

118TH CONGRESS
2D SESSION

H. R. 7101

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

IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 2024

Mr. ARMSTRONG (for himself, Mr. GOODEN of Texas, Mr. GROTHMAN, Mr. FLOOD, Mr. MANN, and Mr. WILLIAMS of Texas) introduced the following bill; which was referred to the Committee on Energy and Commerce

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”.

7 **SEC. 2. AUTOMOTIVE RETAILING RULES.**

8 (a) **RULE RESCINDED.**—The final rule of the Com-
9 mission titled “Combating Auto Retail Scams Trade Reg-

1 ulation Rule” and published in the Federal Register on
2 January 4, 2024 (89 Fed. Reg. 590), shall have no force
3 or effect.

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

10 (c) REQUIREMENTS FOR COVERED PROPOSED
11 RULES.—

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

16 (A) complete—

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

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

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

1 (III) is peer reviewed by an inde-
2 pendent third party with knowledge of
3 automotive retailing; and

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

9 (ii) quantitative consumer testing
10 that—

11 (I) uses a statistically valid na-
12 tional sample size of purchasers and
13 lessees of motor vehicles from motor
14 vehicle dealers;

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

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

22 (aa) enhance consumer un-
23 derstanding, education, and pro-
24 tection; 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 (d) 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 any rule proposed by
10 the Commission on or after January 4, 2024, that
11 is similar or related to the final rule described in
12 subsection (a).

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