



Submitted via www.regulations.gov

September 12, 2022

Federal Trade Commission
Office of the Secretary
600 Pennsylvania Avenue, NW,
Suite CC-5610 (Annex C)
Washington, DC 20580

Re: Marine Retailers Association of the Americas’ Preliminary Comment to the Notice of Proposed Rulemaking for the Motor Vehicle Dealers Trade Regulation Rule – Rulemaking, No. P204800.

Dear Secretary Tabor:

PRELIMINARY STATEMENT:
BACKGROUND ON PROPOSED RULES, CONSUMER HARM IDENTIFIED, AND
FOCUS ON MOTOR VEHICLE DEALERS

On June 23, 2022, the Federal Trade Commission (“FTC”) issued a notice of proposed rulemaking relating to the sale, financing, and leasing of motor vehicles by motor vehicle dealers. The proposed rule is titled the “Motor Vehicle Dealers Trade Regulation Rule – Rulemaking, No. P204800” (“NPRM”).¹

Per the NPRM, the FTC seeks to “prohibit *motor vehicle dealers* from making certain misrepresentations in the course of selling, leasing, or arranging financing for *motor vehicles*, require accurate pricing disclosures in dealers’ advertising and sales discussions, require dealers to obtain consumers’ express, informed consent for charges, prohibit the sale of any add-on product or service that confers no benefit to the consumer, and require dealers to keep records of advertisements and customer transactions.”²

In connection with the NPRM, the FTC issued a press release³ noting that the intent of the NPRM is to ban junk fees and bait-and-switch advertising tactics that can plague consumers throughout the *car-buying* experience. On this point, the FTC specifically notes:

¹ 16 CFR Part 463: Motor Vehicle Dealers Trade Regulation Rule (NPRM): <https://www.ftc.gov/legal-library/browse/federal-register-notices/16-cfr-part-463-motor-vehicle-dealers-trade-regulation-rule-nprm>.

² *Id* (emphasis added).

³ <https://www.ftc.gov/news-events/news/press-releases/2022/06/ftc-proposes-rule-ban-junk-fees-bait-switch-tactics-plaguing-car-buyers>

“As auto prices surge, the Commission is seeking to eliminate the tricks and traps that make it hard or impossible to comparison shop or leave consumers saddled with thousands of dollars in unwanted junk charges. The proposed rule would protect consumers and honest dealers by making the car-buying process more clear and competitive. It would also allow the Commission to recover money when consumers are misled or charged without their consent.

...

In the last ten years alone, the FTC has brought more than 50 law enforcement actions related to automobiles and helped lead two nationwide law enforcement sweeps that included 181 state-level enforcement actions in these areas. In spite of these actions, complaints from consumers related to automobiles remain in the top ten complaint types received by the FTC, with more than 100,000 complaints from consumers annually over the past three years.”

This NPRM invites written comments on the proposed rules, including all issues raised, and seeks answers to the specific questions set forth in Section VIII of the NPRM. All comments are due on or before September 12, 2022.

BACKGROUND:
MARINE RETAILERS ASSOCIATION OF THE AMERICAS

The Marine Retailers Association of the Americas (MRAA) is the leading small business trade association representing North American small businesses that sell and service new and pre-owned recreational boats and operate service operations, marinas, boatyards, and accessory stores. The MRAA prides itself on dealer education, best practices, and Dealership Certification, as well as providing boat dealers and other marine retailers with tools and resources to operate successful, compliant and consumer-first oriented businesses.

MRAA maintains more than 1,100 members, who represent various stakeholders in America’s outdoor marine and recreational industry. MRAA’s membership consists of boat and engine dealers, marine part and accessory retailers, marina operators, boat brokers, boat clubs, boat rental operators, manufacturers, distributors, aftermarket suppliers and technology and other solution providers. MRAA’s membership represents a vast knowledge base of the marine and recreational industry.

