendees included: several parties with the customer; an attorney associate of the customer who, the customer claimed, was not there as his attorney but rather as an observer, and an additional friend; a Tesla representative via a speakerphone, who also happened to be an attorney; the arbitrator, and an auditor from Claverhouse Associates.

ii. Openness of Hearing

The hearing began at 11:30 a. m. as scheduled. The arbitrator communicated to the auditor her understanding that the hearings are open and can be attended by observers who agree to abide by the program's rules.

iii. Efficiency of Meeting

The arbitrator's case file appeared to be complete. She solicited all the necessary information from the customer and the manufacturer. She gave a brief summary of the case as filed, including a brief description of the alleged non-conformity together with the relief the customer was requesting. She also verified the outline of the dispute as briefly described by the customer on the complaint form.

She proceeded to allow each party to present their case. The customer made the initial oral presentation, which was extensive and detailed. Following the customer's presentation, the manufacturer's representative made a similarly detailed presentation, after which a recess was taken to allow for an inspection of the vehicle.

Each party thereafter made their final presentation after which the arbitrator closed the hearing.

iv. Hearing

The arbitrator demonstrated that she generally knew how to properly conduct a hearing which was quite a challenge given the number of attorneys in the room or on the phone.

All parties were afforded an opportunity to present their versions of the case. Following each party's presentation, the other party was given an opportunity to clarify or challenge, as was appropriate.

v. Board/Arbitrator Decisions

We reviewed the arbitrator's decision along with the several other 2017 decisions rendered by the NCDS arbitrators in Michigan. They were all written consistent with applicable regulations as well as the NCDS program rules.

Overall, the decision in this case was appropriately detailed and consistent with the facts of the case. In fact, the complicated case presented by the customer was equally detailed by the arbitrator. In virtually every instance, this decision was a model of style and substance irrespective of its conclusion.

The decision's conclusion was also consistent with the facts presented and the arbitrator's ultimate judgment was entirely reasonable given the evidence. Of course, we do not typically render judgments in these audits concerning the actual outcome of the case provided the arbitrator's decision is reasonably consistent with the facts presented.

Conclusion:

The AWAP, as it operates in the state of Michigan in 2017, is in substantial compliance with Rule 703. The NCDS administrative staff and the NCDS program demonstrates a clear commitment to ensure fair and expeditious resolution of warranty disputes. The administrative staff is clearly dedicated to the program's mission and demonstrates a high degree of professionalism.

III. Pennsylvania

A. Case Load and Basic Statistics

The Pennsylvania compilations identifies 115 total disputes closed for 2017. Of these 27 cases (23.4% of all disputes) were beyond jurisdiction for NCDS arbitration program review. Of the remaining 88 cases, one was mediated, and as in the recent past the vast majority of cases were arbitrated. No cases were reported as "pending" as of the date the report was originally generated. The regulations do not require reporting the number of cases that are voluntarily withdrawn by the customer. These cases typically account for why the numbers reported pursuant to the regulatory requirement may not sum to the total number of cases filed. The average number of days for handling a 2017 case in Pennsylvania was 35 as compared to 34 days nationally.

We analyzed a random sample of cases drawn from all 2017 Pennsylvania cases closed during the audit period and examined the cases provided to determine whether they were complete and available for audit. Files were reviewed for accuracy and completeness. The findings of that review are set forth below.

The above referenced reports are available upon request from Ms Debbie Lech, Manager of Dispute Resolution Operations, National Center For Dispute Settlement, 12900 Hall Road, Suite 401, Sterling Heights, MI 48313.

B. Record-keeping Accuracy and Completeness

We had a random sample of Pennsylvania case files drawn from all cases closed during the audit period [2017] and examined them to determine whether they were complete and available for audit. Generally, the records were complete and available for audit.

§ 703.6 (a)(1-12)

(a) The Mechanism shall maintain records on each dispute referred to it shall include:

- 1) Name, address and telephone number of the consumer;**
- 2) Name, address and telephone number the contact of the warrantor;**

- 3) Brand name and model number of the product involved.**
- 4) The date of receipt of the dispute and date of disclosure to the consumer of the decision;**
- 5) All letters and other written documents submitted by either party.**

FINDINGS:

The auditor examined a sample of case file folders randomly extracted from all 2017 "in-jurisdiction" case files. We examined each sample file with respect to the items enumerated in subsections 1 through 5, with the following results:

- 1) All case files contained the customer's name, address, and telephone number.
- 2) The requirement is met. The name and address of the warrantor's contact person is included with the initial correspondence that the customer receives from the program. In addition, the manufacturer's contact address and phone number is included in each Owner's Manual that accompanies all new vehicles when they are delivered. The contact person is so generally known as to not require it to be placed in each individual case file.
- 3) All case files inspected contain the make and vehicle identification number (VIN) of the vehicle. This information is generally found in the customer application and in a number of other documents in the file. As a result, cases are rarely delayed simply because the customer fails to include the VIN in the application.
- 4) All case files inspected contain this information. Not all cases necessitate a decision letter, but where a decision was rendered, the appropriate notification letter was present.
- 5) Many files contained letters and additional documents, but since there is no standard by which to measure this item, we determined this subsection to be "not applicable."

§ 703.6 (a) [continued]

- 6) All other evidence collected by the Mechanism relating to the dispute, including summaries of relevant and material portions of telephone calls and meetings between the Mechanism and any other person (including consultants described in section 703.4(b) of this part;**
- 7) A summary of any relevant and material information presented by either party at an oral presentation;**
- 8) The decision of the members with information as to date, time and place of meeting, the identity of members voting; or information on any other resolution;**

FINDINGS:

All files for cases that were arbitrated contained the information required by sections (6) through (8). Oral presentations are a basic component of the NCDS program in this jurisdiction, and section (7) requires summaries of the oral presentations to be placed in the case file as part of the arbitrator's decision. In the case files we reviewed for this region, the record-keeping requirements embodied in subsections 6-8 were met.

9) A copy of the disclosure to the parties of the decision.

FINDINGS:

All applicable case files contain a letter from the arbitrator announcing his/her decision.²⁰

10) A statement of the warrantor's intended action(s);

FINDINGS:

The warrantor's intended action(s) and performance are inextricably linked. Thus, we validate this item in terms of performance verification. Performance verification is a function carried out by NCDS. This office sends a survey to the customer following receipt of the customer's acceptance of those decisions mandating some action on the part of the respective manufacturer to ask, among other things, whether any required performance has taken place. Customers are asked to return the survey to the office of NCDS. As noted elsewhere, we found few returned survey forms in the case files. In the past, we have stated that the absence of performance verification forms in the case file does not constitute a regulatory inconsistency since performance verification information may not be available from the customer. By mailing a performance verification survey, NCDS goes as far as can be expected in determining whether arbitration decisions are, in fact, being performed. It seems entirely appropriate for the program to assume performance of the decision has taken place when the customer performance survey is not returned. For those who may be skeptical about such important assumptions, it should be remembered that even if a manufacturer engaged in a programmatic attempt to avoid performing arbitration decisions, that fact would, of course, emerge in the context of our national random survey of customers who have used the program. Performance verification status should and does appear in the case file as is indicated by sections 11 and 12 below.

11) Copies of follow-up letters (or summaries of relevant and material portions of follow-up telephone calls) to the consumer and responses thereto; and

12) Any other documents and communications (or summaries of relevant and material portions of oral communications) relating to the dispute.

20. Some cases do not result in a decision. The case may end in a mediated settlement that came about after the case had been received by the AWAP but prior to the hearing to decide the matter.

Section 11 above is not applicable for purposes of the audit because there is no practical means by which to verify the completeness and accuracy of such possible additions to the files. Section 12, however, appears to mandate that a summary form be created whenever the arbitrator receives an oral communication that may have any bearing on the matter in dispute from either party. Of course, most such communications come in the form of oral presentations by the parties at the hearing, in which case the communications are summarized in the arbitrator's decision. All summaries are now included in the case file.

CONCLUSIONS:

The NCDS AWAP record keeping policies and procedures are in substantial compliance with the governing federal statute and its administrative Rule 703.

C. Case File Records (4 yrs. 2014-2017)

§ 703.6 (f)

(f) The Mechanism shall retain all records specified in paragraphs (a) through (e) of this section for at least 4 years after final disposition of the dispute.

We review a random sample of 25 case numbers from the years 2014 through 2017 drawn from NCDS' complete data base program, or in cases where there were less than 25 cases filed, we review all the case files that were generated. We checked the sample case files to verify that they were being maintained per requirement § 703.6(f).

The closed files are stored at an off-site record storage facility of the NCDS Sterling Heights, Michigan, office. We did not inspect the off-site facility for this year's audit. The files we reviewed appeared intact and were readily available for inspection. The random sample inspection of case files drawn from all cases in the four-year universe of cases validated the program's maintenance of these records as required.

D. Arbitration/Hearing Records

i. Case file folders

Most information that is required to be maintained is found on a series of forms found in the case files maintained at the NCDS headquarters in Sterling Heights, Michigan.

ii. Arbitrator Biographies

The arbitrator biographies for the national program are available for review from Debbie Lech, Operations Manager, National Center For Dispute Settlement at their headquarters in Sterling Heights (Detroit), Michigan. The

biographies are thorough and current. The list of arbitrators for each district includes the dates of their appointments.

E. Hearing Process

The hearing was held at the Hondru Dodge Jeep Dealership on April 04, 2018 at 2:00 p.m. at 2005 S. Market St., Elizabethtown, Pennsylvania 17022.

i. Physical Description of Hearing (i.e., Meeting)

The hearing room selected was adequate to accommodate the customer, the arbitrator, and the auditor. The manufacturer's representative participated by way of the speaker-telephone.

ii. Openness of Meeting

The arbitrator explained to the auditor his understanding that the hearings are open and can be attended by any observers who agree to abide by the program's rules.

iii. Efficiency of Meeting

The arbitrator's case file appeared complete. He informed the customers about the rules of the program that govern hearings and explained the procedures that he would follow.

In addition, each party is able to ask appropriate clarifying questions of the opposing party prior to concluding the hearing.

In this case, the arbitrator, failed to described what he believed was the customer's requested relief.

The customer, however was allowed to present her case without interruption. The customer requested a repurchase of the vehicle.

Following the customer's oral presentation, the customer, the arbitrator, and the auditor²¹ took a test drive of the vehicle.

The arbitrator demonstrated throughout the hearing that he knew how to properly conduct a hearing. After determining that the parties had nothing further to add, he declared the hearing closed.

21. Typically, the auditor does not go with the party or parties during the test drive although there are occasions where the situation suggests that it might very well be helpful for conducting the audit. Here, the auditor attended at the customer's request although her reason for making the request was unclear.

iv. Hearing Process

The hearing was properly conducted throughout.

v. Board/Arbitrator Decisions

We reviewed this case's decision and a sample of Pennsylvania hearing decisions for the calendar year 2017. The sample of case decisions we reviewed were generally reasonable and consistent with the facts of the cases involved.

The outcome of the decision in regards to this hearing was justifiable and consistent with the evidence presented. While the arbitrator acknowledged that he discerned a clunking sound alluded to by the customer he did not conclude that the sound was so unusual as to cause concern or rise to the level of a substantial impairment.

The auditor concludes that his judgment in this regard was not unreasonable, arbitrary or capricious.

CONCLUSION:

We conclude that the AWAP, as it operates in the state of Pennsylvania, is in substantial compliance with Magnuson-Moss Warranty Act and administrative Rule 703.

The NCDS administrative staff and the NCDS program demonstrated a clear commitment to ensure fair and expeditious resolution of warranty disputes. The administrative staff is clearly dedicated to the program's mission and demonstrates a high degree of professionalism.

SECTION IV

Arbitration Training

There is no specific language in Rule 703 requiring the training of arbitrators. There are however several general requirements for ensuring that the program do whatever is necessary to provide customers with an opportunity for fair and expeditious resolution of warranty disputes.

Arbitration training is currently seen by most regulators as fundamental to ensuring that a program is fair to all sides. Consequently, all current arbitration programs have initiated the training process even in states that do not specifically require it. Because such training has become a basic part of the NCDS program, it is incorporated into this report as part of the program's efforts to provide for fair and expeditious resolution of disputes.

Attending the training was, in addition to prospective arbitrators, an auditor from Claverhouse Associates conducting one part of the national Federal Trade Commission's mandated audit and a few manufacturer representatives who were merely sitting-in for informational purposes.

FINDINGS:

The national training program was conducted from March 16-18, 2018 in Irving (Dallas), Texas, at the Westin Dallas/Ft. Worth Airport.

The national training in 2018, was conducted by NCDS staff with legal augmentation provided by Professor Mary Bedikian on regulatory matters. The training program attendees included the NCDS management staff, NCDS trainers, current arbitrators, and a Claverhouse Associates senior auditor. Ms. Bedikian is on the faculty at Michigan State University's Law School and has a long association with various arbitration associations. The staff's day-to-day familiarity with the applicable federal statutes and related administrative Rules allowed them to provide useful training that was accurate and complete. As is typical, the regulatory aspects of training is conducted by an attorney having familiarity with the historical development of and the intricate interrelationships of the applicable federal and state statutes.

The weekend training program opened with an introduction of trainers, followed by an overview of the training agenda.

Overall, the training appears to have left the attendees with an opportunity to refine their professional responsibilities as arbitrators. As was true at last year's training, trainees were presented with information that reinforced this issue: Customers who purchase a vehicle with a substantial non-conformity that the manufacturer fails to cure in a reasonable number of attempts should probably receive the relief they are entitled to under the terms of the Magnuson-Moss Warranty Act or the appropriate state automobile warranty statute.

Also discussed was the appropriate use of independent technical inspections and their limitations. Emphasis was given to the arbitrator's duty to not exceed his or her authority in relation to the independent inspection but to simply accept the independent inspection report as yet another piece of evidence. In addition, several issues related to technical automotive knowledge, its advantages and disadvantages was thoroughly examined with much attendee input and the "give and take" appeared to be eminently appreciated by the attendees at this refresher training seminar.

There was a useful discussion of the participating manufacturers' warranty parameters and how they fit into the process. This discussion was sufficiently detailed to give arbitrators enough information without overwhelming them with too many details.

The second day of training was very comprehensive. It began with the basics of arbitration including regulatory references, as well as, the arbitrator's "scope of authority." NCDS's arbitration administrative process was carefully detailed followed by procedural steps in preparing for a hearing. The actual steps of conducting a hearing were referenced followed by a training exercise in identifying and discussing among the attendees numerous issues and concerns that the arbitrators had either experienced or had been identified in the real world applications they encountered.

