



June 10th, 2023

IRRC #3373; Proposed Rulemaking, Office of Attorney General [37 Pa. Code Ch. 301]
Automotive Industry Trade Practices

George D. Bedwick
Chairman, Independent Regulatory Review Commission
333 Market Street, 14th Floor
Harrisburg, PA 17101

Dear Mr Bedwick,

I write in behalf of the Lehigh Valley Auto Auction (LVAA) to provide comments on the proposed rule making regarding Automotive Industry Trade Practices.

We are an independent Auto Auction located near Allentown, PA. We have been in business for over 30 years and are members of organizations such as the National Auto Auction Association (NAAA), and The National Independent Automobile Dealers Association (NIADA). For over three decades we have been a part of the fabric of the local landscape with customers from not only the local area but across the nation. Our facility alone has sold over 200,000 units since our establishment.

Our operations include vehicles sales at the wholesale level. The NAAA provides guidelines for the sale and facilitation of a vehicle transaction. This includes everything from providing training to giving guidelines for each step of the vehicle sale process. As a member of the NAAA we uphold these trusted industry standards. Both the buyer and seller expect to abide by the NAAA standards as it serves to establish both their rights and their protections. In relation to the current issue, these time tested standards provide guidelines in case there is an inconsistency between the seller representations and the actual vehicle condition. They also provide protections for the seller in an instance where the buyer is making unsubstantiated claims as to the vehicle condition.

The NAAA guidelines are the golden standard that buyers and sellers expect to abide by. They have been honed and time tested over the sale of millions of units by the members of NAAA. The wholesale environment is quite different from any other level of sale. It is high volume and fast paced. There is already a multitude of self regulation that exists in the industry. As part of the NAAA it is a standard to offer pre-sale condition reports and rely on seller disclosures to vehicles, however it is not in the normal course of business to provide the type of inspection that may be required prior to offering as 301.2(5)(vii) may require as drafted. The purchasers rely on their accumulated industry knowledge, while the sellers do not expect this level of inspection.

Section G. "Benefits, Costs and Compliance" states that, "This proposed rule making will impose no significant new costs on the private sector or the general sector." The number of qualified staff and appropriate facilities that would have to be built to accommodate the inspections being proposed would impose a significant financial burden not only to our business but to all auctions operating in Pennsylvania.

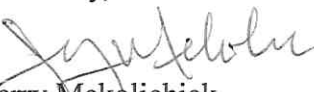
These proposed new guidelines in their current form will cripple the wholesale industry and potentially lead to unintended negative outcomes for the public that unknowingly depend on this upstream part of the Automotive Industry. Additionally there is no added value to either the customers of the wholesale industry or Pennsylvania customers.

We appreciate the requirements of 01.2(5.1) exempt sales to another motor vehicle dealer, however we do not believe it adequately addresses the concerns of the wholesale industry or includes consideration necessary for the wholesale industry to function.

We ask for the below exemption:

This Chapter does not apply to sales of motor vehicles by or through any auction whose primary business is the auction of vehicles on behalf of thirds parties.

Sincerely,


Jerry Mekolichick

Lehigh Valley Auto Auction LLC