

Friday, May 10, 2013

Douglas Bell  
Chair, Trade Policy Staff Committee  
Office of the U.S. Trade Representative  
600 17th Street, NW  
Washington, DC 20508

**RE: Request for Comments Concerning Proposed Transatlantic Trade and Investment Agreement,  
Docket Number USTR-2013-0019**

Dear Mr. Bell:

The Automotive Aftermarket Industry Association (AAIA) appreciates the opportunity to comment on the April 1, 2013, *Federal Register* Notice requesting comments on the proposed Transatlantic Trade and Investment Partnership (TTIP) with the European Union (EU).<sup>1</sup> AAIA strongly supports the expansion of international trade through a bilateral trade agreement between the United States (U.S.) and the EU. Although there is a long history of trade in automotive products between the U.S. and the EU, further integration of the auto industry across the Atlantic will lead to increased opportunities for two-way trade in auto parts and components, and associated services. Increased transatlantic trade will create opportunities for businesses at every level of the automotive aftermarket supply chain.

AAIA is a Bethesda, Md.-based association whose more than 23,000 members and affiliates manufacture, distribute and sell motor vehicle parts, accessories, service, tools, equipment, materials and supplies, and represents more than 100,000 independent vehicle service and repair businesses, parts stores and distribution outlets. The motor vehicle aftermarket is a significant sector of the U.S. economy, employing nearly 4.1 million people in 2012. This industry encompasses all products and services purchased for light, medium and heavy duty vehicles after the original sale including replacement parts, accessories, lubricants, appearance products, tires and collision repairs, as well as the tools and equipment necessary to make the repairs. Overall U.S. aftermarket sales totaled \$307.7 billion in 2012.<sup>2</sup>

While the automotive sector has been identified as a key sector with a significant transatlantic relationship, and where the biggest relative increase in trade resulting from the TTIP is expected to take place, the expected impact may actually be understated. This is because much of the data focuses exclusively on the potential increase in motor vehicle imports and exports, while ignoring the significant trade increases that will also result in the automotive aftermarket. To illustrate, there are close to 350 million vehicle registrations in Europe, accounting for 34.4 percent of global vehicle registrations.<sup>3</sup> That is significantly more than the 288 million vehicles registered in the U.S., Canada and Mexico.<sup>4</sup> More than

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<sup>1</sup> *Request for Comments Concerning Proposed Transatlantic Trade and Investment Agreement*, 78 Fed. Reg. 19,566 (Apr. 1, 2013).

<sup>2</sup> AAIA/AASA Channel Forecast Model, based on IHS Global research ([www.ihs.com](http://www.ihs.com)).

<sup>3</sup> Data provided by R.L. Polk & Co.; R.L. Polk Germany GmbH.

<sup>4</sup> *Id.*

16 million new cars are registered in Europe each year.<sup>5</sup> As these vehicles age, they will need parts and services. In 2011 alone, U.S. parts exports to Europe totaled over \$3 billion, while European parts imports into the U.S. totaled \$8.3 billion.<sup>6</sup> The expected increase in motor vehicle trade across the Atlantic will also result in similar increases in trade for motor vehicle products.

AAIA supports an ambitious TTIP and welcomes the Administration's recent announcement that formal trade negotiations with the EU will begin this year. In order for the U.S. automotive aftermarket to realize the full benefits of a comprehensive U.S.-EU bilateral trade agreement, the TTIP must address both tariff and non-tariff measures in the motor vehicle aftermarket. Below we identify specific suggested negotiating objectives for the motor vehicle aftermarket in the proposed TTIP.

### Tariff Elimination

While tariffs for automotive products between the United States and Europe are relatively low, negotiators should seek the complete elimination of tariffs immediately upon implementation. Negotiators should also develop simple and efficient rules of origin that are practical and enhance U.S. and EU manufacturers' access and ability to reap the benefits of tariff elimination.

### Regulatory Cooperation and Standards

Tariff elimination must be coupled with the elimination of non-tariff barriers. This will require regulatory harmonization to reconcile differing regulatory approaches governing the automotive aftermarket. AAIA is working with FIGIEFA (Fédération Internationale des Grossistes Importateurs et Exportateurs en Fournitures Automobiles),<sup>7</sup> our counterpart aftermarket association in Europe, to identify specific regulations where failure to harmonize will undermine the TTIP's objectives and we look forward to sharing this assessment with U.S. and EU negotiators. As illustrated by the HTS codes for automotive products included in **Attachment 1**, this is an arduous task as there are dozens of auto parts that fall under the jurisdiction of various regulatory agencies on both sides of the Atlantic. Given this inherent challenge, AAIA endorses the following principles for harmonization of automotive parts regulations:

- Employing both harmonization and mutual recognition frameworks to most efficiently achieve TTIP objectives;
- Allowing mutual recognition of existing regulations unless convincing and reliable data exist demonstrating a safety or environmental deficiency;
- Avoiding an increase in U.S. or EU regulation requirements;
- Avoiding diverging approaches for any new regulations; and
- Adoption of World Trade Organization (WTO) Technical Barriers to Trade (TBT) view of "international standards."

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<sup>5</sup> *Id.*

<sup>6</sup> U.S. International Trade Commission Import/Export data resources for U.S. auto parts, *available at* <http://dataweb.usitc.gov>.

<sup>7</sup> FIGIEFA is the international federation and political representative in Brussels of independent automotive aftermarket distributors. Its members, 24 national trade associations from 21 countries worldwide, represent retailers and wholesalers of automotive replacement parts and components and their associated repair chains. FIGIEFA represents the interests of its members towards European and international institutions. Its role is to monitor and accompany the design of legislation with the aim to maintain free and effective competition in the market for vehicle replacement parts, servicing and repair. FIGIEFA is a trade federation and a stakeholders' representation accredited to the European institutions and holds consultative roster status at the United Nations Economic Commission for Europe (UNECE) with membership to the World Forum for Harmonization of Vehicle Regulations (UN-ECE-WP29). For more information please visit <http://www.figiefa.eu/>.

We also preliminarily identify below a few key areas where convergence and simplification of regulatory processes will be necessary for automotive aftermarket products.

- Automotive repair and diagnostic equipment and related standards;
- Lamps, lights, lighting equipment and other reflective devices;
- Remanufactured products (including regulations that govern trade in “cores,” the used goods to be remanufactured);
- Fluids and chemicals;
- Tires and accessories;
- Testing and certification requirements and procedures;
- Standards for telematic applications (the technology that enables real-time communication and data exchange with a vehicle in motion), product cataloging, internet parts ordering and other technical information;
- Warranty terms and related consumer rights; and
- Competition policy (addressed separately below).

### Competition Policy

Modern cars and light trucks contain advanced technology that monitors or controls virtually every function of the vehicle including: brakes, steering, air bags, fuel delivery, ignition, lubrication, theft prevention, emission controls and in some cases, tire pressure. Car owners and independent shops must have full access to the information and tools necessary to accurately diagnose, repair, or re-program these systems. This information and equipment is necessary to ensure vehicle safety, performance and environmental compliance. Vehicle manufacturers are making access to such vital information increasingly difficult and costly to obtain for the independent aftermarket and its customers.

Without access to critical information and tools, motorists are forced to patronize new car dealerships, which may not be convenient, accessible or otherwise desirable to the car owner. Moreover, the lack of competition and consumer choice leads to higher repair prices. Failure to perform necessary maintenance for any reason results in unsafe and high-polluting vehicles populating the highways.

The EU has had rules for competition in the automotive aftermarket in application since June 2010. The European Commission has enacted two Block Exemption Regulations and accompanying sector-specific Guidelines for the automotive aftermarket. We include in **Attachment 2** Commission Regulation (EU) No. 461/2010 and its supplementary guidelines. In contrast, outside of service information availability rules promulgated by the U.S. Environmental Protection Agency,<sup>8</sup> there is currently no comparable federal competition legislation in the U.S.<sup>9</sup> The TTIP provides an excellent opportunity for the U.S. to review EU regulations governing competition practices in the motor vehicle sector and work to ensure that the U.S. automotive aftermarket sector is in the same position to benefit from increased transatlantic trade as its counterparts in Europe. To do this, efforts should be made to ensure that U.S. and EU independent operators have access to technical information.

We look forward to an opportunity to meet with a USTR representative to further discuss our concerns and suggestions and address any questions you may have. Please contact Andres Castrillon at 301-654-

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<sup>8</sup> See Control of Emissions from New and In-Use Highway Vehicles and Engines, 40 C.F.R. § 86 (2013).

<sup>9</sup> In November 2012, Massachusetts voters approved a referendum to pass a new law, known as the Right to Repair law, requiring automakers to provide independent repair shops and dealers with easy access to the computer codes needed to diagnose complex car issues. See Mass. Gen. Laws ch. 93J (2012), available at <http://www.lawlib.state.ma.us/docs/2012-241.pdf>.

6664 or by e-mail at [andres.castrillon@aftermarket.org](mailto:andres.castrillon@aftermarket.org) if you have any questions or would like additional information.

Sincerely,

Andres Castrillon  
Director, International Trade

*Attachments*

## Attachment 1

# Office of Transportation and Machinery Automotive Parts Product Listings

## Appendix 1

### Office of Transportation and Machinery Automotive Parts Product Listings Revised 12.05.2007

To facilitate the analysis of trade data for automotive parts on a market-based model, the Office of Transportation and Machinery (OTM) has created six product groupings from the available, individual 10-digit product codes. The core of the codes is contained in Chapter 87, "Vehicles Other Than Railway or Tramway Rolling-Stock, and Parts and Accessories Thereof" of the internationally-agreed Harmonized Tariff System (HTS). We list these groups and their codes below. Some codes are not valid for current years, but are included to assure that data for products so coded for previous years are retrieved from the database and assigned to the appropriate OTM group.

The OTM groups are not "official" product subcategories, and are not listed in the Harmonized Tariff System nomenclature published by the U.S. International Trade Commission (USITC) for coding imports (Internet address: <http://www.usitc.gov/taffairs.htm>), nor in the parallel "Schedule B" published by the U.S. Census Bureau for coding exports (<http://www.census.gov/foreign-trade/schedules/b/2001/sb87.htm>). The OTM attempts to closely approximate the core automotive industry by excluding certain items for example, parts explicitly listed for motorcycles, golf-carts, snowmobiles, agricultural equipment, etc.

Readers should realize that OTM is not the only, nor the "official," U.S. government source for trade data on the auto industry, nor are we able to produce custom data runs for the public. Persons seeking data for individual or different product codes are welcome to utilize at no charge the data retrieval system operated by the USITC to access the federal government's official trade data base. Please note, some of the data on the trade database may be restricted from the public. The ITC's retrieval system, *Trade DataWeb*, can be accessed at [http://dataweb.usitc.gov/scripts/user\\_set.asp](http://dataweb.usitc.gov/scripts/user_set.asp).

### HTS Codes by Product Group

#### HTS Codes for U.S. Imports of:

##### Bodies and Parts

7007110000	Safety Glass
7007110010	Safety Glass
7007211000	Windshields
7007211010	Windshields
7007215000	Safety Glass
7009100000	Rear-View Mirrors
8301200000	Locks
8301200060	Other Locks
8302103000	Hinges
8302303000	Other Mountings
8302303010	Pneumatic Cylinders

#### HTS Codes for U.S. Exports of:

##### Bodies and Parts

7007110000	Safety Glass
7007211000	Windshields
7007215000	Safety Glass
7009100000	Rear-View Mirrors
8301200000	Locks
8302103000	Hinges
8302300000	Other Mountings
8707100020	Bodies
8707100040	Bodies
8707905020	Bodies
8707905040	Bodies

8302303060	Other Mountings	8707905060	Bodies
8302306000	Other Mountings	8707905080	Bodies
8707100020	Bodies	8708100010	Stampings of Bumpers
8707100040	Bodies	8708100050	Bumpers and Parts
8707905020	Bodies	8708210000	Seat Belts
8707905040	Bodies	8708290010	Stampings of Bodies
8707905060	Bodies	8708290025	Truck Caps
8707905080	Bodies	8708290050	Parts & Access. of Bodies
8708100010	Stampings of Bumpers	8708290060	Parts & Access. of Bodies
8708100050	Bumpers and Parts	8708295025	Truck Caps
8708103010	Stampings of Bumpers	8708295070	Other Pts. & Access. Bodies
8708103050	Bumpers	8708295170	Parts & Access of Bodies
8708106010	Stampings Parts of Bumpers	8708990045	Slide-in Campers
8708106050	Parts of Bumpers	8708998030	Slide-in Campers
8708210000	Seat Belts	8708998130	Slide-in Campers
8708290010	Stampings of Bodies	9401200000	Seats
8708290025	Truck Caps	9401901000	Seat Parts
8708290050	Parts & Access. of Bodies	9401901010	Seat Parts of Leather
8708290060	Parts & Access. of Bodies	9401901080	Seat Parts
8708291000	Inflators & Modules Airbags	9403901000	Parts of Furnitures
8708291500	Door Assemblies		
8708292000	Body Stampings		
8708295010	Stampings		
8708295025	Truck Caps		
8708295060	Other Parts		
8708950500	Inflators & Modules Airbags		
8708952000	Airbag Parts		
8708995045	Slide in Campers		
8708996100	Airbags		
9401200000	Seats		
9401200010	Child Safety Seats		
9401200090	Seats		
9401901000	Seat Parts		
9401901010	Seat Parts of Leather		
9401901020	Seat Parts of Textile		
9401901080	Seat Parts		
9401901085	Seat Parts		
9403406000	Wooden Furniture for M.V.		
9403506000	Wooden Furniture for M.V.		
9403901000	Furniture?		
9403901040	Parts of Furniture for M.V.		
9403901050	Parts of Furniture for M.V.		
9403901080	Parts of Furniture for M.V.		
9403901085	Parts of Furniture for M.V.		