NCDS staff presented a session devoted, in the main, to reinforcing the arbitrator's duty to disclose possible conflicts of interest where applicable. In addition, arbitrators revisited the process for addressing potential disqualification of an arbitrator, as well as ethical issues pertaining to arbitrators.

An appropriate degree of emphasis was given to writing decisions and providing adequate underlying rationales for those decisions. This included a careful presentation on leased vehicles and the sometimes complicated differences between providing relief to these cases as opposed to providing relief in cases in which vehicles are purchased outright.

Finally, the training session provided a clear discussion of issues surrounding jurisdiction of the program to hear and decide cases. In the NCDS program, the staff makes a preliminary determination, but where customers disagree with the initial determination, the matter is presented to the program's three-member panel created to hear cases where the customer elects not to make a personal presentation. This panel then reviews such cases based on information provided in writing to the panel. In jurisdiction disputes between the staff and the customer, the parties also submit their respective views in writing for the panel's review and final NCDS determination. From this determination, there is no appeal, although customers are free to pursue their case in a court of competent jurisdiction.

We have pointed out in previous audits the following:

"On several occasions, trainees interrupt the trainers and pose very broad and theoretical questions that result in substantial time being taken to address numerous fact situations that are rarely, if ever, experienced. It is natural

for such questions to arise, but relegating them to another time seems more appropriate. Allowing these kind of diversions, can take trainees attention away from the main subjects under consideration and reduce the likelihood of important retention of the subjects set forth in the training agenda.”

Trainers addressed this issue with this year’s trainees which had a noticeable and positive effect. This year’s experience was like last years, better than what had transpired in the past, but it is clear that participants will invariably pose distracting hypothetical scenarios if not closely monitored by the trainers. Any failure to monitor this rather predictable inclination of trainees, can negatively affect the over-all quality of the training by encroaching on other subjects of paramount importance. Our comments are offered only in the spirit of quality control.

The last day’s training program allowed for drafting decisions and all its associated elements. Trainees applied their training principles and acquired tools for drafting better decisions.

The 2018 training session was a national refresher program. It was designed to address issues that had arisen during the recent past that demonstrated a need for greater clarification for arbitrators. Issues addressed include: affirmative defenses, jurisdictional determination, due-process requirements, collateral charges, mileage off-set determination issues (where applicable) and defining the limits of arbitration in the hearing process.

Below we have included an important point made in recent past audit reports that NCDS trainers need to keep in mind:

“On one particular issue, we disagree with a trainer’s representations that seemed to suggest that improper repairs, or incompetent repairs by a dealer’s service department, is a valid defense for manufacturers in this venue. We disagree, in general, with this representation. Dealers, generally, serve as the manufacturers agents, for purposes of carrying out warranty repairs. If this were a generally valid defense to claims brought under the Magnuson-Moss Warranty Act, then, for all intents and purposes, the entire intent of the act would be obviated. Manufacturer’s opportunity to cure a defect, or non-conformity, would only be triggered when the manufacturers’ assigned personnel had failed to keep the promise to cure defects under the warranty. In effect, customers could no longer claim that they had been subjected to an unreasonable number of repair attempts until after they had gone through numerous repairs by the dealer’s repair facility and then experienced the same or similar failed repairs by the manufacturer’s employees. This outcome would, of course, be ridiculous. In this venue, the statute and the administrative Rule 703, both assume the dealer service department and the manufacturer are,

operationally, one and the same. Of course, they are not technically, or legally, the same for other purposes, but they are considered the same, in this limited context [i.e., dispute resolution of Warranty repair disputes].”

CONCLUSION:

We reiterate that training personnel should continue to advise participants at the onset of training sessions that all theoretical questions be written down and discussed with staff sometime after the essential regulatory and hearing mechanics have been addressed. The training material is highly technical in many respects and difficult enough for participants to fully absorb in one weekend without adding distractions that are not likely to be practically helpful to any of the trainees. At refresher training sessions questions typically arise from actual experiences of the arbitrators and here these were discussed in detail. These discussions appeared to be useful and served to reinforce the training materials.

We recommend that arbitrator training include a discussion wherein trainers explain that dealer service department representatives are, in effect, agents of the manufacturers (for purpose of the manufacturers carrying out their warranty obligations to cure non-conformities). It is not a valid defense, therefore, in the NCDS proceedings, for a manufacturer to disclaim responsibility because a dealer failed to properly repair, or cure, the vehicle's non-conformity. Even if it is true that a dealer's service department performed an improper repair, or mis-diagnosed a problem, the responsibility under the Magnuson-Moss Warranty Act, is the manufacturer's because the dealer's service department was selected by the manufacturer to carry out these responsibilities on the manufacturer's behalf. Moreover, the fact that a dealership failed to properly diagnose a repairable non-conformity, is not a valid defense to a claim for a refund or for a replacement made by a consumer. If a non-conformity exists which substantially impairs the vehicle's safety, value, or use, the consumer is owed a refund or replacement, at the consumer choice,²² if the manufacturer fails or refuses to cure the non-conformity.

It is currently rare for a Manufacturer's representative to claim a defense by pointing a finger at a dealership's service department, but on occasion, a new employee may resort to such a defense. It is, therefore, imperative that arbitrators be trained to understand this facet of the program.

A somewhat similar misapprehension exists concerning a dealership's or manufacturer's refusal to attempt a repair where either of them is unable to duplicate a non-conformity. In such cases, if the consumer persuades the arbitrator that the alleged substantial non-conformity exists, then the arbitrator should usually grant the consumers request²³ because the

22. This option for the customer, is limited with respect to replacements by the availability of a suitable replacement vehicle.

23. There are, of course, exceptions to this such as, when the customer has failed to properly maintain the vehicle or abused the vehicle. Another example of an exception is where the non-conformity resulted from a vehicle accident or an act of God (i.e., paint damage from a hailstorm).

manufacturer refused his opportunity to cure the vehicle's non-conformity. Here, the number of repair attempts is essentially irrelevant.

The NCDS arbitrator training program as it affects the participating manufacturers is a good one that operates in substantial compliance with the Magnuson-Moss Warranty Act and its associated administrative Rule 703. We have observed many important additions to the national training program since 2002 and those have again been carried over into this year's program. The entire program clearly demonstrates a commitment to quality arbitrator training.

ARBITRATION TRAINING RATING SYSTEM

- | | |
|---|-----------|
| 1) Adequacy of training materials | VERY GOOD |
| 2) Accuracy of informational materials | VERY GOOD |
| 3) Thoroughness of material | GOOD |
| 4) Quality of presentation | VERY GOOD |
| 5) Apparent understanding and likely comprehension of the information | VERY GOOD |
| 6) Utility of materials for later referencing | EXCELLENT |

SECTION V

National (FTC) Survey and Statistical Index Comparative Analyses

NATIONAL CENTER FOR DISPUTE SETTLEMENT AUTOMOTIVE WARRANTY PROGRAM INDICES

The Federal Trade Commission (FTC) regulates informal dispute resolution programs, such as those operated by the National Center for Dispute Settlement (NCDS) under FTC Rule 703.6(e). The rule mandates disclosure of statistics about the outcomes of warranty disputes and warrantor compliance with settlements and awards. The purpose of this section of the audit is to verify the statistics provided by the company for the calendar year.

A consumer who wants to have a dispute settled by the Automobile Warranty Arbitration Program (AWAP) conducted by the National Center for Dispute Settlement (NCDS) must: (1) be the owner of a vehicle that meets certain specific age and mileage requirements; and, (2) agree to forego any legal action while the case is open with the AWAP. If a customer applies to the program, but does not meet these requirements, the case is considered "out-of-jurisdiction." Cases that are "out-of-jurisdiction" are counted as "closed." A consumer who is not satisfied with the jurisdiction decision of the program can request that the case be reviewed by a three-member arbitrator board.

If a consumer, who files with the AWAP is able to reach an agreement with the automaker prior to an arbitration hearing, the dispute is said to have been "mediated" by the staff. If the consumer and the automaker cannot reach an agreement, the case is arbitrated by the AWAP. Arbitration cases can result in the granting of an award requiring the automaker to repair or replace the vehicle, to issue cash reimbursement, or to terminate the lease. On the other hand, the consumer may receive an adverse decision in which there is no award of any kind.

FTC regulations require arbitration decisions to be rendered within 40 days from the date the AWAP office receives the application. Manufacturers must comply with both mediated and arbitrated decisions within 30 days of the decision.

FTC Rule 703.6(e) requires warrantors to report statistics (also referred to as indices) in 13 areas. These include: the number of mediated and arbitrated warranty disputes in which the warrantor has complied with a settlement or award; the number of cases in which the warrantor did not comply; the number of decisions adverse to the consumer; the number of "out-of-jurisdiction" disputes; and the number of cases delayed beyond 40 days and the reasons for those delays.

To determine the accuracy of the AWAP's warranty dispute statistics and to gather consumer feedback regarding the program, Claverhouse Associates contracts to conduct a

survey with customers nationally who filed disputes with the AWAP during the calendar year.

The primary focus of the survey is to gather data to verify the statistics by comparing data collected from consumers regarding the process and outcomes of their cases to the statistics reported to the FTC by the AWAP. The question is not whether an individual's recollections match the data in the AWAP's records, but rather whether the aggregate proportions of consumers' recollections agree with the outcomes reported to the FTC.

In addition to containing questions to gather the information needed to verify the statistics, the questionnaire also contains items used to evaluate several aspects of the program and to measure customer satisfaction.

ABOUT THE STUDY

The Claverhouse study is based on data collected from 431 of the 2,453¹ users of the AWAP program nationally in 2017 whose cases were "in-jurisdiction" and "closed." The number of surveys completed surpassed the initial goal of 333² from 975 randomly selected users of the program nationwide³.

¹ The database sent by the AWAP for conducting the survey contained 3,079 cases of which 2,453 were eligible after cases coded as "no jurisdiction" (519 cases) and "withdrawn" (107 cases) were removed. The AWAP provided statistics based on 3,131 cases. The cases in the AWAP indices break down as follows: 39 mediated cases (6 which the time for compliance had not occurred), 2,334 arbitrated cases (35 which the time for compliance had not occurred), 177 pending cases, and 581 "no jurisdiction" cases. **The statistics in this report are based only on the closed mediated and arbitrated cases – 33 mediated and 2,299 arbitrated cases for a total of 2,332.** There is a discrepancy between the number of eligible cases sent for conducting the survey (2,453 and the number of eligible cases in the statistics (2,331). The status of the 122 cases is unknown.

² A sample of 333 completed surveys from a population of 2,453 will yield a margin of error of +/- 5.0 percent at the 95% confidence level.

³ Using a projected completion rate of 40 percent, an eligibility rate of 95 percent, and a sample viability rate of 90 percent, a proportional random sample of 975 users of the program with email addresses (2,387 of the 2,453 users, which is 97.3 percent of all users) was selected from the database of closed and in-jurisdiction cases supplied by the AWAP. A proportional random sample should yield completed surveys from a population similar to the universe. The following table shows the breakdown of the universe of cases provided by the AWAP in which the sample was drawn and the breakdown of completed cases in the Claverhouse sample. The Claverhouse sample slightly over represents owners of Honda vehicles. The fact that a larger number of respondents completed the survey than initially anticipated is not problematic in that a larger number of completed surveys reduces non-response bias and decreases the statistical margin of error.

	Toyota	Lexus	Mitsubishi	Chrysler	Accura	Honda	Tesla	Suzuki	Total
Claverhouse Sample	47 (10.9%)	17 (3.9%)	0 (0.0%)	336 (78.0%)	8 (1.9%)	22 (5.1%)	1 (0.2%)	0 (0.0%)	431 (100.0%)
AWAP	250 (10.2%)	90 (3.7%)	28 (1.1%)	1,923 (78.4%)	34 (1.4%)	97 (4.0%)	19 (0.8%)	12 (0.5%)	2,453 (100.0%)

Closed cases are defined as those where a decision has been made and the time for compliance has occurred. Data for the Claverhouse survey is collected using a web-based data collection platform. With national internet use steadily increasing and with diminishing returns from self-administered and telephone surveys, the data collection process was transitioned to a web-based only format in 2014. Of the 2,453 users of the AWAP nationally in 2017, 2,387 provided an email address, which represents 97.3 percent of all users⁴.

The web-based questionnaire was programmed using Qualtrics Professional Academic web-based data collection software and was compatible on all mobile devices (smartphones) and tablets to facilitate ease of responding to the survey. Qualtrics allows for all types of question formats (i.e. single and multiple response, matrix, and limited and unlimited text) to be programmed. It also has a powerful survey notification tool and several security features.

The web-based survey notification system allows individualized, confidential links to be sent to each respondent. It also allows information to be embedded in individual links that is unique to the respondent. Upon submitting the survey, this data is recorded along with the respondent's answers to the questions. It also tracks who responds and who does not respond so that email reminders are sent only to those who have not yet completed the questionnaire. The security system has custom settings that allow only one response per unique identification number, email address, or IP address which virtually reduces the risk of respondents answering the survey several times thus skewing the results. Qualtrics uses SSL certificates and a 128-bit data encryption system to ensure that downloaded data and all information remains confidential.

The invitation email was sent on March 28, 2018, to randomly sampled users of the program nationally in 2017. The email explained the purpose of the audit, an overview of the questions that were included in the questionnaire, and how the results would be used. The email also informed respondents about confidentiality and that participation was voluntary. Reminder emails were sent on April 2, 2018; April 8, 2018; and April 11, 2018.

Data collection ended on April 16, 2018. In total, 431 surveys were submitted. The overall completion rate for this study is 44.2 percent and the margin of error is ± 4.3 percent⁵.

⁴ According to the most recent report (February, 2018) issued by Pew Research Center on Internet use among the American public, 87.0 percent of all adults use the Internet, with 98% of adults 18-29, 97% of adults 30-49, 87% of adults 50-64, and 66% of adults over 65 using the internet.

⁵ This is the sampling error when the responses divide roughly 50-50 on a given question and when there are 431 cases, given a 95 percent confidence interval (i.e., there is a 1-in-20 chance that the actual proportion in the population falls outside the range of ± 4.3 percent). The magnitude of the sampling error is determined primarily by sample size (a larger sample size yields a smaller sampling error) and to some extent, on how evenly responses are divided among alternative answers. For example, if the responses were divided 75-25 on a given question, the margin of error would be ± 3.7 percent.

A threat to the validity of any study is non-response bias. Sometimes individuals chosen to participate in a survey are unwilling or unable to participate. Nonresponse bias is the bias that results when respondents differ in meaningful ways from non-respondents.

