

118TH CONGRESS
1ST SESSION

S. 3014

To establish requirements for the Federal Trade Commission with respect to certain rules related to automotive retailing, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 4, 2023

Mr. MORAN (for himself and Mr. MANCHIN) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

A BILL

To establish requirements for the Federal Trade Commission with respect to certain rules related to automotive retailing, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Trade Com-
5 mission Review of Expensive and Detrimental Overregula-
6 tion Act” or the “FTC REDO Act”.

1 **SEC. 2. MOTOR VEHICLE DEALERS TRADE REGULATION**

2 **RULE.**

3 (a) PROHIBITION.—The Commission may not final-
4 ize, implement, or enforce a covered proposed rule unless
5 the Commission satisfies the requirements described in
6 subsection (b), and any other requirements applicable
7 under Federal law, with respect to the covered proposed
8 rule.

9 (b) REQUIREMENTS FOR COVERED PROPOSED
10 RULES.—

11 (1) REQUIREMENTS FOR ISSUANCE.—At least
12 30 days before publishing in the Federal Register a
13 notice of proposed rulemaking with respect to a cov-
14 ered proposed rule, the Commission shall—

15 (A) complete—

16 (i) a quantitative study on automotive
17 retailing that—

18 (I) uses a statistically valid na-
19 tional sample size of purchasers and
20 lessees of motor vehicles from motor
21 vehicle dealers;

22 (II) is noticed and subject to
23 public comment for a period of not
24 less than 30 days before publication;

(III) is peer reviewed by an independent third party with knowledge of automotive retailing; and

(IV) determines whether there is quantitative evidence of a prevalence of unfair or deceptive practices in automotive retailing that supports the necessity of the covered proposed rule;

(ii) quantitative consumer testing that—

(I) uses a statistically valid national sample size of purchasers and lessees of motor vehicles from motor vehicle dealers;

(II) is noticed and subject to public comment for a period of not less than 30 days before publication; and

(III) determines whether new mandates, including disclosures, under the covered proposed rule would—

(aa) enhance consumer understanding, education, and protection; and

1 (bb) not unduly impair le-
2 gitimate business activity, includ-
3 ing as compared to alternative
4 approaches that may provide
5 similar benefits; and

6 (iii) a detailed economic analysis of
7 the costs and benefits of the covered pro-
8 posed rule that—

9 (I) is noticed and subject to pub-
10 lic comment for a period of not less
11 than 30 days before publication;

12 (II) is peer reviewed by an inde-
13 pendent third party with knowledge of
14 automotive retailing from the perspec-
15 tive of consumers and motor vehicle
16 dealers;

17 (III) includes an assessment of
18 the costs for consumers and small
19 businesses, including as a result of
20 new disclosures and paperwork; and

21 (IV) compares the mandates of
22 the covered proposed rule to more tar-
23 geted and less burdensome alter-
24 natives that achieve similar benefits;
25 and

1 (B) submit to the Committee on Energy
2 and Commerce of the House of Representatives
3 and the Committee on Commerce, Science, and
4 Transportation of the Senate a copy of the cov-
5 ered proposed rule and the results of the study,
6 testing, and analysis conducted under subpara-
7 graph (A).

8 (2) REQUIREMENTS FOR FINALIZATION.—The
9 Commission may only finalize, implement, or enforce
10 a covered proposed rule—

11 (A) if—

12 (i) an advance notice of proposed rule-
13 making with respect to the covered pro-
14 posed rule was published in the Federal
15 Register;

16 (ii) a notice of proposed rulemaking
17 with respect to the covered proposed rule
18 that includes the results of the study, test-
19 ing, and analysis conducted under para-
20 graph (1)(A) was published in the Federal
21 Register; and

22 (iii) the covered proposed rule was
23 open for public comment for a period of at
24 least 120 days; and

1 (B) if the duties, disclosures, penalties,
2 and other mandates imposed by the covered
3 proposed rule apply equally to franchised, inde-
4 pendent, and direct sellers of automobiles.

5 (c) DEFINITIONS.—In this Act:

6 (1) COMMISSION.—The term “Commission”
7 means the Federal Trade Commission.

8 (2) COVERED PROPOSED RULE.—The term
9 “covered proposed rule” means—

10 (A) the proposed rule of the Commission—

11 (i) titled “Motor Vehicle Dealers
12 Trade Regulation Rule”; and

13 (ii) published in the Federal Register
14 on July 13, 2022 (87 Fed. Reg. 42012);
15 and

16 (B) any rule proposed by the Commission
17 on or after September 12, 2023, that is similar
18 or related to the proposed rule described in sub-
19 paragraph (A).

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