

dealers could hang Buyers Guides from the rear view mirror or place them under the windshield wipers or hang them from exterior side view mirrors. These options allow consumers to view the Buyers Guide easily. Putting Buyers Guides in glove boxes or on the floor or in the trunk will not satisfy the requirement that the Buyers Guide be in plain sight and conspicuous.

Question Thirteen

What changes to the format of the Buyers Guide should be considered in order to reduce compliance costs or burdens? Would such changes have any detrimental effect on the benefits provided by the Rule? Is there any empirical or other evidence to support opinions that such changes would or would not have a detrimental effect on benefits?

i. *Summary of Comments.* Some comments recommended that the Buyers Guide should be maintained in its present form.¹²¹ Others stated that the format of the Buyers Guide should be changed, but none provided empirical evidence in support of their assertions. For example, Reynolds & Reynolds suggested allowing the Buyers Guide to be merged with other required forms. It stated that the Buyers Guide could be combined with the state lemon laws and refund rights acts forms. The result would be a form with larger dimensions. While the combined form would be higher priced, the overall cost of complying with the multiple laws would be lowered.¹²²

Both NADA and NIADA recommended that the Rule allow some flexibility in the format requirements of the Buyers Guide.¹²³ Specifically, NIADA suggested that reducing the size requirement of the Buyers Guide to 7" x 5" would be useful because it would minimize the window blockage in compact cars and pickup trucks, and thus reduce what it termed a driving safety hazard.¹²⁴ NIADA contended that

the present Buyers Guide contains much empty space "that could be eliminated without destroying the eye catching qualities it now has."¹²⁵ NIADA also suggested putting the dealer's name and address on the front of the Buyers Guide so that the entire form could be easily filled in using an office computer printer. In addition it suggested that the language "RECEIPT OF ORIGINAL COPY ACKNOWLEDGED" and a signature line be placed on the front of the Buyers Guide.

NCLC, along with Iowa Attorney General,¹²⁶ opposed changing the format of the Buyers Guide, stating:

It is important to keep the Buyers Guide at its current size and not to make it smaller. It must be prominent in order to be noticed by consumers so that the buyer can negotiate with the dealer over the terms on the Buyers Guide and know exactly what is provided in terms of warranties. Some of the type on the back of the Buyers Guide, indicating systems to check, is already very small.¹²⁷

ii. *Discussion.* The Commission has decided not to modify the present size or format of the Buyers Guide. The only argument for reducing the size of the Buyers Guide is that the current size of the Buyers Guide may present a safety hazard during test drives. It is difficult to imagine that dealers would forego the option of temporarily removing Guides during test drives, if a true safety hazard existed. However, if such a hazard existed, it seems unlikely that reducing the dimensions of the Buyers Guide to 5" x 7" would significantly lessen the hazard. The Commission's amendment to allow conspicuous posting anywhere in the vehicle is likely to better address this issue than reducing the size of the Buyers Guide.

The Commission requested empirical evidence to support any proposed modifications to the size or format because, during the original rulemaking proceeding, considerable effort was expended to design a form that communicates information effectively to consumers. To evaluate the effectiveness of the Buyers Guide during the rulemaking, a series of copy comprehension tests were conducted. According to the SBP for the Rule, the results of the copy testing were incorporated into the final design of the Buyers Guide that the Commission adopted in May 1981.¹²⁸ Although the

some commenters claim that removing Buyers Guides for test drives and re-posting them afterwards is burdensome.

¹²⁵ *Id.*

¹²⁶ B-15 at 7.

¹²⁷ B-23 at 4.

¹²⁸ SBP at 45709. The Commission announced the earlier version of the rule in 46 FR 41328 (1981). The 1981 Buyers Guide included information about

copy testing was done on prior versions of the Buyers Guide, which differed from the Buyers Guide now in use, those comprehension tests were relevant to the design of the revised format the Commission adopted in 1984. Based on those tests, certain changes to the Buyers Guide were implemented which carried through to the current version.¹²⁹

Further, the size of the Buyers Guide was the subject of comments filed in response to the Commission's July 31, 1984 Federal Register Notice soliciting comment on a Baseline Study of the Rule and the Commission's tentative decision to adopt a revised rule. For example, NADA requested that the size of the form be reduced from 12 inches high by 7¼ inches wide to 6 x 8 inches. Following its review, the Commission concluded that the format and type size required by the Rule would easily fit onto a 7¼ x 11 sheet. Therefore, to avoid unnecessary costs, the Commission revised the Rule to require a form no smaller than 11 inches high by 7¼ inches wide. The Commission rejected NADA's proposal to reduce the form to the 6 x 8 size because the type sizes required by the Rule would have to be reduced to fit on the smaller sheet, making the Buyers Guide difficult to read. The final Rule the Commission published required a Buyers Guide no smaller than 11 inches high by 7¼ wide.¹³⁰

Under these circumstances, the Commission has determined not to change the format of the Buyers Guide without copy testing or other reliable information showing that a reduced or revised Buyers Guide would be as easy to read and comprehend as the current Buyers Guide. For example, taking out the white space, as NIADA suggests, could reduce the effectiveness of the Buyers Guides. The empty space on the Buyers Guide was planned to make information stand out and to avoid making the form a jumble of information. For the same reasons, the Commission is also rejecting the suggestion that the format of the Buyers Guide be modified to incorporate other required forms.¹³¹

the condition of major mechanical and safety systems of the car, which the Commission decided to omit in 1984.

¹²⁹ For example, based on the testing, the Commission increased the type size of the warning against relying on spoken promises, and prefaced it with the bold-face heading, "Important."

¹³⁰ 16 CFR 455.2(a)(2).

¹³¹ Recent Commission research also suggests that the consolidation of labels may result in information overload. See Report to Congress by the Federal Trade Commission, Study of a Uniform National Label for Devices that Dispense Fuel to Consumers, pp. 27-30 (Oct. 1993).

¹²¹ Iowa Attorney General, B-15 at 7.

¹²² B-20 at 1. Reynolds & Reynolds suggested that additional information could be printed on the form (i.e., standard warranty coverage) in order to save dealers from having to fill out a new form for each vehicle. There is, however, no prohibition against pre-printing information on the Buyers Guide.

¹²³ The Rule requires that the Buyers Guide conform to the exact wording, type style, type size, and format specified by the Rule. See Section 455.2(a)(2) of the Rule. Among other things, the Rule specifies that the form must be printed on white stock no less than 11 inches high by 7¼ inches wide. NADA stated that while the Buyers Guide does an adequate job of communicating information to consumers, "[t]here needs to be more flexibility regarding the size, typeface, additions, etc. to the form."

¹²⁴ B-7 at 3. The Rule provides that Buyers Guides may be removed during test drives. But,