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

Mr. Moran (for himself and Mr. Manchin) introduced the following bill; which was read twice and referred to the Committee on

A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Federal Trade Commission Review of Expensive and Detrimental Overregulation Act” or the “FTC REDO Act”.
SEC. 2. MOTOR VEHICLE DEALERS TRADE REGULATION RULE.

(a) Prohibition.—The Commission may not finalize, implement, or enforce a covered proposed rule unless the Commission satisfies the requirements described in subsection (b), and any other requirements applicable under Federal law, with respect to the covered proposed rule.

(b) Requirements for Covered Proposed Rules.—

(1) Requirements for Issuance.—At least 30 days before publishing in the Federal Register a notice of proposed rulemaking with respect to a covered proposed rule, the Commission shall—

(A) complete—

(i) a quantitative study on automotive retailing 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;
(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
(bb) not unduly impair legitimate business activity, including as compared to alternative approaches that may provide similar benefits; and

(iii) a detailed economic analysis of the costs and benefits of the covered proposed rule that—

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

(II) is peer reviewed by an independent third party with knowledge of automotive retailing from the perspective of consumers and motor vehicle dealers;

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

(IV) compares the mandates of the covered proposed rule to more targeted and less burdensome alternatives that achieve similar benefits; and
(B) submit to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a copy of the covered proposed rule and the results of the study, testing, and analysis conducted under subparagraph (A).

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

(A) if—

(i) an advance notice of proposed rulemaking with respect to the covered proposed rule was published in the Federal Register;

(ii) a notice of proposed rulemaking with respect to the covered proposed rule that includes the results of the study, testing, and analysis conducted under paragraph (1)(A) was published in the Federal Register; and

(iii) the covered proposed rule was open for public comment for a period of at least 120 days; and
(B) if the duties, disclosures, penalties,
and other mandates imposed by the covered
proposed rule apply equally to franchised, inde-
pendent, and direct sellers of automobiles.

(c) DEFINITIONS.—In this Act:

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

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

(A) the proposed rule of the Commission—

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

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

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