For example, if those who did not receive awards were more likely to refuse participation than those who did receive awards, the study would underestimate the percentage of decisions adverse to consumers.

The practices of sending multiple email requests are attempts to increase overall completion rates and to reduce non-response bias.

METHOD OF RESOLUTION

Table 1 compares the method of resolution of disputes in the Claverhouse sample with the figures reported to the FTC. Since the Claverhouse survey contained only closed and in-jurisdiction cases, out-of-jurisdiction cells in the Claverhouse section of the table are blank as are the cells representing pending cases and cases falling under the category “resolved by the staff and time for compliance has not yet occurred.” The subtotal (representing in-jurisdiction cases) is equal to total disputes.

The difference between the 2.1 percent of cases mediated in the Claverhouse sample and the 1.4 percent of cases mediated in the AWAP figures is not statistically significant. Likewise, the difference between the 97.9 percent of arbitrated cases in the Claverhouse sample and the 98.6 percent of arbitrated cases in the AWAP figures is also not statistically significant. Therefore, the statistics agree.

Table 1: Method of Resolution of Warranty Disputes Comparison between Claverhouse Survey and AWAP Indices, National 2017

Resolution	Claverhouse		AWAP		
	Number	Percent	Number	Percent of in-jurisdiction closed cases	Percent of all cases
Mediation	9	2.1%	33	1.4%	1.1%
Arbitration	422	97.9%	2,299	98.6%	73.4%
Subtotal (in-jurisdiction)	431	100.0%	2,332	100.0%	74.5%
Out-of-jurisdiction	-	-	581		18.6%
Resolved, time for compliance has not occurred ⁶	-	-	41		1.3%
Pending	-	-	177		5.7%
Total Disputes	431	100.0%	3,131	100.0%	100.0%

MEDIATED CASES

FTC Rule 703.6(e) requires the reporting of the proportion of mediated settlements with which warrantors have complied, the proportion with which warrantors have not complied, and the proportion in which the period for compliance has not yet passed. Since the universe of cases for the Claverhouse survey only includes closed cases, cases in which the compliance period has not yet passed are not included in the database for conducting the Claverhouse survey.

⁶This total includes both mediated and arbitrated cases. AWAP indices show six (6) mediated and 35 arbitrated cases where a decision had been made, but time for compliance has not yet occurred.

Table 2 compares the outcomes of mediated disputes.

Table 2: Outcomes of Mediated Settlements Comparison between Claverhouse Survey and AWAP Indices, National 2017

	Claverhouse	AWAP
Mediated Settlements	Percent of Closed cases	Percent of closed cases
Resolved by staff of the mechanism and warrantor has complied within the timeframe specified in the agreement.	100.0% (9)	97.0% (32)
Resolved by staff of the mechanism and time for compliance has occurred and warrantor has not yet complied.	0.0% (0)	3.0% (1)
Total Mediated Cases	100.0% (9)	100.0% (33)

The survey data shows that the manufacturer complied with 100.0 percent of mediated cases within the timeframe specified in the agreement. AWAP indices show that the manufacturer complied with 97.0 percent of the mediated cases within the timeframe in the agreement.

The statistics “resolved by the staff of the mechanism and warrantor has complied within the time frame specified in the agreement” and “resolved by the staff of the mechanism and time for compliance has occurred, and warrantor has not complied” are in agreement as the difference falls within the margin of error of ± 4.3 percent.

It is important to note, that AWAP indices include cases for which the time for compliance has not occurred. The indices show six (6) mediated cases in this category. Since only closed cases are used in the Claverhouse study, this statistic cannot be compared.

Respondents were also asked about the specific outcome of their cases. Table 3 shows the outcomes for all cases settled through mediation.

**Table 3: Specific Outcomes of Mediated Settlements
Claverhouse Survey, National 2017**

Outcome	Number	Percent
Ordered a partial refund	7	77.8%
Ordered additional repair attempts	2	22.2%
Total	9	100.0%

When asked if they pursued their cases after the decision in their case, only one (1) user (which represents 11.1 percent of the respondents with mediated cases) indicated that he or she had done so. The user indicated he or she re-contacted the AWAP.

ARBITRATED CASES

Before the questionnaire presented detailed questions about the outcomes of their arbitrated cases, respondents were asked several questions about the process leading to their hearings.

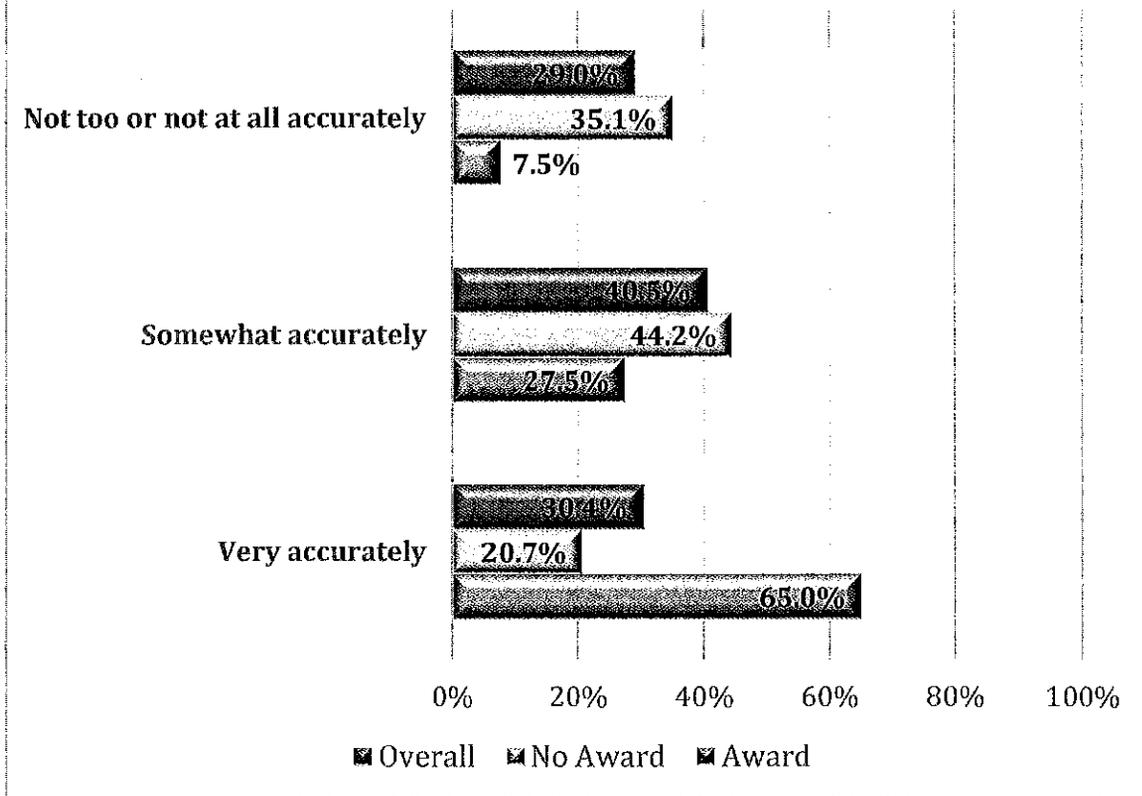
Respondents were first asked whether they remembered receiving the forms in which their claims were stated. A majority of respondents, 87.4 percent, said that they recalled receiving the forms.

Respondents were also asked a question about how accurately they felt the forms stated their claim. Only 30.4 percent said they felt their claim was stated very accurately. Of the remaining respondents, 40.5 felt their claim was stated somewhat accurately, and 29.0 said not too or not at all accurately⁷.

How accurately the respondent felt their case was stated is closely related to whether or not the respondent received an award in the arbitration process. Figure 1 shows the difference in respondents' perceptions of the accuracy of their claim by whether or not they received an award in the arbitration process.

⁷Due to rounding, percentages may add to 99.9 percent or 100.1 percent.

Figure 1. Accuracy of Claim Forms Correlated with Whether an Award Was Granted



Of the users whose cases were settled through arbitration, 68.4 percent indicated that they were notified of the time, place, and date of their hearing, 11.2 percent said they were not notified, and the remaining 20.3 percent said they chose a document only hearing⁸.

Although a majority of the respondents had been notified of the time, date, and location of the hearing, only 60.1 percent participated in some manner. Of those that did participate, 94.8 percent attended the hearing in person, while the remaining 4.2 percent, participated by telephone.

⁸ Due to rounding, percentages may add to 99.9 percent or 100.1 percent.

Those who did not attend their hearing were asked for the reason(s) why. Those results are summarized in Table 4.

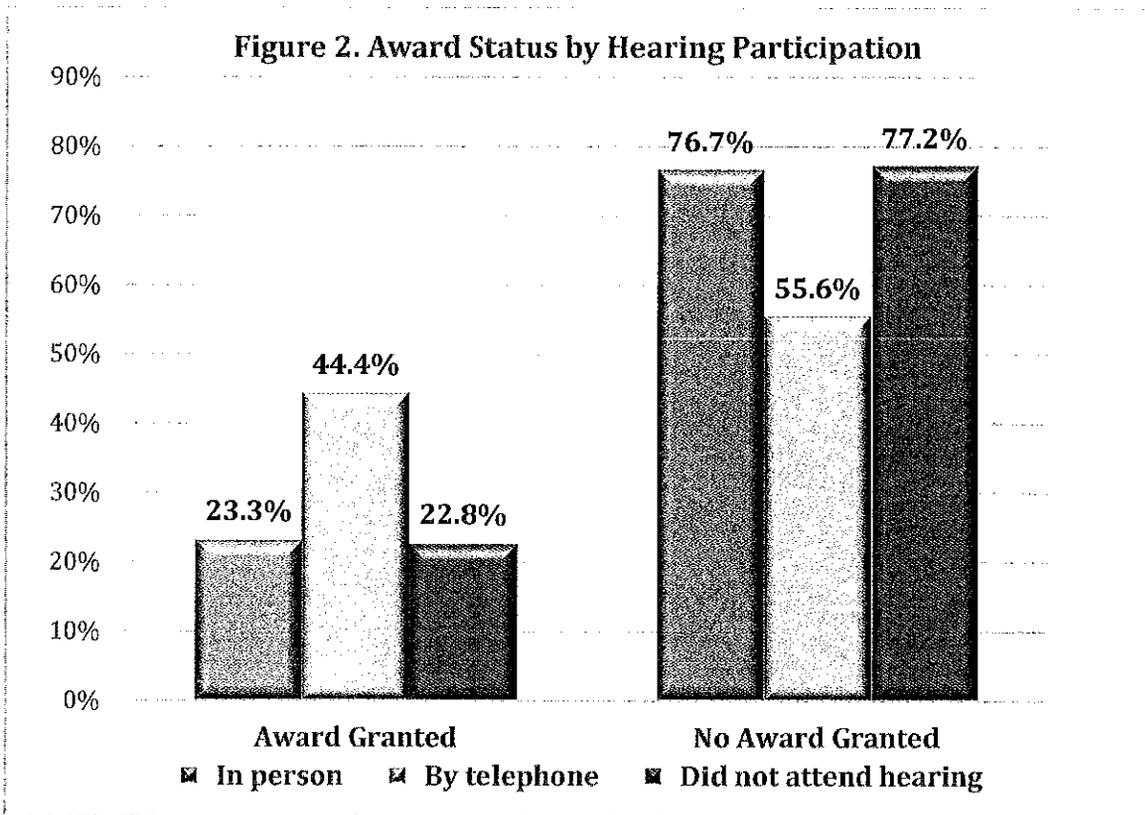
**Table 4: Reasons Given for Not Attending Hearing
Claverhouse Survey, National 2017**

Reason	Number	Percent
Was told presence not necessary at hearing or meeting	64	46.0%
Distance of meeting or hearing, unable to travel to the location	44	31.7%
Work, school, other professional commitments conflicted with the time of hearing or meeting	27	19.4%
Personal commitments (family, medical) conflicted with time of the hearing or meeting	2	1.4%
Other reasons	2	1.4%
Total	139⁹	100.0%

Whether or not the user participated in the hearing, appears to have an effect on the outcome of their arbitration case. Of the users who said that they were never notified of the time, date, and location of the hearing, none (0.0 percent) were granted an award.

⁹ Respondents could give more than one reason for not attending the hearing or meeting. The percentages are based on number of responses (139) not the number of respondents answering the question (102).

Figure 2 shows the award outcomes among the users who attending the hearing (in person or by phone) and those that did not attend the hearing.



FTC Rule 703.6(e) 4-7 requires warrantors to report the proportion of arbitration decisions with which they have complied, the proportion with which they have not complied, and the proportion for which the date of compliance has not yet passed. They must also report the proportion of decisions averse to the consumer. Table 5 presents these results.

**Table 5: Outcomes of Arbitrated Cases Comparison
Claverhouse Survey and AWAP Indices, National 2017**

Arbitration Outcomes	Claverhouse	AWAP
	Percentage (Number)	Percentage (Number)
Case decided by board and warrantor has complied	15.7% (65)	9.9% (227)
Case decided by board, time for compliance has occurred, and the warrantor has not complied	1.9% (8)	0.0% (1)
Case decided by board and time for compliance has not occurred	-	(35) ¹⁰
Total Award Granted And Accepted	73	228
Decision adverse to consumer	82.3% (340)	90.1% (2,071)
Total Arbitrated Decisions	413¹¹	2,299

The statistics “case decided by board and warrantor has complied” and “decision adverse to consumer” are **not** in agreement, because the difference falls outside of the margin of error, ± 4.3 percent. These differences should not be of great concern since the **difference favors** the consumer and not the AWAP. Respondents in the Claverhouse sample, however, did report a higher level of non-compliance than what the AWAP reported, (1.9 percent compared to 0.0 percent), but this difference is not statistically significant.

The Claverhouse data also shows a lower percentage of decisions adverse to the consumer. Among the Claverhouse respondents, 82.3 percent reported an adverse decision. The AWAP reported that 90.1 percent of the decisions resulted in an adverse decision. Again, this difference should not be of concern because it favors the consumer and not the AWAP. The difference in these statistics, in part, can be attributed to non-response bias (as explained earlier in this report) in that those with unfavorable outcomes may be less likely to participate than those with favorable case outcomes.

Among consumers who accepted their awards their awards, 72.3 percent indicated that they received the award within the time period specified in their agreement.

¹⁰ The AWAP indices show 35 cases where time for compliance has not yet occurred. These cases are not included in the verification of the statistics as the Claverhouse sample is based on closed cases,

¹¹ Nine (9) users of the program indicated they rejected their decision. These users are not included in the verification of the statistics.

