

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION
REAUTHORIZATION ACT OF 1998

APRIL 1, 1998.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. BLILEY, from the Committee on Commerce,
submitted the following

REPORT

[To accompany H.R. 2691]

[Including cost estimate of the Congressional Budget Office]

The Committee on Commerce, to whom was referred the bill
(H.R. 2691) to reauthorize and improve the operations of the Na-
tional Highway Traffic Safety Administration, having considered
the same, report favorably thereon with an amendment and rec-
ommend that the bill as amended do pass.

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The amendment is as follows:
Strike out all after the enacting clause and insert in lieu thereof
the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “National Highway Traffic Safety Administration Reauthorization Act of 1998”.

SEC. 2. AUTHORIZATIONS OF APPROPRIATIONS.

(a) **MOTOR VEHICLE SAFETY ACTIVITIES.**—Section 30104 of title 49, United States Code, is amended to read as follows:

“§ 30104. Authorization of appropriations

“There is authorized to be appropriated to the Secretary \$81,200,000 for the National Highway Traffic Safety Administration to carry out this part in each fiscal year beginning in fiscal year 1999 and ending in fiscal year 2001.”.

(b) **MOTOR VEHICLE INFORMATION ACTIVITIES.**—Section 32102 of title 49, United States Code, is amended to read as follows:

“§ 32102. Authorization of appropriations

“There is authorized to be appropriated to the Secretary \$6,200,000 for the National Highway Traffic Safety Administration to carry out this part in each fiscal year beginning in fiscal year 1999 and ending in fiscal year 2001.”.

SEC. 3. RESTRICTIONS ON LOBBYING ACTIVITIES.

(a) **AMENDMENT.**—Subchapter I of chapter 301 of title 49, United States Code, is amended by adding at the end the following:

“§ 30105. Restriction on lobbying activities

“No funds appropriated to the Secretary pursuant to section 30104 or 32102 may be available for any activity specifically designed to urge a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any State or local legislature.”.

(b) **CLERICAL AMENDMENT.**—The table of contents in subchapter I of chapter 301 of title 49, United States Code, is amended by adding at the end the following:

“30105. Restriction on lobbying activities.”.

SEC. 4. RISK AND BENEFIT DISCLOSURE.

(a) **IN GENERAL.**—Within one year of the date of the enactment of this Act, the Secretary of Transportation shall communicate to the public information regarding the reasonable risks and benefits of any major device or element of design to be installed on or in a motor vehicle or motor vehicle equipment in compliance with a motor vehicle safety standard issued under section 30111 of title 49, United States Code, determined by the Secretary to be important to the protection of motor vehicle occupants.

(b) **NOTICE AND COMMENT.**—In carrying out subsection (a), the Secretary of Transportation shall provide notice that the Secretary is considering the means for carrying out subsection (a) and shall provide opportunity for comment on—

(1) the extent to which the information to be communicated under subsection

(a) can be communicated in a manner which is scientifically objective and which relies upon scientific findings; and

(2) the extent to which such information can be made available to consumers in a clear and easily understandable format through the Internet, public libraries, and such other means as the Secretary may deem appropriate.

(c) **NO REQUIREMENT.**—Unless the Secretary of Transportation determines that it is essential to ensuring motor vehicle safety, the Secretary may not require a manufacturer or distributor to distribute any statement of reasonable risks and benefits which the Secretary is to communicate under subsection (a).

SEC. 5. OCCUPANT PROTECTION PREFERENCES.

Section 30111 of title 49, United States Code is amended by inserting after subsection (e) the following:

“(f) **SPECIAL CONSIDERATIONS RELATING TO OCCUPANT PROTECTION.**—When prescribing or revising a motor vehicle safety standard under this section or section 30127 relating to the protection of motor vehicle occupants under this chapter, the Secretary shall, to the extent relevant and practicable, design such standard to protect improperly restrained and positioned occupants only to the extent that such a design would not substantially increase the risk of injury to properly restrained and positioned occupants.”.

SEC. 6. ODOMETERS.

(a) **TRANSFERS OF NEW MOTOR VEHICLES.**—Section 32705(a) of title 49, United States Code, is amended by adding at the end the following:

“(4)(A) This subsection shall apply to all transfers of motor vehicles (unless otherwise exempted by the Secretary by regulation), except in the case of transfers of new motor vehicles from a vehicle manufacturer jointly to a dealer and a person engaged in the business of renting or leasing vehicles for a period of 30 days or less.

“(B) For purposes of subparagraph (A), the term ‘new motor vehicle’ means any motor vehicle driven with no more than the limited use necessary in moving, transporting, or road testing such vehicle prior to delivery from the vehicle manufacturer to a dealer, but in no event shall the odometer reading of such vehicle exceed 300 miles.”.

