

# Lew Flowers

## Flowers Fleet Services

### Oklahoma City, OK

# Agenda

- Who is concerned with Right to Repair
- What has the Industry been doing?
- Background on Fleet Problems
- Problems with maintenance Providers
- Where are we going on the Issue?

# Many groups are interested in the “Right to Repair” Issues in HD vehicles

- HD After market Suppliers and Providers
- Technology and Maintenance Council
- HD Group form a Task Force in 2008



## **COMMERCIAL VEHICLE TASK FORCE**

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### **Commercial Vehicle Task Force Objectives**

1. Raise the awareness of distributors and truck owners on the current restrictions and expected future availability of technical and product information, the ability of truck owners to repair their vehicles, and the impact it will have on everyone's businesses.
2. Bring the interested parties including, vehicle manufacturers, component manufactures, independent service providers, truck owners, and distributors; together to develop a mutually beneficial and accountable agreement that will make technical and product information available to all interested parties.

# Task Force Members

- Pat Bierman-HDA
- Bill Burns-TruckPride
- Frank Camerota-ITPA
- Mike Hill-APRA
- Marc Karon CVSA
- Lew Flowers-TMC
- Pete Pasdach-VIPAR
- Mark Rubini-SSA
- David Scheer-HDDA

# TMC

- Wanted to find out how their members are being effective about the problem.
- Did survey in May 2010.

## Results of TMC Survey

- In May 2009, TMC conducted a survey of its fleet members on their awareness of the access to repair issue.
- Survey was sent to about 500 TMC fleet executive level members.
- Survey enjoyed about a 9 percent response rate.

# Results of TMC Survey

- Of those fleets responding:
  - 24% Motor Carrier
  - 17% Private Carrier
  - 17% LTL
  - 17% Truckload
  - 17% Leasing      - 8% Vocational/Other



# Results of TMC Survey

- Responding fleets represent:
  - 85,128 Sleeper Cab Class 8 Tractors
  - 93,010 Other Class 8 Tractor Configurations
  - 113,919 53-ft Trailers
  - 196,110 Trailers < 53-ft
  - 187,993 Straight trucks

# Results of TMC Survey

- Are you aware of the Access to Repair Information Issue?
  - 64% Yes
  - 36% No

# Results of TMC Survey

- If so, have you read articles about the Access to Repair Information Issue?
  - 50% Yes
  - 50% No

# Results of TMC Survey

- If aware, how do you rank the importance of the issue?
  - 43% - Very important
  - 36% - Moderately important
  - 5% - Not important

# Results of TMC Survey

- If not addressed, what do you think will be the consequences?
  - Unable to Affect Repairs 67%
  - Not Sure 19%
  - Expect no real consequences 14%

## Results of TMC Survey

- Have you experienced difficulty in obtaining information needed to affect repairs?
  - 50% Yes
  - 50% No
  - Of those responding “yes,” 86% reported increased cost as a result

# Results of TMC Survey

- Concern by VMRS System Code
  - Respondants were asked to rank how this issue will affect repairs by VMRS Code Key 31: System Code
  - (1 least impact; 5 highest impact)

## Results of TMC Survey

- 001 HVAC 2.57
- 013 Brakes 2.95
- 015 Steering 2.28
- 016 Suspension 2.14
- 020 Drivetrain 3.35
- 030 Electrical 4.26
- 043 Emissions Control 4.14
- 045 Powerplant 3.93



# Results of TMC Survey

- What types of repairs has your fleet experienced in which repairs could not be made because of access to repair information?
  - ECM-controlled HVAC repairs
  - Wiring related repairs
  - Multiplexing-related repairs
  - Repairs requiring specialized diagnostic software

## Results of TMC Survey

- At Fall meeting had Technical presentation on Access to Repair.
- Task force was created to review the Access to Repair.

# Scope and Objective of TMC Task Force

- To raise the awareness of fleets, service providers on the current restrictions and expected future availability of technical and product information to fleets and other Service providers.  
To inform fleet managers the limited ability of fleet technicians to repair their vehicles and the impact it will have on everyone's businesses.

To bring the interested parties including, vehicle manufacturers, component manufactures, independent service providers, fleet managers together to develop a mutually beneficial and accountable agreement that will make technical and product information available to all interested parties.