While MRAA is a trade association that advocates on behalf of its membership and the industry as a whole, MRAA is a dedicated resource to its membership and the industry with respect to front-end and back-end compliance training, best practice guidance, legislative and regulatory updates and other educational resources. MRAA’s focus is to disseminate guidance and other resources that create a culture of compliance and foster positive, truthful and fair consumer friendly business practices on behalf of its membership and the industry.⁴

⁴ MRAA offers a plethora of educational resources including: (i) on-demand and in-person continuing education programs; (ii) Certification programs along with Certification course materials and (iii) other guidance.

To that end, MRAA is a founding partner of Discover Boating, a consumer-facing, public awareness campaign designed to create interest in and increase participation in boating as a preferred lifestyle. Supported by MRAA and the National Marine Manufacturers Association, (NMMA). Discover Boating is focused on “identifying growth opportunities within the marine industry, and champion[ing] those opportunities through consumer communications, targeted programs, and by developing industry education and resources”.⁵ A foundational pillar of Discover Boating is to enrich the consumer retail experience through the Marine Industry Certified Dealership Program, otherwise known as MRAA Dealership Certification. The Discover Boating website is dedicated to providing the tools and resources for consumers to be confident throughout the boat buying experience. For example, the Discover Boating “Boat Buyers Guide” breaks down the boat buying process into nine easy to follow steps, outlining everything from what type of boat best suits your needs or whether you should buy new or used, to tips on how to interact with dealers during the purchasing process.⁶ MRAA’s commitment to the customer experience extends well beyond the products and services offered to its members, as we understand that providing consumers with the tools and knowledge to have power during the purchasing process is key in facilitating a fair and transparent transaction.

MRAA’S STATEMENT OF INTEREST: REQUEST FOR RELIEF FROM THE NPRM

While the focus of the NPRM (and the FTC) is on the automotive industry – e.g., the motor vehicle and car buying experience – the NPRM is broadly drafted to capture much more than motor vehicles and automotive sales. Indeed, the NPRM specifically defines “Motor Vehicle” breathtakingly broadly to include “recreational boats and marine equipment.” Given the breadth of scope and impact of the NPRM, MRAA submits this comment letter (“Letter”) to address several concerns presented by the proposed rulemaking along with a request to be excluded from the applicability of the proposed rules.

MRAA and its membership greatly appreciate the FTC’s thought leadership in connection with the protection of consumers – particularly, traditionally marginalized consumer groups. However, MRAA believes that the public policy considerations and concerns that may be presented by a typical automotive or car buying experience and are the target of this NPRM, are totally absent or, at a minimum, immaterial to the recreational boat and marine equipment industry.

Stated simply, the car buying customer experience is materially different than the recreational boat or marine equipment customer experience. Recreational boat and marine equipment purchases are leisure purchases or purchases unrelated to a need to support one’s livelihood. As noted in the NPRM, 84% of Americans use their car as their primary means of transportation to and from work and their car purchase is traditionally the American consumer’s second-most expensive purchase, falling only behind purchasing a home. This is simply not the case for most recreational boat and marine equipment consumers, which traditionally represent leisure purchases by an affluent and sophisticated consumer base. The traditional recreational boat and marine equipment consumer does not represent the type of vulnerable consumer the FTC seeks to protect with the NPRM.

⁵ <http://b2b.discoverboating.com/about/default.aspx>

⁶ <https://www.discoverboating.com/buying/boat-buyers-guide>

The recreational boat and marine purchase cycle is fundamentally different than a typical car purchase. Given the nature of the sales, the recreational boat and marine equipment industry is not plagued with the deceptive and unfair trade practice consumers that the FTC suggests are prevalent in the automotive industry. While there are a host of differences, the material differences between the automotive and marine industries include the customization of purchases, the speed of the transaction (with marine transactions being much slower, methodical, and much more deliberate, given the customization offerings and manufacturing processes), and number of touch points throughout the process. As noted, the boating industry offers a want-based purchase, as opposed to the need-based purchase found in the auto industry.