**Chassis and Drivetrain Parts**

4009120020 Brake Hoses  
4009220020 Brake Hoses  
4009320020 Brake Hoses  
4009420020 Brake Hoses  
4009500020 Brake Hoses  
6813100050 Brake Linings & Pads  
6813200015 Brake Linings & Pads  
6813200025 Asbestos Friction  
6813810050 Brk Lngs & Pads, not asbestos  
6813890050 Min Sub Friction  
6813900050 Friction Materials  
7318160010 Lugnuts  
7318160015 Lugnuts  
7318160030 Lugnuts  
7318160045 Other Lugnuts  
7320100015 Leaf Springs  
7320103000 Leaf Springs  
7320106015 Leaf Springs  
7320106060 Leaf Springs  
7320201000 Helical Springs  
8421394000 Catalytic Converters  
8482101000 Ball Bearings  
8482101040 Ball Bearings  
8482101080 Ball Bearings  
8482105044 Radial Bearings  
8482105048 Radial Bearings  
8482200010 Tapered Roller Bearings  
8482200020 Tapered Roller Bearings  
8482200030 Tapered Roller Bearings  
8482200040 Tapered Roller Bearings  
8482200050 Tapered Roller Bearings  
8482200060 Tapered Roller Bearings  
8482200070 Tapered Roller Bearings  
8482200080 Tapered Roller Bearings  
8482400000 Needle Roller Bearings  
8482500000 Other Cylindrical Bearings  
8708301090 Brakes and Parts  
8708305020 Brake Drums  
8708305030 Brake Rotors (Discs)  
8708305040 Mounted Brake Linings  
8708305090 Brake Parts  
8708315000 Mounted Brake Linings  
8708395010 Brake Drums & Rotors  
8708395020 Brake Drums  
8708395030 Brake Rotors  
8708395050 Brakes & Servo-Brakes

**Chassis and Drivetrain Parts**

4009120020 Brake Hoses  
4009220020 Brake Hoses  
4009320020 Brake Hoses  
4009420020 Brake Hoses  
4009500020 Brake Hoses  
6813100000 Brake Linings & Pads  
6813200000 Friction Material  
6813810000 Brake Linings  
6813890000 Other Brake Materials  
6813900000 Other Friction Materials  
7320100000 Leaf Springs  
7320201000 Helical Springs  
8421394000 Catalytic Converters  
8482101000 Ball Bearings  
8482105044 Radial Bearings  
8482105048 Radial Bearings  
8482200020 Tapered Roller Bearings  
8482200030 Tapered Roller Bearings  
8482200040 Tapered Roller Bearings  
8482200060 Tapered Roller Bearings  
8482200070 Tapered Roller Bearings  
8482200080 Tapered Roller Bearings  
8482400000 Needle Roller Bearings  
8482500000 Other Cylindrical Bearings  
8708300010 Mounted Brake Linings  
8708300050 Brakes & Servo-Brakes  
8708310000 Mounted Brake Linings  
8708390000 Other Brakes  
8708401000 Gear Boxes  
8708401110 Gear Boxes  
8708401150 Gear Boxes  
8708402000 Gear Boxes  
8708403500 Gear Boxes  
8708406000 Gear Boxes  
8708408000 Gear Box Parts & Access.  
8708500050 Drive Axles  
8708504110 Drive Axles  
8708504150 Non-Driving Axles  
8708507200 Drive Axle Parts & Access  
8708600050 Non-Driving Axles  
8708700050 Road Wheels & Pts.  
8708800050 Suspension Shock Absorbers  
8708805000 Suspension Shock Absorbers  
8708807000 Suspension Systems Parts  
8708918000 Radiator Parts & Access.  
8708925000 Radiators

8708401000	Gear Boxes	8708928000	Muffler Parts & Access.
8708401110	Gear Boxes	8708935000	Clutches and Parts
8708401150	Gear Boxes	8708945000	Steering Wheel, Column
8708402000	Gear Boxes	8708948000	Steering Wheel Parts & Acces
8708405000	Gear Boxes	8708990070	Wheel Hub Units
8708407000	Cast Iron Parts, Gear Box	8708995800	Wheel Hub Units
8708503000	Drive Axles for Tractors	8708996100	Airbags
8708505110	Drive Axles for Tractors	8708998015	Wheel Hub Units
8708505000	Drive Axles	8708998115	Wheel Hub Units
8708505110	Drive Axles		
8708506100	Drive Axles		
8708505150	Non-Driving Axles		
8708506500	Non-Driving Axles		
8708507900	Parts of Non-Driving Axles		
8708508000	Drive Axles		
8708508100	Cast Iron Parts, Drive Axles		
8708508500	Drive Shaft Parts		
8708508900	Drive Axles Parts		
8708509110	Spindles for Non-Drive Axles		
8708509150	Parts of Non-Driving Axles		
8708509300	Cast Iron Parts, Drive Axles		
8708509500	Drive Shaft Parts		
8708509900	Parts, Drive Axles		
8708605000	Non-Driving Axles		
8708608010	Spindles		
8708608050	Non-Driving Axles		
8708704530	Road Wheels		
8708704545	Road Wheels		
8708704560	Wheel Rims		
8708706030	Wheel Covers		
8708706045	Wheel Covers & Hubcaps		
8708708010	Wheels		
8708708015	Wheels		
8708708025	Wheels		
8708708030	Wheels		
8708708035	Wheels		
8708708045	Wheel Rims		
8708708050	Parts & Access. for Wheels		
8708708060	Wheel Covers & Hubcaps		
8708708075	Parts & Access. for Wheels		
8708801300	Suspension Shock Absorbers		
8708801600	Suspension Shock Absorbers		
8708803000	Suspension Shock Absorbers		
8708804500	Suspension Shock Absorbers		
8708805000	Suspension Shock Absorbers		
8708806000	Cast Iron Parts, SS		
8708806510	Beam Hanger Brackets		

8708806590 Suspension System Parts  
 8708925000 Mufflers  
 8708935000 Clutches & Parts  
 8708936000 Clutches  
 8708937500 Parts of Clutches  
 8708945000 Steering Wheels, Columns  
 8708947510 Steering Shaft Assembly  
 8708947550 Parts  
 8708995010 Steering Shaft Assemblies  
 8708995020 Wheel Hub Units  
 8718995025 Wheel Hub Units  
 8708995030 Beam Hanger Brackets  
 8708995800 Wheel Hub Units  
 8708996400 Half Shafts & Drive Shafts  
 8708996700 Parts (joints?)  
 8708996710 Universal Joints->01  
 8708996720 Universal Joints- >01  
 8708996790 Other Joints->01  
 8708996810 Pwr Trns Univ Jnts  
 8708996820 Pwr Trns Univ Jnts  
 8708996890 Power Trans Parts  
 8708997030 Beam Hanger Brackets  
 8708997060 Suspension System Parts  
 8708997330 Steering Shaft Assemblies  
 8708997360 Parts for Steering Systems  
 8708998015 Wheel Hub Units  
 8708998115 Wheel Hub Units  
 8716905010 Axles & Parts for Trailers  
 8716905030 Wheels for Trailers

### **Electrical and Electric Components**

8414308030 Compressors  
 8414596040 Fans  
 8414598040 Fans & Blowers  
 8415200000 Air Conditioners  
 8415830040 Air Conditioners  
 8415900040 Parts of Air Conditioners  
 8415908040 Parts of Air Conditioners  
 8415908045 Parts of Air Conditioners  
 8501324500 Electric Motors  
 8507100060 Storage Batteries  
 8507304000 Nickel-Cadmium Batteries  
 8507904000 Parts for Lead Acid Batteries  
 8511100000 Spark Plugs  
 8511200000 Magnetos, Dynamos  
 8511300040 Distributors

### **Electrical and Electric Components**

8414308030 Compressors  
 8414596040 Fans  
 8414598040 Fans & Blowers  
 8415200000 Air Conditioners  
 8415830040 Air Conditioners  
 8507100050? Storage Batteries  
 8507100060 Storage Batteries  
 8507904000 Parts for Lead Acid Batteries  
 8507904050? Parts for Batteries?  
 8511100000 Spark Plugs  
 8511200000 Magnetos, Dynamos  
 8511300040 Distributors  
 8511300080 Ignition Coils  
 8511400000 Starter Motors  
 8511500000 Generators

8511300080	Ignition Coils	8511802000	Voltage Regulators
8511400000	Starter Motors	8511806000	Other Engine Ignition Equip.
8511500000	Generators	8511906020	Parts for Distributor Sets
8511802000	Voltage Regulators	8511908000	Other Elec Ignition Equip
8511806000	Other Engine Ignition Equip.	8512202000	Lighting Equipment
8511902000	Parts for Voltage Regulators	8512204000	Signaling Equipment
8511906020	Parts for Distributer Sets	8512300000	Sound Signaling Equip
8511906040	Other Parts Engine Ignition	8512300030	Radar Dectectors
8512202000	Lighting Equipment	8512300050	Sound Signaling Equip
8512202040	Lighting Equipment	8512402000	Defrosters
8512204000	Signaling Equipment	8512404000	Windshield Wipers
8512204040	Signaling Equipment	8512902000	Parts of Signaling Equip.
8512300020	Horns	8512905000	Parts of Lighting Equip.
8512300030	Radar Dectectors	8512908000	Other Pts of Elec. Equip.
8512300040	Sound Signaling Equipment	8517120020	Radio Telephones
8512402000	Defrosters	8519934000	Cassette Tape Players
8512404000	Windshield Wipers	8525201000	CB Transmission Apparatus
8512902000	Parts of Signaling Equipment	8525206000	Other Transmission Apparat.
8512906000	Lighting Equipment Parts	8525209020	Radio Telephones
8512907000	Parts of Defrosters	8525209050?	Radio Telephones?
8512909000	Parts of Windshield Wipers	8525601010	Radio Receivers (CB)
8517120020	Radio Telephones	8527210000	Radiobroadcast Receivers
8519812000	Cassette Tape Players	8527290000	Other Radiobroadcast Receiv
8519910020	Cassette Tape Players	8531800038	Radar Detectors
8519911000	Cassette Tape Players	8531809038	Radar Detectors
8519934000	Cassette Tape Players	8536410005	Signaling Flashers
8525201500	Radio Transceivers	8539100020	Beam Lamp Units
8525206020	Radio Telephones	8539100040	Beam Lamp Units
8525209020	Radio Telephones	8544300000	Ignition Wiring Sets
8525601010	Radio Transceivers, CBs	8708950000	Airbags for MV
8527211005	Radio-Tape Players (CDs)	9029100000	Revolution Counters
8527211010	Radio-Tape Players	9029205000	Other Speedometers/Tacho
8527211015	Radio-Tape Players	9029900000	Pts & Access of Rev Counter
8527211020	Radio-Tape Players	9104000000	Inst Panel Clocks
8527211025	Radio-Tape Players		
8527211030	Radio-Tape Players		
8527214000	Radio-Combinations		
8527214040	Radio-Combinations		
8527214800	Radio-Combinations		
8527290020	Radio-Receivers AM		
8527290040	Radio-Receivers FM/AM		
8527290060	Radio-Receivers		
8527294000	Radio-Receivers FM/AM		
8527298000	Radio- Recievers		
8527298020	Radio-Receivers AM		
8527298060	Radio-Receivers		
8531800038	Radar Detectors		

8531808038	Radar Detectors
8531809038	Radar Detectors
8536410005	Signaling Flashers
8539100010	Beam Lamp Units
8539100020	Beam Lamps
8539100040	Beam Lamps
8539100050	Beam Lamp Units
8539212040	Halogen Lamps
8544300000	Ignition Wiring Sets
9029104000	Taximeters
9029108000	Revolution Counters, Odom.
9029204080	Other Speedometers, Tach.
9029902000	Parts & Access of Taximeters
9029908040	Parts & Access of Speed/Tac
9029908080	Parts & Access of Odometers
9104002510	MVT & Cases Panel Clock
9104004000	Instrument Panel Clocks
9104004510	Movements of Inst. Clock

### **Engines and Parts**

4010101020	Belts
4016931010	O-Rings
4016931020	Oil Seals
4016931050	Gaskets
4016931090	Gaskets
8407341400	Engines
8407341540	Engines
8407341580	Engines
8407341800	Engines
8407342040	Engines
8407342080	Engines
8407344400	Engines
8407344540	Engines
8407344580	Engines
8407344800	Engines
8408202000	Compression Ignition Engine
8409911040	Cast Iron Parts
8409913000	Aluminum Cylinder Heads
8409915010	Connecting Rods
8409915080	Parts
8409919110	Connecting Rods
8409919190	Parts
8409919910	Connecting Rods
8409991040	Cast-Iron parts
8409999110	Connecting Rods
8409999190	Parts
8413301000	Fuel Injection Pumps

### **Engines and Parts**

8407342000	SP-IG Piston Engine
8407342030	SP-IG Engine
8407342090	Other Engine
8408202000	Compression Ignition Engine
8409914000	Pts for Engines
8409994000	Other Pts for Engines
8413301000	Fuel Injection Pumps
8413309000	Fuel, Lub., Cooling Pumps
8413911000	Parts of Fuel Injection Pumps
8414308030	Compressor/Air Conditioners
8414593000	Turbochargers
8421230000	Oil or Fuel Filters
8421310000	Intake Air Filters
8483101020	Transmission Shafts
8483103010	Camshafts & Crankshafts

8413309000	Fuel, Lub., or Cooling Pumps
8413309030	Fuel Pumps
8413309060	Lubricating Pumps
8413309090	Cooling Medium Pumps
8413911000	Parts of Fuel Injection Pumps
8414593000	Turbochargers
8421230000	Oil or Fuel Filters
8421310000	Intake Air Filters
8483101030	Camshafts and Crankshafts
8483103010	Camshafts and Crankshafts
9802004020	Combust. Engine Repair
9802005030	Value of Repairs on Engines

**Miscellaneous Parts**

3819000000	Brake Fluid
3819000010	Brake Fluid
3819000090	Other Liquids
3820000000	Anti-Freeze
4016993000	Vibration Control
4016995010	Mechanical Articles
4016995500	Vibration Control
4016996010	Mechanical Articles
8301200030	Steering Wheel Immobilizers
8425490000	Jacks
8426910000	Lifting Machinery
8431100090	Parts of Winches, Jacks
8708407550	Parts, Radiators
8708706060	Parts & Access. for Wheels
8708915000	Radiators
8708917000	Cast Iron Parts, Radiators
8708917510	Radiator Cores
8708917550	Parts, Radiators
8708927000	Cast Iron Parts, Mufflers
8708927500	Parts, Mufflers
8708993000	Cast Iron Parts
8708947000	Cast Iron Parts
8708995005	Brake Hoses
8708995060	Radiator Cores
8708995070	Cable Traction Devices
8708995080	Parts
8708995085	Parts
8708995090	Parts
8708995200	Cast Iron Parts
8708995500	Vibration Control Goods
8708998005	Brake Hoses of Plastics
8708998045	Radiator Cores
8708998060	Cable Traction Devices

**Miscellaneous Parts**

3819000000	Brake Fluid
3820000000	Anti-Freeze
4016995010	Mechanical Articles
8425490000	Jacks
8426910000	Lifting Machinery
8431100090	Parts of Winches, Jacks
8708915000	Radiators
8708990050	Pts & Access
8708990090	Other Pts & Access
8708990095	Pts & Access
8708998075	Other Pts & Access
8708998175	Parts & Access NESOI
8716900000	Parts of Trailers
8716905000	Parts

8708998080 Parts  
 8708998105 Brake Hoses-Plastic  
 8708998160 Cable Traction Devices  
 8708998180 Parts  
 8716905050 Parts for Trailers  
 8716905060 Parts for Trailers

**Automotive Tires and Tubes**

4011100010 Radial Tires for M.V.  
 4011100050 Pneumatic Tires for M.V.  
 4011101000 Radial Tires for M.V.  
 4011101010 Radial Tires->01  
 4011101020 Radial Tires->01  
 4011101030 Radial Tires->01  
 4011101040 Radial Tires->01  
 4011101050 Radial Tires->01  
 4011101060 Radial Tires->01  
 4011101070 Radial Tires->01  
 4011105000 Pneumatic Tires for M.V.  
 4011200005 Radial Tires for Lt. Trucks  
 4011200010 Pneumatic Tires for Lt. Truck  
 4011200015 Radial Tires for Buses/Truck  
 4011200020 Pneumatic Tires for Buses/Tr  
 4011200025 Radial Tires for Buses off  
 4011200030 Pneumatic Tires for Buses off  
 4011200035 Radial Tires for Buses off  
 4011200050 Pneumatic Tires for Buses off  
 4011201005 Radial Tires for Lt. Trucks  
 4011201015 Pneumatic Tires for Buses/Tr  
 4011201025 Radial Tires for Buses off  
 4011201035 Pneumatic Tires for Buses off  
 4011205010 Tires, ex. Radial for Lt. Truc  
 4011205020 Pneumatic Tires for Buses  
 4011205030 Tires, ex. Radial, for Bus  
 4011205050 Pneumatic Tires for Bus  
 4012104005 Retreaded Tires for M.V.  
 4012104015 Retreaded Tires for Light on  
 4012104025 Retreaded Tires for Bus/Truc  
 4012104035 Retreaded Tires for Bus/Truc  
 4012105005 Retreaded Radial Tires M.V.  
 4012105009 Retreaded Tires for M.V.  
 4012105015 Retreaded Radial Tires Bus  
 4012105019 Retreaded Tires for Lt. Truck  
 4012105025 Retreaded Radial Tires Bus  
 4012105029 Retreaded Tires for Bus/Truc  
 4012105035 Retreaded Radial Tires Bus  
 4012105050 Retreaded Tires for Bus/Truc

