

Testimony of Kathleen Callahan, Owner
Xpertech Auto Repair
Englewood, Florida
Before the Subcommittee on Innovation, Data, and Commerce of
The Energy and Commerce Committee
United States House of Representatives
September 27, 2023

Chairman Bilirakis, Ranking Member Schakowsky, and Members of the Subcommittee:

My name is Kathleen Callahan, and I am the owner of Xpertech Auto Repair in Englewood, Florida. I am a member of the Auto Care Association and the incoming Vice Chair of Women in Auto Care, a national organization dedicated to engaging, educating, and empowering women in the auto care industry. Thank you for allowing me to be here today to discuss HR 906, the REPAIR Act, and how this legislation is critically necessary to ensure independent repair shops like Xpertech can continue to serve our customers in a timely, accessible, and affordable manner not only in Florida but around the nation.

Xpertech Auto Repair has been providing quality car care in Englewood and its surrounding areas since 1979. We are a woman-owned business with 8 employees delivering honest and professional automotive repair and maintenance to all vehicle makes and models. As a Gold-certified NAPA AutoCare Center, we have the ability to provide the benefits of an established, national company while maintaining the personal touch of a family-owned business. And for those of you from Florida who know Englewood, you know how important that small-town personal touch can be, especially when an elderly neighbor is trusting you to care for their vehicle, which is tied to their independence and is often the second-largest investment made next to owning a home.

The independent aftermarket is comprised of not only repair shops but businesses that manufacture, distribute, and sell vehicle parts, accessories, tools, equipment, materials, and supplies for both consumer vehicles and commercial trucks. We are a nearly \$400 billion industry with over 4 million employees, from names that you see daily like NAPA, O'Reilly, AutoZone, and Advance Auto Parts to repair shops on the corner of every small town intersection in the nation to heavy-duty industry leaders like HDA Truck Pride and Fleet Pride. We are present in every district in the country. When you hear someone say, "My car needs some work," the response is usually, "Don't worry, I got a guy *or gal!*" Most often, they are talking about us. My industry is an economic engine for the nation and essential to keeping America's 292 million registered motor vehicles on the road. I am here today because my shop, and every other independent repair shop in the country, is facing an existential threat to our future.

As technology in vehicle manufacturing advances, original equipment manufacturers (OEM) are transmitting terabytes of data generated by your vehicle to their servers; this wireless transmission process is called “telematics.” *Did you know that your car knows how much you weigh? So does the manufacturer.* Many of you may remember a time when you would take your car to the repair shop, and your trusted independent technician would plug in a tool under the dashboard and begin to look through and analyze the data needed to diagnose and eventually repair your vehicle. The data was accessible to any repair shop through the On Board Diagnostic (OBD) Port. Those days will soon be far behind us as the data I need to diagnose the complex computer network of modern vehicles is inaccessible through our scan tools, and we must send our clients to a dealership for answers and often a much higher repair bill. I would suggest that in five years, the only reason the OBD Port will even exist is to ensure the vehicle complies with emission standards. All other data will be sent via telematics directly to and controlled by the OEM. Alternatively, they will make limited data available to me via the OBD port but will share this or more data wirelessly with their dealerships. This would mean that the dealership can diagnose a repair issue remotely while the customer stays in their driveway, and my customer will need to physically bring their car to my shop for a potential diagnosis.

Suppose vehicle manufacturers keep the exclusive right to diagnostic and repair data. In that case, my shop’s ability to provide our award-winning service will be delayed, compromised, or eliminated. The independent aftermarket is at the whim of the vehicle manufacturers, who plan to make billions of dollars from vehicle-generated data. In fact, manufacturing company Stellantis (formerly Chrysler) announced an entire division for the collection and sale of data. They project it to be a key contributor to \$20 billion in incremental revenue by 2030 from software-related services. Selling this data is big business; we don’t have to wonder why such time, effort, and resources are being devoted to monopolizing it. Without federal action ensuring my access to this limited subset of vehicle-generated data, independent repair shops and the entirety of the aftermarket face an uncertain future at best and, at worst, no future at all.

The REPAIR Act will guarantee that our shops can access the data we need to safely diagnose and repair vehicles today and in the future in a manner consistent with the wishes of the vehicle owner. The REPAIR Act allows the free market to work by prohibiting competition-busting barriers vehicle manufacturers use to protect their competitive advantage. If the vehicle owner prefers the service shop at their dealership, that is their right, but should they choose to have repairs done at my shop, they should also have that right guaranteed. It’s your car. It should be your data. And that repair and diagnostic data should be accessible to the repair shop of your choice.

Worth mentioning as well is that the independent aftermarket is where innovation in parts and repair happens! What happens when only one company, an OEM, can sell a part to fix a vehicle? They have no reason to improve it or make it more affordable. But a vibrant aftermarket, with a dozen companies competing for the market share of that part, will drive innovation, safety enhancement, lower costs, and be more accessible. Denying this competition hurts consumers

and stifles job growth within the industry. Also, consider that the average age of a passenger vehicle on the road today is close to 13 years old and that OEMs stop producing parts for cars once they hit 10 years old. You can again see the importance of the aftermarket in the safe, reliable, and affordable maintenance of vehicles.

This issue has broad, bipartisan support, including 42 bipartisan cosponsors in the House, led by a fellow Floridian, Congressman Neal Dunn. Thank you, sir, for your hard work on this legislation. And the strong support isn't just in the halls of Congress. The REPAIR Act is supported by the Auto Care Association, the national trade association representing the independent aftermarket and over 200,000 repair shops; MEMA Aftermarket Suppliers, the Consumer Access to Repair (CAR) Coalition, the Specialty Equipment Market Association (SEMA), The Tire Industry Association (TIA), the American Motorcyclist Association (AMA), Public Interest Research Group (PIRG), the Owner-Operator Independent Driver Association (OOIDA), the Commercial Vehicle Solutions Network (CVSN) and the National Association of Truck Stop Operators (NATSO), only to name a few!

These groups, and all of you who have given your support in Congress, realize that the only way to protect affordable and accessible vehicle repair is to have an enforceable statute that protects the rights of the vehicle owner to choose the repair shop of their choice. Congress should act to codify this right to preserve consumer choice in vehicle repair, and today's hearing is the start of that process. Thank you for taking this first step.

Well-intended half measures and unenforceable promises are not a solid foundation for my shop's future, which is why I ask you all to favorably consider the REPAIR Act and allow us to continue our decades-long commitment to serving the vehicle repair and maintenance needs of our friends, family, and neighbors in and around Englewood. Thank you for allowing me to be here today, and I stand ready to answer any questions you may have regarding my support of the REPAIR Act.