# **DRAFT REPORT – 12/6/2024**

#### Maine's Automotive Right to Repair Law

In November 2023, Maine voters approved Initiated Bill 3 (LD 1677), *An Act Regarding Automotive Right to Repair*. Generally, tThe law requires motor vehicle manufacturers to make access to on-board diagnostic and repair information the same for owners and independent repair facilities as it is for new vehicle dealers and/or manufacturer-authorized repair facilities. 29-A M.R.S. § 1810. For 2002 models through the present, the law requires access through methods that require physical access to the vehicle. 29-A M.R.S. § 1810(3)-(5). Starting on January 5, 2025, however, vehicles sold in the state that use telematics systems must be equipped "with an inter-operable, standardized and owner-authorized access platform across all of the manufacturer's makes and models." 29-A M.R.S. § 1810(6). A "telematics system" is a "system in a motor vehicle that collects information generated by the operation of the vehicle and transmits that information using wireless communications to a remote receiving point where the information is stored or used." 29-A M.R.S. § 1801(6). This means that <u>diagnostic and repair</u> information generated by the vehicle, <u>-with owner-authorization</u>, could be accessed remotely and without the physical presence of the vehicle.

The vehicle access platform "must be capable of securely communicating all mechanical data<sup>1</sup> emanating directly from the motor vehicle via direct data connection to the platform" and "must be directly accessible by the motor vehicle owner through a mobile-based application." 29-A M.R.S. § 1810(6). Additionally, "upon the authorization of the owner," the data "must be directly accessible by an independent repair facility or a licensed dealer . . . limited to the time to complete the repair or for a period of time agreed to by the motor vehicle." *Id*.

The law also requires the Attorney General to "designate an independent entity not controlled by one or more motor vehicle manufacturers to establish and administer access to vehicle-generated data that is available through the on-board diagnostic system or that is transmitted by the standardized access platform authorized under this section." 29-A M.R.S. § 1810(2). This "independent entity" shall:

- A. Identify and adopt relevant standards for implementation of this section and relevant provisions for accreditation and certification of organizations and for a system for monitoring policy compliance;
- B. Monitor and develop policies for the evolving use and availability of data generated by the operations of motor vehicles; and
- C. Create policies for compliance with relevant laws, regulations, standards, technologies and best practices related to access to motor vehicle data.

#### Automotive Right to Repair Working Group

Subsequently, during its Second Regular Session, the 131<sup>st</sup> Legislature enacted LD 2289, *Resolve, to Establish an Automotive Right to Repair Working Group.* This resolve directed the Attorney

<sup>&</sup>lt;sup>1</sup> "Mechanical data" is "any vehicle-specific data, including telematics system data, generated by, stored in or transmitted by a motor vehicle and used in the diagnosis, repair or maintenance of a motor vehicle." 29-A M.R.S. § 1801(2-A).

General to "convene a working group to develop recommendations for legislation to establish an entity with rule-making and enforcement authority to adopt standards governing access to motor vehicle telematics systems and to otherwise implement and enforce the requirements" of section 1810. The working group was charged with "develop[ing] recommendations for legislation to establish an entity to ensure cyber-secure access to motor vehicle-generated data to owners and owner-authorized independent repair facilities for maintenance, diagnostic and repair purposes." The recommendations must address the entity's ability to:

- A. Identify and adopt relevant standards for implementing the requirements of Title 29-A, section 1810, including standards relating to access to vehicle telematics systems;
- B. Monitor motor vehicle manufacturer compliance with standards adopted by the entity;
- C. Develop and monitor policies for the evolving use and availability of data generated by the operations of motor vehicles;
- D. Create policies for compliance with relevant laws, regulations, standards, technologies and best practices related to motor vehicle data, with consideration given to privacy and cybersecurity concerns; and
- E. Adopt rules necessary for implementation and enforcement of Title 29-A, section 1810 and to enforce the requirements of that law consistent with those rules.