Advertising, marketing and sales practices are also very different in the recreational boat and marine equipment industry. Given the customization that usually accompanies a recreational boat and marine equipment purchase, marine dealers generally do not advertise sales prices in the same fashion as is seen in the automotive industry. The recreational boat and marine equipment buying experience is akin to a direct purchase from an original manufacturer with the customers building and pricing out every aspect of their transaction. Hence, customers are informed of the price on a micro level throughout the entire buying process – which is vastly different than the typical car buying experience.

Most important, the business practices are extremely different in the recreational boat and marine industry, with some in the automotive industry basing much of its profit margins on dealer fees and the sale of various add-on products and services. This is simply not the reality in the recreational boat and marine industry.

Given these reasons (as well as those included in the Discussion section), MRAA believes that the FTC should exempt recreational boat and marine equipment sales and dealers from the proposed Motor Vehicle Dealers Trade Regulation Rule – or NPRM. Or, in the alternative, the FTC should impose threshold exemptions with the purpose of excluding certain high-end transactions from the NPRM – such as those in the marine industry. For instance, MRAA recommends that transactions in excess of \$70,000 should be exempt from the NPRM.⁷

MRAA appreciates that the rulemaking process is ongoing and the FTC will gather and review all comments, including the data and information provided therein, when finalizing the proposed rule. To that end, MRAA requests an extension of the comment period and an opportunity to meet with the FTC to discuss the material differences between the recreational boat and marine equipment industry and the automotive industry. MRAA believes that a fruitful discussion along with an opportunity to present its data will demonstrate that the public policy goals of the NPRM are not served as it relates to the marine industry as a whole.

DISCUSSION

⁷ According to data compiled by NMMA (2021 Total Industry Sales by Category and State), the average price of a “new traditional powerboat”, which was the most purchase recreational boat in 2021, had an average retail price of \$70,501.

I. MRAA's Members Are Committed to Transparency with Consumers, Fair Dealing in Transactions with Consumers, and Accuracy in All Communications with Consumers; and the Consumer Harms Presents in the Automobile Industry are not Found in the Marine Industry.

- Much like the FTC strives to protect consumers, the MRAA is ultimately focused on assisting our industry's dealers in improving customer service and business operations to build relationships with customers and add value to their local community. At the heart of the MRAA is the commitment to member education and Certification. The MRAA provides the tools and resources to our industry's dealers to ensure that their businesses run smoothly and efficiently, all while operating with legal and transparent business practices. One-way MRAA sees to this end is through the creation of various Guides that are hosted on MRAA.com with topics like "Guide to Creating a Compliance Process," "Defining the Customer Experience" to "Guide to a World Class Customer Experience," and more.
- MRAA's Certification program is focused on improving overall dealer operations and requires dealers, and their staff, to complete webinars and modules relating to business operations, employee engagement and development, customer service, and sales practices. After completing the Certification program, the dealer proudly displays their achievement both on their website and at their physical location, as well as receiving a variety of additional benefits. The Certification program shows consumers that a dealership has gone above and beyond to provide excellent customer service both during and after the sales process, as marine dealers not only receive revenue from the sale, but from regular service and storage.
 - One of the first steps a dealer must take during MRAA Certification is agreeing to the "Marine Industry Consumer Commitment." This document, attached as Appendix Item #1, highlights core principles for marine dealers to live up to in their customer interactions, including, among many other criteria, "advertising and representations that are truthful and factual; a written disclosure of all details associated with a purchase; and fair, open and honest treatment without discrimination; privacy and confidentiality of customer records."
- The MRAA has a 50-year history of being a good corporate citizen and has strived to facilitate a culture of compliance among its members. Since 2012 the MRAA has published and maintained compliance guides that align with the rules and regulations set forth by various enforcement agencies, such as the Consumer Financial Protection Bureau and the FTC. Recently, in response to the updated FTC Safeguard Rule, the MRAA worked with MRAA Education Champion 700 Credit, to create a compliance guide titled "Guide to Creating a Compliance Process," for marine dealers, which was released on July 20th, 2022.
- Further, MRAA's work facilitating a culture of compliance among its members also includes providing dealers with email templates, phone scripts, and letter templates, to ensure dealers are transparent when communicating with customers regarding pricing. The MRAA believes transparency with every customer is always

paramount, as marine dealers must always be setting the stage for the next interaction with the same customer.

