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March 13, 2013

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

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

Submitted via <https://ftcpublic.commentworks.com/ftc/usedcarrulenprm>

Dear Secretary Clark:

I. Introduction

Experian is pleased to see the publication of the Notice of Proposed Rulemaking (NPRM) by the Federal Trade Commission (FTC) and appreciates having the opportunity to comment upon it.

Experian is supportive of the proposed changes to the Used Motor Vehicle Trade Regulation Rule (Used Car Rule) regarding the addition of a statement to the Buyers Guide encouraging consumers to seek vehicle history information. We support the proposal that directs consumers to learn about the different reports on the titling and history of a motor vehicle without favoring one over another.

Experian hopes that if this NPRM is adopted, the proposed FTC web site would not promote any particular source or provider of vehicle history information. Instead, we hope that the web site would allow consumers to learn about the choices available to them and select the one that best for them. We certainly believe that information about the products of the commercial vehicle history report providers, such as the AutoCheck vehicle history report, should be included on the web site. We would also urge the FTC to reject any recommendation for the proposed web site to select an exclusive provider or

source of vehicle history information. It is our opinion that the interests of consumers are best served when they are informed of the different providers of vehicle history information and then choose the report that has the information they want to see. Toward that end, a competitive and evolving market for vehicle history information is the best manner to provide useful and timely information to consumers.

In addition, as a company, Experian is committed to the idea that parties to a prospective transaction – whether that transaction is the purchase of a used car or the extension of credit – can make better decisions by turning to a third party for aggregated and compiled information. Therefore, Experian strongly endorses the FTC’s two principal purposes of the Used Car Rule, that of providing consumers with important pre-sale information about a vehicle they may purchase and that of diminishing the degree to which a consumer must rely solely upon the selling dealer for information (NPRM, Pages 74755-6).

II. Background on Experian and Experian Automotive

Experian is a global leader in providing information, analytical, and marketing services to organizations and consumers to help manage the risk and reward of commercial and financial decisions. Combining its unique information tools and deep understanding of individuals, markets and economies, Experian partners with organizations around the world to establish and strengthen customer relationships and provide their businesses with a competitive advantage.

For consumers, Experian delivers critical information that enables them to make financial and purchasing decisions with greater control and confidence. Clients include organizations from financial services, retail and catalog, telecommunications, utilities, media, insurance, automotive, leisure, e-commerce, manufacturing, property, and government sectors.

Experian Automotive, a part of Experian, delivers information solutions to manufacturers, dealers, finance and insurance companies, and consumers. Experian helps automotive clients and

consumers make better lending and vehicle purchase decisions. Its National Vehicle Database, housing more than 500 million vehicles, along with Experian's credit, consumer and business information assets, meets the industry's growing demand for an integrated information source. For more information on Experian Automotive and its suite of solutions, visit our web site at www.experianautomotive.com.

III. Description of AutoCheck™ Vehicle History Reports

Experian appreciates that that the FTC recognizes that vehicle history reports, such as AutoCheck, include “a wealth of information about prior wrecks, odometer readings, and even maintenance history. . . . [that] provide far more useful information than was available previously” (NPRM, Page 74754). As a commercial provider of vehicle history reports, we are committed to collecting information that would be useful to a prospective purchaser of a used car, compiling and analyzing that information, and providing that information in a timely and useful manner to the prospective purchaser. Specifically, some of the information that may be included in an AutoCheck vehicle history report is listed below.

- ▶ Fire and flood damage
- ▶ Accident damage, number of accidents and severity
- ▶ Number of prior owners
- ▶ Auction inspection announcements
- ▶ Salvage, theft or lemon
- ▶ Fleet or rental use
- ▶ Frame damage
- ▶ Service and maintenance records
- ▶ Manufacturer recalls

Experian Automotive also provides analyses and explanations in the AutoCheck vehicle history report to help the consumer understand the meaning of the information in the report in ways that help

consumers take informed actions. For instance, the AutoCheck vehicle history report includes a summary of the information about a car with icons that a consumer can readily understand. A green check mark icon means no problems were found. A blue "i" icon means there is further information for the consumer to review. A red exclamation point icon means a problem was found.

For most vehicles, the AutoCheck vehicle history report also provides consumers with an AutoCheck Score. It is a tool that enables consumers to understand a vehicle's past quickly and easily, compare it to other vehicles, and lower the risk of buying a vehicle with undetected problems. The AutoCheck Score can be thought of as a rating that summarizes the longer list of report data. It is paired with the AutoCheck Score Range that allows a consumer to quickly compare vehicles of similar age and class.

AutoCheck reports distinguish both severe and minor accidents for of information. We calculate either severe or minor accidents, based on the information reported to us. The word "minor" or "severe" is inserted into the description when the vehicles are determined to have sustained an either minor or severe accident or damage event.

Each new source of information and the new ways that Experian Automotive presents and analyzes that information in the AutoCheck vehicle history report are part of our continuous efforts to innovate and improve the product that we provide to consumers. For instance, the inclusion of auction announcement data from the largest American auction houses and the development and refinement of the AutoCheck Score are just a couple of examples of how we have improved our product over time. We also continue to evaluate new technologies for providing reports to our customers. The adoption of our mobile application (mobile app) is an example of our innovation in the delivery of reports to consumers in a useful and timely manner. Experian believes that our continuous efforts to improve and make innovations in the AutoCheck vehicle history report – as well as how it is delivered – will continue to benefit consumers, now and in the future.