The Resolve directed the Attorney General to submit a report by February 28, 2025 "to the joint standing committee of the Legislature having jurisdiction over innovation, development, economic advancement and business matters a report containing the findings and recommendations of the working group." The committee may then report out legislation relating to the report to the 132<sup>nd</sup> Legislature in 2025.<sup>2</sup>

# **Formation of the Working Group**

The Resolve directed the Attorney General or the Attorney General's designee to participate in the working group and to invite the following additional members:

- A. The Secretary of State or the Secretary of State's designee;
- B. Two members representing motor vehicle manufacturers, at least one of whom must represent an organization of motor vehicle manufacturers;
- C. One member representing aftermarket parts manufacturers;
- D. One member representing aftermarket parts distributors and retailers;
- E. Two members representing independent repair facilities, at least one of whom is an owner or operator of a facility;
- F. One member representing new motor vehicle dealers;
- G. One member representing a consumer advocacy organization; and
- H. One member representing a data privacy advocacy organization.

The Attorney General designated Chief Deputy Attorney General Christopher Taub and Assistant Attorney General and Chief of the Consumer Protection Division Christina Moylan as his

 $<sup>^2</sup>$  Given the benefits resulting from the working group's consideration of the powers, duties, and authority of the independent entity, the Attorney General decide to await conclusion of the working group's work before designating an independent entity pursuant to Initiated Bill 3. *See* letter attached hereto as Exhibit A.

designees to participate in the working group. During the summer of 2024, DAG Taub and AAG Moylan reached out to the designated stakeholders to identify persons interested in serving on the working group. Ultimately, the following persons agreed to serve on the working group:

- 1. Lynne Gardner, Esq., Director of Legal Affairs, Adjudications & Hearings for the Bureau of Motor Vehicles (serving as the Secretary of State's designee)
- 2. Elizabeth Frazier, Esq. of Pierce Atwood LLP (representing the Alliance for Automotive Innovation, an organization of motor vehicle manufacturers)
- 3. Brian Boggs, Director of Service Engineering at Tesla, Inc. (representing motor vehicle manufacturers)
- <u>4.</u> Eric Luftig, Senior Vice President of Product, Engineering, Manufacturing & Quality of Dorman Products (representing aftermarket parts manufacturers)
- 5. Jeffrey Groves, General Counsel for O'Reilly Automotive, Inc., retired (representing aftermarket retailers and distributors).
- 4.
- 5.6. Tommy Hickey of Brian S. Hickey & Associates and Executive Director of the Maine Automotive Right to Repair Coalition (representing independent repair facilities)
- 6.7. Tim Winkeler, President and CEO of VIP Tires & Service (representing independent repair facilities)
- 7.8. Jack Quirk, President of Quirk Auto Group (representing new motor vehicle dealers)
- 8.9. Meagan Sway, Policy Director for the ACLU of Maine (representing a consumer advocacy organization)
- <u>10.</u> Caitriona Fitzgerald, Deputy Director of the Electronic Privacy Information Center (representing a data privacy advocacy organization)
- <del>9.</del>\_\_

# **Working Group Meetings**

The working group met \_\_\_\_\_ times: August 29, 2024, September 11, 2024, September 26, 2024, October 16, 2024, October 30, 2024, November 18, 2024, December 2, 2024, <u>December 20, 2024</u>,

At the working group's first meeting on August 29, there was a general discussion of the working group's goals and expectations for future meetings. The working group also adopted a remote meeting policy, pursuant to which in-person participation by members was expected unless a member determined that their physical presence would not be practical. At its meetings on September 11 and September 26, the working group heard technical and other presentations from stakeholders and others with relevant expertise who members had previously invited to the meetings. At its October 16 meeting, the working group held a public hearing and heard from members of the public who wished to present information, recommendations, or other matters to the group.

At its meetings on October 30 and November 18, members of the working group engaged in discussions regarding recommendations to be made for legislation establishing an entity to implement and enforce the requirements of the automotive right to repair law (29-A M.R.S. § 1810). The discussions covered a number of topics, including: 1) the nature of the entity (e.g., an

independent board or commission, a quasi-governmental entity, or a state regulatory agency); 2) whether the entity would maintain, provide access to, or otherwise exercise control over vehicle data; 3) whether the entity would determine who, and on what terms, individuals would have access to vehicle data (e.g., a credentialing or verification process for independent repair facilities); 4) whether the entity would establish a standardized process by which all motor vehicle manufacturers would provide access to vehicle data; 5) whether the entity would need rulemaking authority; 6) whether the entity would need enforcement authority; 7) whether the entity would need staff; and 8) whether the entity would need funding and if so, the manner by which it should be funded.