- These principles and values are demonstrated in the Appendices attached to this Letter.⁸

II. The Marine and Boat Market Industry is Fundamentally Different from the Automotive Industry, as the Consumer's Profile, Needs, Expectations, and Dealings are Clearly Distinguishable.

- While the MRAA, its members, and the recreational boating industry generally support efforts to create a more equitable and fairer marketplace for consumers, the assumptions made by the Commission do not apply to marine dealers.
- First and foremost, boats are a discretionary purchase that the consumer is purchasing — not out of necessity, but because the consumer has the financial means and interest to do so. This differs greatly from the automobile market, as the proposed regulation directly states that “buying a motor vehicle is, for many consumers, both essential and expensive” and that “nearly 84% of Americans drive to work.” The recreational boat market is fundamentally different, as a boat is solely purchased for use during leisure time and is not relied on to support the purchaser or their family financially.
 - Indeed, working with a third-party marketing and advertising agency, Cutwater, Discover Boating recently conducted new market research to create updated customer profiles in order to provide a better understanding of the traditional, growth, and emerging market segments and the associated demographics of boaters.⁹ The research ultimately found that consumers in the new and emerging segments have a higher household income at \$119,000 compared to \$94,000 in the traditional segment, and are better educated with 47% having some type of higher education compared to only 34% of the traditional segment.¹⁰ This goes to highlight that not only is the buying process between boats and automobiles different, the average customer engaging in these purchases is extremely different too.
- The fact that this is a leisure purchase, and not immediately required for everyday life, gives the customer additional bargaining power and the ability to shop at a variety of boat dealers for exactly the right product. To that end, a specific boat brand is typically found at just one dealership location in any specific market, which

⁸ The most recent compliance guide created for the Safeguard Rule, and previous compliance guides are included as Appendix Items 2,3, & 4 respectively. Defining the Customer Experience and Guide to a World Class Customer Experience are included as Appendix Items 5 & 6 respectively.

⁹ According to Discover Boating research the emerging market consists of highly educated individuals who are on average 47 years of age and are the highest net worth buyers shopping for luxury items. Furthermore, this segment is more environmentally friendly and is less likely to use their vessel for hunting and fishing than traditional market segments.

¹⁰ This information can be found attached as Appendix Item #7.

means that the typical competitive pricing approach found in the automobile market — i.e. one brand’s dealer offering better programs than another dealer of the same brand — is atypical of the recreational boat market.