**Automotive Tires and Tubes**

4011100010 Radial Tires for M.V.  
 4011100050 Pneumatic Tires for M.V.  
 4011101000 Radial Tires for M.V.  
 4011105000 Pneumatic Tires for M.V.  
 4011200005 Radial Tires for Lt. Trucks  
 4011200010 Pneumatic Tires for Lt. Truck  
 4011200015 Radial Tires for Buses/Truck  
 4011200020 Pneumatic Tires for Buses/Tr  
 4011200025 Radial Tires for Buses off  
 4011200030 Pneumatic Tires for Buses off  
 4011200035 Radial Tires for Buses off  
 4011200050 Pneumatic Tires for Buses off  
 4011201005 Radial Tires for Lt. Trucks  
 4011201015 Pneumatic Tires for Buses/Tr  
 4011201025 Radial Tires for Buses off  
 4011201035 Pneumatic Tires for Buses off  
 4011205010 Tires, ex Radial, for Lt. Truc  
 4011205020 Pneumatic Tires for Buses  
 4011205030 Tires, ex Radial for Bus/Tr  
 4011205050 Pneumatic Tire for Bus/Tr  
 4012105020 Retreaded Tires Bus/Truck  
 4012106000 Other Retreaded Tires  
 4012110000 Retreaded Tires  
 4012120000 Retreaded Tires  
 4012190000 Retread Tires  
 4012200000 Used Pneumatic Tires  
 4013100010 Inner Tubes  
 4013100020 Inner Tubes  
 4013900000 Other Inner Tubes

4012108009	Retreaded Tires for M.V.
4012108019	Retreaded Tires for Lt. Truck
4012108029	Retreaded Tires for Bus/Truc
4012108050	Retreaded Tires for Bus, ex.
4012114000	Retreaded Tires for Cars
4012118000	Retreaded Tires for Cars
4012124015	Retreaded Tires for Lt. Truck
4012124025	Retreaded Tires for Bus/Truc
4012124035	Retreaded Tires for Bus/Truc
4012128019	Retread Tire for Lt. Truck
4012128029	Retread Tire for Bus/Truck
4012128050	Retread Tire for Bus
4012194000	Retreaded Tires for Bus, ex.
4012198000	Retread Tire for Bus
4012205000	Used Pneumatic Tires
4012206000	Used Pneumatic Tires
4013100010	Inner Tubes
4013100020	Inner Tubes

## HTS Codes Numerically Ordered

HTS Codes for Import	
3819000000	Brake Fluid
3819000010	Brake Fluid
3819000090	Other Liquids
3820000000	Anti-Freeze
4009120020	Brake Hoses
4009220020	Brake Hoses
4009320020	Brake Hoses
4009420020	Brake Hoses
4009500020	Brake Hoses
4010101020	Belts
4011100010	Radial Tires for M.V.
4011100050	Pneumatic Tires for M.V.
4011101000	Radial Tires for M.V.
4011101010	Radial Tires->01
4011101020	Radial Tires->01
4011101030	Radial Tires->01
4011101040	Radial Tires->01
4011101050	Radial Tires->01
4011101060	Radial Tires->01

Schedule B Codes for Export	
3819000000	Brake Fluid
3820000000	Anti-Freeze
4009120020	Brake Hoses
4009220020	Brake Hoses
4009320020	Brake Hoses
4009420020	Brake Hoses
4009500020	Brake Hoses
4011100010	Radial Tires for M.V.
4011100050	Pneumatic Tires for M.V.
4011101000	Radial Tires for M.V.
4011105000	Pneumatic Tires for M.V.
4011200005	Radial Tires for Lt. Trucks
4011200010	Pneumatic Tires for Lt. Truck
4011200015	Radial Tires for Buses/Truck
4011200020	Pneumatic Tires for Buses/Tr
4011200025	Radial Tires for Buses off
4011200030	Pneumatic Tires for Buses off
4011200035	Radial Tires for Buses off
4011200050	Pneumatic Tires for Buses off

4011101070	Radial Tires->01	4011201005	Radial Tires for Lt. Trucks
4011105000	Pneumatic Tires for M.V.	4011201015	Pneumatic Tires for Buses/Tr
4011200005	Radial Tires for Lt. Trucks	4011201025	Radial Tires for Buses off
4011200010	Pneumatic Tires for Lt. Truck	4011201035	Pneumatic Tires for Buses off
4011200015	Radial Tires for Buses/Truck	4011205010	Tires, ex Radial, for Lt. Truc
4011200020	Pneumatic Tires for Buses/Tr	4011205020	Pneumatic Tires for Buses
4011200025	Radial Tires for Buses off	4011205030	Tires, ex Radial for Bus/Tr
4011200030	Pneumatic Tires for Buses off	4011205050	Pneumatic Tire for Bus/Tr
4011200035	Radial Tires for Buses off	4012105020	Retreaded Tires Bus/Trucks
4011200050	Pneumatic Tires for Buses off	4012106000	Other Retreaded Tires
4011201005	Radial Tires for Lt. Trucks	4012110000	Retreaded Tires
4011201015	Pneumatic Tires for Buses/Tr	4012120000	Retreaded Tires
4011201025	Radial Tires for Buses off	4012190000	Retread Tires
4011201035	Pneumatic Tires for Buses off	4012200000	Used Pneumatic Tires
4011205010	Tires, ex. Radial for Lt. Truc	4013100010	Inner Tubes
4011205020	Pneumatic Tires for Buses	4013100020	Inner Tubes
4011205030	Tires, ex. Radial, for Bus	4013900000	Other Inner Tubes
4011205050	Pneumatic Tires for Bus	4016995010	Mechanical Articles
4012104005	Retreaded Tires for M.V.	6813100000	Brake Linings & Pads
4012104015	Retreaded Tires for Light on	6813200000	Friction Materials
4012104025	Retreaded Tires for Bus/Truc	6813810000	Brake Linings
4012104035	Retreaded Tires for Bus/Truc	6813890000	Other Brake Materials
4012105005	Retreaded Radial Tires M.V.	6813900000	Other Friction Materials
4012105009	Retreaded Tires for M.V.	7007110000	Safety Glass
4012105015	Retreaded Radial Tires Bus	7007211000	Windshields
4012105019	Retreaded Tires for Lt. Truck	7007215000	Safety Glass
4012105025	Retreaded Radial Tires Bus	7009100000	Rear-View Mirrors
4012105029	Retreaded Tires for Bus/Truc	7320100000	Leaf Springs
4012105035	Retreaded Radial Tires Bus	7320201000	Helical Springs
4012105050	Retreaded Tires for Bus/Truc	8301200000	Locks
4012108009	Retreaded Tires for M.V.	8302103000	Hinges
4012108019	Retreaded Tires for Lt. Truck	8302300000	Other Mountings
4012108029	Retreaded Tires for Bus/Truc	8407342000	Spark Ig Piston Engines
4012108050	Retreaded Tires for Bus, ex.	8407342030	Spark Ig Engine
4012114000	Retreaded Tires for Cars	8407342090	Other Engine
4012118000	Retreaded Tires for Cars	8408202000	Compression Ignition Engine
4012124015	Retreaded Tires for Lt. Truck	8409914000	Pts for Engines
4012124025	Retreaded Tires for Bus/Truc	8409994000	Other Pts for Engines
4012124035	Retreaded Tires for Bus/Truc	8413301000	Fuel Injection Pumps
4012128019	Retread Tire for Lt. Truck	8413309000	Fuel, Lub., Cooling Pumps
4012128029	Retread Tire for Bus/Truck	8413911000	Parts of Fuel Injection Pumps
4012128050	Retread Tire for Bus	8414308030	Compressors/Air Condition
4012194000	Retreaded Tires for Bus, ex.	8414593000	Turbochargers
4012198000	Retread Tire for Bus	8414596040	Fans
4012205000	Used Pneumatic Tires	8414598040	Fans & Blowers
4012206000	Used Pneumatic Tires	8415200000	Air Conditioners
4013100010	Inner Tubes	8415830040	Air Conditioners
4013100020	Inner Tubes	8421230000	Oil or Fuel Filters
4016931010	O-Rings	8421310000	Intake Air Filters

4016931020	Oil Seals	8421394000	Catalytic Converters
4016931050	Gaskets	8425490000	Jacks
4016931090	Gaskets	8426910000	Lifting Machinery
4016993000	Vibration Control	8431100090	Parts of Winches, Jacks
4016995010	Mechanical Articles	8482101000	Ball Bearings
4016995500	Vibration Control	8482105044	Radial Bearings
4016996010	Mechanical Articles	8482105048	Radial Bearings
6813100050	Brake Linings & Pads	8482200020	Tapered Roller Bearings
6813200015	Brake Linings & Pads	8482200030	Tapered Roller Bearings
6813200025	Asbestos Friction	8482200040	Tapered Roller Bearings
6813810050	Brk Lngs & Pads, Not Asbest	8482200060	Tapered Roller Bearings
6813890050	Min Sub Friction Materials	8482200070	Tapered Roller Bearings
6813900050	Friction Materials	8482200080	Tapered Roller Bearings
7007110000	Safety Glass	8482400000	Needle Roller Bearings
7007110010	Safety Glass	8482500000	Other Cylindrical Bearings
7007211000	Windshields	8483101020	Transmission Shafts
7007211010	Windshields	8483103010	Camshafts & Crankshafts
7007215000	Safety Glass	8507100050	Storage Batteries
7009100000	Rear-View Mirrors	8507100060	Storage Batteries
7318160010	Lugnuts	8507904000	Parts for Lead Acid Batteries
7318160015	Lugnuts	8507904050	Parts for Batteries
7318160030	Lugnuts	8511100000	Spark Plugs
7318160045	Other Lugnuts	8511200000	Magnetos, Dynamos
7320100015	Leaf Springs	8511300040	Distributors
7320103000	Leaf Springs	8511300080	Ignition Coils
7320106015	Leaf Springs	8511400000	Starter Motors
7320106060	Leaf Springs	8511500000	Generators
7320201000	Helical Springs	8511802000	Voltage Regulators
8301200000	Locks	8511806000	Other Engine Ignition Equip.
8301200030	Steering Wheel Immobilizers	8511906020	Parts for Distributor Sets
8301200060	Other Locks	8511908000	Other Elec Ignition Equip
8302103000	Hinges	8512202000	Lighting Equipment
8302303000	Other Mountings	8512204000	Signaling Equipment
8302303010	Pneumatic Cylinders	8512300000	Sound Signaling Equipment
8302303060	Other Mountings	8512300030	Radar Detectors
8302306000	Other Mountings	8512300050	Sound Signaling Equipment
8407341400	Engines	8512402000	Defrosters
8407341540	Engines	8512404000	Windshield Wipers
8407341580	Engines	8512902000	Parts of Signaling Equip.
8407341800	Engines	8512905000	Parts of Lighting Equipment
8407342040	Engines	8512908000	Other Pts of Elec Equipment
8407342080	Engines	8517120020	Radio Telephones
8407344400	Engines	8519812000	Cassette Tape Players
8407344540	Engines	8525201000	CB Transmission Apparatus
8407344580	Engines	8525206000	Other Transmission Apparatus
8407344800	Engines	8525209020	Radio Telephones
8408202000	Compression Ignition Engine	8525209050	Radio Telephones
8409911040	Cast Iron Parts	8525601010	Radio Transceivers (CB)
8409913000	Aluminum Cylinder Heads	8527210000	Radiobroadcast Receivers

8409915010	Connecting Rods	8527290000	Other Radiobroadcast Receiv
8409915080	Parts	8531800038	Radar Detectors
8409919110	Connecting Rods	8531809038	Radar Detectors
8409919190	Parts	8536410005	Signaling Flashers
8409919910	Connecting Rods	8539100020	Beam Lamp Units
8409991040	Cast-Iron parts	8539100040	Beam Lamp Units
8409999110	Connecting Rods	8544300000	Ignition Wiring Sets
8409999190	Parts	8707100020	Bodies
8413301000	Fuel Injection Pumps	8707100040	Bodies
8413309000	Fuel, Lub., or Cooling Pumps	8707905020	Bodies
8413309030	Fuel Pumps	8707905040	Bodies
8413309060	Lubricating Pumps	8707905060	Bodies
8413309090	Cooling Medium Pumps	8707905080	Bodies
8413911000	Parts of Fuel Injection Pumps	8708100010	Stampings of Bumpers
8414308030	Compressors	8708100050	Bumpers and Parts
8414593000	Turbochargers	8708210000	Seat Belts
8414596040	Fans	8708290010	Stampings of Bodies
8414598040	Fans & Blowers	8708290025	Truck Caps
8415200000	Air Conditioners	8708290050	Parts & Access. of Bodies
8415830040	Air Conditioners	8708290060	Parts & Access. of Bodies
8415900040	Parts of Air Conditioners	8708295025	Truck Caps
8415908040	Parts of Air Conditioners	8708295070	Other Pts & Access of Bodies
8415908045	Parts of Air Conditioners	8708295170	Parts & Access of Bodies
8421230000	Oil or Fuel Filters	8708300010	Mounted Brake Linings
8421310000	Intake Air Filters	8708300050	Brakes & Servo-Brakes
8421394000	Catalytic Converters	8708310000	Mounted Brake Linings
8425490000	Jacks	8708390000	Other Brakes
8426910000	Lifting Machinery	8708401000	Gear Boxes
8431100090	Parts of Winches, Jacks	8708401110	Gear Boxes
8482101000	Ball Bearings	8708401150	Gear Boxes
8482101040	Ball Bearings	8708402000	Gear Boxes
8482101080	Ball Bearings	8708403500	Gear Boxes
8482105044	Radial Bearings	8708406000	Gear Boxes
8482105048	Radial Bearings	8708408000	Gear Box Parts & Access.
8482200010	Tapered Roller Bearings	8708500050	Drive Axles
8482200020	Tapered Roller Bearings	8708504110	Drive Axles
8482200030	Tapered Roller Bearings	8708504150	Non-Driving Axles
8482200040	Tapered Roller Bearings	8708507200	Drive Axles Parts & Access.
8482200050	Tapered Roller Bearings	8708600050	Non-Driving Axles
8482200060	Tapered Roller Bearings	8708700050	Road Wheels & Pts.
8482200070	Tapered Roller Bearings	8708800050	Suspension Shock Absorbers
8482200080	Tapered Roller Bearings	8708805000	Suspension Shock Absorbers
8482400000	Needle Roller Bearings	8708807000	Suspension System Parts
8482500000	Other Cylindrical Bearings	8708915000	Radiators
8483101030	Camshafts and Crankshafts	8708918000	Radiator Parts & Access.
8483103010	Camshafts and Crankshafts	8708925000	Radiators
8501324500	Electric Motors	8708928000	Muffler Parts & Access.
8507100060	Storage Batteries	8708935000	Clutches and Parts
8507304000	Nickel-Cadmium Batteries	8708945000	Steering Wheel, Column