Table 6 details the awards respondents reported receiving from their arbitration hearings.

**Table 6: Specific Outcomes of Arbitrated Cases
Claverhouse Survey, National 2017**

Award	Award Granted and Accepted	Award Granted and Rejected	Total
Ordered a partial refund (includes buyback or cash settlement less mileage and/or other expenses)	46.6% (34)	11.1% (1)	42.7% (35)
Ordered a replacement vehicle	30.1% (22)	22.2% (2)	29.3% (24)
Ordered additional repairs attempts	19.2% (14)	55.6% (5)	23.2% (19)
Ordered or recognized a trade assist (trade current vehicle towards a different vehicle)	4.1% (3)	11.1% (1)	4.9% (4)
Total	100.0% (73)	100.0% (9)	100.0%¹² (82)

Among the users who indicated they had received their award within the time frame specified in their decision, 49.0 percent received a partial refund, 24.5 percent a replacement vehicle, 20.4 percent additional repairs, and 6.1% a trade assist.

Among those who said they did not receive their award within the time frame specified in their decision, half, 50.0 percent, received a partial refund, 37.5 percent a replacement vehicle, and 12.5 percent were granted additional repair attempts.

Respondents who indicated that they had not yet received their award, 50.0 percent indicated they were awarded a replacement vehicle, 25.0 percent a partial refund, and 25.0 percent additional repair attempts.

All respondents whose cases were arbitrated were asked whether or not they had pursued their case further after the arbitration decision. Only 36.1 percent indicated that they had done so. Table 7 shows by what means they pursued their cases.

¹² Due to rounding, actual percentages may add to 99.9 or 100.1 percent.

**Table 7: Methods of Pursuing Arbitrated Cases
Claverhouse Survey, National 2017**

Method	Number	Percentage
Contacted Attorney	68	31.9%
Worked Out Solution Dealer/Manufacturer	58	27.2%
Re-contacted AWAP (NCDS)	46	21.6%
Contacted state/government agency	36	16.9%
Other method	5	2.3%
Total	213¹³	100.0%

Most users, 69.5 percent, chose a single source to pursue their case after their hearing, with 33.3 percent of those choosing to go back to the manufacturer or dealer. Those who indicated they used two methods (21.2 percent), were more likely to contact an attorney, 65.6 percent, and/or a state or government agency, 50.0 percent). Nearly all users who used three methods (7.9 percent), chose to contact an attorney in addition to other sources.

Among users who were granted an award, 30.9 percent indicated that they pursued their cases after the arbitration decision. These users were more likely to contact an attorney (40.0 percent) and/or contact the dealer or manufacturer (40.0 percent).

Slightly more than one-third, 37.5 percent, of users who were not granted an award, chose to pursue their cases after the arbitration decision. This group was also more likely to contact an attorney (46.0 percent) and/or the dealer or manufacturer (38.1 percent).

DELAYS TO ARBITRATION DECISIONS

Under FTC Rule 703.6(e) 9-13, warrantors must report the proportion of cases in which arbitration cases were delayed beyond the 40 days allocated for arbitration decisions. The AWAP reports the reasons for such delays in three categories:

- (1) Consumer made no attempt to seek redress directly from the manufacturer
- (2) Consumer failed to submit required information in a timely manner
- (3) All other reasons

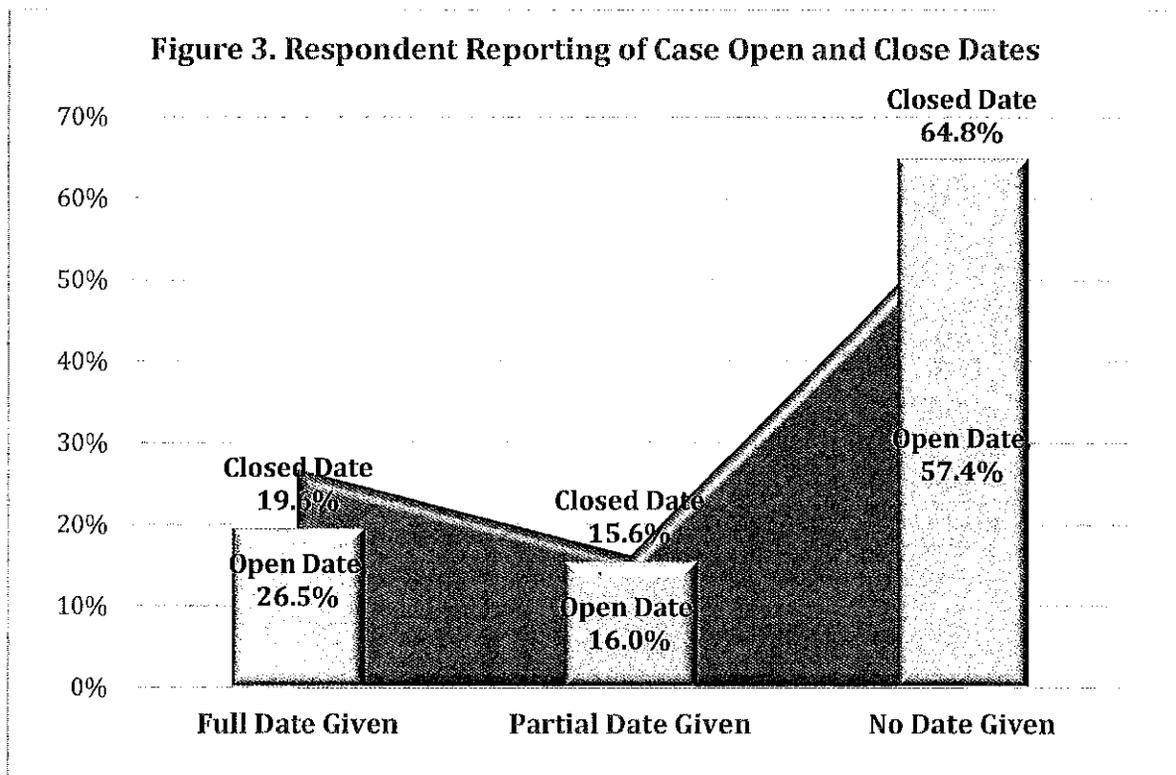
AWAP indices report that less than one percent (0.6 percent) of the closed, in-jurisdiction cases were settled beyond 40 days, whereas 36.1 percent of all survey respondents reported their cases were settled beyond 40 days.

¹³ Respondents could choose more than one method for pursuing their cases. Percentages are based on responses (213) not respondents answering the question (151).

The difference in the statistics is statistically significant, but should not be of great concern. We can attribute this to error in recall and reporting on the part of the respondents, in particular, a misunderstanding of the AWAP rules regarding when a case is opened and closed and to respondents not referring to case documentation when completing the questionnaire.

Respondents are asked to recall very specific information about an event that may have occurred a year or more ago. They are asked to provide two pieces of information about their cases – the date their case was opened and the date their case was closed.

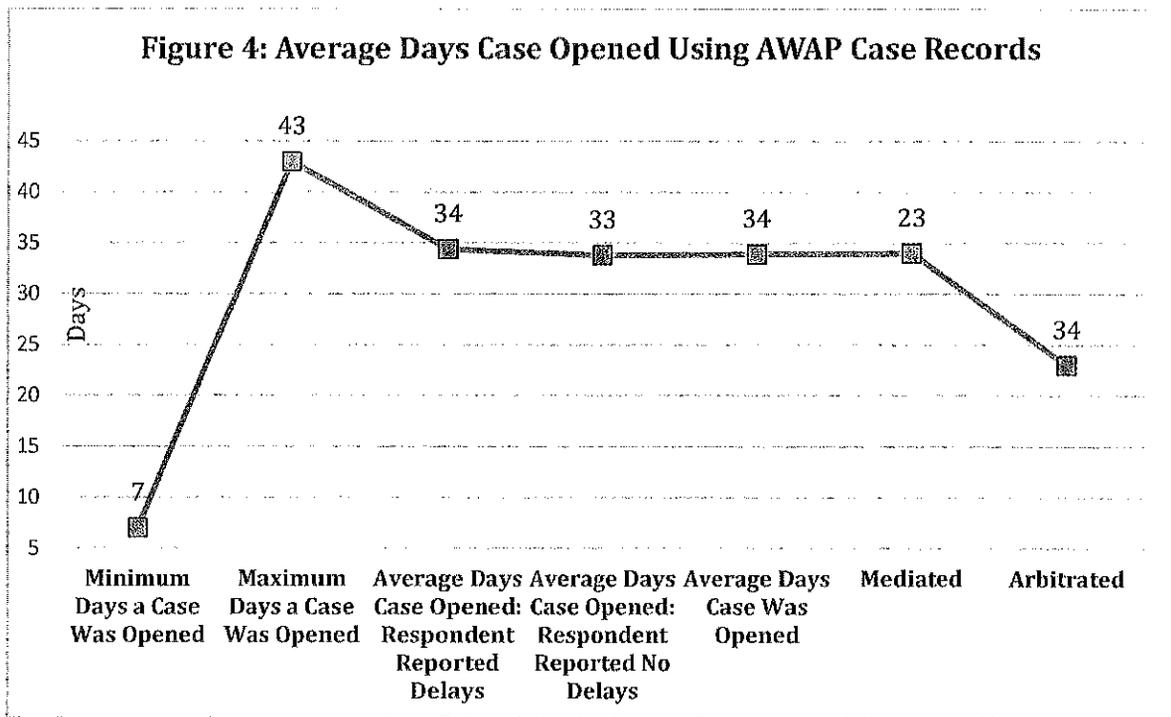
Figure 3 shows the results of these two questions. The data show that, most respondents, even though they are asked to review case documentation prior to completing the questionnaire, are answering these questions from memory and not from official documentation.



Using Qualtrics software's ability to allow actual case data to be recorded as part of respondents' answers to the other questions in the survey, the opened and closed dates for individual cases that were provided by the AWAP were recorded as part of the

respondents' data records. Using the "date difference" command in SPSS¹⁴, the actual number of days a case was opened can be calculated.

Figure 4 below shows the actual average number of days cases were opened overall, by whether or not the respondent reported a delay, and by case type.



The statistical difference between data reported by the AWAP, 0.6 percent, and the data in the Claverhouse survey, 36.1 percent, regarding case delays should not be a cause for concern. The analysis above indicates that respondents are not using case documentation to answer the questions and are relying on memory or guesswork to provide opened and closed dates.

Also, the user may not be using the same criteria for when a case is considered "opened" and "closed" as does the AWAP. The AWAP considers a case opened when the forms are received in the office and processed. Consumers, on the other hand, may see their cases as having been opened when they first contacted the AWAP, when they mailed the forms, or even when they first began to experience problems with the vehicle. Similar considerations apply to when a case was closed, especially if the case had a negative outcome or there was a perceived delay in delivering the award.

¹⁴ SPSS is a comprehensive system for analyzing data. SPSS can take data from almost any type of file and use them to generate tabulated reports, charts, and plots of distributions and trends, descriptive statistics, and complex statistical analysis. SPSS is the acronym of Statistical Package for the Social Science.

Respondents were also asked two questions about the reasons for delays in their cases. One was using categories used in the indices and the other was an opened-ended question asking respondents to explain why their cases was delayed. These responses were coded into like categories. These results are shown in Table 8.

Table 8: Reason for Delays Beyond 40 Days Comparison between Claverhouse Survey and AWAP Indices, National 2017

Reason for Delay	Claverhouse	AWAP
	Percentage (Number)	Percentage (Number)
Consumer failure to submit information in a timely manner	1.4% (2)	0.0% (0)
Consumer had made no attempt to seek redress directly from warrantor	8.3% (12)	0.0% (0)
Decision delayed beyond 40 days for any other reason	90.3% (131)	100.0% (14)
Total	100.0% (145)	100.0% (14)

Table 9 shows the reasons for delays based on the respondent's perceptions.

Table 9: Reason for Delays Beyond 40 Days Respondent Perceptions, National 2017

	Number	Percent
Manufacturer/Dealer Caused Delays	32	33.0%
No Reason Given/Unknown Reason	29	29.9%
AWAP Paperwork/Notice Delays	13	13.4%
Other Scheduling Delays	7	7.2%
Poor Communication/Difficulty Reaching Staff	7	7.2%
Disagreement/Dispute Over Mileage Deduction/Payout Amount	4	4.1%
Difficulty Scheduling Repairs	3	3.1%
Delays in Obtaining Replacement Vehicle	2	2.1%
Total	97	100.0%

The data in Table 9 show that 29.9 percent of respondents who reported a delay in their case indicated that they were unsure why there was a delay. Another 33.0 percent indicated that the delays were caused by the dealer or manufacturer, but did not specifically indicate a reason for these delays nor is it known if these delays occurred during the time their case was opened or after it was closed. Only 9.3 percent specifically indicated that the delay was during the process of receiving their award.

Although the statistics for the reasons for the delays are not in agreement, this should not be cause for concern for the same reasons mentioned above.

CONSUMER ATTITUDES TOWARD THE AWAP'S INFORMAL DISPUTE SETTLEMENT PROCEDURES

Part of the survey is designed to evaluate consumers' knowledge, use and satisfaction with the program itself. At the beginning of the questionnaire, respondents were asked how they learned about the Automobile Warranty Arbitration Program. The responses are summarized in Table 10.