- Consumer expectations and needs are different in the marine and boating industry. The increased bargaining power of consumers and ability to wait for exactly the right product may cause consumers in the boat market to order directly from a manufacturer, through a dealer, working together to create a combination of hull, engine, electronic, and other components that will completely satisfy the customer’s wishes.
- While a material focus of the NPRM, add-on products in the marine industry are different than add-on products in the automotive industry. Based upon the text of the NPRM and public comments from the FTC, the focus or concern with add-on products in the automotive industry usually relates to the various financial and insurance optional products forced upon consumers as the final step to closing an automobile purchase (e.g. GAP, extended warranties and other similar products). Motor vehicles dealers generally rely on optional products to generate additional profit margins. However, traditional add-on products in the marine industry include radar arrays, trolling motors, fish finders, VHF radios, aids to navigation, and much more. Add-on products in the marine context usually consist of consumer-selected OEM or aftermarket physical and technological enhancements to their recreational boat and oftentimes are considered safety aids, such as navigation systems, depth finders and the like. With that said, add-on products in the marine context can vary widely as different add-ons will be desired for different types of vessels and for specific recreational pursuits. The add-ons and technology on a sailboat will be completely different in form and function than those accompanying an outboard-powered, center console fishing vessel. They tend to be products that consumers specifically specify and desire to enhance the specific boating lifestyle they are seeking. In other words, these consumers intentionally choose and identify such products to satisfy their specifications for the type of boat or yacht that they want. To understand the depth and variety of add-ons in the marine context, we encourage the FTC to visit the “Boating Accessories Guide” created by Discover Boating.¹¹ This guide contains information on a comprehensive list of add-on products ranging from Marine Electronics and Navigation Instruments to Boat Safety Equipment, and more. These types of add-on products are obviously very different from those found in the automobile industry, and are clearly not the target of this NPRM. It should also be noted that financial and insurance optional products do not represent a material component of the marine industry business model. Indeed, most marine dealers do not offer any of the optional products that are the focus of the NPRM. Therefore, the deception and unfairness consideration about add-ons found in the automobile industry are not material – and likely do not apply – to the marine industry.

¹¹ <https://www.discoverboating.com/boating-accessories>

III. The Harms the FTC is Concerned About Do Not Exist in the Marine Industry, as There are no Enforcement Actions or Litigation Demonstrating Deception or Unfairness, and There are Very Little, If Any, Consumer Complaints against the Industry.

- Marine dealers are unique, small businesses and occupy niches within communities that have an history around the water and a strong recreational boating heritage. Marine dealers become much more than just stores where products and services are offered, but rather they become a staple in the community that builds relationships and camaraderie on and around the water. For example, marine dealers oftentimes are located near or on the water, offering storage for customers boats and making regular interactions commonplace. These regular interactions and a marine dealer’s reliance on service — regular maintenance, repairs, winterizations, spring launch, and more — and storage revenue to offset the seasonality of boat sales requires marine dealers to operate in a transparent and above-board manner to ensure repeat customers. Furthermore, it is commonplace for marine dealers to host events for the community, ranging from on-the-water demos and boating safety lessons, to on-the-water movie nights.¹²
- A comprehensive search of both the Commission’s Legal Library, and the Consumer Financial Protection Bureau Enforcement Action Database resulted in zero results of enforcement actions on marine dealers.¹³ A more general search resulted in only one instance of a recent enforcement action taken against a marine dealer, which ultimately resulted in the plaintiff filing a Notice of Voluntary Dismissal and settling the case.¹⁴¹⁵
- The marine industry as a whole has also set a high benchmark of consumer satisfaction, as all boat and engine manufacturers who are members of the National Marine Manufacturers Association are required to engage in Consumer Satisfaction Indexes and are recognized for their achievements related to those CSI scores. Also, starting in 2016, the Marine Industry CSI Dealer Award was created, based on input from an industry steering committee to utilize dealer data in the marine industry CSI program. The committee sought to recognize dealers based on both individual brand scores, as well as aggregate scores of all brands they carried, measured by the CSI program. The standard for this award is quite high as dealers must have a score of 90% or above.¹⁶ Despite these high standards, the 2021 Marine Industry

¹² Mount Dora On Water Boating Night - <https://mtdoraboats.com/rsvp-on-the-water-movie-night-jungle-cruise/>, Marine Max Bar Harbor Boat Show with Demo and Wake Responsibly Event - <https://www.marinemax.com/stores/nisswa-marine/events/boat-show/lake-shore-boat-show-2022-06-18>

¹³ The terms “marine dealer”, “marine”, “boat dealer”, “boat” and “marine” were entered into the Commissions “Legal Library” search bar and the CFPB Enforcement Action Database.

¹⁴ The terms “enforcement action taken against boat dealer”, “enforcement action taken against marine dealer”, and “boat dealer sued” were entered into Google.