8507904000	Parts for Lead Acid Batteries	8708948000	Steering Wheel Parts & Acces
8511100000	Spark Plugs	8708950000	Airbags for MVs
8511200000	Magnetos, Dynamos	8708990045	Slide-in Campers
8511300040	Distributors	8708990050	Pts & Access.
8511300080	Ignition Coils	8708990070	Wheel Hub Units
8511400000	Starter Motors	8708990090	Other Pts & Access
8511500000	Generators	8708990095	Pts & Access
8511802000	Voltage Regulators	8708995800	Wheel Hub Units
8511806000	Other Engine Ignition Equip.	8708996100	Airbags
8511902000	Parts for Voltage Regulators	8708998015	Wheel Hub Units
8511906020	Parts for Distributer Sets	8708998030	Slide-In Campers
8511906040	Other Parts Engine Ignition	8708998075	Other Pts & Access
8512202000	Lighting Equipment	8708998115	Wheel Hub Units
8512202040	Lighting Equipment	8708998130	Slide-in Campers
8512204000	Signaling Equipment	8708998175	Parts & Access NESOI
8512204040	Signaling Equipment	8716900000	Parts of Trailers
8512300020	Horns	8716905000	Parts
8512300030	Radar Dectector	9029100000	Revolution Counters
8512300040	Sound Signaling Equipment	9029205000	Other Speedometers/Tacho
8512402000	Defrosters	9029900000	Pts & Access of Rev Counter
8512404000	Windshield Wipers	9104000000	Inst Panel Clocks
8512902000	Parts of Signaling Equipment	9401200000	Seats
8512906000	Lighting Equipment Parts	9401901000	Seat Parts
8512907000	Parts of Defrosters	9401901010	Seat Parts of Leather
8512909000	Parts of Windshield Wipers	9401901080	Seat Parts
8517120020	Radio Telephones	9403901000	Parts of Furnitures
8519812000	Cassette Tape Players		
8519910020	Cassette Tape Players		
8519911000	Cassette Tape Players		
8519934000	Cassette Tape Players		
8525201500	Radio Transceivers		
8525206020	Radio Telephones		
8525209020	Radio Telephones		
8525601010	Radio Transceivers, CBs		
8527211005	Radio-Tape Players (CDs)		
8527211010	Radio-Tape Players		
8527211015	Radio-Tape Players		
8527211020	Radio-Tape Players		
8527211025	Radio-Tape Players		
8527211030	Radio-Tape Players		
8527214000	Radio-Combinations		
8527214040	Radio-Combinations		
8527214800	Radio-Combinations		
8527290020	Radio-Receivers AM		
8527290040	Radio-Receivers FM/AM		
8527290060	Radio-Receivers		
8527294000	Radio-Receivers FM/AM		
8527298000	Radio Recievers		
8527298020	Radio-Receivers AM		

8527298060	Radio-Receivers
8531800038	Radar Detectors
8531808038	Radar Detectors
8531809038	Radar Detectors
8536410005	Signaling Flashers
8539100010	Beam Lamp Units
8539100020	Beam Lamp
8539100040	Beam Lamp
8539100050	Beam Lamp Units
8539212040	Halogen Lamps
8544300000	Ignition Wiring Sets
8707100020	Bodies
8707100040	Bodies
8707905020	Bodies
8707905040	Bodies
8707905060	Bodies
8707905080	Bodies
8708100010	Stampings of Bumpers
8708100050	Bumpers and Parts
8708103010	Stampings of Bumpers
8708103050	Bumpers
8708106010	Stampings Parts of Bumpers
8708106050	Parts of Bumpers
8708210000	Seat Belts
8708290010	Stampings of Bodies
8708290025	Truck Caps
8708290050	Parts & Access. of Bodies
8708290060	Parts & Access. of Bodies
8708291000	Inflators & Modules Airbags
8708291500	Door Assemblies
8708292000	Body Stampings
8708295010	Stampings
8708295025	Truck Caps
8708295060	Other Parts
8708301090	Brakes and Parts
8708305020	Brake Drums
8708305030	Brake Rotors
8708305040	Brake Linings
8708305090	Brake Parts
8708315000	Mounted Brake Linings
8708391090	Brakes & Parts
8708395010	Brake Drums & Rotors
8708395020	Brake Drums
8708395030	Brake Rotors
8708395050	Brakes & Servo-Brakes
8708401000	Gear Boxes
8708401110	Gear Boxes
8708401150	Gear Boxes
8708402000	Gear Boxes

8708405000 Gear Boxes  
8708407000 Cast Iron Parts, Gear Box  
8708407550 Parts, Radiators  
8708503000 Drive Axles  
8708505000 Drive Axles  
8708505110 Drive Axles  
8708505150 Non-Driving Axles  
8708506100 Drive Axles  
8708506500 Non-Driving Axles, NESOI  
8708507900 Non-Driving Axles Parts  
8708508000 Drive Axles  
8708508100 Cast Iron Parts, Drive Axles  
8708508500 Parts, Drive Shaft  
8708508900 Parts, Drive Axles  
8708509110 Spindles of Non-Driving Axle  
8708509150 Non-Driving Axles Parts  
8708509300 Cast Iron Parts, Drive Axles  
8708509500 Parts, Drive Shaft  
8708509900 Parts, Drive Axles  
8708605000 Non-Driving Axles  
8708608010 Spindles  
8708608050 Non-Driving Axles  
8708704530 Road Wheels  
8708704545 Road Wheels  
8708704560 Wheel Rims  
8708706030 Wheel Covers  
8708706045 Wheel Covers & Hubcaps  
8708706060 Parts & Access. for Wheels  
8708708010 Wheels  
8708708015 Wheels  
8708708025 Wheels  
8708708030 Wheels  
8708708035 Wheels  
8708708045 Wheel Rims  
8708708050 Parts & Access. for Wheels  
8708708060 Wheel Covers & Hubcaps  
8708708075 Parts & Access. for Wheels  
8708801300 Suspension Shock Absorbers  
8708801600 Suspension Shock Absorbers  
8708803000 Suspension Shock Absorbers  
8708804500 Suspension Shock Absorbers  
8708805000 Suspension Shock Absorbers  
8708806000 Cast Iron Parts, SS  
8708806510 Beam Hanger Brackets  
8708806590 Parts for Suspension System  
8708915000 Radiators  
8708917000 Cast Iron Parts, Radiators  
8708917510 Radiator Cores  
8708917550 Parts, Radiators

8708925000 Mufflers  
8708927000 Cast Iron Parts, mufflers  
8708927500 Parts, Mufflers  
8708935000 Clutches & Parts  
8708936000 Clutches  
8708937500 Parts of Clutches  
8708945000 Steering Wheels, Columns  
8708947000 Cast Iron Parts  
8708947510 Steering Shaft Assembly  
8708947550 Parts, Steering  
8708950500 Inflators  
8708952000 Parts, Airbags  
8708993000 Cast Iron Parts  
8708995005 Brake Hoses  
8708995010 Steering Shaft Assemblies  
8708995020 Wheel Hub Units  
8708995030 Beam Hanger Brackets  
8708995045 Slide in Campers  
8708995060 Radiator Cores  
8708995070 Cable Traction Devices  
8708995080 Parts  
8708995085 Parts  
8708995090 Parts  
8708995200 Cast Iron Parts  
8708995500 Vibration Control Goods  
8708995800 Wheel Hub Units  
8708996100 Airbags  
8708996400 Half Shafts & Drive Shafts  
8708996700 Parts (joints?)  
8708996710 Universal Joints->01  
8708996720 Universal Joints- >01  
8708996790 Other Joints->01  
8708996810 Parts Pwr Trns, Univ Jnts  
8708996820 Parts Pwr Trns, Univ Jnts  
8708996890 Parts Power Train  
8708997030 Beam Hanger Brackets  
8708997060 Suspension System Parts  
8708997330 Steering Shaft Assemblies  
8708997360 Parts for Steering Systems  
8708998005 Brake Hoses of Plastics  
8708998015 Wheel Hub Units  
8708998045 Radiator Cores  
8708998060 Cable Traction Devices  
8708998080 Parts  
8708998105 Brake Hoses- Plastic  
8708998115 Wheel Hub Units  
8708998160 Cable Traction Devices  
8708998180 Parts  
8716905010 Axles & Parts for Trailers

8716905030	Wheels for Trailers
8716905050	Parts for Trailers
8716905060	Parts for Trailers
8718995025	Wheel Hub Units
9029104000	Taximeters
9029108000	Revolution Counters, Odom.
9029204080	Other Speedometers, Tach.
9029902000	Parts & Access of Taximeters
9029908040	Parts & Access of Speed/Tac
9029908080	Parts & Access of Odometers
9104002510	MVT & Cases Panel Clock
9104004000	Instrument Panel Clocks
9104004510	Movements of Inst. Clock
9401200000	Seats
9401200010	Child Safety Seats
9401200090	Seats
9401901000	Seat Parts
9401901010	Seat Parts of Leather
9401901020	Seat Parts of Textile
9401901080	Seat Parts
9401901085	Seat Parts
9403406000	Wooden Furniture for M.V.
9403506000	Wooden Furniture for M.V.
9403901000?	Furniture
9403901040	Parts of Furniture for M.V.
9403901050	Parts of Furniture for M.V.
9403901080	Parts of Furniture for M.V.
9403901085	Parts of Furniture for M.V.
9802004020	Combust. Engine Repair
9802005030	Value of Repairs on Engines

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**North American Industry Classification System (NAICS)**

335911	Storage Battery Mfg
336211	Motor Vehicle Body Mfg
336311	Carburetor, Piston, Piston Ring, & Valve Mfg
336312	Gasoline Engine & Engine Parts Mfg
336321	Vehicular Lighting Equipment Mfg
336322	Other Motor Vehicle Electrical & Electronic Equipment Mfg
336330	Motor Vehicle Steering & Suspension Component
336340	Motor Vehicle Brake System Mfg
336350	Motor Vehicle Transmission & Power Train Parts Mfg
336360	Motor Vehicle Seating & Interior Trim Mfg
336370	Motor Vehicle Metal Stamping
336391	Motor Vehicle Air-Conditioning Mfg
336399	All Other Motor Vehicle Parts Mfg

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## Attachment 2

# European Commission Aftermarket Block Exemption Regulation (EU) No. 461/2010 and Sector-Specific Guidelines

**COMMISSION REGULATION (EU) No 461/2010****of 27 May 2010****on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices in the motor vehicle sector****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation No 19/65/EEC of the Council of 2 March 1965 on the application of Article 85(3) of the Treaty to certain categories of agreements and concerted practices <sup>(1)</sup>, and in particular Article 1 thereof,

Having published a draft of this Regulation,

After consulting the Advisory Committee on Restrictive Practices and Dominant Positions,

Whereas:

- (1) Regulation No 19/65/EEC empowers the Commission to apply Article 101(3) of the Treaty on the Functioning of the European Union (\*) by regulation to certain categories of vertical agreements and corresponding concerted practices falling within Article 101(1) of the Treaty. Block exemption regulations apply to vertical agreements which fulfil certain conditions and may be general or sector-specific.
- (2) The Commission has defined a category of vertical agreements which it regards as normally satisfying the conditions laid down in Article 101(3) of the Treaty and to this end has adopted Commission Regulation (EU) No 330/2010 of 20 April 2010 on the application

of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices <sup>(2)</sup>, which replaces Commission Regulation (EC) No 2790/1999 <sup>(3)</sup>.

- (3) The motor vehicle sector, which includes both passenger cars and commercial vehicles, has been subject to specific block exemption regulations since 1985, the most recent being Commission Regulation (EC) No 1400/2002 of 31 July 2002 on the application of Article 81(3) of the Treaty to categories of vertical agreements and concerted practices in the motor vehicle sector <sup>(4)</sup>. Regulation (EC) No 2790/1999 expressly stated that it did not apply to vertical agreements the subject matter of which fell within the scope of any other block exemption regulation. The motor vehicle sector therefore fell outside the scope of that Regulation.
- (4) Regulation (EC) No 1400/2002 expires on 31 May 2010. However, the motor vehicle sector should continue to benefit from a block exemption in order to simplify administration and reduce compliance costs for the undertakings concerned, while ensuring effective supervision of markets in accordance with Article 103(2)(b) of the Treaty.
- (5) Experience acquired since 2002 regarding the distribution of new motor vehicles, the distribution of spare parts and the provision of repair and maintenance services for motor vehicles, makes it possible to define a category of vertical agreements in the motor vehicle sector which can be regarded as normally satisfying the conditions laid down in Article 101(3) of the Treaty.
- (6) This category includes vertical agreements for the purchase, sale or resale of new motor vehicles, vertical agreements for the purchase, sale or resale of spare parts for motor vehicles and vertical agreements for the provision of repair and maintenance services for such vehicles, where those agreements are concluded between non-competing undertakings, between certain competitors, or by certain associations of retailers or repairers. It also includes vertical agreements containing ancillary provisions on the assignment or use of intellectual property rights. The term 'vertical agreements' should be defined accordingly to include both such agreements and the corresponding concerted practices.

<sup>(1)</sup> OJ 36, 6.3.1965, p. 533/65.

(\*) With effect from 1 December 2009, Article 81 of the EC Treaty has become Article 101 of the Treaty on the Functioning of the European Union. The two Articles are, in substance, identical. For the purposes of this Regulation, references to Article 101 of the Treaty on the Functioning of the European Union should be understood as references to Article 81 of the EC Treaty where appropriate.

<sup>(2)</sup> OJ L 102, 23.4.2010, p. 1.

<sup>(3)</sup> OJ L 336, 29.12.1999, p. 21.

<sup>(4)</sup> OJ L 203, 1.8.2002, p. 30.

- (7) Certain types of vertical agreements can improve economic efficiency within a chain of production or distribution by facilitating better coordination between the participating undertakings. In particular, they can lead to a reduction in the transaction and distribution costs of the parties and to an optimisation of their sales and investment levels.
- (8) The likelihood that such efficiency-enhancing effects will outweigh any anticompetitive effects due to restrictions contained in vertical agreements depends on the degree of market power of the parties to the agreement and, therefore, on the extent to which those undertakings face competition from other suppliers of goods or services regarded by their customers as interchangeable or substitutable for one another, by reason of the products' characteristics, their prices and their intended use. Vertical agreements containing restrictions which are likely to restrict competition and harm consumers, or which are not indispensable to the attainment of the efficiency-enhancing effects, should be excluded from the benefit of the block exemption.
- (9) In order to define the appropriate scope of a block exemption regulation, the Commission must take into account the competitive conditions in the relevant sector. In this respect, the conclusions of the in-depth monitoring of the motor vehicle sector set out in the Evaluation Report on the operation of Commission Regulation (EC) No 1400/2002 of 28 May 2008 <sup>(1)</sup> and in the Commission Communication on The Future Competition Law Framework applicable to the Motor Vehicle sector of 22 July 2009 <sup>(2)</sup> have shown that a distinction should be drawn between agreements for the distribution of new motor vehicles and agreements for the provision of repair and maintenance services and distribution of spare parts.
- (10) As regards the distribution of new motor vehicles, there do not appear to be any significant competition shortcomings which would distinguish this sector from other economic sectors and which could require the application of rules different from and stricter than those set out in Regulation (EU) No 330/2010. The market-share threshold, the non-exemption of certain vertical agreements and the other conditions laid down in that Regulation normally ensure that vertical agreements for the distribution of new motor vehicles comply with the requirements of Article 101(3) of the Treaty. Therefore, such agreements should benefit from the exemption granted by Regulation (EU) No 330/2010, subject to all the conditions laid down therein.
- (11) As regards agreements for the distribution of spare parts and for the provision of repair and maintenance services, certain specific characteristics of the motor vehicle aftermarket should be taken into account. In particular, the experience acquired by the Commission in applying Regulation (EC) No 1400/2002 shows that price increases for individual repair jobs are only partially reflected in increased reliability of modern cars and lengthening of service intervals. These latter trends are linked to technological evolution and to the increasing complexity and reliability of automotive components that the vehicle manufacturers purchase from original equipment suppliers. Such suppliers sell their products as spare parts in the aftermarket both through the vehicle manufacturers' authorised repair networks and through independent channels, thereby representing an important competitive force in the motor vehicle aftermarket. The costs borne on average by consumers in the Union for motor vehicle repair and maintenance services represent a very high proportion of total consumer expenditure on motor vehicles.
- (12) Competitive conditions in the motor vehicle aftermarket also have a direct bearing on public safety, in that vehicles may be driven in an unsafe manner if they have been repaired incorrectly, as well as on public health and the environment, as emissions of carbon dioxide and other air pollutants may be higher from vehicles which have not undergone regular maintenance work.
- (13) In so far as a separate aftermarket can be defined, effective competition on the markets for the purchase and sale of spare parts, as well as for the provision of repair and maintenance services for motor vehicles, depends on the degree of competitive interaction between authorised repairers, that is to say those operating within repair networks established directly or indirectly by vehicle manufacturers, as well as between authorised and independent operators, including independent spare parts suppliers and repairers. The latter's ability to compete depends on unrestricted access to essential inputs such as spare parts and technical information.
- (14) Having regard to those specificities, the rules in Regulation (EU) No 330/2010, including the uniform market share threshold of 30 %, are necessary but are not sufficient to ensure that the benefit of the block exemption is reserved only to those vertical agreements for the distribution of spare parts and for the provision of repair and maintenance services for which it can be assumed with sufficient certainty that the conditions of Article 101(3) of the Treaty are satisfied.