## **We need to start pulling on the rope !!!**

- 2002 NASTF and Automotive Service Association (ASA) reach understanding with most vehicle manufacturers.
- Did not cover HD vehicles.



NASTF came about from a cooperative agreement between automotive companies and the Automobile Service Association to ensure that all necessary information is provided to independent shops.

## THERE ARE SOME MISUNDERSTANDING OF THE NASTF APPROACH

- In many cases, information resolution can take weeks.
- There is no penalty to manufacturers because there is if they do not comply.
- NASTF has no anti-trust exemption so it cannot address overcharges for tools or information.

## MORE MISUNDERSTANDING

- Not all automobile manufacturers support NASTF.
- Some vehicles must be returned to the dealer to reinitialize the vehicle computers.
- Manufacturers have nothing to gain by cooperation.



## The Real Deal IN THE NASTF APPROACH

- Over the years NASTF has gained manufacturers support.
- Manufacturers have a lot to gain by cooperation-
- Customer Satisfaction

## THE REAL DEAL

- Area that needs improvement - resolution can take weeks.
- There is no penalty - changed.
- NASTF has no anti-trust exemption-  
Changed

# Does NASTF Binding Arbitration Falls Short ?

- Tools and dealer tech hotlines not included.
- GM and Chrysler never signed agreement. Chrysler signed in early 2010 !!
- Binding arbitration must take place in Loudon County Virginia, unless alternative location is agreed to by all parties.

# Does NASTF Binding Arbitration Falls Short

- Shop owner must have lawyer present.
- If arbitrator finds for the shop owner, OEM *only* must provide the disputed information.
- Losing party pays the arbitrator; losing OEM pays none of shop owner's costs.

# HISTORY

- 2009 Introduction of HR 2057 in 111<sup>th</sup> Congress.
- 2010 Introduction of S 3181 in 111<sup>th</sup> Congress.

# Motor Vehicle Owners Right to Repair Act (H.R. 2057, S. 3181)

- Introduced by Reps. Edolphus Towns, (D-NY), Anna Eshoo (D-CA), and George Miller (D-CA). Currently 58 co-sponsors for H.R. 2057.
- Sens. Barbara Boxer (D-CA) and Sam Brownback (R-KS) introduced S. 3181 (3/25/10).
- Requires vehicle manufacturers to make the same service information and tools available to independent repair shops that they provide to their franchised dealers.

# Motor Vehicle Owners Right to Repair Act (H.R. 2057, S. 3181)

- Guarantees vehicle owners the right to have their vehicle serviced at a repair facility of their choice.
- Manufacturers must provide the information that enables aftermarket tool companies to manufacture tools with the **same functional characteristics**.
- Trade secrets are exempted as long as they are not revealed to franchised dealers.
- More joined

## STATE ACTIVITY

- Massachusetts Joint Committee on Consumer Protection and Professional Licensure approved the bill on 2/8/10 by an 11-1 vote; referring it to the Senate and House for passage.



## Pull on the rope the same direction !!!

- HD groups need to learn from NASTEF.
- Form working group to work with OEMs.
- Only Four Truck OEMs. The objective is to find a business to business solution to the problem.
- Vehicle Task Forces gives us a common platform to pursue all options.
- Barring an industry solution, legislative options will need to be considered.

# Before going on let's look

## OEM and the Dealer perspective



AMERICAN  
TRUCKING  
ASSOCIATIONS



# OEM Perspective ....

## ***Billions of Dollars Invested for...***

- Proprietary products & technology with integrated engineering, manufacturing, & support requirements.
- Integrated proprietary products with OEM genuine parts for new technology & sophisticated components.

## ***Customer satisfaction...***

- A highly trained and skilled dealer service & parts support network that is totally committed and focused on the OEM's specific products & customers for mutual livelihood and success.
- Timely, professional, warranty & policy repairs throughout the network.

## ***Billions of Dollars Invested for...***

- OEM customer support staff with dealer & customer training for professional, accurate & timely repairs.
- National & global integrated proprietary parts inventory & distribution infrastructure.

## ***Federal & State legal issues...***

- Federal, State safety, environmental, and dealer franchise laws REQUIRE that the OEM provide dedicated proprietary protection for Customers, the public and dealers.
- As long as those statutes remain in place, the OEM Truck Manufacturer must meet these legal requirements.

