

## MEMO

**TO: NIADA Board Members**  
**FROM: Brett Scott, Vice President, Government Affairs**  
**SUBJECT: Government Affairs Report**

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June in DC is usually focused on enjoying the summer and preparing for humidity but rumors were swirling that Senate Democrats were preparing for possible action on a party-line climate, tax and prescription-drugs bill after talks between Senate Majority Leader Chuck Schumer and Sen. Joe Manchin (D-W. Va.) started back up. As a reminder from previous reports, Manchin, among other things, has expressed opposition to an expanded electric vehicle tax credit for vehicles produced in the U.S. with union labor. Also, Manchin was the first Democratic senator to warn about potentially rising inflation and was widely dismissed by his colleagues last year when he raised those concerns. With inflation now at its highest rate in 40 years, any conversation about spending more money will be a difficult sell with him.

Senate & House negotiators finalized a bipartisan gun safety bill to take firearms away from dangerous people and provide billions of dollars in new mental health funding. The legislation would invest more than \$7 billion in mental health services, boost funding for school-based mental health and support services and invest in programs to strengthen safety measures around primary and secondary schools.

In addition, it would enhance the background check process for gun buyers ages 18 to 21 by allowing more access to juvenile crime records, clarify the definition of firearms dealers to include people who sell a large number of guns without a federal firearms license and crack down on illegal gun trafficking.

With only a few weeks left before the long August recess, there still remains a packed schedule of issues to be covered. Once August recess ends, Members come back to figuring out how to fund the government after September 30<sup>th</sup> and if a potential spending bill has any legs. Schumer is trying to make all the preparations he can should he and Manchin come to an agreement before the end of September.

Those weeks could give Democrats a huge opportunity to add another accomplishment before the November midterms. And they need it. Polls show Biden's approval rating is around 40 percent, endangering Democrats' slim Senate majority. If all starts align, passing Manchin's spending bill would offer a jolt come election time to four Democratic senators in New Hampshire, Arizona, Nevada and Georgia, where voters would be more likely to support the incumbents if such a bill passes.

## **Political Action Committee (PAC) Update**

The annual PAC Cup competition officially kicked off for 2022 with a reception during the NIADA Convention and Expo at the MGM Grand in Las Vegas.

The Cup will be awarded to the region that contributes the most to the PAC Fund at the National Policy Conference (NPC) in Washington D.C.

The fundraising reception was a success with NIADA PAC raising \$43,450 and 30 NIADA members in attendance. That is the most amount of money NIADA PAC has ever raised in the first half of a calendar year. The Cup, on display at the reception, is currently held by Region II – the Southeast.

In its seven-year history, the competition has raised nearly \$800,000 for the PAC Fund, which helps NIADA support candidates for office who work to protect the interests of independent dealers, the used vehicle industry, and small business.

NIADA PAC's goal is to raise \$150,000 this year, and we are one-third of the way there. Every dollar counts toward that goal and toward the regional PAC Cup competition. Make your donation between now and NPC for it to count toward the PAC Cup competition. Donate by visiting [www.niada.com/pac](http://www.niada.com/pac).

## **2022 Election Season is in Full Swing**

Elections for the House of Representatives are heating up with primaries and special elections changing the makeup of the electoral map. Recent elections of note:

### *Congressman Henry Cuellar (D-TX-28) Ousts Challenger in Primary Runoff*

Cuellar narrowly defeated attorney Jessica Cisneros in a contentious primary runoff held on May 24. He won the runoff by 289 votes. Cuellar had the support of House Speaker Nancy Pelosi while Cisneros had the support of a new generation of more liberal Democrats, including Congresswoman Alexandria Ocasio-Cortez (D-NY-14). Cuellar's victory is a blow to progressives. The general election in November will be competitive especially with the strong Republican wave predicted this year. Cuellar will now face Republican candidate Cassy Garcia, a former deputy state director for Senator Ted Cruz (R-TX).

### *Newest Congresswoman Flips Historically Democratic District*

The Texas 34<sup>th</sup> Congressional District will be represented by a Republican for the first time following a special election held in June. Mayra Flores, who bested her Democrat competitor in a 51%-43% vote and who is the first Mexican American elected to Congress, will serve the 34<sup>th</sup> Congressional District until January 2023. She will fill the remaining term of Congressman Filemon Vela who resigned in March to work for the lobbying firm Akin Gump. She will run again in the general election in November in the newly redrawn 34<sup>th</sup> district against Democratic

nominee Congressman Vicente Gonzalez (D-TX-15). While President Joe Biden won the 34<sup>th</sup> district by 4 percentage points, redistricting made the district friendlier to Democrats.