<sup>(1)</sup> SEC(2008) 1946.

<sup>(2)</sup> COM(2009) 388.

- (15) Therefore, vertical agreements for the distribution of spare parts and for the provision of repair and maintenance services should benefit from the block exemption only if, in addition to the conditions for exemption set out in Regulation (EU) No 330/2010, they comply with stricter requirements concerning certain types of severe restrictions of competition that may limit the supply and use of spare parts in the motor vehicle aftermarket.
- (16) In particular, the benefit of the block exemption should not be granted to agreements that restrict the sale of spare parts by members of the selective distribution system of a vehicle manufacturer to independent repairers, which use them for the provision of repair or maintenance services. Without access to such spare parts, independent repairers would not be able to compete effectively with authorised repairers, since they could not provide consumers with good quality services which contribute to the safe and reliable functioning of motor vehicles.
- (17) Moreover, in order to ensure effective competition on the repair and maintenance markets and to allow repairers to offer end users competing spare parts, the block exemption should not cover vertical agreements which, although they comply with Regulation (EU) No 330/2010, nonetheless restrict the ability of a producer of spare parts to sell such parts to authorised repairers within the distribution system of a vehicle manufacturer, independent distributors of spare parts, independent repairers or end users. This does not affect the liability of producers of spare parts under civil law, or the ability of vehicle manufacturers to require the authorised repairers within their distribution system to only use spare parts that match the quality of the components used for the assembly of a certain motor vehicle. Moreover, in view of the vehicle manufacturers' direct contractual involvement in repairs under warranty, free servicing, and recall operations, agreements containing obligations on authorised repairers to use only spare parts supplied by the vehicle manufacturer for those repairs should be covered by the exemption.
- (18) Finally, in order to allow authorised and independent repairers and end users to identify the manufacturer of motor vehicle components or of spare parts and to choose between alternative parts, the block exemption should not cover agreements by which a manufacturer of motor vehicles limits the ability of a manufacturer of components or original spare parts to place its trade mark or logo on those parts effectively and in a visible manner.
- (19) In order to allow all operators time to adapt to this Regulation, it is appropriate to extend the period of application of the provisions of Regulation (EC) No 1400/2002 relating to vertical agreements for the purchase, sale and resale of new motor vehicles until 31 May 2013. As regards vertical agreements for the distribution of spare parts and for the provision of repair and maintenance services, this Regulation should apply from 1 June 2010 so as to continue to ensure adequate protection of competition on the motor vehicle aftermarkets.
- (20) The Commission will, on a continuous basis, monitor developments in the motor vehicle sector and will take appropriate remedial action if competition shortcomings arise which may lead to consumer harm on the market for the distribution of new motor vehicles or the supply of spare parts or after-sales services for motor vehicles.
- (21) The Commission may withdraw the benefit of this Regulation, pursuant to Article 29(1) of Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty<sup>(1)</sup>, where it finds in a particular case that an agreement to which the exemption provided for in this Regulation applies nevertheless has effects which are incompatible with Article 101(3) of the Treaty.
- (22) The competition authority of a Member State may withdraw the benefit of this Regulation pursuant to Article 29(2) of Regulation (EC) No 1/2003 in respect of the territory of that Member State, or a part thereof where, in a particular case, an agreement to which the exemption provided for in this Regulation applies nevertheless has effects which are incompatible with Article 101(3) of the Treaty in the territory of that Member State, or in a part thereof, and where such territory has all the characteristics of a distinct geographic market.
- (23) In determining whether the benefit of this Regulation should be withdrawn pursuant to Article 29 of Regulation (EC) No 1/2003, the anti-competitive effects that may derive from the existence of parallel networks of vertical agreements that have similar effects which significantly restrict access to a relevant market or competition therein are of particular importance. Such cumulative effects may, for example, arise in the case of selective distribution or non-compete obligations.

<sup>(1)</sup> OJ L 1, 4.1.2003, p. 1.

- (24) In order to strengthen supervision of parallel networks of vertical agreements which have similar anti-competitive effects and which cover more than 50 % of a given market, the Commission may by regulation declare this Regulation inapplicable to vertical agreements containing specific restraints relating to the market concerned, thereby restoring the full application of Article 101 of the Treaty to such agreements.
- (25) In order to assess the effects of this Regulation on competition in motor vehicle retailing, in the supply of spare parts and in after sales servicing for motor vehicles in the internal market, it is appropriate to draw up an evaluation report on the operation of this Regulation,

HAS ADOPTED THIS REGULATION:

#### CHAPTER I

#### COMMON PROVISIONS

##### Article 1

##### Definitions

1. For the purposes of this Regulation, the following definitions shall apply:

- (a) 'vertical agreement' means an agreement or concerted practice entered into between two or more undertakings each of which operates, for the purposes of the agreement or the concerted practice, at a different level of the production or distribution chain, and relating to the conditions under which the parties may purchase, sell or resell certain goods or services;
- (b) 'vertical restraint' means a restriction of competition in a vertical agreement falling within the scope of Article 101(1) of the Treaty;
- (c) 'authorised repairer' means a provider of repair and maintenance services for motor vehicles operating within the distribution system set up by a supplier of motor vehicles;
- (d) 'authorised distributor' means a distributor of spare parts for motor vehicles operating within the distribution system set up by a supplier of motor vehicles;
- (e) 'independent repairer' means:
- (i) a provider of repair and maintenance services for motor vehicles not operating within the distribution system set up by the supplier of the motor vehicles for which it provides repair or maintenance;
- (ii) an authorised repairer within the distribution system of a given supplier, to the extent that it provides repair or

maintenance services for motor vehicles in respect of which it is not a member of the respective supplier's distribution system;

(f) 'independent distributor' means:

- (i) a distributor of spare parts for motor vehicles not operating within the distribution system set up by the supplier of the motor vehicles for which it distributes spare parts;
- (ii) an authorised distributor within the distribution system of a given supplier, to the extent that it distributes spare parts for motor vehicles in respect of which it is not a member of the respective supplier's distribution system;

(g) 'motor vehicle' means a self-propelled vehicle intended for use on public roads and having three or more road wheels;

(h) 'spare parts' means goods which are to be installed in or upon a motor vehicle so as to replace components of that vehicle, including goods such as lubricants which are necessary for the use of a motor vehicle, with the exception of fuel;

(i) 'selective distribution system' means a distribution system where the supplier undertakes to sell the contract goods or services, either directly or indirectly, only to distributors selected on the basis of specified criteria and where these distributors undertake not to sell such goods or services to unauthorised distributors within the territory reserved by the supplier to operate that system.

2. For the purposes of this Regulation, the terms 'undertaking', 'supplier', 'manufacturer' and 'buyer' shall include their respective connected undertakings.

'Connected undertakings' means:

- (a) undertakings in which a party to the agreement, directly or indirectly:
- (i) has the power to exercise more than half the voting rights; or
- (ii) has the power to appoint more than half the members of the supervisory board, board of management or bodies legally representing the undertaking; or
- (iii) has the right to manage the undertaking's affairs;
- (b) undertakings which directly or indirectly have, over a party to the agreement, the rights or powers listed in point (a);
- (c) undertakings in which an undertaking referred to in point (b) has, directly or indirectly, the rights or powers listed in point (a);

- (d) undertakings in which a party to the agreement together with one or more of the undertakings referred to in points (a), (b) or (c), or in which two or more of the latter undertakings, jointly have the rights or powers listed in point (a);
- (e) undertakings in which the rights or the powers listed in point (a) are jointly held by:
- (i) parties to the agreement or their respective connected undertakings referred to in points (a) to (d); or
- (ii) one or more of the parties to the agreement or one or more of their connected undertakings referred to in points (a) to (d) and one or more third parties.

## CHAPTER II

### VERTICAL AGREEMENTS RELATING TO THE PURCHASE, SALE OR RESALE OF NEW MOTOR VEHICLES

#### Article 2

#### Application of Regulation (EC) No 1400/2002

Pursuant to Article 101(3) of the Treaty, from 1 June 2010 until 31 May 2013, Article 101(1) of the Treaty shall not apply to vertical agreements relating to the conditions under which the parties may purchase, sell or resell new motor vehicles, which fulfil the requirements for an exemption under Regulation (EC) No 1400/2002 that relate specifically to vertical agreements for the purchase, sale or resale of new motor vehicles.

#### Article 3

#### Application of Regulation (EU) No 330/2010

With effect from 1 June 2013, Regulation (EU) No 330/2010 shall apply to vertical agreements relating to the purchase, sale or resale of new motor vehicles.

## CHAPTER III

### VERTICAL AGREEMENTS RELATING TO THE MOTOR VEHICLE AFTERMARKET

#### Article 4

#### Exemption

Pursuant to Article 101(3) of the Treaty and subject to the provisions of this Regulation Article 101(1) of the Treaty shall not apply to vertical agreements relating to the conditions under which the parties may purchase, sell or resell spare parts for motor vehicles or provide repair and maintenance services for motor vehicles, which fulfil the requirements for an exemption under Regulation (EU) No 330/2010 and do not

contain any of the hardcore clauses listed in Article 5 of this Regulation.

This exemption shall apply to the extent that such agreements contain vertical restraints.

#### Article 5

#### Restrictions that remove the benefit of the block exemption — hardcore restrictions

The exemption provided for in Article 4 shall not apply to vertical agreements which, directly or indirectly, in isolation or in combination with other factors under the control of the parties, have as their object:

- (a) the restriction of the sales of spare parts for motor vehicles by members of a selective distribution system to independent repairers which use those parts for the repair and maintenance of a motor vehicle;
- (b) the restriction, agreed between a supplier of spare parts, repair tools or diagnostic or other equipment and a manufacturer of motor vehicles, of the supplier's ability to sell those goods to authorised or independent distributors or to authorised or independent repairers or end users;
- (c) the restriction, agreed between a manufacturer of motor vehicles which uses components for the initial assembly of motor vehicles and the supplier of such components, of the supplier's ability to place its trade mark or logo effectively and in an easily visible manner on the components supplied or on spare parts.

## CHAPTER IV

### FINAL PROVISIONS

#### Article 6

#### Non-application of this Regulation

Pursuant to Article 1a of Regulation No 19/65/EEC, the Commission may by regulation declare that, where parallel networks of similar vertical restraints cover more than 50 % of a relevant market, this Regulation shall not apply to vertical agreements containing specific restraints relating to that market.

#### Article 7

#### Monitoring and evaluation report

The Commission will monitor the operation of this Regulation and draw up a report on its operation by 31 May 2021 at the latest, having regard in particular to the conditions set out in Article 101(3) of the Treaty.

*Article 8***Period of validity**

This Regulation shall enter into force on 1 June 2010.

It shall expire on 31 May 2023.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 27 May 2010.

*For the Commission*  
*The President*  
José Manuel BARROSO

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**Commission notice****Supplementary guidelines on vertical restraints in agreements for the sale and repair of motor vehicles and for the distribution of spare parts for motor vehicles**

(Text with EEA relevance)

(2010/C 138/05)

**I. INTRODUCTION****1. Purpose of the Guidelines**

- (1) These Guidelines set out principles for assessing under Article 101 of the Treaty on the Functioning of the European Union <sup>(1)</sup> particular issues arising in the context of vertical restraints in agreements for the sale and repair of motor vehicles and for the distribution of spare parts. They accompany Commission Regulation (EU) No 461/2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices in the motor vehicle sector <sup>(2)</sup> (hereinafter ‘the Motor Vehicle Block Exemption Regulation’) and are aimed at helping companies to make their own assessment of such agreements.
- (2) These Guidelines provide clarification on issues that are particularly relevant for the motor vehicle sector, including the interpretation of certain provisions of Commission Regulation (EU) No 330/2010 of 20 April 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices <sup>(3)</sup> (hereinafter ‘the General Vertical Block Exemption Regulation’). They are without prejudice to the applicability of the Guidelines on Vertical Restraints <sup>(4)</sup> (hereinafter ‘the General Vertical Guidelines’) and are therefore to be read in conjunction with and as a supplement to the General Vertical Guidelines.
- (3) These Guidelines apply to both vertical agreements and concerted practices relating to the conditions under which the parties may purchase, sell or resell spare parts and/or provide repair and maintenance services for motor vehicles, and to vertical agreements and concerted practices relating to the conditions under which the parties may purchase, sell or resell new motor vehicles. As explained in Section II of these Guidelines, the latter category of agreements and concerted practices will remain subject to the relevant provisions of Commission Regulation (EC) No 1400/2002 of 31 July 2002 on the application of Article 81(3) of the Treaty to categories of vertical agreements and concerted practices in the motor vehicle sector <sup>(5)</sup> until 31 May 2013. Therefore, as regards vertical agreements and concerted practices for the purchase, sale or resale of new motor vehicles, these Guidelines will only apply as from 1 June 2013. These Guidelines do not apply to vertical agreements in sectors other than motor vehicles, and the principles set out herein may not necessarily be used to assess agreements in other sectors.
- (4) These Guidelines are without prejudice to the possible parallel application of Article 102 of the Treaty to vertical agreements in the motor vehicle sector, or to the interpretation that the Court of Justice of the European Union may give in relation to the application of Article 101 of the Treaty to such vertical agreements.
- (5) Unless otherwise stated, the analysis and arguments set out in these Guidelines apply to all levels of trade. The terms ‘supplier’ and ‘distributor’ <sup>(6)</sup> are used for all levels of trade. The General Vertical Block Exemption Regulation and the Motor Vehicle Block Exemption Regulation are collectively referred to as ‘the Block Exemption Regulations’.
- (6) The standards set forth in these Guidelines must be applied to each case having regard to the individual factual and legal circumstances. The Commission will apply <sup>(7)</sup> these Guidelines reasonably and flexibly, and having regard to the experience that it has acquired in the course of its enforcement and market monitoring activities.
- (7) The history of competition enforcement in this sector shows that certain restraints can be arrived at either as a result of explicit direct contractual obligations or through indirect obligations or indirect means which nonetheless achieve the same anti-competitive result. Suppliers wishing to influence a distributor’s competitive behaviour may, for instance, resort to threats or intimidation, warnings or penalties. They may also delay or suspend deliveries or threaten to terminate the contracts of distributors that sell to foreign consumers or fail to observe a given
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- <sup>(1)</sup> With effect from 1 December 2009, Articles 81 and 82 of the EC Treaty have become Articles 101 and 102, respectively, of the Treaty on the Functioning of the European Union (TFEU). The two sets of provisions are in substance identical. For the purposes of these Guidelines, references to Articles 101 and 102 of the TFEU should be understood as references to Articles 81 and 82, respectively, of the EC Treaty where appropriate. The TFEU also introduced certain changes in terminology, such as the replacement of ‘Community’ by ‘Union’ and ‘common market’ by ‘internal market’. The terminology of the TFEU will be used throughout these Guidelines.
- <sup>(2)</sup> OJ L 129, 28.5.2010, p. 52.
- <sup>(3)</sup> OJ L 102, 23.4.2010, p. 1.
- <sup>(4)</sup> OJ C 130, 19.5.2010, p. 1.
- <sup>(5)</sup> OJ L 203, 1.8.2002, p. 30.
- <sup>(6)</sup> Retail level distributors are commonly referred to in the sector as ‘dealers’.
- <sup>(7)</sup> Since the modernisation of the Union competition rules, the primary responsibility for such analysis lies with the parties to agreements. The Commission may however investigate the compatibility of agreements with Article 101 of the Treaty, on its own initiative or following a complaint.

price level. Transparent relationships between contracting parties would normally reduce the risk of manufacturers being held responsible for using such indirect forms of pressure aimed at achieving anticompetitive outcomes. Adhering to a Code of Conduct is one means of achieving greater transparency in commercial relationships between parties. Such codes may inter alia provide for notice periods for contract termination, which may be determined in function of the contract duration, for compensation to be given for outstanding relationship-specific investments made by the dealer in case of early termination without just cause, as well as for arbitration as an alternative mechanism for dispute resolution. If a supplier incorporates such a Code of Conduct into its agreements with distributors and repairers, makes it publicly available, and complies with its provisions, this will be regarded as a relevant factor for assessing the supplier's conduct in individual cases.

