

Wisconsin Department of Transportation

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

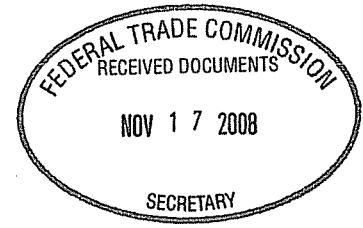
RE: Used Car Rule Regulatory Review
Matter No. PO87604
16 CFR Part 455
Used Motor Vehicle Trade Regulation Rule

The Wisconsin Department of Transportation supports the proposed changes in this rule even though Wisconsin is one of two states exempt from its use. We offer the following comments regarding the Used Motor Vehicle Trade Regulation Rule.

Wisconsin has a long history assisting consumers to protect themselves against unfair trade practices and misrepresentations. Soon after the FTC originally promulgated its Used Car Rule, the FTC gave Wisconsin approval to use the Wisconsin's Buyer's Guide in lieu of the federal version, based upon FTC's finding that Wisconsin law "affords an overall level of protection to consumers that is as great as, or greater than, that afforded by the (federal) Used Car Rule."

Wisconsin has maintained that FTC approval for more than 20 years. Wisconsin has also added various title brands and requires their use, such as flood damage and manufacturer buy back (lemon).

The Wisconsin's Buyers Guide has proved effective and popular with both used vehicle purchasers and used vehicle dealers. The Wisconsin Department of Transportation has found that dealers appreciate the opportunity to offer complete disclosure right up front, and can avoid troublesome contention later, if a vehicle purchaser complains about the vehicle condition.



The Wisconsin Department of Transportation is of course pleased that we can offer this protection, through FTC approval of the Wisconsin Buyers Guide. Nevertheless, the Wisconsin Department of Transportation strongly supports strengthening of the federal requirements for disclosure of vehicles' history and prior use.

It is in Wisconsin's interest that federal requirements are strengthened. Strengthening federal requirements will benefit Wisconsin businesses and consumers.

- Wisconsin's approved Buyers Guide is required only for vehicle sales in Wisconsin. Many Wisconsin consumers purchase vehicles in the 48 other states that use the federal buyer's guide (Maine is the other state exempted). Strengthening federal standards will provide these Wisconsin consumers more relevant facts in making informed purchasing decisions. Situations where this may occur include:
 - Wisconsin residents who purchase a vehicle while on military assignment,
 - Wisconsin border residents who purchase a vehicle in a neighboring state,
 - Wisconsin residents who purchase a vehicle while spending the winters in warmer climates (snowbirds),
 - Wisconsin residents who purchase a vehicle in another state while on extended temporary work assignments and
 - Wisconsin residents who purchase vehicles over the Internet from out-of-state dealers.

- Strengthening federal requirements that all states must comply with will also create a more level playing field for Wisconsin dealers near state borders who comply with Wisconsin's higher standard of disclosure of vehicle condition and history. This situation creates a competitive disadvantage for Wisconsin dealers compared with our neighboring state dealers – even though the Wisconsin dealers are able to offer a better product because of the prior use and condition disclosures.

- Strengthening federal requirements takes some of the ambiguity out of disputes between dealer and consumer as to what actually was disclosed about the vehicle. Wisconsin has found that dealers appreciate the clear disclosures up front, for this reason. Wisconsin believes that all other states will find this benefit for their businesses as well as consumers.

- Requiring vehicle history and brand information on the Buyers Guide is not a burden on motor vehicle dealers. Vehicle history and title brand information is easily available to motor vehicle dealers today, for several reasons. Many states print this information on titles. The National Motor

Vehicle Title Information System (NMVTIS) allows easy access to vehicle history. Private vehicle history services such as Carfax and Experian collect this information. And, motor vehicle dealers in many states now have access to those states' DMV databases because in many states dealers are required to or are permitted to process vehicle title applications, through vendors such as TriVIN and CVR, as well as through direct web-based DMV processing applications.

I appreciate the opportunity to provide these comments. The Wisconsin Department of Transportation will be pleased to provide further information or assistance on this issue should the need arise.

Sincerely,

Frank J. Busalacchi
Secretary