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January 26, 2015

Federal Trade Commission
Office of the Secretary
600 Pennsylvania Avenue NW
Suite CC-5610 (Annex A)
Washington, DC 20580

RE: Used Car Rule Regulatory Review, 16 CFR part 455, Project No. P087604

Secretary Clark:

The National Vehicle Service (NVS) is a law enforcement support organization that is the official interface between the Federal Bureau of Investigation (FBI) stolen car database and the U.S. Department of Justice (DOJ) National Motor Vehicle Title Information System (NMVTIS). We provide the FBI's National Crime Information Center (NCIC) stolen car data for use in the NMVTIS system for commercial consumption. We also are the lien data repository for lien vehicles, and provide this information to the law enforcement community as well as to the U.S. Customs export system and for NMVTIS consumers.

In addition, as the repository and interface for License Plate Reader (LPR) information we are the interface for the National Law Enforcement Telecommunications System (NLETS) to access this data. In this role we are also the source of the LPR data that is used as part of the national Amber Alert System for use by the National Center for Missing and Exploited Children (NCMEC).

NVS also assists law enforcement, vehicle finance, insurance and rental car companies and the public in protecting vehicle assets. In our role as the only interface between the owners of leased or rented vehicles that are stolen and law enforcement and protection organizations ranging from state and local police to the FBI, DOJ and Customs, NVS is recognized by the DOJ and other parties as a leading not-for-profit law enforcement support resource for reducing vehicle related crimes.

As a law enforcement support organization, NVS is fully aware of the many ways in which inconsistencies and limitations in federal and state branding and titling rules and regulations, in combination with sometimes outright illegal avoidance of reporting and recording of titling information by the parties involved in the purchase and sale of used and salvage automobiles, provide opportunities to exploit this multi-billion dollar market. We are also fully aware of the fact that auto safety-related issues are plaguing American consumers.

In response to the FTC's 2012 Regulatory Review of the Used Car Rule and additional proposed changes of 2014, we believe that the Rule provides the FTC an excellent tool with which to fulfill its mission of preventing business practices that are anticompetitive, deceptive or unfair to consumers. We commend the Commission for continued consideration of the role the Used Car Rule can play in protecting consumer purchasers of used cars by providing meaningful vehicle history information.

We strongly recommend a requirement for disclosure based upon a timely (within 30 days) commercial history report incorporating National Motor Vehicle Titling Information System (NMVTIS) data, with a clear warning disclosure requirement when the vehicle's history shows a branded title, prior brand history or prior salvage vehicle reporting by an insurer or NMVTIS junk/salvage reporting entity, as well as a record of whether the vehicle is an active stolen vehicle, will ensure that prospective purchasers receive key protective information upon which to determine whether and how to proceed with the purchase process.

The need for the report to be timely is paramount, both because an obsolete report may fail to include current critical information due to a lag in reporting and allow for subsequent sales before the total-loss/salvage and title history information catches up with the reporting.

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In addition to carrying universal information that is most useful to potential used car purchasers as an indication of prior damage, NMVTIS also carries a legal mandate to be reported into and automatically includes all total loss vehicles even if there are loopholes in definitions in state rules. Non-reporting of these vehicles into NMVTIS, unlike in any other car history report service, would involve a violation of law and, as a result, NMVTIS may give a defrauded party who relied upon NMVTIS reporting some recourse against the party that failed to report. Other vehicle reporting services, where the reporting is a result of voluntary compilation by the reporting service, will not provide any potential recourse to a defrauded purchaser against a party who was in the vehicle disposal chain and had contributed to the fraud by failing to make necessary disclosures.

NVS strongly urges the Commission to reconsider the SNPRM Vehicle History Approach to include the following:

- 1 Require sellers to check each vehicle's history with a history report that incorporates NMVTIS data and prominently display on the vehicle a warning sticker on a vehicle when offered for sale if the NMVTIS vehicle history data, recent within the past 30 days, indicates that:**
 - A The vehicle is or has been reported as a total loss by an insurance company;**
 - B The vehicle has been reported as acquired by a NMVTIS junk/salvage reporting entity;**
 - C The certificate of title contains a brand or was previously branded; and/or**
 - D The vehicle is an active stolen vehicle.**
- 2 Require sellers to make at least one vehicle history report containing NMVTIS data, current within 30 days, available upon request by a potential purchaser and also to provide any other reports containing NMVTIS data obtained within the past 30 days available to a potential purchaser upon request.**
- 3 At the time of sale, require seller to run a current (day-of-sale) vehicle history report containing NMVTIS data to confirm to the buyer that no additional disclosure is required due to new and recent reporting which would result in a warning alert. The day-of-sale report should be made available to the purchaser upon request.**

Subsequently, in our opinion NMVTIS data provides the starting point for protection of consumer interests. Other federal databases can also be combined with this NMVTIS reporting – and many data providers do offer enhanced reporting that augment and differentiate their services.

NVS considers many of these services to be very valuable and to provide additional benefits to consumers. However the bottom line for us is that – because of the timeliness, comprehensiveness, legal mandate for reporting, universality of data elements and other reasons outlined above, the Commission should mandate that a current NMVTIS public portal data reporting should be the base criteria that the Commission should mandate with any vehicle history report that it deems suitable for consumer disclosure.

NVS also urges the Commission to mandate that all dealers must check the safety recall database for every vehicle they are planning to offer for sale so that they are aware of any open safety recalls issued by the vehicle manufacturer. This eliminates the possibility that a seller could be unaware of any open safety recall and through this awareness they would then be in the position to correct any open safety defect(s) before offering the vehicle for sale.

Thank you for your consideration of our views. Should you have any questions regarding our position on this matter, please do not hesitate to contact me directly.

Respectfully on behalf of the NVS Board,

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