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# Advocacy Monthly Report

JANUARY 2021

## SAFETY RECALLS

No current action. Last Congress, Senator Blumenthal (D-CT) introduced S.1971 which requires auto dealers to fix outstanding safety recalls before selling, leasing, or loaning a used motor vehicle and specifies that auctions would also be subject to the requirement unless determined otherwise by rule making. No Commerce Committee or full Senate action was taken on the bill. Also Congresswoman Schakowsky (D-9-IL) did not introduce, as she has done in the past, a companion bill. Lastly, the safety recall issue was not included in the House Democratic mega infrastructure bill – H.R. 2.

## AMERICAN RESCUE PLAN (COVID STIMULUS)

Announced on Jan. 15 by then President-Elect Biden, including an increase to \$400 a week for unemployment compensation, \$15 billion for a small business owner grant programs, and an increase in the hourly minimum wage increase to \$15.

## INFRASTRUCTURE

The Biden team has said publicly that they want to start focusing on infrastructure in February (see quote from Auto Industry section of the July 2020 Biden \$2T infrastructure plan).

**Auto Industry:** Create 1 million new jobs in the American auto industry, domestic auto supply chains, and auto infrastructure, from parts to materials to electric vehicle charging stations, positioning American auto workers and manufacturers to win the 21st century; and invest in U.S. auto workers to ensure their jobs are good jobs with a choice to join a union.

Use the power of federal procurement to increase demand for American-made, American-sourced clean vehicles. As part of his historic commitment to increasing procurement investments, Biden will make a major federal commitment to purchase clean vehicles for federal, state, tribal, postal, and local fleets, making sure that we retain the critical union jobs involved in running and maintaining these fleets. By providing an immediate, clear, and stable source of demand, this procurement commitment will help to dramatically accelerate American industrial capacity to produce clean vehicles and components, while accelerating the upgrade of the 3 million vehicles in these fleets.

Encourage consumers and manufacturers to go clean. Senators Schumer, Stabenow, Brown, and Merkley, alongside organizations like the United Automobile, Aerospace and Agricultural Implement Workers of America and the International Brotherhood of Electrical Workers and leading environmental groups, crafted a Clean Cars For America proposal. Biden will build on their leadership by providing consumers rebates to swap old, less-efficient vehicles for these newer American vehicles built from materials and parts sourced in the United States. These rebates will be accompanied by significant new targeted incentives for manufacturers to build or retool factories to assemble zero-emission vehicles, parts, and associated infrastructure here at home.

Make major public investments in automobile infrastructure – including in 500,000 electric vehicle charging stations – to create good jobs in industries supporting vehicle electrification. These investments are a key part of Biden's commitment to reinvent the American transportation system from the factory line to the electric vehicle charging station, while promoting strong labor, training, and installation standards. This includes ensuring the workforce is trained in high quality training programs like the Electric Vehicle Infrastructure Training Program (EVITP).

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Accelerate research on battery technology and support the development of domestic production capabilities. The Chinese government, along with other countries, has used state subsidies and industrial strategies to advance its interests. America must accelerate its own R&D with a focus on developing the domestic supply chain for electric vehicles. A specific focus of Biden's historic R&D and procurement commitments will be on battery technology – for use in electric vehicles and on our grid, as a complement to technologies like solar and wind – increasing durability, reducing waste, and lowering costs, all while advancing new chemistries and approaches. And Biden will ensure that these batteries are built in the United States by American workers in good, union jobs.

Set a goal that all new American-built buses be zero-emissions by 2030, which will create significant demand for the manufacturing of new, clean American-built buses utilizing American-manufactured inputs – and accelerate the progress by converting all 500,000 school buses in our country – including diesel – to zero emissions. Biden will ensure that the existing – and future – workforce is trained and able to operate and maintain this 21st century infrastructure.

Establish ambitious fuel economy standards that save consumers money and cut air pollution. Biden will negotiate fuel economy standards with workers and their unions, environmentalists, industry, and states that achieve new ambition by integrating the most recent advances in technology. This will accelerate the adoption of zero-emissions light- and medium duty vehicles, provide long-term certainty for workers and the industry and save consumers money through avoided fuel costs. Paired with historic public investments and direct consumer rebates for American-made, American-sourced clean vehicles, these ambitious standards will position America to achieve a net-zero emissions future, and position American auto workers, manufacturers, and consumers to benefit from a clean energy revolution in transport.”

## USMCA IMPACT

The Association, in conjunction with other stakeholders, is pursuing with the Administration, primarily with the U.S. Trade Representative, concerns it has regarding the impact of the new tariff increase on vehicles manufactured prior to July 1, 2020, the effective date of the USMCA.

## FAIR ACT (FORCED ARBITRATION INJUSTICE REPEAL ACT)

No current action. Last Congress, Senator Blumenthal introduced S.610 which would prohibit a pre-dispute arbitration agreement from being valid or enforceable if it requires arbitration of an employment, consumer, antitrust, or civil rights dispute. A House companion bill, H.R. 1423, was introduced by Congressman Henry Johnson (D-GA-4). The House passed the bill.

## CFPB ACCOUNTING STANDARDS STUDY

No current action. Last Congress, no action on introduced bills; administrative action pending. Senator Thom Tillis (R-NC) introduced S.1564, the “Continued Encouragement for Consumer Lending Act.” Congressman Vicente Gonzalez (D-TX-15) introduced H.R. 3182. Both bills would require the CFPB and other agencies to carry out a one-year study relating to accounting standards, focusing on the impact on credit availability, regulatory capital, financial institutions, investor decisions, and U.S. institutions. Further congressional action unclear given November 2019 directive by the Financial Accounting Standards Board to delay implementation of the new standards.

