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January 27, 2015

Federal Trade Commission
Office of the Secretary
Constitution Center
400 7th Street SW
5th Floor, Suite 5610 (Annex A)
Washington, DC 20024

RE: Used Motor Vehicle Trade Regulation Rule; 16 CFR Part 455, Project No. P087604

The American Association of Motor Vehicle Administrators (AAMVA) appreciates the opportunity to provide comments on the supplemental notice of proposed rulemaking regarding used motor vehicle trade regulations. As the system operator, and on behalf of the United States Department of Justice (DOJ), and as the representative association of the states, AAMVA is in a unique position to offer insight into how vehicle history reports add value to consumer protections and prevent fraud. If addressed appropriately, these regulations represent critical advances in consumer protection and vehicle safety.

AAMVA supports any efforts to encourage dealers to obtain and provide vehicle history reports to their customers. Vehicle history reports are an integral component in protecting consumers from purchasing dangerous or dubious vehicles, ensuring fair trade and consumer pricing, and safeguarding users on the nation's roadways. This SNPRM proposes amendments to the language included in the Used Car Buyer's Guide. Specifically, it notes that "Commercial vehicle history reports may include vehicle condition data from sources other than NMVTIS." AAMVA realizes supplemental information may continually be added to any report to increase its value for a certain demographic, but what remains crucial for the Buyer's Guide is that NMVTIS data serve as the baseline for *any* recommended vehicle history report.

The United States government mandated that state motor vehicle agencies use NMVTIS as part of an "instant title check" through the Anti-Car Theft Act of 1992. For more than two decades, both federal and state governments have been leveraging NMVTIS as the system to accomplish the goals of the Anti-Car Theft Act. This required large-scale commitments and investments on behalf of the federal government and the states who continuously report data to NMVTIS. AAMVA reminds the FTC of this tremendous commitment to emphasize that all vehicle history reports must include the information mandated by Congress and inputted and used by the states. A refusal to recognize the efforts of the states in protecting consumers could be viewed as an attempt to temper this Congressionally-mandated instant title check process, and devalue decades of public service commitments on behalf of the federal and state governments. For these reasons, AAMVA requests the FTC recommend or reference *only* vehicle history reports that integrate NMVTIS data.

An International Safety Association of Motor Vehicle and Law Enforcement Administrators

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The FTC should bear in mind that Information from NMVTIS is used by states on a daily basis in their vehicle titling processes. Fiscal year 2014 statistics show that states conducted **64 million** inquiries into NMVTIS. NMVTIS data is a combination of state data on the title and “brands”, as well as reports from businesses that handle junk/salvage vehicles or, in the case of insurance companies, total loss vehicles. The Anti-Car Theft Act mandates that these businesses report these junk/salvage and insurance total loss vehicles to NMVTIS. Failure to report is subject to fine and penalty. NMVTIS is the only national system that gathers this information to make available to state agencies as part of their “instant title check” or consumers that purchase a report containing NMVTIS data. Essentially, NMVTIS data serves as the critical tie between state motor vehicle agency function and enhancing the primary value of vehicle history reports. NMVTIS is designed to prevent certain vehicle histories, such as flood damage, from being concealed. It is at the point of any vehicle transaction that vehicle history data and reports prove most effective - whether that be registration, change of ownership, junk or salvage. No other system carries these public obligations as frequently or as comprehensively as NMVTIS.

NMVTIS is not exclusive in its sharing of data – it was designed primarily as a system to protect consumers from unsafe vehicles as well as to protect states and consumers (individual and commercial) from fraud. NMVTIS data is available to commercial vehicle history report providers should they pass quality assurance standards and meet data access protocols. Because it is not an exclusive system, and because it is operated by our organization under contract with the United States Department of Justice, AAMVA feels a continued commitment to the public agencies that provide this baseline vehicle data is warranted. AAMVA does not request NMVTIS be the sole provider of vehicle history reports, rather we suggest that the United States government promote its own system as an integral component of any vehicle history report. Without access to the NMVTIS data, consumers and dealers run the risk of purchasing and selling a vehicle that has been determined to be a junk/salvage or total loss. For example, as a result of the floods caused by or associated with Hurricane Sandy, thousands of vehicles sustained severe water damage that can make vehicles’ electrical systems, including their airbag sensors, prone to failure. Any business that took vehicles into their possession were obligated to report those vehicles to NMVTIS.

AAMVA feels it is important to retain the disclosure of vehicle history data *at the point of sale*. The Commission is correct in ensuring this data be made available at the point of transference of property. AAMVA further reminds the Commission of the fact that the used vehicle marketplace will continue to evolve, and that in order to keep pace with changes to the market, consumers need to be able to have options for the vehicle title, brand, junk/salvage and total loss data accessible to them. All of this information originates with data - as reported through NMVTIS.

AAMVA urges the FTC to provide the states and the federal government with the opportunity to realize their public service commitments of over two decades by recommending and referencing only vehicle history reports that include NMVTIS data. A failure to provide this limited recognition of effort could send a dangerous message to the states regarding their obligations to perform instant title checks and protect the consumer public.

AAMVA thanks the FTC for their leadership in bolstering consumer protections, vehicle safety, and vehicle transaction transparency. With this in mind, we feel the enhancements the Commission is making to the Used Car Buyer’s Guide could help bolster all three aspects of this rulemaking as long as NMVTIS data continues to play a central role. Thank you in advance for your consideration.

Sincerely,



Ian Grossman
Vice President, AAMVA Member Services and Public Affairs