

European Commission
Office: J 70 – 01/128
General Directorate of Competition
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Belgium

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Sent by e-mail: Comp-car-sector@ec.europa.eu

European Commission Evaluation of the Motor Vehicle Block Exemption

Dear Sir/Mdm.

We have through the Norwegian Competition Authority been invited to comment the European Commission's evaluation report on the operation of Regulation (EC) Num. 1400/2002 concerning Motor Vehicle distribution and servicing (BER).

The Norwegian Automobile- Federation (NAF) is the largest private mobility- and consumer organization within the Nordic countries. Moreover, we are the largest roadside assistance operator on the private car market and are running 52 test garages.

NAF has those remarks to the report:

In general

Motor vehicles are the preferred transport mode for 80 % of all trips and are the second largest investment for an average household. Unlike other highly complex products, motor vehicles for reasons of safety and environment must be maintained during their lifetime to meet stringent legally required standards, tested on a regular basis. Over the life span of a vehicle the repair and maintenance will cost as much as the purchase price if not more.

It is therefore of vital importance that the European consumers have the freedom to have their vehicles serviced, maintained and repaired at a workshop of their choice, using parts of their choice and affordable for their pocket; in other words in a fully and functioning market.

To ensure the consumers free choice it must also be included that the workshops and roadside assistant operators have access to affordable spare parts and vital; technical information so they can put the vehicle back on the road for completing their journey. With a few exceptions our roadside assistance services experiences that the manufacturers and their representatives are quite reluctant to give any technical information.

Also as a consumer organization it is our experience that the manufacturers' handling of warranties are trying to tie up the consumers to their network by making them use so called "original spare parts" and manufacturers own workshops. From our point of view this is not according to the intention one had in mind by BER EC N 1400/2002.

The Evaluation report - The future

In looking to the future; the European Commission's evaluation notes various options. Although one has not drawn any conclusions a renewal and extension of the existing motor vehicle BER seems not to be preferred.

Other options are reliance on general vertical restraints BER (2790/1999) and in absence of any BER, the reliance on Articles 81 and 82 of the treaties. The current general vertical restraints regulation does not address issues in detail specific to the automotive sector (such as access to technical information needed for repair). Supplementary provisions for the automotive sector would have to be included. In the absence of hard core restrictions set out in a BER, reliance on the Treaty article 81 and 82 would mean going to court for each individual complaint, thus making complaints prohibitively expensive for consumers, road assistant organizations and small and medium sized enterprises. This opposed to the current BER which sets out clearly which rules must not be broken.

In our opinion it is evident that the more competition in the market from both vehicle manufacturers and independent repairers, the more consumer choice can influence the quality and affordability. Without the BER and specific consumer safeguards, the cost of maintaining cars could increase and competition in the repair market looks set back to be even further curtailed.

From our point of view any review of the BER should ultimately seek to strengthen the competitiveness of all stakeholders in the automotive sector. Securing access to technical information is crucial. With the on-going development of in- car electronics system and technologies, standardised open access to vehicle manufacturers' data is crucial if independent repairers including the automobile clubs like NAF, are to have a chance of competing and remaining in business to the benefit of consumers.

Conclusion

Mobility, competition and consumer freedom of choice are essentials for a fully functioning market. Until sector specific measures contained in the BER are

adopted and implemented in other legislation, the existing BER should continue and be improved.

Finally we thank You for the opportunity to take part in this hearing.

Kindly regards
NORWEGIAN AUTOMOBILE-FEDERATION
NAF Motoring and Legal Advice

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cc: Norwegian Competition Authority