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## CFPB EXECUTIVE DIRECTOR

To review, by a vote of 5-4, the Court ruled that the Constitution requires that the President has unfettered discretion to fire the head of the CFPB. However, the Court rejected arguments that the entire agency should be shut down. The majority backed the decision eliminating restrictions on dismissal of leaders of so-called single member agencies.

## MILITARY LENDING

No current action. To review, DOD withdrew concerned issue in the MLA rule with formal filing. DOD had announced its intent to issue a proposed rulemaking in Jan. 2020.

## MINIMUM WAGE

Increase included in Biden Coronavirus Stimulus proposal. Last Congress, the House passed H.R. 582, "Raise the Wage Act," that would raise the federal hourly minimum to \$15 by 2024 (with yearly increments @ \$1.30) and also phase out the so-called "subminimum" wages for tipped workers, young workers and workers with disabilities. Senator Bernie Sanders (D-VT) introduced S. 150, basically the same bill. No Senate action on either House or Senate bill.

## H.R. 1500, "CONSUMERS FIRST ACT"

No current action. Last Congress, the House passed H.R. 1500, the "Consumers First Act" on a party line vote. The bill revises provisions related to the administration of the Consumer Financial Protection Bureau (CFPB) - establishes requirements for staffing levels, political appointees, and the publication of consumer complaints regarding consumer financial products or services; states the duties of the Office of Fair Lending and Equal Opportunity (under current law, these are delegated by the CFPB Director); adds the duty to implement enforcement and supervisory authority regarding the fair lending laws; amends all statutory references to the "Bureau of Consumer Financial Protection" to refer instead to the "Consumer Financial Protection Bureau;" and, revises membership and meeting requirements for the Consumer Advisory Board. No Senate action on the bill.

## DEBT COLLECTION BILLS

No current action. Last Congress, H.R. 5003 passed; all other House bills reported; no Senate action on H.R. 5003.

The Ending Debt Collection Harassment Act of 2019 (H.R. 5021), a bill by Representative Ayanna Pressley (D-MA-7), to amend the Fair Debt Collection Practices Act (FDCPA) to prohibit a debt collector from contacting a consumer by email or text message without a consumer's consent to be contacted electronically, and prohibits the Consumer Financial Protection Bureau (CFPB) from issuing any rules implementing the FDCPA that allow a debt collector to send unlimited email and text messages to a consumer.

The Small Business Fair Debt Collection Protection Act (H.R. 5013), a bill by Representative Al Lawson (D-FL-5) that expands the FDCPA's protections to cover small business loans.

The Fair Debt Collection Practices for Service Members Act (H.R. 5003), a bill by Representative Madeleine Dean (D-PA-4) that amends the FDCPA to prohibit debt collectors from threatening service members or their families to have a service member's rank reduced, have their security clearance revoked, have them prosecuted under

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the Uniform Code of Military Justice, or communicating with a service member's chain of command to locate a service member.

The Small Business Lending Fairness Act (H.R. 3490), a bill by Representative Nydia Velázquez (D-NY-7), that would amend the Truth in Lending Act (TILA) to restrict the use of predatory small business loan contract clauses called "confessions of judgment."

## E-TITLING/SALVAGE BRANDING

A titling issue has arisen in some states (Ohio, Nevada, Virginia, Oregon etc.) having to do with salvage branding per the JSI information reported to the NMVITIS data base. The Association, in conjunction with other stakeholders, is assessing the situation and its impact on the industry.

## NHTSA STATE PILOT REGISTRATION RECALL NOTIFICATION PROGRAM

NHTSA announced a grant program that will give states funding to inform drivers about open recalls with vehicle registration and other points of contact. Maryland was the first participant. On January 15, 2021, NHTSA announced \$1.3 million for the States of California, Ohio and Texas.

## SCHUMER'S CLEAN CARS FOR AMERICA PLAN

Included in Biden July 2020 \$2T infrastructure plan – see above. Last Congress, Senator Chuck Schumer (D-NY) announced his Clean Cars for America Plan (not a bill, a concept plan). The Plan would give consumers a cash voucher to trade-in their gas-powered cars and buy U.S.-assembled plug-in electric, plug-in hybrid, or hydrogen fuel cell cars; establish a new grant program for access to charging infrastructure; and, provide incentives for manufacturers to build new factories or re-tool existing factories to assemble zero-emission vehicles or manufacture charging components. The Plan is supported by the Sierra Club, the NRDC, the League of Conservation Votes various labor unions, Ford and General Motors. Schumer said the Plan would result in 63 million fewer carbon-emitting cars and would create tens of thousands of good-paying jobs. Bill introduction of the plan is still a possibility.

## CONSOLIDATED APPROPRIATIONS ACT, 2021 AND THE CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL APPROPRIATIONS ACT, 2021

To review, on December 27, the President signed into law, as one vehicle, the Consolidated Appropriations Act, 2021, which funds the government at \$1.4 trillion through next September and the Coronavirus Response and Relief Supplemental Appropriations Act, 2021. Included in the Coronavirus portion are loans to small businesses (extension of the Paycheck Protection Program), expanded forgivable expenses, a streamlined process for loan forgiveness, 501(c)(6) entity loan eligibility, and enhanced unemployment assistance extension. Not included are employer liability protection and related finance company eligibility for loans.

## AUTO CAUCUSES

No current action. Last Congress, Congresswoman Kaptur (D-OH-9) and Congressman Kelly (R-PA-16) served as co-chairs of the House Auto Caucus. Senator Portman (R-OH) and Senator Brown (D-OH) were co-chairs of the Senate Auto Caucus.

## BILL TRACKING

To date, no bills of interest introduced.