**Table 10: How Consumers Learned about AWAP Availability
Claverhouse Survey, National 2017**

Sources of Information	Number	Percent
Owner's Manual/Warranty Info	143	25.0%
Automaker Customer Service	110	19.3%
Dealership - Where Purchased/Other	107	18.7%
Internet, Website	106	18.6%
Attorney or Lawyer	37	6.5%
Friends, Family, Co-Workers	24	4.2%
Brochures, Literature, Pamphlets	17	3.0%
State Government Agency	11	1.9%
Previous Program Knowledge	9	1.6%
Other	5	0.9%
Television, Radio, Newspaper	2	0.4%
Total	571¹⁵	100.0%

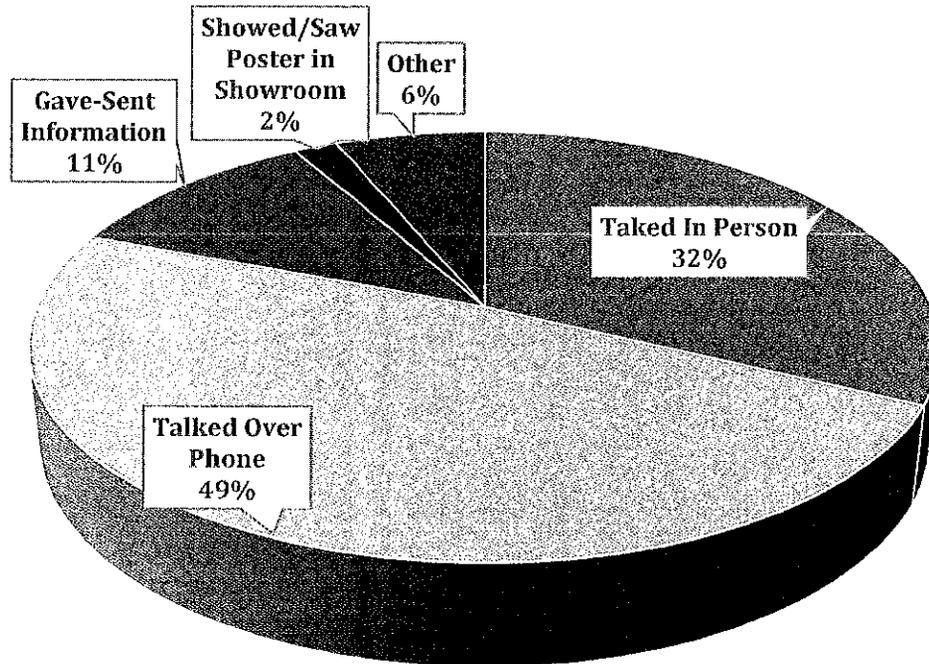
The leading source of information for all respondents was the owner’s manual or warranty information. The leading source of information for users whose cases were mediated was also the owner’s manual or warranty information with 55.6 percent using this source. This source was also the most used by those whose cases were arbitrated as well (32.9 percent). Users whose cases were arbitrated also were more likely to find information about the AWAP directly from the automaker, 26.0 percent, and a dealership, 25.5 percent.

A majority of the respondents, 78.7 percent, indicated that they learned about the AWAP from a single source. Across all respondents, 12.9 percent used two sources, 5.8 percent three sources, and the remaining 2.5 percent relying on four or more sources.

¹⁵ Respondents could indicate more than one source of information used to learn about the program. The statistics are based on the number of responses, 571, not the number of respondents answering the question, 428.

Those who reported that they had learned about the program through the dealer or the automobile manufacturer were asked additional questions about the means in which they were informed of the program. Figure 5 shows these results.

Figure 5. Means Dealer or Manufacturer Informed User of Program

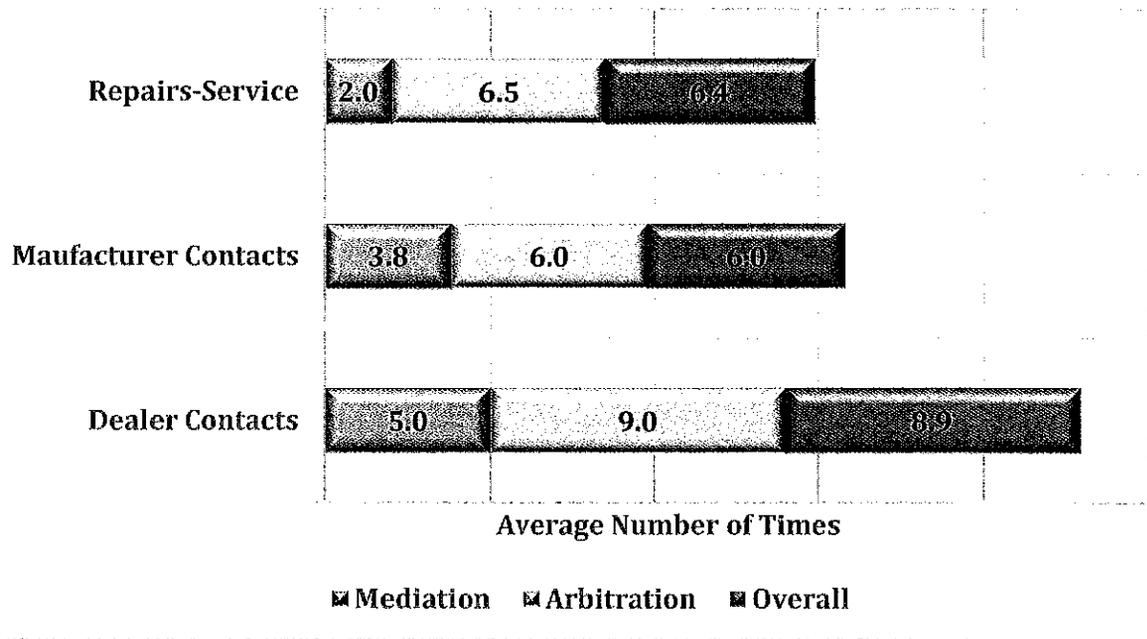


After answering questions about how they learned about the program, respondents were asked how many times they contacted the dealer about problems or issues with the car, how many times they contacted the manufacturer about problems or issues with the car, and how many times the car went in for service or repairs.

The average number of times respondents reported each of the above occurrences is shown in Figure 6. The outlying values for each measure were eliminated prior to calculating each statistic.¹⁶ It is also important to note that 3.8 percent of respondents reported zero repair attempts, 16.1 percent reported no contacts with the dealer, and 8.4 percent reported no contacts with the manufacturer prior to filing their cases with the AWAP.

¹⁶ For number of times repaired, values ranging from 100 to 125 were eliminated; for number of times contacted the dealer, values of 100 were eliminated, and for number of times contacted the manufacturer, values ranging from 100 to 200 were eliminated.

Figure 6. Dealer and Manufacturer Contacts and Service-Repairs Prior Contacting AWAP Overall and by Case Type



Respondents were also asked a series of questions about the informational materials and forms they received from the AWAP.

Respondents were asked if they received the program information by mail or accessed program information via the Internet. Slightly more than half, 56.8 percent, indicated they used the Internet to access information and claim forms. Users whose cases were mediated were more likely to access the forms using the Internet than those whose cases were arbitrated.

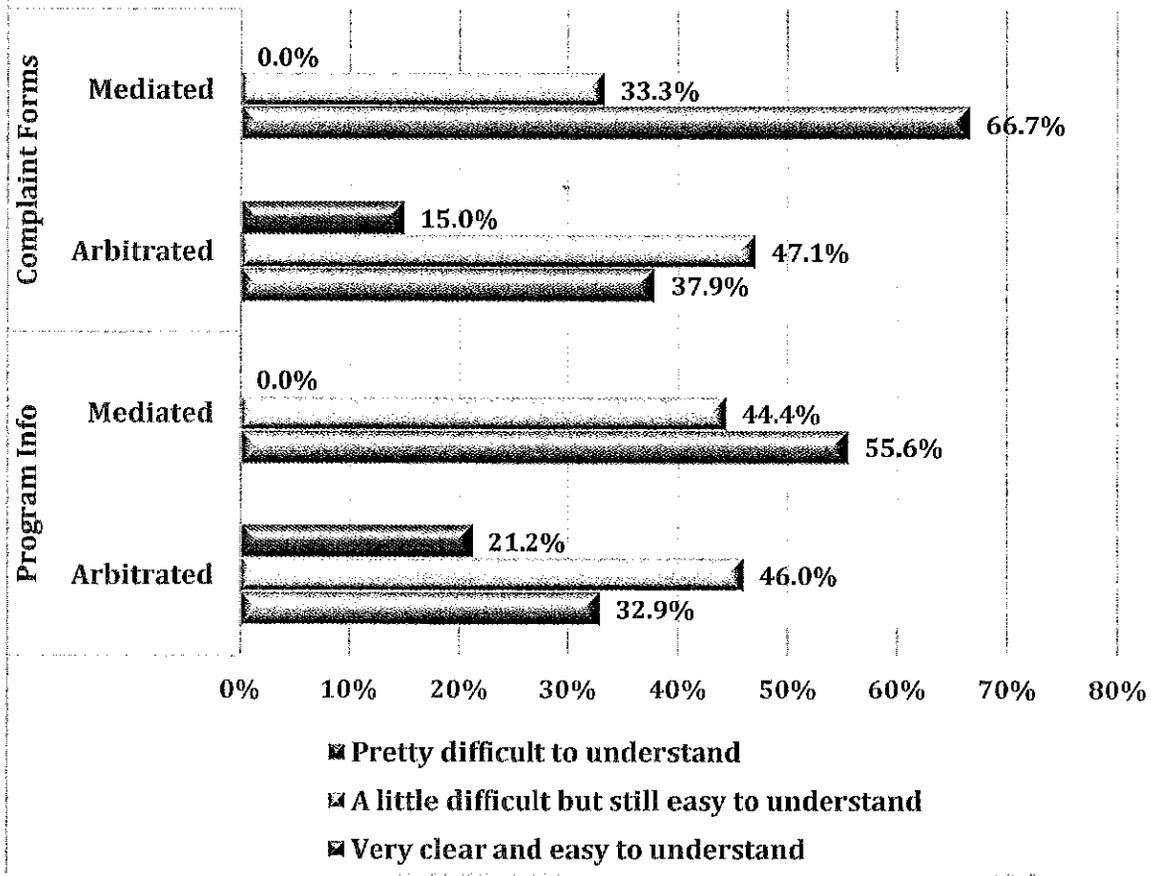
When asked the level of difficulty in understanding the informational materials, one-third, 33.3 percent, of respondents said the forms were very clear and easy to understand. Slightly less than half, 45.9 percent said the informational materials were a little difficult but still easy to understand, and 20.7 percent said they were pretty difficult to understand.

Respondents found the complaint forms a little easier to understand with 38.5 percent indicating there were very clear and easy to understand. Only 14.7 percent found them pretty difficult to understand. The remaining 45.8 percent found the forms a little difficult but still easy to understand.

Respondents were very consistent in their assessment of the ease or difficulty of the informational materials and forms. Nearly three-quarters of respondents (74.8 percent) who found the informational materials very clear and easy to understand also found the complaint forms very clear and easy to understand. This trend also held true for those that found the materials pretty difficult to understand with 85.5 percent who found the

informational materials pretty difficult to understand also found the complaint forms pretty difficult to understand. Figure 7 shows the difference in ease with the informational materials and complaint forms by case type.

Figure 7. Ease of Understanding Program Materials by Case Type



SATISFACTION WITH THE AWAP PROGRAM AND PROCESS

Respondents also rated their satisfaction with the AWAP program and staff overall and in four areas:

- Objectivity and fairness
- Promptness in handling the complaint during the process
- Effort to assist in resolving the complaint
- Quality of in-person or telephone interactions

Respondents rated each area using a ten-point scale, where **1** represented **very dissatisfied** and **10** represented **very satisfied**. A respondent could only choose one number between 1 and 10. This type of scale is better for computing means (or averages) as a way to gauge satisfaction or dissatisfaction with the program. For these items, the closer the mean is to **10**, the higher the level of **satisfaction**. The closer the mean is to **1**, the higher level of **dissatisfaction**.

Of the three areas, users of the program gave the **highest** satisfaction rating in the area of **promptness**, with 15.1 percent providing a rating of 10. The mean rating for this area was 5.35, which indicates slightly more people were satisfied with the AWAP in the area of promptness than dissatisfied. Only 22.4 percent of all respondents gave the AWAP a rating of 1 in this area (very dissatisfied).

The area in which respondents were **most dissatisfied** was **objectivity and fairness**. Close to half, 47.2 percent gave the AWAP a rating of 1 in this area, which indicates a high level of dissatisfaction. Only 12.5 percent gave the AWAP a rating of 10 in this area. The mean response among all respondents was 3.52.

Respondents also showed high levels of dissatisfaction with the AWAP in the area of **effort**, with 44.7 percent providing a rating of 1. Only 12.9 percent gave the AWAP a rating of 10 in this area. The overall rating in the area of effort among all respondents was 3.68.

When asked to rate their level of satisfaction regarding their **interactions** with AWAP in person or by telephone, respondents gave the AWAP an overall rating of 4.49, with 30.6 giving a rating of one and 13.1 percent a rating of 10.

When asked to give an **overall** satisfaction rating, only 11.6 percent gave a rating of 10, which indicates that slightly more than 1 in 10 users of the program in 2017 were very satisfied. On the opposite end of the scale, 44.8 percent gave a rating of 1 (very dissatisfied), which indicates about 4 in 10 respondents were very dissatisfied with the program in 2017. The overall rating for the program was 3.58.

Table 11 shows the detail ratings for all five-satisfaction areas overall and by case type.

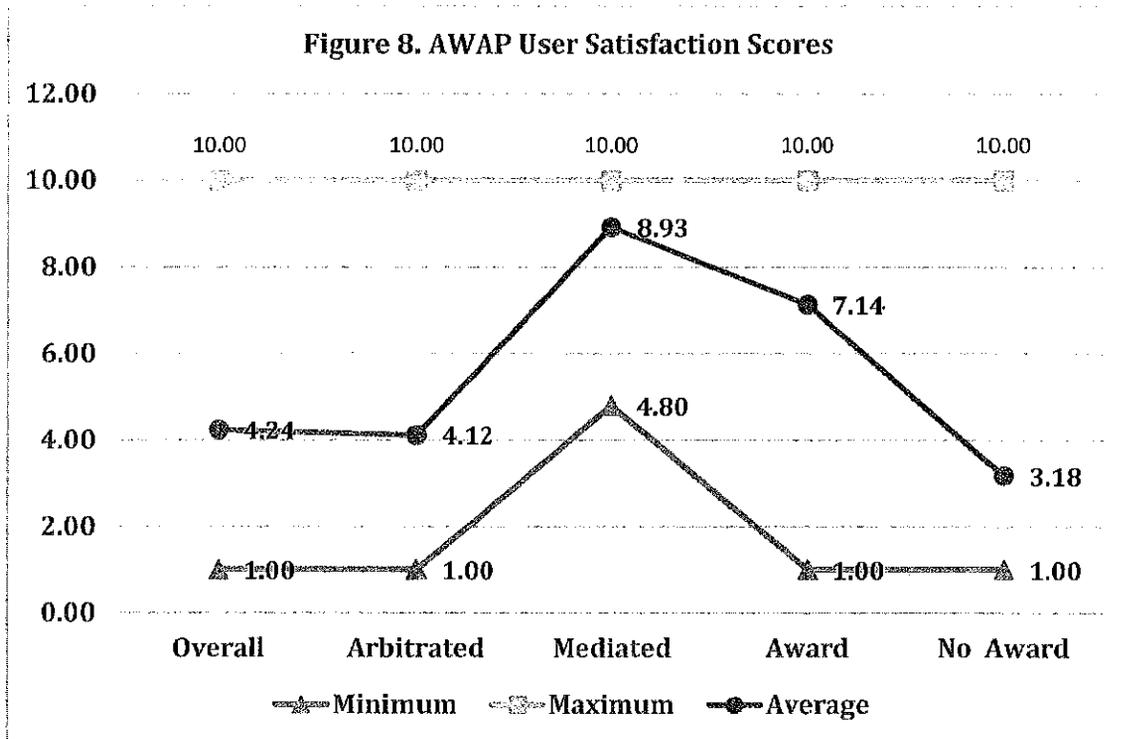
**Table 11: Survey Respondents' Ratings of AWAP Means Comparison
Claverhouse Survey, National 2017**

Method of Resolution		Performance Item				
		Objectivity and Fairness	Promptness	Effort	Interactions	Overall
Mediation	Mean	8.55	8.33	9.12	8.22	8.66
	N	9	9	8	9	9
	Std. Deviation	1.878	2.061	2.100	2.538	1.936
Arbitration	Mean	3.38	5.27	3.55	4.40	3.44
	N	334	369	341	357	335
	Std. Deviation	3.246	3.259	3.242	3.254	3.168
Overall	Mean	3.52	5.35	3.68	4.49	3.58
	N	343	378	349	366	344
	Std. Deviation	3.320	3.267	3.324	3.289	3.249

The five satisfaction items can also be combined to give each respondent an overall satisfaction score. This can only be done if the items are highly correlated. When two items are correlated, it means that they vary together. Positive correlation means that high scores on one item are associated with high scores on another item, and that low scores on one are associated with low scores on the other. To determine if items are correlated, a statistical test, Cronbach's Alpha¹⁷, is run on the items. The Cronbach's alpha for the five items measuring satisfaction with the AWAP is .946.