### *Freshman Member of Congress Defeats Congressional Veteran in Primary*

Freshman Republican Congresswoman Mary Miller (R-IL-15), who had former President Donald Trump's endorsement, defeated five-term Congressman Rodney Davis (R-IL-13) for their party's nomination in the 15th District. Miller had 58 percent of the vote to Davis' 42 percent. This race was one of the most hotly contested and nationally watched Congressional races. Political analysts state that the newly redrawn district was looking for a pro-Trump candidate which voted 68% for Trump in 2020.

### *Comeback in Runoff After Second Place Finish in Runoff*

Congressman Michael Guest (R-MI-3) made a comeback to secure the Republican nomination for the November elections. Navy veteran Michael Cassidy questioned Guest's conservative credentials and commitment to former President Donald Trump. Guest was one of 35 House Republicans who voted last year for the creation of an independent commission to investigate the Jan. 6, 2021, riot at the U.S. Capitol. Guest benefited from a surge of support from his colleagues in Washington after he finished almost 300 votes behind Cassidy in the primary.

### **Ukraine Aid**

Past Summary: Most recently, as fighting intensifies in Ukraine, President Biden said Russia's attacks in Donbas require different types of weapons from the U.S. and its allies. In a renewed effort to support Ukraine's military, President Biden announced the U.S. is providing another \$800 million to help Ukrainian forces fight in the east of the Donbas region, where fighting has recently intensified. The new package includes heavy artillery, ammunition, and tactical drones.

### **U.S. Chip Production**

Current: Conversations are still ongoing as Members continue to negotiate final bill language during conference.

Past Summary: NIADA in coordination with the U.S. Chamber of Commerce signed onto a letter supporting the Bipartisan Innovation Act to fund the Creating Helpful Incentives for the Production of Semiconductors (CHIPS) for America Act and Enhanced Facilitating American-Built Semiconductors (FABS) Act. Multiple industries across various sectors also signed onto the letter. The letter outlined the importance of semiconductors to nearly every sector of the economy, including aerospace, automobiles, communications, clean energy, information technology, and medical devices. Due to demand not meeting the supply from COVID-19, this has created a global chip shortage and resulted in lost growth and jobs, in turn underscoring the need for increased domestic manufacturing capacity.

NIADA will continue to engage with the U.S. Chamber on addressing this on-going issue as it continues to affect the automobile industry.

The Senate bill is 160 pages; the House bill 1,200 pages.

## **EV Charging Stations State Funding**

The Department of Transportation released their guidelines for States to FHWA/DOE announced the allocation of \$615 million to the states for EV charging stations. The BIF provides \$5 billion over five fiscal years for such funding. This is the first installment. States are required to development EV charging stations deployment plans by August 1 for final FHWA/DOE approval by September 30. The Association is assessing the approach regarding member interest in the program.

## **Auto Caucuses**

Current: Members of the Caucus postponed the roundtable with no set date for a reschedule.

Past Summary: NIADA has been in contact with member staff on potentially participating in a roundtable discussion focusing on auto technician shortages, differences between working on traditional gas vehicles vs EVs, and if that plays a role in the shortages. And lastly, how first responders need to approach auto accidents differently when EVs are involved. No date has been scheduled as of late.

On January 19, the House Auto Caucus hosted a roundtable with labor, manufacturing, and trade experts to discuss semiconductor availability. Attendees included Josh Nassar, Legislative Director for the United Autoworkers; Shilpan Amin, Vice President of Global Purchasing and Supply Chain for General Motors; David Isaas, Vice President of Government Affairs for the Semiconductor Industry Association; and, Alexander Perkins, Principal for Mehlman, Castagnetti, Rosen & Thomas. Congresswoman Marcy Kaptur (D-OH-9) and Congressman Mike Kelly (R-PA-16) are co-chairs of the House Auto Caucus. Senator Rob Portman (R-OH) and Senator Sherrod Brown (D-OH) are co-chairs of the Senate Auto Caucus. No action in the Senate to date.

## **FTC Issues:**

The Federal Trade Commission issued a proposed rule to ban junk fees and bait-and-switch advertising tactics that can plague consumers throughout the car-buying experience. 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 clearer and more competitive. It would also allow the Commission to recover money when consumers are misled or charged without their consent.