After the November 18 meeting, and based on the discussions at that meeting and the one on October 30, the working group members representing the Office of the Attorney General prepared a draft of the working group's report to the legislative committee, along with a draft of proposed revisions 29-A M.R.S. § 1810. These documents were circulated to working group members and posted on the working group's website.

At its meeting on December 2, 2024, members of the working group reviewed and discussed the previously circulated draft report and draft revisions to 29-A M.R.S. § 1810. Some members proposed additional revisions to both documents before and after the meeting.

On December 6, 2024, working group members representing the Office of the Attorney General circulated to members and posted on the working group's website revised drafts of both the report and proposed revisions to 29-A M.R.S. § 1810, reflecting revisions proposed by working group members.

On December 20, 2024, the working group held a hearing for members of the public to comment on the draft report and proposed revisions to 29-A M.R.S. § 1810.

[Description here of <u>further discussion at December 20 meeting and additional meetings</u>]

# Working Group's Conclusions and Recommendations

The working group focused on the role of the entity with respect to access to vehicle data accessed remotely via telematics systems. Both members of the group and members of the public expressed concerns regarding privacy and cyber-security in allowing third parties to access this data. This led to extensive discussions among group members regarding the extent to which the entity should maintain, provide access to, or otherwise exercise control over vehicle data. Ultimately, there was a unanimous consensus that the entity should <u>not</u> maintain, provide access to, or otherwise exercise control over vehicle data. Rather, all vehicle data should <u>be directly accessible by remain under the control of vehicle manufacturers, with the manufacturers then making the data available to owners and (upon authorization by owners) independent repair facilities to the extent required by 29-A M.R.S. § 1810. As is the case now, manufacturers would remain responsible for addressing potential privacy and cyber-security issues in making data available pursuant to 29-A M.R.S. § 1810.</u>

Section 1810 can be interpreted as requiring the entity to administer access to vehicle data. For example, the statute states that the independent entity shall "establish and administer access to vehicle-generated data" and "manage cyber-secure access to motor vehicle-generated data." The working group recommends that the statute be amended to make clear that the entity will not maintain, provide access to, or otherwise exercise control over vehicle data. Proposed amended statutory language addressing this recommendation and several other recommendations is attached to this report as Exhibit B.

There was also unanimous consensus that at least initially, the entity should serve a purely advisory role and have no rulemaking or enforcement authority. In this advisory role, the entity would have four major responsibilities: 1) monitoring and assessing implementation of the right-to-repair law, including manufacturers' compliance with the law's requirements; 2) attempting to informally resolve any complaints from owners and independent repair facilities alleging a manufacturer's non-compliance with the law, and, if a complaint cannot be resolved, considering whether to refer the matter to the Attorney General for enforcement action; 3) designating one or more technical experts with whom the Attorney General may consult in assessing enforcement referrals and maintaining enforcement actions, and 4) making an annual report to the legislative committee of jurisdiction, the Governor, and the Attorney General describing the entity's activities during the preceding year, identifying any implementation or compliance issues that it encountered, and recommending any amendments to the statute, including amendments providing the entity with additional authority, or additional legislation, to address any implementation or compliance issues.

There was consensus that the entity should not be a state agency but instead should be an independent commission. The Governor should appoint commission members as follows:

A. <u>Two-Three</u> members representing motor vehicle manufacturers, at least one of whom must

\_\_\_\_\_\_represents an organization of motor vehicle manufacturers, and at least one of whom represents a heavy-duty vehicle manufacturer;

- B. One member representing aftermarket parts manufacturers;
- C. One member representing aftermarket parts distributors and retailers;
- D. <u>Two-Three</u> members representing independent repair facilities, at least one of whom is

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- owner or operator of an independent repair facility specializing in automobiles, and at least one of whom is an owner or operator of an independent repair facility specializing in heavy-duty vehicles;
- E. One member representing new motor vehicle dealers;
- F. One member with expertise in automotive cyber-security matters; and
- G. One member representing the public.