The overall satisfaction scores across all items for all respondents, by case type, and by award status are shown in Figure 8.

¹⁷ Cronbach's alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. The closer the score is to 1.00 suggests that the items have relatively high internal consistency. A reliability coefficient of .70 or higher is considered "acceptable" in most social science research situations.



Whether or not respondents followed up with the AWAP can also in part measure satisfaction with the program.

Respondents were asked if after their case was closed did they talk with a representative at the AWAP or return a postcard to the program about their settlement or award and how their case was handled.

Overall, 54.7 percent indicated they had some form of contact with the AWAP after their case was closed. Of those that had contact, 44.7 percent spoke directly to the staff, 28.5 percent returned the postcard, and 26.8 percent spoke to the staff and returned the postcard.

Among users whose cases were mediated, 55.6 percent said they talked to the staff, 11.1 percent returned the postcard, and 22.2 percent did both. Only 11.1 percent did not follow up in any manner. The level of interaction after their case was closed was very different for those whose cases were settled through arbitration. Close to half, 46.1 percent did not follow up with the AWAP after their case was closed, 23.8 percent talked with staff directly, 15.7 percent returned the postcard, and 14.5 percent did both.

Another measure of consumers' satisfaction or dissatisfaction with the AWAP program is whether they would recommend the program to others. Table 12 shows these results.

**Table 12: Would Consumer Recommend the AWAP Program to Others?
Claverhouse Survey, National 2017**

Method of Resolution and Outcome	Yes	No	Depends on Circumstances
Mediated	88.9%	0.0%	11.1%
Arbitrated	16.3%	60.7%	23.1%
Award Granted	62.0%	17.7%	20.3%
No Award Granted	5.7%	70.9%	23.4%
Overall	17.8%	59.4%	22.8%

Finally, survey respondents were given an opportunity to comment on their experiences with the AWAP and offer suggestion for program changes or improvements.

Respondents could freely type their own responses to this question, on any topic that they considered important enough to mention. All comments have been categorized according to the most common topics raised, and are presented in Table 13.

**Table 13: Consumer Suggestions for Program Improvements
Claverhouse Survey, National 2017**

Suggestion for Improvement	N	Percent
Bias Arbitrators/Arbitrators Favor Manufacturers	128	25.9%
Dealers/Manufacturers More Responsive to Consumers/Complainant	69	13.9%
Better Review Complaint/Problems by Staff/Arbitrators	52	10.5%
More Communication/Contact/Interaction Arbitrators Staff	47	9.5%
Better/ More Knowledgeable Mechanics/Review Staff	37	7.5%
Better Explanation/Documentation of Process/Program/Easier Understand	29	5.9%
More/ Better Representation at Hearings	29	5.9%
Allow More Information/History of Problems in Complaint	26	5.3%
Waste of Time/Effort	25	5.1%
Better Follow-up/Enforcement of Awards/Settlements	17	3.4%
Did Good Job/Pleased/No Complaints	14	2.8%
Fair/Equitable Settlements/Awards	13	2.6%
Quicken Process/ Speedier Decisions	3	0.6%
Electronic, On-Line, Email Communication/Forms	3	0.6%
Need More Program Locations	2	0.4%
Make Program More Well Known/ Advertising	1	0.2%
Total	495¹⁸	100.0%

The suggestions for improvement/comments given by those whose cases were mediated were:

- Better explanation/documentation of the process/program/easier to understand; less bias arbitrators, and did a good job, no complaints:¹⁹

¹⁸ Up to two (2) comments were classified into categories for respondents. The percentages are based on the number of responses (495) not respondents answering the question (337).

¹⁹ Only four (4) respondents whose cases were mediated responded to the question.

For those with arbitrated cases, the suggestions for improvement varied:

- Bias arbitrators/arbitrators favor manufacturers was mentioned by 38.1 percent of program users.
- Dealers and manufacturers need to be more responsive to customers/complainant, 20.7 percent
- More communication/contact/interaction with arbitrators/staff, 14.1 percent
- Better/more knowledgeable mechanics/review staff, 11.1 percent

CONCLUSIONS

Based on the comparison of the Claverhouse survey results with the AWAP national indices, it is concluded that the AWAP indices are in agreement in all but four areas, none of which should raise concerns about the program or how the program is administered.

The differences are “case decided by board and warrantor has complied,” “arbitration decision adverse to consumer,” “case delayed beyond 40 days,” and “reasons for delays beyond 40 days.”

For the statistics dealing with arbitration decisions, the differences should not be cause for concern since both of the differences favor the consumer and not the program. The difference may also be attributed to non-response bias in that those who were granted awards were probably more likely to participate than those who were not granted anything by the AWAP.

The other difference between the survey results and AWAP indices is the proportion of arbitrated cases delayed beyond 40 days. Again, this difference should not be cause for concern. The difference can be attributed to respondent error in recall and in reporting. This is substantiated by the facts detailed earlier in this report. There is also a statistical difference in the reasons for the delays.

It is concluded that the AWAP indices are in agreement with the Claverhouse survey for the majority of the indices, and for those that are not, it is not to be a cause for concern because the differences do not indicate that the program is improperly collecting or reporting program statistics.

SECTION VI

Audit Related Regulatory Requirements

REQUIREMENT: § 703.7 (c)(3)(I)

A report of each audit under this section shall be submitted to the Federal Trade Commission, and shall be made available to any person at reasonable cost. The Mechanism may direct its auditor to delete names of parties to disputes, and identity of products involved, from the audit report.

A copy has been supplied to the Federal Trade Commission consistent with this requirement.

REQUIREMENT: § 703.7 (d)

Auditors shall be selected by the Mechanism. No auditor may be involved with the Mechanism as a warrantor, sponsor or member, or employee or agent thereof, other than for purposes of the audit.

The audit was conducted consistent with this requirement.

SECTION VII

Appendix/Codebook

CODEBOOK

AWAP - 2017 National
431 Cases

CONTENTS

item		page
CASEID	CASE IDENTIFICATION NUMBER	1
Q1	CONSENT	1
VEHICLE_Y	Vehicle Year	1
VEHICLE_M	Vehicle Make	2
Q4	State	3
OPEN_M	Month Case Opened	4
OPEN_D	Day Case Opened	5
OPEN_Y	Year Case Opened	6
CLOSED_M	Month Case Closed	6
CLOSED_D	Day Case Closed	7
CLOSED_Y	Year Case Closed	8
Q7_1	Owner's Manual/Warranty Info	8
Q7_2	Attorney or Lawyer	8
Q7_3	Brochures, Literature, Pamphlets	8
Q7_4	Television, Radio, Newspaper	9
Q7_5	Friends, Family, Co-Workers	9
Q7_6	Previous Program Knowledge	9
Q7_7	Internet, Website	9
Q7_8	Automaker Customer Service	10
Q7_9	Dealership - Where Purchased/Other	10
Q7_11	Dealership - State Government Agency	10
Q7_10	Other	10
Q8_1	Dealer-Manufacturer Inform - Talked In Person	11
Q8_2	Dealer-Manufacturer Inform - Talked Over Phone	11
Q8_3	Dealer-Manufacturer Inform - Gave-Sent Information	11
Q8_4	Dealer-Manufacturer Inform - Poster in Showroom	11
Q8_5	Dealer-Manufacturer Inform - Selected Choice Other	12
Q52_1	Times-Contacted Dealer	13
Q52_2	Times-Contacted Manufacturer	14
Q52_4	Times -Repairs	15
Q9	Access Information Mail-Internet	16
Q10	Program Info	16
Q11	Complaint Forms	16
Q12	Method Resolution	17
Q21	Arb - Paperwork	17
Q22	Arb - Accuracy Claim	17
Q23	Arb - Notified Hearing	18
Q25	Arb - Attend Hearing	18
Q26_1	Arb - Hearing - Work/School/Professional Commitments	18
Q26_2	Arb - Hearing - Personal Commitments	19
Q26_3	Arb - Hearing - Distance to Hearing/Meeting	19
Q26_4	Arb - Hearing - Presence Not Required/Not Necessary	19
Q26_5	Arb - Hearing - Selected Choice Other	19

item		page
Q27	Arb - Outcome - Selected Choice	20
Q28	Arb - Accept-Reject	20
Q31	Arb - Receive Time Frame	20
Q30	Arb - Pursue Case	21
Q33_1	Arb - Method Pursue - Attorney	21
Q33_2	Arb - Method Pursue - Alternative Solution-Dealer/Manu	21
Q33_3	Arb - Method Pursue - State/Other Government Agency	21
Q33_4	Arb - Method Pursue - Re-contacted NCDS Program	22
Q33_5	Arb - Method Pursue - Other	22
Q39	Delay 40 Days	22
Q41	Reason Delay 40 Days - Selected Choice	23
Q32	Arb-Reason For Delay Receiving Award	23
Q42	Reason Delay - Perceptions	24
Q34	Return PostCard/Talk	24
Q42_1	Satisfaction - Objectivity and Fairness	25
Q42_2	Satisfaction - Promptness	25
Q42_3	Satisfaction - Effort	26
Q42_5	Satisfaction - Interactions	26
Q42_4	Satisfaction - The NCDS program overall.	27
Q43	Recommend Program	27
IMPROVE1	Improvement - 1st Mention	28
IMPROVE2	Improvement - 2nd Mention	29
Q13	Mediated Outcome - Selected Choice	29
Q14	Mediated-Received	30
Q15	Mediated-Receive Time Frame	30
Q16	Mediated-Not Receive	30
Q18	Mediated-Pursue Case	31
Q19_1	Mediated- Pursue - Attorney	31
Q19_2	Mediated- Pursue - Alternative Solution-Dealer/Manu	31
Q19_3	Mediated- Pursue - State/Other Government Agency	31
Q19_4	Mediated- Pursue - Re-Contacted NCDS	32
Q19_5	Mediated- Pursue -Other	32
STATE.0	STATE	33
LOGIN_DATE	LOGIN DATE	34
CLOSE_DATE	CLOSE DATE	34
SATISFACTIION		35
DAYS		36

CASEID CASE IDENTIFICATION NUMBER

431 cases (Range of valid codes: 1-431)

Data type: numeric
Record/columns: 1/344-346

Q1 CONSENT

%	N	VALUE	LABEL
100.0	431	1	Yes
0.0	0	2	No
-----	---		
100.0	431	cases	

Data type: numeric
Record/column: 1/1

VEHICLE_Y Vehicle Year

%	N	VALUE	LABEL
0.0	0	2006	2006
0.0	0	2007	2007
0.0	0	2008	2008
0.0	0	2009	2009
0.0	0	2010	2010
0.0	0	2011	2011
0.9	4	2012	2012
3.3	14	2013	2013
11.7	50	2014	2014
30.3	130	2015	2015
36.6	157	2016	2016
17.2	74	2017	2017
	2	.	(No Data)
-----	---		
100.0	431	cases	

Data type: numeric
Record/columns: 1/2-7

VEHICLE_M		Vehicle Make	
%	N	VALUE	LABEL
1.9	8	1	Accura
29.6	127	2	Chrysler
4.7	20	3	Honda
0.0	0	4	Mitsubishi
4.0	17	5	Lexus
0.0	0	6	Porsche
0.0	0	7	Suzuki
11.0	47	8	Toyota
31.2	134	9	Jeep
17.5	75	10	Other
0.2	1	11	Tesla
	2	.	(No Data)
-----	----		
100.0	431	cases	

Data type: numeric
 Record/columns: 1/8-11

Q4

State

%	N	VALUE	LABEL
1.4	6	1	Alabama
1.9	8	2	Arizona
1.4	6	3	Arkansas
12.4	52	4	California
2.6	11	5	Colorado
1.0	4	6	Connecticut
0.2	1	7	Delaware
0.0	0	8	District of Columbia
9.8	41	9	Florida
4.5	19	10	Georgia
0.2	1	11	Idaho
2.4	10	12	Illinois
2.1	9	13	Indiana
0.2	1	14	Iowa
0.7	3	15	Kansas
2.1	9	16	Kentucky
0.7	3	17	Louisiana
0.2	1	18	Maine
2.6	11	19	Maryland
1.2	5	20	Massachusetts
4.3	18	21	Michigan
1.7	7	22	Minnesota
0.7	3	23	Mississippi
2.1	9	24	Missouri
1.0	4	25	Montana
0.2	1	26	Nebraska
1.7	7	27	Nevada
0.5	2	28	New Hampshire
1.9	8	29	New Jersey
0.5	2	30	New Mexico
3.3	14	31	New York
4.0	17	32	North Carolina
0.7	3	33	North Dakota
3.8	16	34	Ohio
1.7	7	35	Oklahoma
1.9	8	36	Oregon
2.9	12	37	Pennsylvania
0.2	1	38	Rhode Island
2.4	10	39	South Carolina
0.0	0	40	South Dakota
3.1	13	41	Tennessee
5.5	23	42	Texas
0.7	3	43	Utah
0.0	0	44	Vermont
2.9	12	45	Virginia

