

Key ISSUES



Vehicle Data

WHAT THE ISSUE IS

Direct access to vehicle data is under threat by vehicle manufacturers. Currently vehicles are repaired when repair shops and consumers connect to the on-board diagnostic port, obtain repair codes and then implement repairs. However, newer vehicles have the ability to transmit diagnostic data wirelessly, thus permitting vehicles to be diagnosed and in some cases repaired without ever going to a shop. Further, manufacturers are locking down access to the diagnostic port, requiring car owners and shops to obtain authorization from the manufacturer to access the port. There is a cost associated with this access that used to be free and controlled by the vehicle owner. The vast majority of modern vehicles can transmit data on virtually every aspect of their operation including diagnostic information, geolocation and how the vehicle is driven. While access to this data could provide many benefits to car owners, all of the data is currently sent to the vehicle manufacturer who then serves as gatekeeper for the data, determining who can have access and at what cost.

OUR POSITION

Auto Care believes that the owner of the vehicle should control access to data and that access to data should be direct from the vehicle and in real time. Manufacturers should also be required to disclose what data is being generated by the vehicle and how manufacturers are using that data.

SECURE ACCESS

A globally recognized technical design framework for Intelligent Transportation Systems, like the Secure Vehicle Interface (SVI), enables solutions consumers can use to directly access their vehicle data, and directs the data to the service provider of their choice. Solutions based on standards provide security, privacy, choice and safety, leveling the playing field through secure and standardized data access.

HOW THIS IMPACTS YOU

If manufacturers are permitted to control access to data, they will have the ability to determine who can repair their vehicles and at what cost. Such action would give them almost total control of the independent repair market, deciding who will be the winners and losers. We need to demand direct access and control of vehicle data.

COVID-19 Relief

WHAT THE ISSUE IS

In response to the COVID-19 pandemic and resulting business losses and shut-downs, the federal government has created several emergency funding mechanisms (loans and grants) that are available to businesses of all sizes. The Paycheck Protection Program (PPP) and the Economic Injury Disaster Loans (EIDL) are supported by the Small Business Administration (SBA) and available through local banks. Additionally, the Federal Reserve has created the Main Street Lending Program as an alternate source of funding that is also available to businesses that have up to 15,000 employees.

Additionally, Congress is exploring providing liability protection for businesses like ours that have remained open during the pandemic.

OUR POSITION

The majority of auto care businesses were impacted by the COVID-19 pandemic and although our industry was declared “essential” and continued to operate, revenue streams were impacted and many businesses need cash liquidity in order to survive. Congress should continue to consult with the auto care industry to determine what funding mechanisms are needed as the pandemic continues.

HOW THIS IMPACTS YOU

The proper loan or grant made through a local bank may assist you in your ability to keep employees on your payroll and your business operating through the pandemic. The terms and conditions for these programs have been updated multiple times and so we encourage you to regularly consult the Auto Care Association website to learn about any program revisions.



China 301 Tariffs

WHAT THE ISSUE IS

Pursuant to Section 301 of the Trade Act of 1974, the president directed the United States Trade Representative (USTR) to conduct an investigation into China's acts, policies and practices related to technology transfer, intellectual property and innovation. On March 22, 2018, President Trump signed a memorandum announcing that the United States would take multiple steps to protect American technology and intellectual property from certain discriminatory and burdensome trade practices by China.

OUR POSITION

The USTR should grant an extension of the exclusion from the 301 tariffs on auto parts that the industry has a difficulty sourcing from other countries (e.g., brake rotors). The variable production line of broad parts in low volumes needed by our industry to support vehicle maintenance and repair requires a tremendously complex network of smaller sub-suppliers that does not exist in the U.S. and would be both time and cost prohibitive to replicate.

HOW THIS IMPACTS YOU

The auto care industry depends on a global supply chain including auto parts that are purchased from China. If the tariff exclusions are not extended, this will result in an increase in the cost to purchase impacted parts from China.

STATUS

On Dec. 13, 2019, USTR announced that the U.S. had reached a phase-one trade agreement with China in areas of intellectual property, technology transfer, agriculture, financial services, and currency and foreign exchange. The agreement also includes China's commitment to purchase U.S. goods and services.

The USTR has published four tariff lists since June 2018 of products imported from China that would be subject to an additional tariff. Certain products were granted exclusions from these tariffs, retroactive to the original effective date of the tariff action. For products with expiring exclusions, affected parties have an opportunity to submit comments in support of or in opposition of an extension of the exclusion. Details regarding the process are published in the Federal Register notice released approximately two months before the exclusion expires.

Exclusions are made on a product basis and apply to all imports of the product, regardless of whether the importer filed a request. However, different products under the same Harmonized Tariff Schedule heading may not all be covered under the one exclusion.

For product-specific questions, please contact Angela Chiang at angela.chiang@autocare.org.



Technician Shortage

WHAT THE ISSUE IS

The qualified technician shortage has been a growing industry problem for many years, as older generations of mechanics retire without sufficient interest among younger people to fill this job. Our industry has struggled to recruit new technicians and, in some cases, convince their parents that there is a rewarding and lucrative career alternative to pursuing a four year college degree. Maintenance and repair technicians keep the American fleet rolling and, in turn, directly impact nearly everyone in the auto care industry. Automotive technician employment in 2019 totaled more than 914,200 men and women at general repair shops, vehicle dealerships and gasoline service stations.

There are some indications that the more sophisticated nature of vehicles today, and the computer proficiency necessary to properly diagnose them, may begin to reverse these attitudes toward a career as a vehicle tech. The Bureau of Labor Statistics projects automotive

technicians' employment to grow 6.1% annually through 2026. The increased number of vehicles in operation, reflecting continued growth in the number of multi-car families, will drive this growth.

OUR POSITION

The viability of our industry is dependent, in part, on our ability to recruit and train skilled technicians who can diagnose and repair modern vehicles. As Congress continues to explore apprenticeship programs and other initiatives that seek to address workforce shortages, it should include auto repair technicians.

HOW THIS IMPACTS YOU

If repair shops are not able to recruit and retain qualified auto care technicians, it could impact the overall health of the auto care industry by stymieing growth from lower car counts in repair facilities that also translate to loss of parts sales.



Learn about all of the issues facing the industry by visiting autocare.org/government-affairs/issues.