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**Connecticut General Assembly – General Law Committee
Testimony in Opposition of Proposed SB 160
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Good morning, my name is Matthew Godlewski and I am the Vice President of State Affairs at the Alliance of Automobile Manufacturers. I would like to thank the committee for the opportunity to share our views and register our strong opposition to Proposed SB 160.

The Alliance represents 12 car and light truck manufacturers including BMW Group, Chrysler Group LLC, Ford Motor Company, General Motors, Jaguar Land Rover, Mazda, Mercedes-Benz, Mitsubishi, Porsche, Toyota, Volkswagen Group of America and Volvo Cars North America.

It is important to begin by saying that automakers view independent repair shops as critical partners in vehicle repair. While factors such as styling and performance are key considerations when customers choose to purchase a vehicle from one of our companies – the factors of quality, dependability and reliability are among the most important in determining brand loyalty. A positive ownership experience for our customers throughout the vehicle lifecycle ensures repeat business.

While dealers perform most repairs while a vehicle is under warranty, approximately 75% of all post-warranty repairs are performed by aftermarket facilities. Thus, automakers have a deep business interest in ensuring that these repairers have access to all of the diagnostic information and tools needed to repair vehicles quickly, accurately, and affordably. Independent repairers play an important role in maintaining customer satisfaction.

The service information, diagnostic tools and training information provided to the independent repair community is the same as those we sell to our franchised dealers. The sole exception to this is security information that is used for the purpose of overriding immobilizer anti-theft systems. This information is highly sensitive and if widely released, would compromise the state-of-the-art, anti-theft deterrent systems that have reduced auto theft dramatically. Franchised dealers are bound by strict agreements that protect unauthorized access to this

security information as part of making the investment to be a dealer. Nonetheless, a process has been established for the aftermarket to gain these codes.

The National Automotive Service Task Force (NASTF) Vehicle Security Committee, working with numerous industry stakeholders and law enforcement, has recognized the complexity of the vehicle security issue and developed the NASTF Secure Data Release Model (SDRM) to close this last remaining gap. Any independent repair facility can register with NASTF to gain access to this information once their security credentials are verified. NASTF also provides a forum for repairers to find other OEM repair information.

Therefore, the question arises “if service information is being made available to the aftermarket, why do the proponents continue to claim otherwise and push for this legislation?” There are two answers to this question.

First, legislation that has moved beyond the conceptual “proposed” phase in other states has not, in fact, been narrowly focused on service information, but rather on a desire to obtain sensitive, proprietary information to aid in the reverse engineering of auto parts. Such language reveals the proponents’ true intent. These provisions generally require automakers to release information that is not even provided to franchised dealers, including information relating to parts design and operating software. This proprietary information is not needed for repairs, but is extremely valuable to aftermarket parts manufacturers and their retailers.

Proponents will say they are not seeking automakers’ trade secrets. However, the legal reality is that “trade secrets” are a very narrow slice of intellectual property; most component design documents are not considered “trade secrets,” but *deserve design protections no less*. This language opens the door to the litigation aftermarket parts manufacturers could use to force the release of proprietary information they need to more cheaply and more quickly reverse engineer knock-off automobile parts.

Release of this proprietary information could also result in undue harm to consumers. Currently, it takes a substantial amount of time, effort and money to reverse engineer aftermarket parts and design components. This legislation would dramatically reduce the cost and time currently required, with the potential for poorly designed aftermarket parts, undercutting the quality consumers deserve and expect. The resulting knock-off parts would be completely unregulated leaving the consumer exposed to parts of questionable quality.

The second factor influencing this legislation relates to the culture of the automotive repair industry. As vehicles have become more complex, automotive diagnosis and repair has become increasingly complex. The mere existence of service information is simply one piece of the puzzle. A significant investment in equipment, training and other resources is also required. Therefore, the nature of automotive diagnosis and repair has changed dramatically and the business model in repair shops across the country must also keep up. No legislation can address or change this reality.

Auto manufacturers are 100% committed to the aftermarket repair industry as partners in vehicle repair. It is in the interests of our customers to help the independent repair industry catch up with technology and training. This legislation attempts to solve a problem that does not exist. It does not address the real issues that can make it difficult for repairers to fix vehicles today and will likely open the door to the theft of vehicles and intellectual property.

The United States Congress has said "NO" to this so-called "right to repair" legislation for several years. Every state where this legislation has been introduced has also said "no." We respectfully urge that Connecticut do the same.

Respectfully submitted,

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