The member representing the public should serve as the commission's chair. Each member should serve a term of <u>three years, with some initial appointees having shorter terms in order to stagger the terms</u>. Members should not receive compensation but should be reimbursed for expenses for attendance at meetings. <u>The commission should meet at least quarterly but should be allowed to meet more frequently at the chair's discretion.</u>

One basis for the working group's recommendation that the commission be advisory is that the statutory provisions requiring motor vehicle manufacturers to provide access to vehicle data (29-A M.R.S. § 1810(3) - (6)) are self-executing. The provisions specify the manufacturer's obligations and do not, on their face, expressly reference the entity. The consensus among working group members was that, at least initially, motor vehicle manufacturers should decide for themselves the manner in which they will provide <u>direct</u> access to vehicle data in compliance with the statute.

The working group recognized that depending on how manufacturers implement the telematics requirements of the law, it may become necessary to provide at least some level of standardization across all manufacturers. If the commission determines that access to vehicle data should be standardized, it could recommend in its annual report that it be given the necessary authority to adopt and implement appropriate standardization requirements. The commission can also consider issuing, solely as non-binding recommendations, "best practices" for manufacturers to use in providing access to vehicle data.

While 29-A M.R.S. § 1810(6) (the telematics provision) does not expressly reference the entity, some working group members interpret that provision, in conjunction with 29-A M.R.S. § 1810(2), as not requiring motor vehicle manufacturers to provide access to telematics data until the entity has established a standardized access platform. As noted above, motor vehicle manufacturers must begin complying with the requirements of Section 1810(6) no later than January 5, 2025. [Discussion here of recommendation of some working group members that the telematic requirements be postponed for a year].

Once consensus was reached that the commission would not maintain, provide access to, or otherwise exercise control over vehicle data, and that it would initially serve a purely advisory role, the working group readily reached consensus on several other issues. The working group determined that the commission would not act as a "gatekeeper" between owners/independent repair facilities and vehicle manufacturers. Rather, requests for access to information would be made directly to manufacturers (or third parties designated by manufacturers), and manufacturers would then provide the information to the owners/independent repair facilities. There was discussion of whether manufacturers should be required to use "third-party authenticators" to manage access to vehicle data. The consensus was that while this should not be required initially, the commission may want to consider imposing such a requirement if evidence suggests that manufacturers are not providing owners/independent repair facilities are experiencing obstacles in obtaining with appropriate access to vehicle information. Similarly, while there was consensus that the commission initially should not impose a credentialing or other processes to ensure that only properly authorized individuals receive access to vehicle information, the commission may want to consider whether such a process would be useful. The commission should also consider hearing from stakeholders with relevant and necessary expertise, including consumer and privacy advocates. The commission should also consider hearing from advocates for survivors of domestic abuse, because of the potential for safety concerns presented by an abuser using access to vehicle data for improper purposes.

Because the commission will initially be only advisory, there was consensus among working group members that the entity will not immediately need rulemaking or enforcement authority. With

respect to enforcement, the statute already authorizes the entity to refer matters to the Attorney General for enforcement. There is some ambiguity regarding whether the Attorney General can bring an enforcement action without a referral from the entity (for example, if the Attorney General receives a complaint directly from an owner or independent repair facility). There was consensus that the statute should be amended to make clear that a referral from the entity is not a prerequisite for enforcement action. If the commission determines that it needs its own enforcement authority, it can so recommend in its annual report.

The working group determined that at least initially, the commission will not need staff, although it may need some administrative support to assist in scheduling meetings, maintaining a website, arranging for remote access, and other administrative matters. <u>The Office of the Attorney General may be able to provide at least some of that [Maybe OAG can provide that support]</u>. The working group does not expect that the commission will need funding beyond that necessary to compensate members for expenses.

