

Thank you to the Chairman and to the committee members for the opportunity to testify today. Experian Automotive is a division of Experian Information Solutions, Inc., a global information solutions company. Experian has received bulk motor vehicle title and registration files from all fifty-one US jurisdictions for over twenty-five years. We are one of only two entities to have a truly national title and registration database.

The data we receive is highly regulated by both federal and state law as well as by contract and our potential uses of the data are therefore also restricted. Among our permitted uses of the data are compiling aggregate statistical reports for the automotive industry, producing AutoCheck vehicle history reports for used car buyers, and most importantly assisting manufacturers in notifying owners of vehicles affected by safety recalls. Experian does not disclose motor vehicle data for marketing or solicitations. I'm sure you're all familiar with the annoying extended warranty mailers that come in the mail and I can assure you that Experian does not disclose or sell motor vehicle data for those or any other solicitations.

The price increase implemented by the Secretary of State in April, 2021 raised the cost of a motor vehicle record from 1.6 cents to 7 cents. This is an increase of over 300% that results in a \$1.1 million overall increase in the annual cost of data. This is far higher than the value of this data. The national average is near 2.5 cents per record while the average of the other six upper Midwest states is under 2 cents per record. The current year budget bill lowered the price to 3.5 cents per record, but even that number is too high and is only assured for until October.

A price increase of this magnitude has the potential to dramatically impact public safety. It would force Experian to reconsider the data we purchase to bring down the total cost. We may need to cut back partially or entirely on the data we buy in Michigan, which would degrade the accuracy and quality of our products. This would significantly impact driver safety and consumer convenience. Some examples include:

- Safety recall notices may not be delivered to the correct person or may be delayed.
- Poor statistical analysis would impact the efficacy of recall campaigns due to the misallocation of repair parts.
- These statistical reports also impact the distribution and stocking of aftermarket parts, which consumers rely on for quick vehicle repairs.
- Used car buyers may miss dangerous problems with a car, such as derogatory brands, odometer rollback, and vehicle cloning, if AutoCheck vehicle history reports do not display complete and current state data.

Reducing or eliminating the records purchased from a state DMV is an absolute last resort for Experian as we strive to provide our clients with the most accurate and current information. However, we simply cannot absorb such a massive cost increase that is out of line with the value of this data. Experian has had a strong and mutually beneficial relationship with the Michigan Secretary of State for decades. We have been engaged with their office on this issue for many months now and are committed to continue working with them on a solution that would be acceptable to both parties. We support the reasonable price increase proposed in this bill.