

Federal News

- The U.S. House passed <u>House Joint Resolution 136</u> to overturn the U.S. Environmental Protection Agency's (EPA) "<u>Multi-Pollutant Emissions Standards for Model Years 2027 and Later Light-Duty and Medium-Duty Vehicles</u>" rule. ASA supports this vote because it aligns with <u>the organization's policy position on vehicle choice</u>. If allowed to go into effect, this regulation will limit consumers' choice in powertrain, and by extension, could subject many independent auto repairers to severe hardship. The federal government estimates that the rule will result in over 50 percent of vehicles sold in the U.S. in 2032 being EV. <u>ASA Board President Scott Benavidez stated</u>, "The automotive repair industry isn't pro or anti EV. We just want to make sure that we can repair our customers' vehicles. ASA calls on the U.S. Senate to follow the House's lead and send this bill to the President's desk."
- The U.S. House Energy & Commerce Committee held <u>votes on 16 bills</u>. As expected, Chairwoman Rodgers excluded the "REPAIR Act" from the agenda. She noted, "…one bill that we will not be considering today [is] the REPAIR Act…I would encourage members and stakeholders to keep working together to find a path forward."
- Congresswoman Yadira Caraveo (D-CO) introduced H.R. 9618, the "Lowering Costs and Auto Rates for Insurance Act." The bill would require the Federal Insurance Office (FIO) to issue an annual report containing "legislative recommendations with respect to lowering the cost of automobile insurance," and "any other information with respect to the automobile insurance industry as deemed relevant by the Director" or requested by certain congressional committees. Some members of congress have tried to eliminate or weaken FIO. <u>ASA has pushed back</u> against these efforts.
- <u>ASA commends Congressman Marc Molinaro</u> (R-NY) for raising awareness around the national labor shortage's acute impact on the automotive industry. Rep. Molinaro chairs the House Small Business Committee's Innovation, Entrepreneurship, and Workforce Development Subcommittee, which recently held <u>a hearing on workforce training programs</u> for employees. During the hearing, he remarked, "...many businesses [are] struggling to find qualified talent amid rising costs and inflation. The construction, healthcare, and automotive sectors are particularly in need, facing significant deficits in skilled labor that could hinder growth and increase project delays." Many independent auto repairers, especially in rural communities, lack technicians, resulting in longer repair times and fewer customers able to be served.
- Before going on recess until after the November elections, the U.S. House devoted significant time on bills related to China. Some of these bills could impact imported auto parts and EVs in the U.S. The House Judiciary Committee passed <u>H.R. 9151</u>, the Protecting American Industry and Labor from International Trade Crimes Act, which would create resources for the Department of Justice to investigate and prosecute trade crimes. The full House passed <u>H.R. 7980</u>, the End Chinese Dominance of Electric Vehicles in America, which would strip EV tax credit eligibility for EVs whose battery contains minerals sourced from China and other adversarial countries. Additionally, a 100% tariff on Chinese-made EVs, issued by President Biden's administration, went into effect. The government cited unfair trade practices and national security as the reasons for the measure.





State News

- **California** Governor Gavin Newsom (D) vetoed several auto related bills that the Legislature approved. <u>AB 2448</u> would have created an "EV Economic Opportunity Zone" in Riverside County. One clause in the bill would have authorized the California Labor and Workforce Development Authority to partner with educational institutions to produce "career pathway, education, training, and support programs for electric vehicle service technician development." Newsom cited the state's budget deficit and the need for financial discipline in his veto statement. <u>AB 2286</u> would have prohibited heavy-duty autonomous vehicles from driving on roads in the state unless a licensed operator is present in the vehicle. Concerns with hurting the state's innovation ecosystem motivated the veto. The bill closely resembled a bill the Governor vetoed last year. He also vetoed <u>SB 961</u>, which would have required vehicle manufacturers to equip vehicles with devices that notify drivers when they exceed the speed limit by 10 or more miles. Another bill that met its demise on the Governor's desk was <u>SB 615</u>, which would have required all EV batteries to be reused or recycled. Responsibility for ensuring the battery was properly reused or recycled would not have fallen on independent repairers. Gov. Newsom stated that he could not sign the bill into law because it would have placed too much of a burden on state agencies.
- Two auto-related bills that **California** Governor Newsom decided to sign are AB 1755 and SB 1394. Current law provides a process for consumers to receive restitution from an auto manufacturer if they are unable to repair a vehicle to a condition compliant with the terms of a warranty. <u>AB 1755</u> will require that consumers who initiate these restitution processes do so within one year of the warranty's expiration or six years after the vehicle was delivered to its owner upon purchase. <u>SB 1394</u> will require auto manufacturers to create a process for removing a person's access to a vehicle's telematics systems to protect domestic abuse victims from abusers who use vehicle location access to stalk their victims. This bill's enactment reflects the public's growing concern about who has access to vehicle telematics and what capabilities that access can provide.
- The **New Jersey** State Senate Transportation Committee unanimously advanced <u>S. 507</u>. This bill would create legal liabilities for auto repairers who install or modify a muffler "in a manner which amplifies or increases the noise emitted by the motor or muffler of such vehicle" above the noise level "emitted by the muffler originally installed on the vehicle." S. 507 would also add checking the muffler or exhaust for excessive or unusual noise to the state's inspection program. Relatedly, the state Motor Vehicle Commission would be permitted to deny, suspend, or revoke a private inspection facility's license if that inspection facility was found to have installed or modified an exhaust system or muffler in violation of the noise laws created by the bill on more than one occasion within an 18-month period. Improperly inspecting a vehicle could also incur this penalty.

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