



February 4, 2025

House Committee on Commerce and Consumer Protection
Oregon State Legislature
900 Court St. NE,
Salem, OR 97301

RE: House Bill 3177

Chair Sosa, Vice-Chair Chaichi, Vice-Chair Osborne, and committee members, Carvana appreciates the chance to share our perspective on House Bill 3177.

Carvana is one of the nation's leading used auto dealers. Our proven, customer-first e-commerce model has positively impacted millions of lives through more convenient, accessible, and transparent car buying and selling experiences. Since our founding in 2012, we have purchased or retailed more than four million vehicles.

Here in Oregon, we have sold more than 10,000 vehicles. Across our two locations in the state, we proudly employ just under 300 people.

Carvana's online platform empowers our customers to make informed, pressure-free decisions about what vehicle best suits their needs and fits their budget. From the Carvana app or website, our customers can search through more than 50,000 used vehicles in our nationwide inventory, originate financing, select a vehicle, and set a delivery or pick-up that fits their schedule. Our transparent pricing contains no surprises, and our seven-day, money-back guarantee means our customers have seven days to return their car if they decide it's not right for them. Every Carvana purchase comes with a 100-day limited warranty.

When Carvana acquires a vehicle, it goes through a rigorous 150-point inspection, and before it is listed on our platform, it undergoes a full reconditioning. During the inspection and reconditioning process, we check for outstanding safety recalls.

If the vehicle has been flagged by the National Highway Traffic Safety Administration (NHTSA) or the original equipment manufacturer (OEM) with a "Do Not Drive" warning - Carvana's practice is to not list such a vehicle for retail sale or remove it from our retail inventory. When a vehicle is subject to an open-safety recall but does not fall under the "Do Not Drive" warning standard, Carvana follows industry best practices to ensure that the purchaser is fully aware of the outstanding issues before the sale is finalized. For example, Carvana provides clear disclosure of any recalls in the vehicle listing, and Carvana secures the customer's express acknowledgment via their signature that such noted recalls exist in the terms of the deal. If a recall remedy is available, the purchaser can take the vehicle to a repair facility associated with the manufacturer for a free repair.

As currently drafted, HB 3177 could disadvantage consumers, disproportionately impact independent vehicle dealers, and impose potentially unworkable requirements. Consider the following:

1. Broad Scope of Definition: Safety recalls can be imposed for a multitude of reasons and apply to a variety of parts. For example, safety recalls can be issued for windshield wiper assemblies. While such defects are safety-related and should be repaired quickly, they are not as severe as faulty airbags or defective accelerator controls.

2. Impact to Vehicle Owners, Not Just Vehicle Sellers: Prohibiting the sale of vehicles with any open safety recalls will negatively impact owners seeking to sell or trade in their existing vehicles. Independent dealers will likely be wary of purchasing or accepting a trade-in for a vehicle with an open recall because of the uncertainty associated with their ability to repair the vehicle prior to resale. With less competition for trade-in vehicles, owners will be forced to accept a lower price.

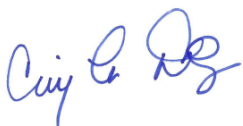
3. Availability of Remedies: Solutions for recall are not always available when the recall is issued. Under HB 3177, dealers could be stuck with a vehicle with a minor safety recall issue with no available fix for an extended period. Worse, individuals seeking to sell or trade in such vehicles could face challenges in finding a willing buyer. In both cases, the impacted party has little ability to influence the availability of a solution.

4. Accessibility of Remedies: While recall repairs are provided for free, often, those repairs can only be completed by a facility associated with the OEM. Such facilities have access to parts and technicians with the training and experience to complete needed repairs if such a fix, parts, and training are available. HB 3177 would require independent dealers to outsource recall repairs to OEM repair shops, putting them at a distinct disadvantage. For dealers large and small, routing every vehicle with a recall to an OEM repair facility prior to sale would be exorbitantly expensive and logistically impractical. Access to OEM repair facilities may be particularly challenging for dealers in smaller towns or rural communities.

We applaud the bill sponsors for seeking policy solutions to enhance consumer safety. However, in its current form, HB 3177 goes well beyond reasonable efforts to ensure customers are purchasing safe vehicles. If implemented as drafted, the bill will negatively impact consumer choice and the ability of independent dealers to compete.

Thank you for your time and consideration.

Sincerely,



Carling Dinkler
Head of Government Affairs, Federal and West Region