# Dealer Perspective



## ***Millions of dollars invested...***

- New truck Sales investment & risk with very little or no net profit.
- Trade & used truck risk with very little or no net profit.
- OEM facility, financial, and insurance requirements.
- OEM required training, tools and slow moving proprietary parts requirements.

## ***Customer Support & satisfaction...***

- Dealers must have highly trained and skilled new truck sales, used truck sales, service & parts support teams totally focused on serving customers for our livelihood and success 24 hours a day.

## ***Federal & State Legal Concerns...***

- Federal & State safety, environmental, and dealer franchise law REQUIRE that the Dealer provide dedicated proprietary protection for customers, the public and OEM.

# Problems

- Next two slides show simple repair problems.

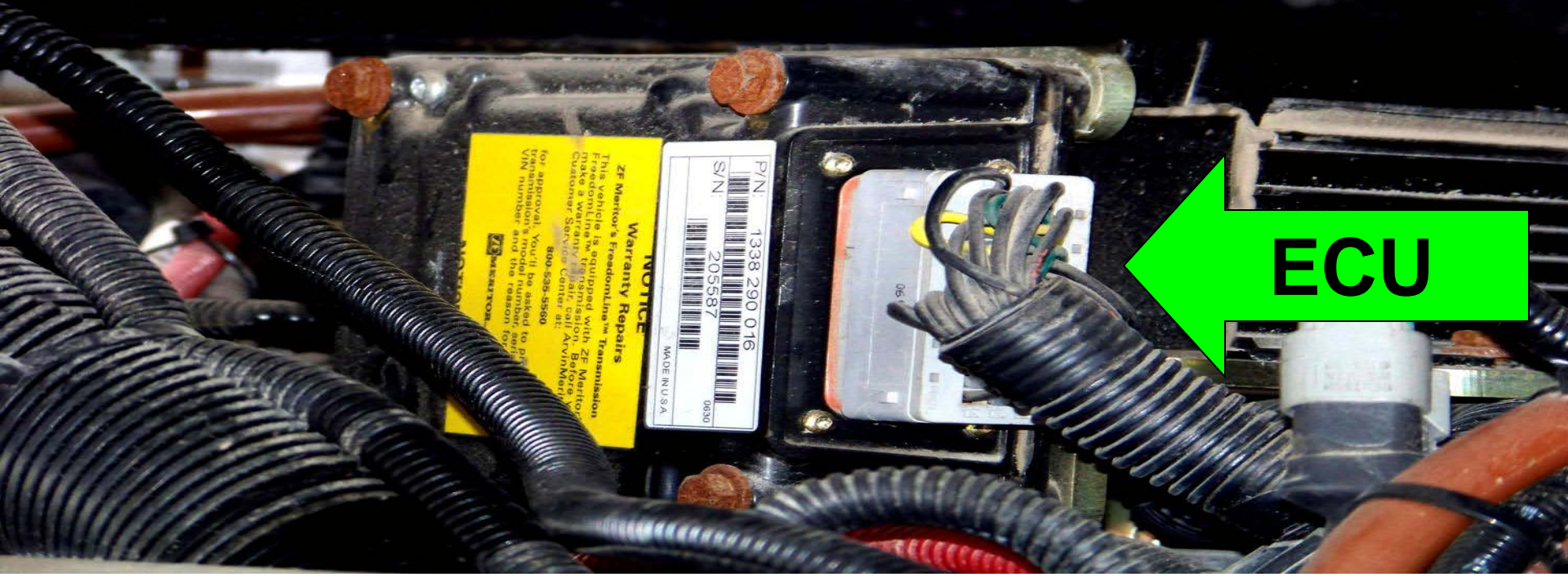
# Truck Components Are Part Of A Complex Electronic Network That Controls Truck Operation, Efficiency, And Safety

- Engine- the first major component of the truck where repair information has been expertly restricted in an attempt to drive business to the OE dealer



Not a highly technical repair

**Daytime running lights were not functioning properly. The dealer would not supply the wiring diagram. Truck had to be taken to the dealer.**



ECU lost connection with the main computer. Dealer would not provide specs needed to re-connect to network.

Had to take the vehicle back to the dealer

What is our next Step ?

Thank You

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