## 2. Structure of the Guidelines

- (8) These Guidelines are structured as follows:
- (a) Scope of the Motor Vehicle Block Exemption Regulation and relationship with the General Vertical Block Exemption Regulation (Section II)
  - (b) The application of the additional provisions in the Motor Vehicle Block Exemption Regulation (Section III)
  - (c) The assessment of specific restraints: single branding and selective distribution (Section IV)

### II. SCOPE OF THE MOTOR VEHICLE BLOCK EXEMPTION REGULATION AND RELATIONSHIP WITH THE GENERAL VERTICAL BLOCK EXEMPTION REGULATION

- (9) Pursuant to Article 4 thereof, the Motor Vehicle Block Exemption Regulation covers vertical agreements relating to the purchase, sale or resale of spare parts for motor vehicles and to the provision of repair and maintenance services for motor vehicles.
- (10) Article 2 of the Motor Vehicle Block Exemption Regulation extends the application of the relevant provisions of Regulation (EC) No 1400/2002 until 31 May 2013 as far as they relate to vertical agreements for the purchase, sale or resale of new motor vehicles. Pursuant to Article 3 of the Motor Vehicle Block Exemption Regulation vertical

agreements for the purchase, sale and resale of new motor vehicles will be covered by the General Vertical Block Exemption Regulation, from 1 June 2013 <sup>(1)</sup>.

- (11) The distinction that the new framework makes between the markets for the sale of new motor vehicles and the motor vehicle aftermarkets reflects the differing competitive conditions on these markets.
- (12) On the basis of an in-depth market analysis set out in the Evaluation Report on the operation of Commission Regulation (EC) No 1400/2002 of 28 May 2008 <sup>(2)</sup> and in the Commission Communication on The Future Competition Law Framework applicable to the Motor Vehicle Sector of 22 July 2009 <sup>(3)</sup>, it appears that there are no significant competition shortcomings distinguishing the new motor vehicle distribution sector from other economic sectors and which could require the application of rules different from and stricter than those in the General Vertical Block Exemption Regulation. Consequently, the application of a market share threshold of 30 % <sup>(4)</sup>, the non-exemption of certain vertical restraints and the conditions provided for in the General Vertical Block Exemption Regulation will normally ensure that vertical agreements for the distribution of new motor vehicles satisfy the conditions laid down in Article 101(3) of the Treaty without the need for any additional requirements over and above those applicable to other sectors.
- (13) However, in order to allow all operators time to adapt to the general regime, in particular in view of relationship-specific investments which have been made in the long term, the period of application of Regulation (EC) No 1400/2002 is extended by three years until 31 May 2013 with regard to those requirements that relate specifically to vertical agreements for the purchase, sale or resale of new motor vehicles. From 1 June 2010 until 31 May 2013, those provisions of Regulation (EC) No 1400/2002 which relate to both agreements for the distribution of new motor vehicles and agreements for

<sup>(1)</sup> The expiry of Regulation (EC) No 1400/2002 and its replacement with the new legal framework explained in these Guidelines does not of itself require that existing contracts be terminated. See for example Case C-125/05 *Vulcan Silkeborg A/S v Skandinavisk Motor Co. A/S*. [2006] ECR I-7637.

<sup>(2)</sup> SEC(2008) 1946.

<sup>(3)</sup> COM(2009) 388.

<sup>(4)</sup> Pursuant to Article 7 of the General Vertical Block Exemption Regulation, the calculation of this market share threshold is normally based on market sales value data or, if such data are not available, on other reliable market information, including market sales volumes. In this respect, the Commission takes note of the fact that, for the distribution of new motor vehicles, market shares are currently calculated by the industry on the basis of the volume of motor vehicles sold by the supplier on the relevant market, which includes all motor vehicles that are regarded by the buyer as interchangeable or substitutable, by reason of the products' characteristics, prices and intended use.

the purchase, sale and resale of spare parts for motor vehicles and/or the provision of repair and maintenance services, will apply only in respect of the former. During that period these Guidelines will not be used for interpreting the provisions of Regulation (EC) No 1400/2002. Instead, reference should be made to the Explanatory Brochure on that Regulation <sup>(1)</sup>.

- (14) As regards vertical agreements relating to the conditions under which the parties may purchase, sell or resell spare parts for motor vehicles and/or provide repair and maintenance services for motor vehicles, the Motor Vehicle Block Exemption Regulation applies from 1 June 2010. This means that, in order to be exempted pursuant to Article 4 of that Regulation, those agreements not only need to fulfil the conditions for an exemption under the General Vertical Block Exemption Regulation, but must also not contain any serious restrictions of competition, commonly referred to as hardcore restrictions as listed in Article 5 of the Motor Vehicle Block Exemption Regulation.
- (15) Because of the generally brand-specific nature of the markets for repair and maintenance services and for the distribution of spare parts, competition on those markets is inherently less intense compared to that on the market for the sale of new motor vehicles. While reliability has improved and service intervals have lengthened thanks to technological improvement, this evolution is outpaced by an upward price trend for individual repair and maintenance jobs. On the spare parts markets, parts bearing the motor vehicle manufacturer's brand face competition from those supplied by the original equipment suppliers (OES) and by other parties. This maintains price pressure on those markets, which in turn maintains pressure on prices on the repair and maintenance markets, since spare parts make up a large percentage of the cost of the average repair. Moreover, repair and maintenance as a whole represent a very high proportion of total consumer expenditure on motor vehicles, which itself accounts for a significant slice of the average consumer's budget.
- (16) In order to address particular competition issues arising on the motor vehicle aftermarkets, the General Vertical Block Exemption Regulation is supplemented with three additional hardcore restrictions in the Motor Vehicle Block Exemption Regulation applying to agreements for the repair and maintenance of motor vehicles and for the supply of spare parts. Further guidance on those additional hardcore restrictions is given in Section III of these Guidelines.

<sup>(1)</sup> Explanatory brochure for Commission Regulation (EC) No 1400/2002 of 31 July 2002 — *Distribution and Servicing of Motor Vehicles in the European Union*.

### III. THE APPLICATION OF THE ADDITIONAL PROVISIONS IN THE MOTOR VEHICLE BLOCK EXEMPTION REGULATION

- (17) Agreements will not benefit from the block exemption if they contain hardcore restrictions. These restrictions are listed in Article 4 of the General Vertical Block Exemption Regulation and Article 5 of the Motor Vehicle Block Exemption Regulation. Including any such restrictions in an agreement gives rise to the presumption that the agreement falls within Article 101(1) of the Treaty. It also gives rise to the presumption that the agreement is unlikely to satisfy the conditions laid down in Article 101(3) of the Treaty, for which reason the block exemption does not apply. However, this is a rebuttable presumption which leaves open the possibility for undertakings to plead an efficiency defence under Article 101(3) of the Treaty in an individual case.
- (18) One of the Commission's objectives as regards competition policy for the motor vehicle sector is to protect access by spare parts manufacturers to the motor vehicle aftermarkets, thereby ensuring that competing brands of spare parts continue to be available to both independent and authorised repairers, as well as to parts wholesalers. The availability of such parts brings considerable benefits to consumers, especially since there are often large differences in price between parts sold or resold by a car manufacturer and alternative parts. Alternatives for parts bearing the trademark of the motor vehicle manufacturer (OEM parts) include original parts manufactured and distributed by original equipment suppliers (OES parts), while other parts matching the quality of the original components are supplied by 'matching quality' parts manufacturers.
- (19) 'Original parts or equipment' means parts or equipment which are manufactured according to the specifications and production standards provided by the motor vehicle manufacturer for the production of parts or equipment for the assembly of the motor vehicle in question. This includes parts or equipment which are manufactured on the same production line as those parts or equipment. It is presumed unless the contrary is proven, that parts constitute original parts if the part manufacturer certifies that the parts match the quality of the components used for the assembly of the motor vehicle in question and have been manufactured according to the specifications and production standards of the motor vehicle (see Article 3(26) of Directive 2007/46/EC of the European Parliament and of the Council of 5 September 2007 establishing a framework for the approval of motor vehicles and their trailers, and of systems, components and separate technical units intended for such motor vehicles (Framework Directive) <sup>(2)</sup>).

<sup>(2)</sup> OJ L 263, 9.10.2007, p. 1.

(20) In order to be considered as 'matching quality', parts must be of a sufficiently high quality that their use does not endanger the reputation of the authorised network in question. As with any other selection standard, the motor vehicle manufacturer may bring evidence that a given spare part does not meet this requirement.

(21) Article 4(e) of the General Vertical Block Exemption Regulation describes it as a hardcore restriction for an agreement between a supplier of components and a buyer who incorporates those components, to prevent or restrict the supplier's ability to sell its components to end-users, independent repairers or other service providers not entrusted by the buyer with the repair or servicing of its goods. Article 5(a), (b) and (c) of the Motor Vehicle Block Exemption Regulation lay down three additional hardcore restrictions relating to agreements for the supply of spare parts.

(22) Article 5(a) of the Motor Vehicle Block Exemption Regulation concerns the restriction of the sale of spare parts for motor vehicles by members of a selective distribution system to independent repairers. This provision is most relevant for a particular category of parts, sometimes referred to as captive parts, which may only be obtained from the motor vehicle manufacturer or from members of its authorised networks. If a supplier and a distributor agree that such parts may not be supplied to independent repairers, this agreement would be likely to foreclose such repairers from the market for repair and maintenance services and fall foul of Article 101 of the Treaty.

(23) Article 5(b) of the Motor Vehicle Block Exemption Regulation concerns any direct or indirect restriction agreed between a supplier of spare parts, repair tools or diagnostic or other equipment and a manufacturer of motor vehicles, which limits the supplier's ability to sell these goods to authorised and/or independent distributors and repairers. So-called 'tooling arrangements' between component suppliers and motor vehicle manufacturers are one example of possible indirect restrictions of this type. Reference should be made in this respect to the Commission notice of 18 December 1978 concerning its assessment of certain subcontracting agreements in relation to Article 85(1) of the EEC Treaty<sup>(1)</sup> (the Subcontracting Notice). Normally, Article 101(1) of the Treaty does not apply to an arrangement whereby a motor vehicle manufacturer provides a tool to a component manufacturer which is necessary for the production of certain components, shares in the product development costs, or contributes necessary<sup>(2)</sup> intellectual property

rights, or know-how, and does not allow this contribution to be used for the production of parts to be sold directly in the aftermarket. On the other hand, if a motor vehicle manufacturer obliges a component supplier to transfer its ownership of such a tool, intellectual property rights, or know-how, bears only an insignificant part of the product development costs, or does not contribute any necessary tools, intellectual property rights, or know-how, the agreement at issue will not be considered to be a genuine sub-contracting arrangement. Therefore, it may be caught by Article 101(1) of the Treaty and be examined pursuant to the provisions of the Block Exemption Regulations.

(24) Article 5(c) of the Motor Vehicle Block Exemption Regulation relates to the restriction agreed between a manufacturer of motor vehicles which uses components for the initial assembly of motor vehicles and the supplier of such components, which limits the supplier's ability to place its trade mark or logo effectively and in an easily visible manner on the components supplied or on spare parts. In order to improve consumer choice, repairers and consumers should be able to identify which spare parts from alternative suppliers match a given motor vehicle, other than those bearing the car manufacturer's brand. Putting the trade mark or logo on the components and on spare parts facilitates the identification of compatible replacement parts which can be obtained from OES. By not allowing this, motor vehicle manufacturers can restrict the marketing of OES parts and limit consumers' choice in a manner that runs counter to the provisions of Article 101 of the Treaty.

#### IV. THE ASSESSMENT OF SPECIFIC RESTRAINTS

(25) Parties to vertical agreements in the motor vehicle sector should use these Guidelines as a supplement to and in conjunction with the General Vertical Guidelines in order to assess the compatibility of specific restraints with Article 101 of the Treaty. This section gives particular guidance as to single branding and selective distribution, which are two areas which may have particular relevance for assessing the category of agreements referred to in Section II of these Guidelines.

##### 1. Single branding obligations

(i) *Assessment of single-branding obligations under the Block Exemption Regulations*

(26) Pursuant to Article 3 of the Motor Vehicle Block Exemption Regulation read in conjunction with Article 5(1)(a) of the General Vertical Block Exemption Regulation, a motor vehicle supplier and a distributor having a share of the relevant market that does

<sup>(1)</sup> OJ C 1, 3.1.1979, p. 2.

<sup>(2)</sup> Where the motor vehicle manufacturer provides a tool, intellectual property rights (IPR) and/or know-how to a component supplier, this arrangement will not benefit from the Sub-contracting Notice if the component supplier already has this tool, IPR or know-how at its disposal, or could, under reasonable conditions obtain them, since under these circumstances the contribution would not be necessary.

not exceed 30 % may agree on a single-branding obligation that obliges the distributor to purchase motor vehicles only from the supplier or from other firms designated by the supplier, on condition that the duration of such non-compete obligations is limited to five years or less. The same principles apply to agreements between suppliers and their authorised repairers and/or spare parts distributors. A renewal beyond five years requires explicit consent of both parties, and there should be no obstacles that hinder the distributor from effectively terminating the non-compete obligation at the end of the five-year period. Non-compete obligations are not covered by the Block Exemption Regulations when their duration is indefinite or exceeds five years, although in those circumstances the Block Exemption Regulations would continue to apply to the remaining part of the vertical agreement. The same applies to non-compete obligations that are tacitly renewable beyond a period of five years. Obstacles, threats of termination, or intimations that single-branding will be re-imposed before a sufficient period has elapsed to allow either the distributor or the new supplier to amortise their sunk investments would amount to a tacit renewal of the single-branding obligation in question.

