

September 19, 2008

Via Electronic Posting

Federal Trade Commission
Office of the Secretary
Room H-135 (Annex H)
600 Pennsylvania Avenue, N.W.
Washington, D.C. 20580

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

To Whom It May Concern:

CarMax appreciates the opportunity to provide comments on the Federal Trade Commission's (the "FTC") Used Motor Vehicle Trade Regulation Rule (the "Used Car Rule"). CarMax believes that simplification of the Used Car Rule and the Buyers Guide will benefit consumers, businesses, and the FTC.

I. The Used Car Rule Should Be Modified to Permit a Single Bilingual Buyers Guide

The United States' demographic makeup has changed substantially since the Used Car Rule became effective in 1985. A major component of this shift has been a dramatic rise of Spanish-speaking Americans. Indeed, this demographic shift has accelerated since the Used Car Rule was last revised in 1995. As a result of this demographic shift, many, if not most, used car dealers post two separate Buyers Guides on vehicles—an English version and a Spanish version. A single bilingual Buyers Guide will improve consumers' car buying experiences, mitigate confusion, and lower burdens on dealers and the FTC. Thus, the FTC should grant dealers the option of posting a single bilingual Buyers Guide.

A. Benefits to Consumers

A single bilingual Buyers Guide will benefit consumers because it will simplify the used car buying process by mitigating confusion and providing consumers with accurate information. Additionally, a single Buyers Guide will make the used car buying process safer.

Posting both English and Spanish Buyers Guides often creates consumer confusion because it clutters the amount of information a consumer views when

purchasing a used car. Often dealers post three documents: an English Buyers Guide, a Spanish Buyers Guide, and the dealer-generated window sticker. Paring down the Buyers Guides to a single bilingual document significantly reduces this clutter.

Additionally, posting two Buyers Guides presents consumer safety issues because both Buyers Guides (and the dealer's window) sticker are often not removed from the window before test driving the vehicle. Because of the inconvenience of re-posting three or more stickers, dealers often leave Buyers Guides and window stickers on vehicles, thus limiting driver visibility and increasing the probability of a serious motor vehicle accident. Creating a single bilingual Buyers Guide reduces window clutter and improves driver visibility. More importantly, it increases the chances that the dealer will remove the sticker before test driving the vehicle.

B. Burdens on Consumers

Arguably a single bilingual Buyers Guide could confuse consumers because multiple languages will be presented on the same document. Consumers are now accustomed to such documents, however, as many state and federal agencies and private businesses have implemented single bilingual documents. Consumers are accustomed to reading and understanding such documents. Thus, any concerns over customer confusion are far outweighed by the benefits to consumers from a single bilingual document.

C. Benefits to Business

A single bilingual Buyers Guide will also benefit businesses, especially small businesses, because it will reduce the expense and inconvenience of posting multiple Buyers Guides. Additionally, a single bilingual Buyers Guide mitigates the possibility that a dealer (1) posts the wrong Guide; (2) posts the same version twice; or (3) does not post a Guide at all, thus decreasing the possibility of unnecessary litigation or enforcement action.

D. Burdens on Business

A single bilingual Buyers Guide may impose minimal burdens on business as dealers become acquainted with the new document. After this initial period, however, the benefits of one document will far outweigh this initial investment. Thus, the benefits to businesses far outweigh any initial burdens and the single bilingual Buyers Guide should be permitted.

E. Benefits to the FTC

A single bilingual Buyers Guide will benefit the FTC because it will reduce the costs associated with administering multiple Buyers Guides. Additionally, a single Buyers Guide will significantly reduce the number of customer complaints regarding a dealer's failure to post a Spanish Buyers Guide or posting the wrong Buyers Guide.

Thus, a single bilingual Buyers Guide will provide substantial benefits to the FTC through reduced administrative costs and fewer customer complaints.

F. Burdens on the FTC

The only burdens on the FTC from a single bilingual Buyers Guide will be the initial developmental costs associated with the new Guide and minimal questions from consumers and dealers associated with the new Buyers Guide. However, because the FTC is considering several changes to the Buyers Guide, these burdens should already be anticipated. Moreover, because the single bilingual Buyers Guide will save administrative costs and mitigate consumer confusion, these initial burdens will be recouped quickly after the new Buyers Guide is implemented.

Conclusion

CarMax believes that a single bilingual Buyers Guide will substantially improve consumers' car buying experiences. More importantly, it will better inform consumers while at the same time easing the burden on both dealers and the FTC. Thus, the FTC should permit a single bilingual Buyers Guide.

CarMax appreciates the opportunity to comment on these proposed changes. If you have any questions, please feel free to contact me at (804) 935-4539.

Best regards,

Tyler G. Kidd
Corporate Counsel and
Government Affairs Manager