¹⁵ <https://dockets.justia.com/docket/maine/medce/2:2022cv00016/61540>

¹⁶ The full guidelines for Dealers to qualify for recognition under the Marine Industry CSI Dealer Award can be found [here](#).

CSI Dealer Award was given to 942 individual boat dealers for excellence in customer satisfaction and 916 individual dealers for excellence in continued service. These awards are celebrated throughout industry by both dealers and manufacturers, as dealers strive for high CSI scores in hopes of increasing business and displaying to manufacturers that they are a trusted and well-respected retailer.

- Additionally, the comments on the Notice of Proposed Rulemaking itself do not reflect a significant need for these regulations to be placed on marine dealers. A search of the comments reveals only one singular comment supporting these regulations be placed on marine dealers. This pales in comparison with the more than 100,000 complaints the Commission received regarding Automobile Dealers.

IV. Marine Dealers Are Much Smaller than Vehicle Dealers, Such That the Impact of the Proposed Regulations Will Likely be Severe on the Operations in the Marine Industry.

- The FTC provides a full economic analysis of the impact the proposed regulations on Automobile Dealers, in its effort to advocate for more stringent regulations. The MRAA, however, submits that the proposed regulations will, indeed, have a significant economic impact on its marine dealer members, who truly are small businesses.
 - Accordingly, the MRAA does not agree with the FTC’s assessment that the analysis and results are “representative of the majority of covered entities and transactions, and that expanding the scope of the analysis is unlikely to lead to different conclusions.” Marine dealers differ significantly in regard to sales volume and size, overall annual receipts, and average employment numbers, compared to the data used by the Commission. By and large, marine dealers are small “Mom and Pop” businesses that do not fit the standard automobile dealer archetype in physical appearance nor with their standing in the community. They are significantly different from automobile dealers in all the ways outlined throughout this Letter.
- Attached to this Letter as Appendix Item #8 is a copy of the MRAA 2022 Compensation Study which provides different points of context on the size of the typical marine dealership and the NMMA Total Industry Sales by Category & State 2008-2021 as Appendix Item #9 which provides additional information on marine sales.
- Although automobile dealers and marine dealers are both considered small entities according to the Small Business Administration NAICS Codes, there is a significant discrepancy between the gross income of automobile dealers and marine dealers and overall size of the two businesses.¹⁷

¹⁷ U.S. Small Business Admin. Table of Small Bus. Size Standards Matched to North American Indus. Classification System [“NAICS”] Codes (effective July 14, 2022). <https://www.sba.gov/document/support--table-size-standards.19.201>. New motor vehicle dealers are classified as NAICS code 441110. Used motor vehicle dealers are classified as NAICS code 441120.

- Data acquired by the MRAA in 2019 shows that the average boat dealer's annual revenue totaled \$3,672,028 in 2018. This data represents nearly 2,100 individual locations out of the nearly 3,500 total locations across the United States.
- On average, each marine dealer has only one location, resulting in a significantly smaller amount of annual revenue than compared to other vehicle dealers.
- Furthermore, marine dealers, on average, employ about 23 employees at peak capacity with 18.1 of those employees being full time.¹⁸ Automotive dealers, however, on average 63 employees per location.¹⁹

PRELIMINARY RESPONSES TO SPECIFIC QUESTIONS FOR COMMENT

The Commission seeks comments on various aspects of the proposed rules, and sets forth forty-nine questions (excluding subparts) in its Notice for proposed rulemaking.

On August 15, 2022, MRAA sought an extension of time to respond to the Notice of proposed rulemaking, noting that due to the large scope and nature of the proposed rules, MRAA wants to provide extensive data and detail about the nature, scope, and impact of the proposed rules on its members and on the marine industry. By notice dated August 23, 2022, however, the request for an extension of time was denied.