(27) Pursuant to Article 5(1)(c) of the General Vertical Block Exemption Regulation, any direct or indirect obligation causing the members of a selective distribution system not to sell the brands of particular competing suppliers, are not covered by the exemption. Particular attention should be paid to the manner in which single branding obligations are applied to existing multi-brand distributors, in order to ensure that the obligations in question do not form part of an overall strategy aimed at eliminating competition from one or more specific suppliers, and in particular from newcomers or weaker competitors. This type of concern could arise in particular if the market share thresholds indicated in paragraph 34 of these Guidelines are exceeded and if the supplier applying this type of restraint has a position on the relevant market that enables it to contribute significantly to the overall foreclosure effect<sup>(1)</sup>.

(28) Non-compete obligations in vertical agreements do not constitute hardcore restrictions, but depending on the market circumstances, can nonetheless have negative effects which may cause the agreements to fall under Article 101(1) of the Treaty<sup>(2)</sup>. One such harmful effect may arise if barriers to entry or expansion are raised that

foreclose competing suppliers, and harm consumers in particular by increasing the prices or limiting the choice of products, lowering their quality or reducing the level of product innovation.

(29) However, non-compete obligations may also have positive effects which may justify the application of Article 101(3) of the Treaty. They may in particular help to overcome a 'free-rider' problem, by which one supplier benefits from investments made by another. A supplier may, for instance, invest in a distributor's premises, but in doing so attract customers for a competing brand that is also sold from the same premises. The same applies to other types of investment made by the supplier which may be used by the distributor to sell motor vehicles of competing manufacturers, such as investments in training.

(30) Another positive effect of non-compete obligations in the motor vehicle sector relates to the enhancement of the brand image and reputation of the distribution network. Such restraints may help to create and maintain a brand image by imposing a certain measure of uniformity and quality standardisation on distributors, thereby increasing the attractiveness of that brand to the final consumer and increasing its sales.

(31) Article 1(d) of the General Vertical Block Exemption Regulation defines a non-compete obligation as:

'(a) any direct or indirect obligation causing the buyer not to manufacture, purchase, sell or resell goods or services which compete with the contract goods or services; or

(b) any direct or indirect obligation on the buyer to purchase from the supplier or from another undertaking designated by the supplier more than 80 % of the buyer's total purchases of the contract goods or services and their substitutes on the relevant market.'

(32) Apart from direct means to tie the distributor to its own brand(s), a supplier may also have recourse to indirect means having the same effect. In the motor vehicle sector, such indirect means may include qualitative standards specifically designed to discourage the distributors from selling products of competing brands<sup>(3)</sup>, bonuses made conditional on the distributor agreeing to sell exclusively one brand, target rebates or certain other requirements such as the requirement to set up a

<sup>(1)</sup> Commission notice on agreements of minor importance which do not appreciably restrict competition under Article 81(1) of the Treaty establishing the European Community (*de minimis*), OJ C 368, 22.12.2001, p. 13.

<sup>(2)</sup> As regards the relevant factors to be taken into account to carry out the assessment of non-compete obligations under Article 101(1) of the Treaty, see the relevant section in the General Vertical Guidelines, in particular paragraphs 129 to 150.

<sup>(3)</sup> See cases *BMW*, IP/06/302 — 13.3.2006 and *Opel* 2006, IP/06/303 — 13.3.2006.

separate legal entity for the competing brand or the obligation to display the additional competing brand in a separate showroom in a geographic location where the fulfilment of such a requirement would not be economically viable (for example sparsely populated areas).

(33) The block exemption provided for in the General Vertical Block Exemption Regulation covers all forms of direct or indirect non-compete obligations provided that the market shares of both the supplier and the distributor do not exceed 30 % and the duration of the non-compete obligation does not exceed five years. However, even in cases where individual agreements satisfy those conditions, the use of non-compete obligations may result in anti-competitive effects not outweighed by their positive effects. In the motor vehicle industry, such net anti-competitive effects could in particular result from cumulative effects leading to the foreclosure of competing brands.

(34) For the distribution of motor vehicles at the retail level, foreclosure of this type is unlikely to occur in markets where all suppliers have market shares below 30 % and where the total percentage of all motor vehicle sales that are subject to single-branding obligations on the market in question (that is to say the total tied market share) is below 40 % <sup>(1)</sup>. In a situation where there is one non-dominant supplier with a market share of more than 30 % of the relevant market whereas all other suppliers' market shares are below 30 %, cumulative anti-competitive effects are unlikely as long as the total tied market share does not exceed 30 %.

(35) If access to the relevant market for the sale of new motor vehicles and competition therein is significantly restricted by the cumulative effect of parallel networks of similar vertical agreements containing single branding obligations, the benefit of the block exemption may be withdrawn by the Commission, pursuant to Article 29 of Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty <sup>(2)</sup>. A withdrawal decision may be addressed in particular to those suppliers that contribute in a significant manner to a cumulative foreclosure effect on the relevant market. Where that effect occurs on a national market, the National Competition Authorities of that Member State may also withdraw the benefit of the block exemption in respect of that territory.

(36) In addition, if parallel networks of agreements containing similar vertical restraints cover more than 50 % of a given

market, the Commission may adopt a Regulation declaring the block exemption inapplicable to the market in question in respect of such restraints. In particular, such a situation may arise if cumulative effects resulting from the widespread use of single-branding obligations lead to consumer harm on that market.

(37) With regard to the assessment of minimum purchasing obligations calculated on the basis of the distributor's total annual requirements, it may be justified to withdraw the benefit of the block exemption if cumulative anti-competitive effects arise even if the supplier imposes a minimum purchasing obligation that is below the 80 % limit established in Article 1(d) of the General Vertical Block Exemption Regulation. The parties need to consider whether, in the light of the relevant factual circumstances, an obligation on the distributor to ensure that a given percentage of its total purchases of motor vehicles bear the supplier's brand will prevent the distributor from taking on one or more additional competing brands. From that perspective, even a minimum purchasing requirement set at a level lower than 80 % of total annual purchases will amount to a single-branding obligation if it obliges a distributor wishing to take up a new brand of its choice from a competing manufacturer to purchase so many motor vehicles of the brand that it currently sells that the distributor's business is made economically unsustainable <sup>(3)</sup>. Such a minimum purchasing obligation will also amount to a single branding obligation if it forces a competing supplier to split its envisaged sales volume in a given territory over several distributors, leading to duplication of investments and a fragmented sales presence.

(ii) *Assessment of single-branding obligations outside the scope of the Block Exemption Regulations*

(38) Parties may also be called upon to assess the compatibility with the competition rules of single-branding obligations in respect of agreements that do not qualify for block exemption because the parties' market shares exceed 30 % or the duration of the agreement exceeds five years. Such agreements will therefore be subject to individual scrutiny in order to ascertain whether they are caught by Article 101(1) of the Treaty and if so, whether efficiencies offsetting any possible anti-competitive effect can be demonstrated. If that is the case, they may be able to benefit from the exception laid down in Article 101(3) of the Treaty. For assessment in an individual case the general principles set out in Section VI.2.1 of the General Vertical Guidelines will apply.

<sup>(1)</sup> See General Vertical Guidelines at paragraph 141.

<sup>(2)</sup> OJ L 1, 4.1.2003, p. 1.

<sup>(3)</sup> For instance, if a dealer purchases 100 cars of brand A in a year to meet demand, and wishes to buy 100 cars of brand B, an 80 % minimum purchasing obligation as regards brand A would imply that the following year, the dealer would have to buy 160 brand A cars. Given that penetration rates are likely to be relatively stable, this would likely leave the dealer with a large unsold stock of brand A. It would therefore be forced to dramatically reduce its purchases of brand B in order to avoid such a situation. Depending on the specific circumstances of the case, such a practice can be viewed as a single-branding obligation.

(39) In particular, agreements entered into between a motor vehicle manufacturer or its importer, on the one hand, and spare parts distributors and/or authorised repairers, on the other, will fall outside the Block Exemption Regulations when the market shares held by the parties exceed the 30 % threshold, which is likely to be the case for most such agreements. Single-branding obligations that will need to be assessed in such circumstances include all types of restriction that directly or indirectly limit authorised distributors' or repairers' ability to obtain original or matching quality spare parts from third parties. However, an obligation on an authorised repairer to use original spare parts supplied by the motor vehicle manufacturer for repairs carried out under warranty, free servicing and motor vehicle recall work would not be considered to be a single-branding obligation, but rather an objectively justified requirement.

(40) Single-branding obligations in agreements for the distribution of new motor vehicles will also need to be individually assessed where their duration exceeds five years or/and where the market share of the supplier exceeds 30 %, which may be the case for certain suppliers in some Member States. In such circumstances, the parties should have regard not only to the supplier's and buyer's market share, but also to the total tied market share taking into account the thresholds indicated in paragraph 34. Above those thresholds, individual cases will be assessed in accordance with the general principles set out in Section VI.2.1 of the General Vertical Guidelines.

(41) Outside the scope of the Block Exemption Regulations, the assessment of minimum purchasing obligations calculated on the basis of the distributor's total annual requirements will take into account all the relevant factual circumstances. In particular, a minimum purchasing requirement set at a level lower than 80 % of total annual purchases will amount to a single-branding obligation if it has the effect of preventing distributors from dealing in one or more additional competing brands.

## 2. Selective distribution

(42) Selective distribution is currently the predominant form of distribution in the motor vehicle sector. Its use is widespread in motor vehicle distribution, as well as for repair and maintenance and the distribution of spare parts.

(43) In purely qualitative selective distribution, distributors and repairers are only selected on the basis of objective criteria required by the nature of the product or service, such as the technical skills of sales personnel, the layout of sales

facilities, sales techniques and the type of sales service to be provided by the distributor<sup>(1)</sup>. The application of such criteria does not put a direct limit on the number of distributors or repairers admitted to the supplier's network. Purely qualitative selective distribution is in general considered to fall outside Article 101(1) of the Treaty for lack of anti-competitive effects, provided that three conditions are satisfied. First, the nature of the product in question must necessitate the use of selective distribution, in the sense that such a system must constitute a legitimate requirement, having regard to the nature of the product concerned, to preserve its quality and ensure its proper use. Second, distributors or repairers must be chosen on the basis of objective criteria of a qualitative nature which are laid down uniformly for all potential resellers and are not applied in a discriminatory manner. Third, the criteria laid down must not go beyond what is necessary.

(44) Whereas qualitative selective distribution involves the selection of distributors or repairers only on the basis of objective criteria required by the nature of the product or service, quantitative selection adds further criteria for selection that more directly limit the potential number of distributors or repairers either by directly fixing their number, or for instance, requiring a minimum level of sales. Networks based on quantitative criteria are generally held to be more restrictive than those that rely on qualitative selection alone, and are accordingly more likely to be caught by Article 101(1) of the Treaty.

(45) If selective distribution agreements are caught by Article 101(1) of the Treaty, the parties will need to assess whether their agreements can benefit from the Block Exemption Regulations, or individually, from the exception in Article 101(3) of the Treaty.

(i) *The assessment of selective distribution under the Block Exemption Regulations*

(46) The Block Exemption Regulations exempt selective distribution agreements, irrespective of whether quantitative or purely qualitative selection criteria are used, so long as the parties' market shares do not exceed 30 %. However, that exemption is conditional on the agreements not containing any of the hardcore restrictions set out

<sup>(1)</sup> It should be recalled however that, in accordance with the established case law of the European Courts, purely qualitative selective distribution systems may nevertheless restrict competition where the existence of a certain number of such systems does not leave any room for other forms of distribution based on a different way of competing. This situation will generally not arise on the markets for the sale of new motor vehicles, on which leasing and other similar arrangements are a valid alternative to outright purchase of a motor vehicle, nor in the markets for repair and maintenance, as long as independent repairers provide consumers with an alternative channel for the upkeep of their motor vehicles. See for example Case T-88/92 *Groupeement d'achat Édouard Leclerc v Commission* [1996] ECR II-1961.

in Article 4 of the General Vertical Block Exemption Regulation and Article 5 of the Motor Vehicle Block Exemption Regulation, or any of the excluded restrictions described in Article 5 of the General Vertical Block Exemption Regulation.

(47) Three of the hardcore restrictions in the General Vertical Block Exemption Regulation relate specifically to selective distribution. Article 4(b) describes as hardcore the restriction of the territory into which, or of the customers to whom, a buyer party to the agreement may sell the contract goods or services, except the restriction of sales by the members of a selective distribution system to unauthorised distributors in markets where such a system is operated. Article 4(c) describes as hardcore agreements restricting active or passive sales to end users by members of a selective distribution system operating at the retail level of trade, without prejudice to the possibility of prohibiting a member of the system from operating out of an unauthorised place of establishment, while Article 4(d) relates to the restriction of cross-supplies between distributors within a selective distribution system, including between distributors operating at different levels of trade. Those three hardcore restrictions have special relevance for motor vehicle distribution.

(48) The internal market has enabled consumers to purchase motor vehicles in other Member States and take advantage of price differentials between them, and the Commission views the protection of parallel trade in this sector as an important competition objective. The consumer's ability to buy goods in other Member States is especially important as far as motor vehicles are concerned, given the high value of the goods and the direct benefits in the form of lower prices accruing to consumers buying motor vehicles elsewhere in the Union. The Commission is therefore concerned that distribution agreements should not restrict parallel trade, since this cannot be expected to satisfy the conditions laid down in Article 101(3) of the Treaty <sup>(1)</sup>.

(49) The Commission has brought several cases against motor vehicle manufacturers for impeding such trade, and its decisions have been largely confirmed by the European

<sup>(1)</sup> The notion that cross-border trade restrictions may harm consumers has been confirmed by the Court in Case C-551/03 P, *General Motors*, [2006] ECR I-3173, paragraphs 67 and 68; Case C-338/00 P, *Volkswagen/Commission*, [2003] ECR I-9189, paragraphs 44 and 49, and Case T-450/05, *Peugeot/Commission*, judgment of 9 July 2009, not yet reported, paragraphs 46-49.

Courts <sup>(2)</sup>. This experience shows that restrictions on parallel trade may take a number of forms. A supplier may, for instance, put pressure on distributors, threaten them with contract termination, fail to pay bonuses, refuse to honour warranties on motor vehicles imported by a consumer or cross-supplied between distributors established in different Member States, or make a distributor wait significantly longer for delivery of an identical motor vehicle when the consumer in question is resident in another Member State.

(50) One particular example of indirect restrictions on parallel trade arises when a distributor is unable to obtain new motor vehicles with the appropriate specifications needed for cross-border sales. In those specific circumstances, the benefit of the block exemption may depend on whether a supplier provides its distributors with motor vehicles with specifications identical to those sold in other Member States for sale to consumers from those countries (the so-called 'availability clause') <sup>(3)</sup>.

(51) For the purposes of the application of the Block Exemption Regulations, and in particular as regards the application of Article 4(c) of the General Vertical Block Exemption Regulation, the notion of 'end users' includes leasing companies. This means in particular that distributors in selective distribution systems may not be prevented from selling new motor vehicles to leasing companies of their choice. However, a supplier using selective distribution may prevent its distributors from selling new motor vehicles to leasing companies when there is a verifiable risk that those companies will resell them while still new. A supplier can therefore require a dealer to check, before selling to a particular company, the general leasing conditions applied so as to verify that the company in question is indeed a leasing company rather than an unauthorised reseller. However, an obligation on a dealer to provide its supplier with copies of each leasing agreement before the dealer sells a motor vehicle to a leasing company could amount to an indirect restriction on sales.