The notice includes questions for public comment to inform the Commission's decision-making on the proposal. These include questions about provisions in the proposed rule and whether other provisions should or should not be included in the rule, as well as questions related to the costs and benefits to consumers and auto dealers of the proposed rule. In addition, the notice includes a preliminary regulatory analysis estimating that the net economic benefit of the rule would be more than \$29 billion over ten years. After the Commission reviews the comments received, it

will decide whether to proceed with issuance of a final rule. NIADA will be submitting comments to this proposed rule and will keep members aware of the progress.

### **CFPB Issues**

In September 2021, the CFPB issued a subprime auto lending report. On February 24, it published an auto lending disclosure blog. On February 28, it issued an illegal repossession compliance bulletin. On March 16, the CFPB announced that it will be targeting unfair discrimination in consumer finance. The CFPB will examine for discrimination in all consumer finance markets, including credit, servicing, collections, consumer reporting, payments, remittances, and deposits. CFPB examiners will require supervised companies to show their processes for assessing risks and discriminatory outcomes, including documentation of customer demographics and the impact of products and fees on different demographic groups. The CFPB will look at how companies test and monitor their decision-making processes for unfair discrimination, as well as discrimination under ECOA.

Update: NIADA and CFPB staff held a successful phone call to discuss multiple issues facing the industry. More specifically, NIADA members discussed how dealers have handled the COVID-19 pandemic, increased car prices, and how dealers are helping consumers during these difficult times. CFPB staff were appreciative of the feedback and look to continue having an open dialogue.

### **H.R. 6394 PART Act**

Update: Multiple new Members of Congress have become co-sponsors of this particular bill as NIADA continues to lobby on the importance of this legislation to our members.

Past Summary: Congressman Jim Baird (R-IN-4) introduced this bill that focuses on the current rise in catalytic converter thefts. NIADA was in close communication with the author's staff on pushing this out to industry and most recently have taken the lead with NADA on sending a letter to Energy & Commerce Chairman Frank Pallone (D-NJ-6) and Ranking Chairwoman Cathy McMorris Rodgers (R-WA-5) supporting the legislation. NIADA & NADA will continue to have discussions with Congressman Baird's staff and committee staff to explore multiple options on this important issue.

### **FY22 Appropriations Generally**

On March 15, the President signed into law the FY22 Omnibus Appropriations Bill that funds the 12 appropriations bills for FY22.

### **H.R. 166, Fair Lending for All Act**

Ordered reported by the Financial Services Committee on May 12 by a vote of 28-24. Introduced by Congressman Al Green (D-TX-9) on January 4. The bill modifies provisions related to prohibited credit discrimination. The bill adds sexual orientation, gender identity, and an applicant's location based on zip code or census tract as classes protected against discrimination

with respect to credit transactions. The bill establishes criminal penalties for violations of prohibited credit discrimination. CFPB is required to review loan applications for compliance with specified consumer laws and to establish an Office of Fair Lending Testing.

## **Bill Tracking**

Tracking bills that are marked up by committees and/or come to our attention.

H.R.6570 — 117th Congress (2021-2022)

### **REPAIR Act.**

**Sponsor:** Rep. Rush, Bobby L. [D-IL-1] (Introduced 02/02/2022) **Cosponsors:** (7)

**Committee:** Energy and Commerce

**Latest Action:** 02/02/2022 Referred to the House Committee on Energy and Commerce.

H.R.6394 — 117th Congress (2021-2022)

### **PART Act**

**Sponsor:** Rep. Baird, James R. [R-IN-4] (Introduced 01/13/2022) **Cosponsors:** (14)

**Committees:** Energy and Commerce, Judiciary, Transportation and Infrastructure

## **PAC**

The annual PAC Cup competition officially kicks off for 2022 with a reception during the NIADA Convention and Expo, coming up June 20-23 at the MGM Grand in Las Vegas.

The reception will be held at 4 p.m. Wednesday, June 22. Attendees are asked to make a \$150 contribution to the NIADA PAC Fund.

Contributions can be made online at [www.niada.com/pac](http://www.niada.com/pac).

The PAC Cup is friendly fundraising competition between NIADA's four geographical regions. The Cup is awarded each year to the region that contributes the most to the PAC Fund between the NIADA Convention and the National Policy Conference in Washington D.C., which this year will be held Sept. 19-21.

The Cup, which will be on display at the reception, is currently held by Region II – the Southeast – which edged two-time defending champion Region III in the most recent competition.

In its seven-year history, the competition has raised nearly \$800,000 for the PAC Fund, which helps NIADA support candidates for office who will work to protect the interests of independent dealers, the used vehicle industry and small business.