1.7	7	46	Washington
0.0	0	47	West Virginia
2.1	9	48	Wisconsin
0.2	1	49	Wyoming
0.0	0	50	Puerto Rico
0.2	1	51	Alaska
0.2	1	52	Hawaii
0.0	0	53	I do not reside in the United States
0.0	0	54	Alaska
	11	.	(No Data)
-----	----		
100.0		431	cases

Data type: numeric
 Record/columns: 1/12-15

OPEN_M	Month Case Opened		
%	N	VALUE	LABEL
5.3	23	1	January
2.6	11	2	February
5.3	23	3	March
4.4	19	4	April
3.2	14	5	May
3.2	14	6	June
2.8	12	7	July
3.7	16	8	August
3.7	16	9	September
2.6	11	10	October
3.7	16	11	November
1.9	8	12	December
57.5	248	99	Do Not Recall
-----	----		
100.0		431	cases

Data type: numeric
 Record/columns: 1/16-19

OPEN_D Day Case Opened

%	N	VALUE	LABEL
2.3	10	1	1
0.9	4	2	2
0.7	3	3	3
1.2	5	4	4
1.2	5	5	5
0.7	3	6	6
0.5	2	7	7
0.7	3	8	8
0.7	3	9	9
0.9	4	10	10
0.7	3	11	11
0.7	3	12	12
0.5	2	13	13
0.7	3	14	14
1.2	5	15	15
0.5	2	16	16
0.9	4	17	17
0.7	3	18	18
0.5	2	19	19
0.5	2	20	20
1.2	5	21	21
0.0	0	22	22
0.9	4	23	23
1.6	7	24	24
1.6	7	25	25
1.2	5	26	26
0.5	2	27	27
0.5	2	28	28
0.5	2	29	29
1.4	6	30	30
0.9	4	31	31
73.3	316	99	Do Not Recall
-----	---		
100.0	431	cases	

Data type: numeric
 Record/columns: 1/20-23

OPEN_Y Year Case Opened

%	N	VALUE	LABEL
18.7	51	2016	2016
79.5	217	2017	2017
1.8	5	2018	2018
	158	.	(No Data)
-----	----		
100.0	431	cases	

Data type: numeric
 Record/columns: 1/24-27

CLOSED_M Month Case Closed

%	N	VALUE	LABEL
2.3	10	1	January
3.2	14	2	February
4.2	18	3	March
3.0	13	4	April
3.5	15	5	May
2.1	9	6	June
2.1	9	7	July
3.7	16	8	August
2.8	12	9	September
2.8	12	10	October
2.1	9	11	November
3.2	14	12	December
65.0	280	99	Do Not Recall
-----	----		
100.0	431	cases	

Data type: numeric
 Record/columns: 1/28-31

CLOSED_D		Day Case Closed	
%	N	VALUE	LABEL
2.1	9	1	1
0.0	0	2	2
0.9	4	3	3
0.5	2	4	4
0.9	4	5	5
0.7	3	6	6
0.5	2	7	7
0.9	4	8	8
0.5	2	9	9
0.5	2	10	10
0.5	2	11	11
1.2	5	12	12
0.2	1	13	13
1.2	5	14	14
1.2	5	15	15
0.0	0	16	16
0.5	2	17	17
0.5	2	18	18
0.5	2	19	19
0.9	4	20	20
0.7	3	21	21
0.5	2	22	22
0.5	2	23	23
0.2	1	24	24
0.2	1	25	25
0.2	1	26	26
1.4	6	27	27
0.5	2	28	28
0.2	1	29	29
0.9	4	30	30
0.7	3	31	31
80.0	345	99	Do Not Recall
-----	----		
100.0	431		cases

Data type: numeric
 Record/columns: 1/32-35

CLOSED_Y Year Case Closed

%	N	VALUE	LABEL
5.3	13	2016	2016
85.4	211	2017	2017
9.3	23	2018	2018
	184	.	(No Data)
-----	---		
100.0	431		cases

Data type: numeric
Record/columns: 1/36-39

Q7_1 Owner's Manual/Warranty Info

%	N	VALUE	LABEL
100.0	143	1	Owner's Manual/Warranty Info
	288	.	(No Data)
-----	---		
100.0	431		cases

Data type: numeric
Record/columns: 1/40-43

Q7_2 Attorney or Lawyer

%	N	VALUE	LABEL
100.0	36	1	Attorney or Lawyer
	395	.	(No Data)
-----	---		
100.0	431		cases

Data type: numeric
Record/columns: 1/44-47

Q7_3 Brochures, Literature, Pamphlets

%	N	VALUE	LABEL
100.0	17	1	Brochures, Literature, Pamphlets
	414	.	(No Data)
-----	---		
100.0	431		cases

Data type: numeric
Record/columns: 1/48-51

Q7_4 Television, Radio, Newspaper

%	N	VALUE	LABEL
100.0	2	1	Television, Radio, Newspaper
	429	.	(No Data)
-----	---		
100.0	431		cases

Data type: numeric
Record/columns: 1/52-55

Q7_5 Friends, Family, Co-Workers

%	N	VALUE	LABEL
100.0	24	1	Friends, Family, Co-Workers
	407	.	(No Data)
-----	---		
100.0	431		cases

Data type: numeric
Record/columns: 1/56-59

Q7_6 Previous Program Knowledge

%	N	VALUE	LABEL
100.0	9	1	Previous Program Knowledge
	422	.	(No Data)
-----	---		
100.0	431		cases

Data type: numeric
Record/columns: 1/60-63

Q7_7 Internet, Website

%	N	VALUE	LABEL
100.0	105	1	Internet, Website
	326	.	(No Data)
-----	---		
100.0	431		cases

Data type: numeric
Record/columns: 1/64-67

Q7_8 Automaker Customer Service

%	N	VALUE	LABEL
100.0	108	1	Automaker Customer Service
	323	.	(No Data)
-----	---		
100.0	431		cases

Data type: numeric
Record/columns: 1/68-71

Q7_9 Dealership - Where Purchased/Other

%	N	VALUE	LABEL
100.0	107	1	Dealership - Where Purchased/Other
	324	.	(No Data)
-----	---		
100.0	431		cases

Data type: numeric
Record/columns: 1/72-75

Q7_11 Dealership - State Government Agency

%	N	VALUE	LABEL
100.0	11	1	
	420	.	(No Data)
-----	---		
100.0	431		cases

Data type: numeric
Record/columns: 1/76-79

Q7_10 Other

%	N	VALUE	LABEL
100.0	22	1	Other
	409	.	(No Data)
-----	---		
100.0	431		cases

Data type: numeric
Record/columns: 1/80-83

Q8_1 Dealer-Manufacturer Inform - Taked In Person

%	N	VALUE	LABEL
100.0	70	1	Taked In Person
	361	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
Record/columns: 1/84-87

Q8_2 Dealer-Manufacturer Inform - Talked Over Phone

%	N	VALUE	LABEL
100.0	106	1	Talked Over Phone
	325	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
Record/columns: 1/88-91

Q8_3 Dealer-Manufacturer Inform - Gave-Sent Information

%	N	VALUE	LABEL
100.0	24	1	Gave-Sent Information
	407	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
Record/columns: 1/92-95

Q8_4 Dealer-Manufacturer Inform - Poster in Showroom

%	N	VALUE	LABEL
100.0	4	1	Showed/Saw Poster in Showroom
	427	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
Record/columns: 1/96-99

Q8_5 Dealer-Manufacturer Inform - Selected Choice Other

%	N	VALUE	LABEL
100.0	14	1	Other
	417	.	(No Data)
-----	----		
100.0	431	cases	

Data type: numeric
Record/columns: 1/100-103

Q52_1 Times-Contacted Dealer

%	N	VALUE	LABEL
3.7	16	0	
1.4	6	1	
3.5	15	2	
6.7	29	3	
10.7	46	4	
13.5	58	5	
8.4	36	6	
5.6	24	7	
6.0	26	8	
1.9	8	9	
14.4	62	10	
0.7	3	11	
3.7	16	12	
1.2	5	13	
0.9	4	14	
4.4	19	15	
0.7	3	16	
0.7	3	17	
0.2	1	18	
5.3	23	20	
0.2	1	24	
1.6	7	25	
0.2	1	28	
1.2	5	30	
0.2	1	35	
0.2	1	38	
0.9	4	40	
0.5	2	50	
0.5	2	100	
0.2	1	105	
0.2	1	107	
0.2	1	125	
	1	.	(No Data)
-----	----		
100.0	431	cases	

Data type: numeric
 Record/columns: 1/104-107

Q52_2 Times-Contacted Manufacturer

%	N	VALUE	LABEL
16.0	69	0	
8.6	37	1	
15.1	65	2	
10.9	47	3	
6.5	28	4	
10.2	44	5	
5.1	22	6	
2.8	12	7	
3.3	14	8	
0.5	2	9	
8.6	37	10	
0.5	2	11	
0.5	2	12	
0.2	1	13	
0.2	1	14	
3.0	13	15	
0.5	2	16	
0.5	2	17	
2.6	11	20	
0.7	3	25	
0.2	1	29	
0.9	4	30	
0.2	1	35	
0.2	1	39	
0.2	1	45	
0.9	4	50	
0.2	1	55	
0.2	1	62	
0.5	2	100	
	1	.	(No Data)
-----	----		
100.0	431	cases	

Data type: numeric
 Record/columns: 1/108-111

Q52_4

Times -Repairs

%	N	VALUE	LABEL
8.4	36	0	
5.3	23	1	
5.6	24	2	
9.5	41	3	
12.1	52	4	
14.4	62	5	
10.0	43	6	
3.3	14	7	
6.7	29	8	
2.3	10	9	
7.0	30	10	
1.4	6	11	
3.0	13	12	
1.6	7	13	
0.5	2	14	
2.6	11	15	
0.7	3	16	
0.7	3	17	
0.7	3	18	
1.6	7	20	
0.5	2	22	
0.5	2	25	
0.2	1	32	
0.2	1	40	
0.2	1	45	
0.2	1	50	
0.5	2	100	
0.2	1	200	
	1	.	(No Data)
-----	----		
100.0	431	cases	

Data type: numeric
 Record/columns: 1/112-115

Q9 Access Information Mail-Internet

%	N	VALUE	LABEL
43.2	185	1	Received program information and claims forms by mail
56.8	243	2	Accessed program information and claim forms from website
	3	.	(No Data)
-----	---		
100.0	431		cases

Data type: numeric
 Record/columns: 1/116-119

Q10 Program Info

%	N	VALUE	LABEL
33.3	143	1	Very clear and easy to understand
45.9	197	2	A little difficult but still easy to understand
20.7	89	3	Pretty difficult to understand
	2	.	(No Data)
-----	---		
100.0	431		cases

Data type: numeric
 Record/columns: 1/120-123

Q11 Complaint Forms

%	N	VALUE	LABEL
38.5	163	1	Very clear and easy to understand and complete
46.8	198	2	A little difficult but still easy to understand and complete
14.7	62	3	Pretty difficult to understand and complete
	8	.	(No Data)
-----	---		
100.0	431		cases

Data type: numeric
 Record/columns: 1/124-127

Q12 Method Resolution

%	N	VALUE	LABEL
97.9	422	1	Arbitrated
2.1	9	2	Mediated
-----	---		
100.0	431	cases	

Data type: numeric
 Record/columns: 1/128-131

Q21 Arb - Paperwork

%	N	VALUE	LABEL
87.4	366	1	Yes
12.6	53	2	No
	12	.	(No Data)
-----	---		
100.0	431	cases	

Data type: numeric
 Record/columns: 1/132-135

Q22 Arb - Accuracy Claim

%	N	VALUE	LABEL
30.4	111	1	Very accurately
40.5	148	2	Somewhat accurately
29.0	106	3	Not too or not at all accurately
	66	.	(No Data)
-----	---		
100.0	431	cases	

Data type: numeric
 Record/columns: 1/136-139

Q23 Arb - Notified Hearing

%	N	VALUE	LABEL
68.4	286	1	Yes, notified
11.2	47	2	No, was not notified
20.3	85	3	Chose document only hearing
	13	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
 Record/columns: 1/140-143

Q25 Arb - Attend Hearing

%	N	VALUE	LABEL
57.0	163	1	In person
3.1	9	2	By telephone
39.9	114	3	Did not attend hearing
	145	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
 Record/columns: 1/144-147

Q26_1 Arb - Hearing - Work/School/Professional Commitments

%	N	VALUE	LABEL
100.0	27	1	Work/School/Professional Commitments
	404	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
 Record/columns: 1/148-151

Q26_2 Arb - Hearing - Personal Commitments

%	N	VALUE	LABEL
100.0	2	1	Personal Commitments
	429	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
Record/columns: 1/152-155

Q26_3 Arb - Hearing - Distance to Hearing/Meeting

%	N	VALUE	LABEL
100.0	44	1	Distance to Hearing/Meeting
	387	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
Record/columns: 1/156-159

Q26_4 Arb - Hearing - Presence Not Required/Not Necessary

%	N	VALUE	LABEL
100.0	64	1	Presence Not Required/Not Necessary
	367	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
Record/columns: 1/160-163

Q26_5 Arb - Hearing - Selected Choice Other

%	N	VALUE	LABEL
100.0	2	1	Other
	429	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
Record/columns: 1/164-167

Q27 Arb - Outcome - Selected Choice

%	N	VALUE	LABEL
4.5	19	1	Ordered additional repairs attempts
0.9	4	2	Ordered or recognized a trade assist (trade current vehicle towards a different vehicle)
8.3	35	3	Ordered a partial refund (includes buyback or cash settlement less mileage and/or other expenses)
5.7	24	4	Ordered a replacement vehicle
0.0	0	5	Ordered other (please specify)
80.6	340	6	The NCDS ruled against your claim and the manufacturer or dealer did not have to do anything further in your case.
	9	.	(No Data)
-----	----		
100.0	431	cases	

Data type: numeric
Record/columns: 1/168-171

Q28 Arb - Accept-Reject

%	N	VALUE	LABEL
89.0	73	1	Accept the decision (award)
11.0	9	2	Reject the decision (award)
	349	.	(No Data)
-----	----		
100.0	431	cases	

Data type: numeric
Record/columns: 1/172-175

Q31 Arb - Receive Time Frame

%	N	VALUE	LABEL
90.0	72	1	Receive your award within the time frame specified in the decision?
0.0	0	2	Receive your award but not within the time frame specified in your decision?
10.0	8	3	Not receive your award?
	351	.	(No Data)
-----	----		
100.0	431	cases	

