

## Keith E. Whann, Esq.

October 24, 2011

### **SUBMITTED ELECTRONICALLY**

Federal Trade Commission  
Office of the Secretary  
Room H-113 (Annex G)  
600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20580  
Electronic address: <https://ftcpublic.commentworks.com/ftc/warrantyrulesanprm>

### **Re: “Magnuson-Moss Warranty Act Rule Review, 16 CFR Part 700, P114406”**

My name is Keith Whann and I am submitting these comments on behalf of myself and in my capacity as General Counsel for the National Independent Automobile Dealers Association (“NIADA”). My career in the motor vehicle industry has spanned the last 27 years, while NIADA has represented independent (non-franchised) motor vehicle dealers for over 62 years. NIADA represents over 20,000 independent automobile dealers who sell used motor vehicles generally covered by manufacturer or other warranties. NIADA is particularly focused on ensuring that customers obtain all information, in particular warranty information, in a timely and accurate fashion so that they can make informed choices in their purchase.

These comments are in response to the request for comments by the Federal Trade Commission (“FTC” or the “Commission”) on its warranty-related Interpretations, Rules and Guides: its Interpretations of the Magnuson-Moss Warranty Act (“Interpretations” or “Rule 700”); its Rule Governing Disclosure of Written Consumer Product Warranty Terms and Conditions (“Rule 701”); its Rule Governing Pre-Sale Availability of Written Warranty Terms (“Rule 702”); its Rule Governing Informal Dispute Settlement Procedures (“Rule 703”); and its Guides for the Advertising of Warranties and Guarantees (“Guides”).

I and NIADA believe the current regulatory scheme under the Magnuson-Moss Warranty Act (Mag-Moss), including the Rules and Guides, has effectively served consumers and used motor vehicle dealers for years. Each side of this equation has benefited from the certainty that arises from well-established interpretations, either from the FTC or court decisions, detailing the obligations and rights of suppliers and consumers relating to product warranties.

However, with the explosion of electronic commerce in the retail motor vehicle industry, we suggest the Commission consider revising the Guides to recognize this trend, as discussed below.

## **Electronic Delivery and Availability of Warranties**

Most retail motor vehicle transactions still occur in the dealer's store and involve "ink on paper." However, the increasing number of negotiations and sales that occur on line presents new challenges to assure providing information to the consumer and compliance by the dealer. Thus, we suggest the FTC provide detailed guidance on how, in electronic commerce, a dealer is to disclose/deliver warranty terms and conditions and comply with the pre-sale availability of written warranty terms.

Having a wealth of information available electronically, and otherwise, consumers are better informed than ever before. This has led, in part, to greater compliance with the Act and Rules than ever before. This effective and efficient system thus achieves the purposes set forth in the Act.

Mag-Moss, with its Rules and Guides, is one federal regulatory scheme that works well. With the limited modifications of the current system outlined above, the certainty that exists will continue.

Sincerely,

/s/

Keith E. Whann, Individually  
and as General Counsel for the  
National Independent Automobile Dealers Association