As a result, in an effort to respond to the questions in the most meaningful way, the Responses from MRAA shall be provided in categories and in reference to the specific section to the Rule.

Question 11: Section 463.2: Definitions

As the discussion above demonstrates in many ways, the consumer and the consumer experience in the marine industry is fundamentally different from the consumer and consumer experience in the automobile industry. The consumer harms existing in the automobile industry do not exist in the marine industry. Therefore, the definition of "motor vehicle" should not include "recreational boats and marine equipment," as the rule should not apply to that industry.

Questions 12-18: Section 463.3: Prohibited Misrepresentations

As the discussion above demonstrates, there are well-settled expectations of how dealers should treat customers in the marine industry, and the lack of litigation, regulatory enforcement actions, and consumer complaints reveals that no deception or unfairness exists that warrants regulation. Therefore, there is no need to discipline the marine industry with rules to prevent deception or unfairness.

¹⁸ MRAA 2022 Marine Industry Compensation Study

¹⁹ NADADATA 2021

Questions 19-30: Section 463.4: Disclosure Requirements

See above, Section 2, Bullets 4 & 5, In addition, with respect to Question #28, as the discussion above notes, the consumer harms for add-on products in the automobile industry do not exist in the marine industry. Consumers specifically identify and desire certain added features on their boats and yachts, and no deception is present with respect to add-on products.

Questions 31-39: Section 463.5: Prohibiting Dealers from Marketing or Selling Add-Ons That Would Not Benefit Consumers

See above, Section 2, Bullets 4 & 5.

Question 48: Section 463.9: Relations to State Laws

While there may not be a parallel example of a state law that captures every aspect of the NPRM, most, if not all, states have laws that effectuate the goal of the NPRM. Setting aside the argument that the NPRM is mostly ineffective and overly burdensome for many of the stakeholders in the marine industry, most states have a variety of consumer protection-oriented laws that impact the marine industry. These laws include commercial transaction and consumer credit codes that dictate lawful finance and insurance terms for marine transactions to general consumer protection laws that dictate how “cash price” and similar pricing must be disclosed to consumers (along with setting forth lawful advertising and marketing practices). For example, Massachusetts General Law Chapter 93A sets forth to protect consumers from any type of deceptive trade practice and even gives consumers the ability to seek injunction against wrongdoers.²⁰ It is MRAA’s position that additional regulation in the marine space will likely not result in additional regulatory enforcement action, but surely result in unduly burdensome compliance management practices that simply do not afford additional protection to consumers in the marine industry.²¹

CONCLUSION

As has been noted by several industry stakeholders in the automotive and other similarly situated industries, the NPRM is well intentioned to protect consumers’ interest; however, the NPRM presents several material pitfalls. At a high level, the NPRM is overly broad and may have a significant economic impact on a substantial number of business organizations, including small business entities and industries that are not implicated by the FTC’s concerns relating to the automotive industry. MRAA encourages the FTC to consider several modifications to the NPRM, including excluding the recreational boat and marine equipment industry as well as putting in place threshold purchase limits to focus on traditionally vulnerable consumers. Finally, MRAA (as has other industry groups) further encourages the FTC to determine if there is a way to target the bad actors rather than proceeding with this rulemaking, which targets an entire industry and several unintended industries for behavior that impacts an immaterial portion of market sales.

²⁰ MASS. GEN. LAWS Ch. 93A.

²¹ *See* Appendix Item #10 Survey of State Boat & Boat Accessory Warranty Laws.

Thank you for the opportunity to comment on this important proposal and for your consideration of MRAA's comments. If you have any questions regarding these comments or if MRAA can be of any assistance, please do not hesitate to contact Chad Tokowicz, Government Relations Manager, at 978-569-5127 or Chad@mraa.com.

Sincerely,

A handwritten signature in black ink, appearing to be 'C. Tokowicz', written in a cursive style.

Chad Tokowicz
Government Relations Manager
Marine Retailers Association of the Americas