IV. Experian Supports the FTC's Conclusions on Vehicle History and Condition

In the NPRM, the FTC reaches several conclusions regarding the inclusion of vehicle history information that Experian supports. We believe that the NPRM, as it is proposed, strikes a good balance in protecting used car consumers while not being overly burdensome. We appreciate the revision of the Used Car Rule to recognize the changes in consumer access to vehicle history information. A statement in the Buyers Guide advising consumers to get information about a vehicle's history before making a purchase is consistent with the best consumer advice.

- a. Proposed FTC web site should include reports by the commercial vehicle history providers, but should not promote one provider or source of vehicle history information over another.**

A significant concern for Experian in the development of the rulemaking is that the final rule or proposed website would somehow put the AutoCheck vehicle history report at a disadvantage to other products or sources of information that are available. The amount of information available to consumers about a used vehicle has changed significantly since the 1995 regulatory review of the Used Car Rule. It is reasonable to expect that the information available to consumers will continue to evolve. Experian Automotive wants AutoCheck vehicle history reports to continue to be an indispensable part of the used car shopping process. Therefore, we strongly believe that the AutoCheck vehicle history report should be included on the proposed FTC web site where used car consumers could learn details about vehicle history information and sources. However, we believe just as strongly that the web site should fairly provide factual information about the different vehicle history products and services that are available to consumers without promoting or recommending a particular one. Consumers can select the product or service that provides the information that they believe will best help them make a well-informed decision in a timely manner and on a cost-effective basis. We believe that the interests of consumers are best served when they have access to the most available and useful information that is

provided in a timely manner. Toward that end, a competitive and evolving market for vehicle history information is the best manner to provide useful and timely information to consumers.

Experian does not believe that it would serve consumers to recommend or promote on the FTC web site a particular product or source of vehicle history information. The sources have changed over time and are likely to continue to do so. For instance, in 2009, the U.S. Department of Justice issued regulations for the National Motor Vehicle Title Information System (NMVTIS) that in part addressed the NMVTIS vehicle history report. Experian has been supportive of NMVTIS because it helps the state departments of motor vehicles (state DMVs) that participate achieve some of the purposes of the Anti-Car Theft Act (49 U.S.C. 30501-30503). However, because NMVTIS is the product of a statute that defines the information that is included, a NMVTIS title history report is unlikely to be as robust a report as those from a commercial vehicle history provider. In addition, the statute also defines how the information will be used, so NMVTIS will likely be constrained in its ability to analyze and explain the information in the report it produces. Commercial vehicle history providers, such as Experian Automotive, however, have the ability to acquire new sources of information, provide useful analyses of that information, and present that information in new ways that are timely and cost-effective. Consumers should be able to evaluate the offerings by the different providers of vehicle history information and choose the one that they think is the best rather than have the government recommend a specific provider or source.

b. The Buyers Guide should not include vehicle information.

Experian also agrees that vehicle history information should not be included on the Buyers Guide itself. The AutoCheck vehicle history report can include a lot of information that goes on for many pages depending on the particular vehicle. Moreover, the presentation of the information in the Buyers Guide could be challenging to prescribe by regulation in a succinct manner. Then, there is the fact that the providers of vehicle history reports continually update the information in them as new information

is acquired and compiled. The information in the Buyers Guide, however, would be current to the time it was printed. A consumer would be better served to use a vehicle history report generated when he or she is shopping. For these reasons, Experian believes that FTC recommendation is the correct one.

c. Consumers can benefit from the use of aggregated and compiled third-party information.

Experian agrees with the FTC's two principal purposes of the Used Car Rule (NPRM, Pages 74755-6):

The proposed statement would further two principal purposes of the Rule: (1) Providing consumers with important pre-sale information about a vehicle they may purchase, and (2) diminishing the degree to which consumers must rely solely upon the selling dealer for information when they are shopping for used cars.

Consumers should seek out important pre-sale information from a trusted third party. As a company, Experian is committed to the proposition that third-party information will help consumers better manage the risk and reward of important decisions such as whether to buy a used car and how much to pay for it. Urging used car consumers to seek out more information about a prospective purchase will help the consumer make an informed decision and, ideally, a better decision.

V. Conclusion

Experian supports the proposal on vehicle history information as it is written in the NPRM. If the FTC does develop the web site with information about vehicle history reports and the sources of those reports, we strongly recommend that the web site include information about vehicle history reports from commercial providers, such as AutoCheck, and that it does not promote one source or type of report over another. While some advocates want to mandate the use of reports from NMVTIS, Experian does not believe that it would benefit consumers if the proposed FTC website promoted or provided only the NMVTIS report. The market for vehicle history information is continually changing. Rather than attempting to steer consumers toward a particular source or provider, providing factual

information about the providers and sources of vehicle history information in an even-handed manner that does not promote one provider or source will equip consumers to choose the appropriate product or service for their purchase. We believe that the interests of consumers are best served when they are told about the different providers and sources of information. Consumers can choose the provider who at that time has access to the most useful information provided in a timely, cost-effective manner.

Toward that end, a competitive and evolving market for vehicle history information is the best manner to provide useful and timely information to consumers.

Respectfully,

Scott J. Waldron
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