Data type: numeric
Record/columns: 1/176-179

Q30 Arb - Pursue Case

%	N	VALUE	LABEL
36.1	152	1	Yes
63.9	269	2	No
	10	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
Record/columns: 1/180-183

Q33_1 Arb - Method Pursue - Attorney

%	N	VALUE	LABEL
100.0	68	1	Attorney
	363	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
Record/columns: 1/184-187

Q33_2 Arb - Method Pursue - Alternative Solution-Dealer/Manu

%	N	VALUE	LABEL
100.0	58	1	Alternative Solution-Dealer/Manufacturer
	373	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
Record/columns: 1/188-191

Q33_3 Arb - Method Pursue - State/Other Government Agency

%	N	VALUE	LABEL
100.0	36	1	State/Other Government Agency
	395	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
Record/columns: 1/192-195

Q33_4 Arb - Method Pursue - Re-contacted NCDS Program

%	N	VALUE	LABEL
100.0	46	1	Re-contacted NCDS Program
	385	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
 Record/columns: 1/196-199

Q33_5 Arb - Method Pursue - Other

%	N	VALUE	LABEL
100.0	5	1	Other
	426	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
 Record/columns: 1/200-203

Q39 Delay 40 Days

%	N	VALUE	LABEL
36.1	151	1	Yes
63.9	267	2	No
	13	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
 Record/columns: 1/204-207

Q41 Reason Delay 40 Days - Selected Choice

%	N	VALUE	LABEL
1.4	2	1	You failed to submit information in a timely manner
8.3	12	2	You did not first seek to solve issues directly with he automaker/manufacturer
90.3	131	3	The delay was due to other reasons (please specify)
	286	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
Record/columns: 1/208-211

Q32 Arb-Reason For Delay Receiving Award

%	N	VALUE	LABEL
4.1	4	1	Disagreement/Dispute Over Milage Deduction/Payout Amout
2.1	2	2	Delays in Obtaining Replacement Vehicle
13.4	13	3	NCDS Paperwork/Notice Delays
3.1	3	4	Difficulty Scheduling Repairs
29.9	29	5	No Reason Given/Unknown Reason
7.2	7	6	Other scheduling delays
33.0	32	7	Manufacture/Dealer Caused Delays
7.2	7	8	Poor communication/Difficulty reaching staff
	334	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
Record/columns: 1/212-219

Q42 Reason Delay - Perceptions

%	N	VALUE	LABEL
0.0	0	1	Paperwork/Scheduling Delays
0.0	0	2	Unsure
0.0	0	3	Dealership/Manufacturer Delays/Lack Communication
0.0	0	4	Scheduling/Conducting Repairs
0.0	0	5	AWAP Delays
0.0	0	6	Delays Obtaining/Finding Vehicle
0.0	0	7	Needed More Information
	431	.	(No Data)
-----	---		
100.0	431		cases

Data type: numeric
Record/columns: 1/220-227

Q34 Return PostCard/Talk

%	N	VALUE	LABEL
24.5	102	1	Yes, talked to staff
15.6	65	2	Yes, returned postcard
14.6	61	3	Both, talked to staff and returned the postcard
45.3	189	4	No, didn't bother
	14	.	(No Data)
-----	---		
100.0	431		cases

Data type: numeric
Record/columns: 1/228-231

Q42_1 Satisfaction - Objectivity and Fairness

%	N	VALUE	LABEL
47.2	162	1.00	
12.2	42	2.00	
6.1	21	3.00	
5.5	19	4.00	
4.7	16	5.00	
2.3	8	6.00	
2.0	7	7.00	
2.6	9	8.00	
4.7	16	9.00	
12.5	43	10.00	
	88	.	(No Data)
-----	----		
100.0	431	cases	

Data type: numeric
 Decimals: 2
 Record/columns: 1/232-235

Q42_2 Satisfaction - Promptness

%	N	VALUE	LABEL
22.2	84	1.00	
6.6	25	2.00	
5.3	20	3.00	
6.6	25	4.00	
10.8	41	5.00	
6.6	25	6.00	
9.0	34	7.00	
9.8	37	8.00	
7.9	30	9.00	
15.1	57	10.00	
	53	.	(No Data)
-----	----		
100.0	431	cases	

Data type: numeric
 Decimals: 2
 Record/columns: 1/236-239

Q42_3 Satisfaction - Effort

%	N	VALUE	LABEL
44.7	156	1.00	
11.2	39	2.00	
6.3	22	3.00	
4.9	17	4.00	
7.4	26	5.00	
2.6	9	6.00	
3.2	11	7.00	
2.6	9	8.00	
4.3	15	9.00	
12.9	45	10.00	
	82	.	(No Data)
-----	----		
100.0	431	cases	

Data type: numeric
 Decimals: 2
 Record/columns: 1/240-243

Q42_5 Satisfaction - Interactions

%	N	VALUE	LABEL
30.6	112	1.00	
10.4	38	2.00	
6.8	25	3.00	
4.1	15	4.00	
12.0	44	5.00	
6.3	23	6.00	
5.7	21	7.00	
6.0	22	8.00	
4.9	18	9.00	
13.1	48	10.00	
	65	.	(No Data)
-----	----		
100.0	431	cases	

Data type: numeric
 Decimals: 2
 Record/columns: 1/244-247

Q42_4 Satisfaction - The NCDS program overall.

%	N	VALUE	LABEL
44.8	154	1.00	
12.5	43	2.00	
5.8	20	3.00	
5.2	18	4.00	
7.6	26	5.00	
2.0	7	6.00	
3.5	12	7.00	
3.2	11	8.00	
3.8	13	9.00	
11.6	40	10.00	
	87	.	(No Data)
-----	----		
100.0	431	cases	

Data type: numeric
 Decimals: 2
 Record/columns: 1/248-251

Q43 Recommend Program

%	N	VALUE	LABEL
17.8	75	1	Yes
59.4	250	2	No
22.8	96	3	Depends on the circumstances
	10	.	(No Data)
-----	----		
100.0	431	cases	

Data type: numeric
 Record/columns: 1/252-255

IMPROVE1

Improvement - 1st Mention

%	N	VALUE	LABEL
6.3	21	2	Better Explanation/Documentation of Process/Program/Easier Understand
0.3	1	3	Make Program More Well Known/ Advertising
0.3	1	4	Need More Program Locations
0.9	3	5	Quicken Process/ Speedier Decisions
3.6	12	6	More/ Better Representation at Hearings
30.4	102	7	Bias Arbitrators/Arbitrators Favor Manufacturers
11.0	37	8	More Communication/Contact/Interaction Arbitrators Staff
7.4	25	9	Better/ More Knowledgeable Mechanics/Review Staff
10.1	34	10	Better Review Complaint/Problems by Staff/Arbitrators
3.3	11	11	Allow More Information/History of Problems in Complaint
2.1	7	12	Better Follow-up/Enforcement of Awards/Settlements
3.0	10	13	Fair/Equitable Settlements/Awards
11.6	39	14	Dealers/Manufacturers More Responsive to Consumers/Complainant
0.6	2	15	Electronic, On-Line, Email Communication/Forms
4.2	14	16	Did Good Job/Pleased/No Complaints
5.1	17	17	Waste of Time/Effort
	95	.	(No Data)
-----	----		
100.0	431	cases	

Data type: numeric

Record/columns: 1/256-259

IMPROVE2 Improvement - 2nd Mention

%	N	VALUE	LABEL
0.6	1	1	
5.0	8	2	Better Explanation/Documentation of Process/Program/Easier Understand
0.0	0	3	Make Program More Well Known/ Advertising
0.6	1	4	Need More Program Locations
0.0	0	5	Quicken Process/ Speedier Decisions
10.6	17	6	More/ Better Representation at Hearings
16.3	26	7	Bias Arbitrators/Arbitrators Favor Manufacturers
6.3	10	8	More Communication/Contact/Interaction Arbitrators Staff
7.5	12	9	Better/ More Knowledgeable Mechanics/Review Staff
11.3	18	10	Better Review Complaint/Problems by Staff/Arbitrators
9.4	15	11	Allow More Information/History of Problems in Complaint
6.3	10	12	Better Follow-up/Enforcement of Awards/Settlements
1.9	3	13	Fair/Equitable Settlements/Awards
18.8	30	14	Dealers/Manufacturers More Responsive to Consumers/Complainant
0.6	1	15	Electronic, On-Line, Email Communication/Forms
0.0	0	16	Did Good Job/Pleased/No Complaints
5.0	8	17	Waste of Time/Effort
	271	.	(No Data)
-----	---		
100.0	431		cases

Data type: numeric
Record/columns: 1/260-263

Q13 Mediated Outcome - Selected Choice

%	N	VALUE	LABEL
22.2	2	1	Ordered additional repair attempts
0.0	0	2	Ordered or recognized a trade assist (trade current vehicle towards a different vehicle)
77.8	7	3	Ordered a partial refund (includes buyback or cash settlement less mileage and/or other expenses)
0.0	0	4	Ordered a replacement vehicle
0.0	0	5	Other (please specify)
0.0	0	6	Dismissed your claim/no settlement was offered
	422	.	(No Data)
-----	---		
100.0	431		cases

Data type: numeric
Record/columns: 1/264-267

Q14 Mediated-Received

%	N	VALUE	LABEL
100.0	9	1	Yes
0.0	0	2	No
	422	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
Record/columns: 1/268-271

Q15 Mediated-Receive Time Frame

%	N	VALUE	LABEL
87.5	7	1	Yes
12.5	1	2	No
	423	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
Record/columns: 1/272-275

Q16 Mediated-Not Receive

%	N	VALUE	LABEL
100.0	1	1	Yes
0.0	0	2	No
	430	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
Record/columns: 1/276-279

Q18 Mediated-Pursue Case

%	N	VALUE	LABEL
11.1	1	1	Yes
88.9	8	2	No
	422	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
Record/columns: 1/280-283

Q19_1 Mediated- Pursue - Attorney

%	N	VALUE	LABEL
0.0	0	1	Attorney
	431	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
Record/columns: 1/284-287

Q19_2 Mediated- Pursue - Alternative Solution-Dealer/Manufacturer

%	N	VALUE	LABEL
0.0	0	1	Alternative Solution-Dealer/Manufacturer
	431	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
Record/columns: 1/288-291

Q19_3 Mediated- Pursue - State/Other Government Agency

%	N	VALUE	LABEL
0.0	0	1	State/Other Government Agency
	431	.	(No Data)
-----	----		
100.0	431		cases

Data type: numeric
Record/columns: 1/292-295

Q19_4 Mediated- Pursue - Re-Contacted NCDS

%	N	VALUE	LABEL
100.0	1	1	Re-Contacted NCDS
	430	.	(No Data)
-----	---		
100.0	431		cases

Data type: numeric
Record/columns: 1/296-299

Q19_5 Mediated- Pursue -Other

%	N	VALUE	LABEL
0.0	0	1	Other
	431	.	(No Data)
-----	---		
100.0	431		cases

Data type: numeric
Record/columns: 1/300-303

STATE.0	STATE		
%	N	VALUE	LABEL
0.2	1	AK	
1.4	6	AL	
1.4	6	AR	
2.1	9	AZ	
11.8	51	CA	
2.6	11	CO	
0.7	3	CT	
0.5	2	DE	
9.0	39	FL	
4.2	18	GA	
0.2	1	HI	
0.5	2	IA	
2.6	11	IL	
1.9	8	IN	
0.7	3	KS	
2.3	10	KY	
0.9	4	LA	
1.6	7	MA	
3.0	13	MD	
0.2	1	ME	
4.4	19	MI	
1.6	7	MN	
2.1	9	MO	
0.7	3	MS	
0.9	4	MT	
4.2	18	NC	
0.7	3	ND	
0.5	2	NE	
0.2	1	NH	
1.9	8	NJ	
0.5	2	NM	
1.9	8	NV	
3.2	14	NY	
3.9	17	OH	
1.6	7	OK	
1.6	7	OR	
2.8	12	PA	
2.1	9	SC	
3.2	14	TN	
5.8	25	TX	
0.7	3	UT	
2.6	11	VA	
0.2	1	VT	
2.1	9	WA	
2.3	10	WI	

0.2 1 WV
0.2 1 WY

100.0 431 cases

Data type: character
Record/columns: 1/304-305

LOGIN_DATE LOGIN DATE

431 cases

Data type: character
Record/columns: 1/306-316

CLOSE_DATE CLOSE DATE

431 cases

Data type: character
Record/columns: 1/317-327

SATISFACTIION

%	N	VALUE	LABEL
19.8	62	1.0	
2.2	7	1.2	
3.2	10	1.4	
2.6	8	1.6	
2.6	8	1.8	
3.2	10	2.0	
3.5	11	2.2	
2.6	8	2.4	
1.6	5	2.6	
3.2	10	2.8	
1.6	5	3.0	
2.2	7	3.2	
1.9	6	3.4	
2.9	9	3.6	
1.3	4	3.8	
1.3	4	4.0	
3.5	11	4.2	
3.5	11	4.4	
2.2	7	4.6	
1.3	4	4.8	
2.2	7	5.0	
2.6	8	5.2	
1.6	5	5.4	
0.6	2	5.6	
1.9	6	5.8	
0.6	2	6.4	
0.6	2	6.6	
0.6	2	6.8	
1.6	5	7.2	
1.3	4	7.4	
0.3	1	7.6	
0.3	1	7.8	
0.6	2	8.0	
1.6	5	8.2	
1.3	4	8.4	
0.3	1	8.6	
0.6	2	8.8	
1.0	3	9.0	
1.6	5	9.2	
2.2	7	9.4	
1.0	3	9.6	
0.3	1	9.8	
8.9	28	10.0	
	118	.	(No Data)
-----	---		

100.0 431 cases

Data type: numeric

Decimals: 2

Record/columns: 1/328-335

DAYS

%	N	VALUE	LABEL
0.2	1	7	
0.2	1	13	
0.2	1	14	
0.2	1	16	
0.2	1	19	
0.5	2	20	
0.7	3	21	
0.5	2	22	
0.5	2	23	
0.9	4	24	
1.6	7	25	
1.6	7	26	
2.6	11	27	
2.3	10	28	
1.9	8	29	
1.2	5	30	
1.6	7	31	
1.4	6	32	
9.8	42	33	
14.0	60	34	
19.8	85	35	
17.7	76	36	
6.5	28	37	
2.1	9	38	
5.3	23	39	
5.6	24	40	
0.5	2	41	
0.2	1	42	
0.2	1	43	
	1	.	(No Data)

----- ---
 100.0 431 cases

Data type: numeric

Record/columns: 1/336-343