(52) The notion of 'end users' also encompasses consumers who purchase through an intermediary. An intermediary is a person or an undertaking which purchases a new motor vehicle on behalf of a named consumer without being a member of the distribution network. Those operators perform an important role in the

<sup>(2)</sup> Commission Decision 98/273/EC of 28 January 1998 in Case IV/35.733 — *VW*, Commission Decision 2001/146/EC of 20 September 2000 in Case COMP/36.653 — *Opel*, OJ L 59, 28.2.2001, p. 1, Commission Decision 2002/758/EC of 10 October 2001 in Case COMP/36.264 — *Mercedes-Benz*, OJ L 257, 25.9.2002, p. 1, Commission Decision 2006/431/EC of 5 October 2005 in Cases F-2/36.623/36.820/37.275 — *SEP et autres/Peugeot SA*.

<sup>(3)</sup> Joined Cases 25 and 26/84 *Ford-Werke AG and Ford of Europe Inc. v Commission of the European Communities*, [1985] ECR 2725.

motor vehicle sector, in particular by facilitating consumers' purchases of motor vehicles in other Member States. Evidence of intermediary status should as a rule be established by a valid mandate including the name and address of the consumer obtained prior to the transaction. The use of the Internet as a means to attract customers in relation to a given range of motor vehicles and collect electronic mandates from them does not affect intermediary status. Intermediaries are to be distinguished from independent resellers, which purchase motor vehicles for resale and do not operate on behalf of named consumers. Independent resellers are not to be considered as end users for the purposes of the Block Exemption Regulations.

(ii) *The assessment of selective distribution outside the scope of the Block Exemption Regulations*

- (53) As paragraph 175 of the General Vertical Guidelines explains, the possible competition risks brought about by selective distribution are a reduction in intra-brand competition and, especially in case of cumulative effect, foreclosure of certain type(s) of distributors and facilitation of collusion between suppliers or buyers.
- (54) To assess the possible anti-competitive effects of selective distribution under Article 101(1) of the Treaty, a distinction needs to be made between purely qualitative selective distribution and quantitative selective distribution. As pointed out in paragraph 43, qualitative selective distribution is normally not caught by Article 101(1) of the Treaty.
- (55) The fact that a network of agreements does not benefit from the block exemption because the market share of one or more of the parties is above the 30 % threshold for exemption does not imply that such agreements are illegal. Instead, the parties to such agreements need to subject them to an individual analysis to check whether they fall under Article 101(1) of the Treaty and, if so, whether they may nonetheless benefit from the exception in Article 101(3) of the Treaty.
- (56) As regards the specificities of new motor vehicle distribution, quantitative selective distribution will generally satisfy the conditions laid down in Article 101(3) of the Treaty if the parties' market shares do not exceed 40 %. However, the parties to such agreements should bear in mind that the presence of particular selection standards could have an effect on whether their agreements satisfy the conditions laid down in Article 101(3) of the Treaty. For instance, although the use of location clauses in selective distribution agreements for new motor vehicles, that is to say agreements containing a prohibition on a member of a selective distribution system from operating out of an unauthorised place of establishment, will usually bring efficiency benefits in the form of more efficient logistics and predictable network coverage, those benefits may be outweighed by disadvantages if the market share of the supplier is very high, and in those circumstances such clauses might not be able to benefit from the exception in Article 101(3) of the Treaty.
- (57) Individual assessment of selective distribution for authorised repairers also raises specific issues. Insofar as a market exists<sup>(1)</sup> for repair and maintenance services that is separate from that for the sale of new motor vehicles, this is considered to be brand-specific. On that market, the main source of competition results from the competitive interaction between independent repairers and authorised repairers of the brand in question.
- (58) Independent repairers in particular provide vital competitive pressure, as their business models and their related operating costs are different from those in the authorised networks. Moreover, unlike authorised repairers, which to a large extent use car manufacturer-branded parts, independent garages generally have greater recourse to other brands, thereby allowing a motor vehicle owner to choose between competing parts. In addition, given that a large majority of repairs for newer motor vehicles are currently carried out in authorised repair shops, it is important that competition between authorised repairers remains effective, which may only be the case if access to the networks remains open for new entrants.
- (59) The new legal framework makes it easier for the Commission and National Competition Authorities to protect competition between independent garages and authorised repairers, as well as between the members of each authorised repairer network. In particular, the reduction in the market share threshold for exemption of qualitative selective distribution from 100 % to 30 % broadens the scope for competition authorities to act.
- (60) When assessing the competitive impact of vertical agreements on the motor vehicle aftermarkets, the parties should therefore be aware of the Commission's determination to preserve competition both between the members of authorised repair networks and between those members and independent repairers. To this end, particular attention should be paid to three specific types of

<sup>(1)</sup> In some circumstances, a system market which includes motor vehicles and spare parts together may be defined, taking into account, inter alia, the life-time of the motor vehicle as well as the preferences and buying behaviour of the users. See Commission notice on the definition of the relevant market for the purposes of Community competition law, OJ C 372, 9.12.1997, p. 5, paragraph 56. One important factor is whether a significant proportion of buyers make their choice taking into account the lifetime costs of the motor vehicle or not. For instance, buying behaviour may significantly differ between buyers of trucks who purchase and operate a fleet, and who take into account maintenance costs at the moment of purchasing the motor vehicle and buyers of individual motor vehicles. Another relevant factor is the existence and relative position of part suppliers, repairers and/or parts distributors operating in the aftermarket independently from motor vehicle manufacturers. In most cases, there is likely to be a brand-specific aftermarket, in particular because the majority of buyers are private individuals or small and medium-size enterprises that purchase motor vehicles and aftermarket services separately and do not have systematic access to data permitting them to assess the overall costs of motor vehicle ownership in advance.

conduct which may restrict such competition, namely preventing access of independent repairers to technical information, misusing the legal and/or extended warranties to exclude independent repairers, or making access to authorised repairer networks conditional upon non-qualitative criteria.

- (61) Although the following three subsections refer specifically to selective distribution, the same anti-competitive foreclosure effects could stem from other types of vertical agreements that limit, directly or indirectly, the number of service partners contractually linked to a motor vehicle manufacturer.

#### Access to technical information by independent operators

- (62) Although purely qualitative selective distribution is in general considered to fall outside Article 101(1) of the Treaty for lack of anti-competitive effects<sup>(1)</sup>, qualitative selective distribution agreements concluded with authorised repairers and/or parts distributors may be caught by Article 101(1) of the Treaty if, within the context of those agreements, one of the parties acts in a way that forecloses independent operators from the market, for instance by failing to release technical repair and maintenance information to them. In that context, the notion of independent operators includes independent repairers, spare parts manufacturers and distributors, manufacturers of repair equipment or tools, publishers of technical information, automobile clubs, roadside assistance operators, operators offering inspection and testing services and operators offering training for repairers.
- (63) Suppliers provide their authorised repairers with the full scope of technical information needed to perform repair and maintenance work on motor vehicles of their brands and are often the only companies able to provide repairers with all of the technical information that they need on the brands in question. In such circumstances, if the supplier fails to provide independent operators with appropriate access to its brand-specific technical repair and maintenance information, possible negative effects stemming from its agreements with authorised repairers and/or parts distributors could be strengthened, and cause the agreements to fall within Article 101(1) of the Treaty.
- (64) Moreover, a lack of access to necessary technical information could cause the market position of independent operators to decline, leading to consumer harm,

<sup>(1)</sup> As pointed out in paragraph 54 above, this will generally be the case on the markets for repair and maintenance as long as independent repairers provide consumers with an alternative channel for the upkeep of their motor vehicles.

in terms of a significant reduction in choice of spare parts, higher prices for repair and maintenance services, a reduction in choice of repair outlets and potential safety problems. In those circumstances, the efficiencies that might normally be expected to result from the authorised repair and parts distribution agreements would not be such as to offset these anti-competitive effects, and the agreements in question would consequently fail to satisfy the conditions laid down in Article 101(3) of the Treaty.

- (65) Regulation (EC) No 715/2007 of the European Parliament and of the Council of 20 June 2007 on type approval of motor vehicles with respect to emissions from light passenger and commercial vehicles (Euro 5 and Euro 6) and on access to vehicle repair and maintenance information<sup>(2)</sup> as well as Commission Regulation (EC) No 692/2008 of 18 July 2008 implementing and amending Regulation (EC) No 715/2007 of the European Parliament and of the Council on type-approval of motor vehicles with respect to emissions from light passenger and commercial vehicles (Euro 5 and Euro 6) and on access to vehicle repair and maintenance information<sup>(3)</sup> provide for a system for disseminating repair and maintenance information in respect of passenger cars put on the market from 1 September 2009. Regulation (EC) No 595/2009 of the European Parliament and of the Council of 18 June 2009 on type approval of motor vehicles and engines with respect to emissions from heavy duty vehicles (Euro 6) and on access to vehicle repair and maintenance information<sup>(4)</sup> and the ensuing implementing measures provide for such a system in respect of commercial vehicles put on the market from 1 January 2013. The Commission will take those Regulations into account when assessing cases of suspected withholding of technical repair and maintenance information concerning motor vehicles marketed before those dates. When considering whether withholding a particular item of information may lead the agreements at issue to be caught by Article 101(1) of the Treaty, a number of factors should be considered, including:

- (a) whether the item in question is technical information, or information of another type, such as commercial information<sup>(5)</sup>, which may legitimately be withheld;

<sup>(2)</sup> OJ L 171, 29.6.2007, p. 1.

<sup>(3)</sup> OJ L 199, 28.7.2008, p. 1.

<sup>(4)</sup> OJ L 188, 18.7.2009, p. 1.

<sup>(5)</sup> Commercial information can be thought of as information that is used for carrying on a repair and maintenance business but is not needed to repair or maintain motor vehicles. Examples include billing software, or information on the hourly tariffs practiced within the authorised network.

- (b) whether withholding the technical information in question will have an appreciable impact on the ability of independent operators to carry out their tasks and exercise a competitive constraint on the market;
- (c) whether the technical information in question is made available to members of the relevant authorised repair network; if it is made available to the authorised network in whatever form, it should also be made available to independent operators on a non-discriminatory basis;
- (d) whether the technical information in question will ultimately <sup>(1)</sup> be used for the repair and maintenance of motor vehicles, or rather for another purpose <sup>(2)</sup>, such as for the manufacturing of spare parts or tools.

(66) Technological progress implies that the notion of technical information is fluid. Currently, particular examples of technical information include software, fault codes and other parameters, together with updates, which are required to work on electronic control units with a view to introducing or restoring settings recommended by the supplier, motor vehicle identification numbers or any other motor vehicle identification methods, parts catalogues, repair and maintenance procedures, working solutions resulting from practical experience and relating to problems typically affecting a given model or batch, and recall notices as well as other notices identifying repairs that may be carried out without charge within the authorised repair network. The part code and any other information necessary to identify the correct car manufacturer-branded spare part to fit a given individual motor vehicle (that is to say the part that the car manufacturer would generally supply to the members of its authorised repair networks to repair the motor vehicle in question) also constitute technical information <sup>(3)</sup>. The lists of items set out in Article 6(2) of Regulation (EC) No 715/2007 and Regulation (EC) No 595/2009 should also be used as a guide to what the Commission views as technical information for the purposes of applying Article 101 of the Treaty.

(67) The way in which technical information is supplied is also important for assessing the compatibility of authorised

<sup>(1)</sup> Such as information supplied to publishers for resupply to motor vehicle repairers.

<sup>(2)</sup> Information used for fitting a spare part to or using a tool on a motor vehicle should be considered as being used for repair and maintenance, while information on the design, production process or the materials used for manufacturing a spare part should not be considered to fall within this category, and may therefore be withheld.

<sup>(3)</sup> The independent operator should not have to purchase the spare part in question to be able to obtain this information.

repair agreements with Article 101 of the Treaty. Access should be given upon request and without undue delay, the information should be provided in a usable form, and the price charged should not discourage access to it by failing to take into account the extent to which the independent operator uses the information. A supplier of motor vehicles should be required to give independent operators access to technical information on new motor vehicles at the same time as such access is given to its authorised repairers and should not oblige independent operators to purchase more than the information necessary to carry out the work in question. Article 101 of the Treaty does not, however, oblige a supplier to provide technical information in a standardised format or through a defined technical system, such as the CEN/ISO standard and the OASIS format as provided for by Regulation (EC) No 715/2007 and Commission Regulation (EC) No 295/2009 of 18 March 2009 concerning the classification of certain goods in the Combined Nomenclature <sup>(4)</sup>.

(68) The above considerations also apply to the availability of tools and training to independent operators. 'Tools' in this context includes electronic diagnostic and other repair tools, together with related software, including periodic updates thereof, and after-sales services for such tools.

#### Misuse of warranties

(69) Qualitative selective distribution agreements may also be caught by Article 101(1) of the Treaty if the supplier and the members of its authorised network explicitly or implicitly reserve repairs on certain categories of motor vehicles to the members of the authorised network. This might happen, for instance, if the manufacturer's warranty vis-à-vis the buyer, whether legal or extended, is made conditional on the end user having repair and maintenance work that is not covered by warranty carried out only within the authorised repair networks. The same applies to warranty conditions which require the use of the manufacturer's brand of spare parts in respect of replacements not covered by the warranty terms. It also seems doubtful that selective distribution agreements containing such practices could bring benefits to consumers in such a way as to allow the agreements in question to benefit from the exception in Article 101(3) of the Treaty. However, if a supplier legitimately refuses to honour a warranty claim on the grounds that the situation leading to the claim in question is causally linked to a failure on the part of a repairer to carry out a particular repair or maintenance operation in the correct manner or to the use of poor quality spare parts, this will have no bearing on the compatibility of the supplier's repair agreements with the competition rules.

<sup>(4)</sup> OJ L 95, 9.4.2009, p. 7.

#### Access to authorised repairer networks

- (70) Competition between authorised and independent repairers is not the only form of competition that needs to be taken into account when analysing the compatibility of authorised repair agreements with Article 101 of the Treaty. Parties should also assess the degree to which authorised repairers within the relevant network are able to compete with one another. One of the main factors driving this competition relates to the conditions of access to the network established under the standard authorised repairer agreements. In view of the generally strong market position of networks of authorised repairers, their particular importance for owners of newer motor vehicles, and the fact that consumers are not prepared to travel long distances to have their cars repaired, the Commission considers it important that access to the authorised repair networks should generally remain open to all firms that meet defined quality criteria. Submitting applicants to quantitative selection is likely to cause the agreement to fall within Article 101(1) of the Treaty.
- (71) A particular case arises when agreements oblige authorised repairers to also sell new motor vehicles. Such agreements

are likely to be caught by Article 101(1) of the Treaty, since the obligation in question is not required by the nature of the contract services. Moreover, for an established brand, agreements containing such an obligation would not normally be able to benefit from the exception in Article 101(3) of the Treaty, since the impact would be to severely restrict access to the authorised repair network, thereby reducing competition without bringing corresponding benefits to consumers. However, in certain cases, a supplier wishing to launch a brand on a particular geographic market might initially find it difficult to attract distributors willing to make the necessary investment unless they could be sure that they would not face competition from 'stand-alone' authorised repairers that sought to free-ride on these initial investments. In those circumstances, contractually linking the two activities for a limited period of time would have a pro-competitive effect on the motor vehicle sales market by allowing a new brand to launch, and would have no effect on the potential brand-specific repair market, which would in any event not exist if the motor vehicles could not be sold. The agreements in question would therefore be unlikely to be caught by Article 101(1) of the Treaty.

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