The working group recognizes that the role it recommends that the commission play may not be entirely consistent with the role that the right-to-repair law seems to contemplate for the independent entity. That said, there was unanimous consensus that the role outlined above makes the most sense during the initial implementation of the law, with the understanding that the commission may well determine it should be given increased authority and responsibilities if issues are encountered with compliance during the law's implantation.

Attached as Exhibit B are recommended changes to the right-to-repair law. Primarily, the suggested changes set forth the process for appointing persons to the commission and redefine the entity's responsibilities, as discussed above. During the course of its work, the working group identified some additional provisions in the law that it determined should be clarified or corrected, and the attached reflects the working group's recommendations for those clarifications and corrections.

#### **Other Recommendations**

Some working group members had additional recommendations. While there was not consensus on these recommendations, the working group decided to include these recommendations in the report to the extent they may be helpful as the Legislature considers further actions.

Some members of the working group recommend that <u>T</u>the commission should also consider hearing from stakeholders with relevant and necessary expertise, including consumer and privacy advocates. The commission should also consider hearing from advocates for survivors of domestic abuse, because of the potential for safety concerns presented by an abuser using access to vehicle data for improper purposes.

The Alliance for Automotive Innovation recommends that the term "standardized access platform," which is referenced in 29-A M.R.S. § 1810(2) and (6), be defined.

The Alliance also recommends that Section 1810(6) be amended and/or clarified such that compliance with the section is not contingent upon implementation of a specific technological

solution. The Alliance recommends that the section be "technologically neutral" with respect to compliance, such that compliance would be determined based not on whether a specific technology is implemented, but on whether data is provided as required by the law.

Both the Alliance and Tesla recommend that implementation of Section 1810(6) (the telematics provision) be postponed.

While 29-A M.R.S. § 1810(6) (the telematics this provision) does not expressly reference the entity, some working group members interpret the Alliance and Tesla\_interpret\_that provision, in conjunction with 29-A M.R.S. § 1810(2), as not-requiring motor vehicle manufacturers to provide access to telematics data utilizing specific standards to be defined by the independent entity and integrating with and equipping their vehicles with a <u>until the entity has established a standardized access platform</u> to be created and administered by the independent entity. As noted above, motor vehicle manufacturers must begin complying with the requirements of Section 1810(6) no later than January 5, 2025. [Discussion here of recommendation of some working group members that the telematic requirements be postponed for a year]. The Alliance and Tesla contend that until Section 1810(2) is amended to clarify that the entity will not maintain, provide access to, or otherwise exercise control over vehicle data, it is uncertain what vehicle manufacturers must do to comply with Section 1810(6). The Alliance and Tesla recommend that implementation of Section 1810(6) be delayed until one year after any amendments to Sections 1810.

Tesla recommends that the Legislature consider amending Section 1810 to exclude from its coverage commercial and heavy duty motor vehicles. Tesla notes that during the public hearing on October 16, 2024, information was presented that medium and heavy duty vehicles differ from automobiles with respect to their manufacture, usage, ownership, and repair. Tesla recommends that in light of these differences, the Legislature should consider the extent to which Section 1810 should apply to commercial motor vehicles and heavy duty vehicles.

The member representing new motor vehicle dealers recommends that the provision in Section 1810 directing the independent entity to "[c]reate policies for compliance with relevant laws, regulations, standards, technologies and best practices related to access to motor vehicle data" be retained and that Section 1810 be amended to direct the independent entity to consider the following:

- 1. What cyber-security rules should apply to telematics data;
- 2. Whether the privacy protections of the Gramm-Leach-Bliley should apply to independent repair facilities;
- 3. Whether to require that independent repair facilities be bonded;
- 4. Whether to require independent repair facilities to disclose to customers that they have no affiliation or relationship with a motor vehicle dealer and the extent of any warranty protections for work they perform;
- 5. Whether to require independent repair facilities to notify customers (either via a poster or work order) whether the technicians working on the vehicle are certified by the manufacturer of that vehicle and whether they have all of the repair equipment required of franchised dealers; and,
- 6. Whether to require independent repair facilities to disclose whether parts certified by the manufacturer will be used in repairs