(b) EXEMPTED VEHICLES.—Section 32705(a) of title 49, United States Code, as amended by subsection (a), is amended by adding at the end the following new paragraph:

“(5) The Secretary may exempt such classes or categories of vehicles as the Secretary deems appropriate from these requirements. Until such time as the Secretary amends or modifies the regulations set forth in 49 CFR 580.6, such regulations shall have full force and effect.”.

SEC. 7. INTERNATIONAL HARMONIZATION.

(a) AMENDMENT.—Subchapter III of chapter 301 of title 49, United States Code, is amended by adding at the end the following:

“§ 30148. International motor vehicle safety outreach

“(a) ACTIVITIES.—The Secretary is authorized, in consultation with the Secretaries of State and Commerce where appropriate, to engage in activities that improve worldwide motor vehicle safety through appropriate activities. Such activities may include—

“(1) promoting the adoption of international and national vehicle standards that are harmonized with, functionally equivalent to, or compatible with United States vehicle standards;

“(2) participating in efforts to foster an international acceptance of globally harmonized or functionally equivalent or compatible motor vehicle regulations and standards to otherwise improve international highway and motor vehicle safety;

“(3) promoting international cooperative programs for conducting research, development, demonstration projects, training, and other forms of technology transfer and exchange, including safety conferences, seminars, and expositions to enhance international motor vehicle safety; and

“(4) providing technical assistance to other countries relating to their adoption of United States vehicle regulations or standards functionally equivalent to United States vehicle standards.

“(b) COOPERATION.—The Secretary may carry out the authority granted by this section, in cooperation with appropriate United States Government agencies, any State or local agency, and any authority, association, institution, corporation (profit or nonprofit), foreign government, multinational institution, or any other organization or person.

“(c) CONSIDERATION.—When engaging in activities to improve worldwide motor vehicle safety, the Secretary shall ensure that these activities maintain or improve the level of safety of motor vehicles and motor vehicle equipment sold in the United States.

“(d) PUBLIC MEETINGS AND INFORMATION.—To ensure public awareness of, and opportunity to comment on, decision-making meetings concerning the adoption of a globally harmonized motor vehicle regulation or standard, described in subsection (a)(2), by an international body or representatives of any foreign nation the Secretary shall—

“(1) not less than quarterly, provide notice of, and hold a public meeting to receive comments on the subject matter of, any decision-making meetings scheduled to be held with an international body or representatives of any foreign nation before the next public meeting required to be held under this paragraph; and

“(2) make available to the public any relevant information and records, including any proposed text, concerning the matter of any decision-making meetings scheduled with an international body or representatives of any foreign nation as those materials become available.”.

(b) CLERICAL AMENDMENT.—The table of contents in subchapter III of chapter 301 of title 49, United States Code, is amended by adding at the end the following:

“30148. International motor vehicle safety outreach.”.

SEC. 8. MISCELLANEOUS AMENDMENTS.

(a) **NOTIFICATION OF DEFECTS AND NONCOMPLIANCE.**—Sections 30118(d) and 30120(h) of title 49, United States Code, are each amended by striking the second sentence.

(b) **REMEDIES FOR DEFECTS AND NONCOMPLIANCE.**—Section 30120(i)(1) of title 49, United States Code, is amended by inserting “(including retailers of motor vehicle equipment)” after “dealer” the first time it appears.

(c) **TIRES.**—Section 30123 of title 49, United States Code, is amended by striking subsections (a), (b), and (c) and by redesignating subsections (d), (e), and (f), as subsections (a), (b), and (c), respectively.

(d) **AUTOMATIC OCCUPANT CRASH PROTECTION AND SEAT BELT USE.**—Section 30127(g)(1) of title 49, United States Code, is amended by striking “every 6 months” and inserting “annually”.

(e) **MISCELLANEOUS.**—

(1) **DEFINITIONS.**—

(A) **COUNTRY OF ORIGIN.**—Section 32304(a)(3)(B) of title 49, United States Code, is amended by inserting before the period the following: “, plus the assembly and labor costs incurred for the final assembly of such engines and transmissions”.

(B) **FINAL ASSEMBLY PLACE.**—Section 32304(a)(5) of title 49, United States Code, is amended by adding at the end the following: “Such term does not include facilities for engine and transmission fabrication and assembly and the facilities for fabrication of motor vehicle equipment component parts which are produced at the same final assembly place using forming processes such as stamping, machining, or molding processes.”.

(C) **OUTSIDE SUPPLIER CONTENT REPORTING.**—Section 32304(a)(9)(A) of title 49, United States Code, is amended to read as follows:

“(A) for an outside supplier—

“(i) the full purchase price of passenger motor vehicle equipment whose purchase price contains at least 70 percent value added in the United States and Canada; or

“(ii) that portion of the purchase price of passenger motor vehicle equipment containing less than 70 percent value added in the United States and Canada that is attributable to the percent value added in the United States and Canada when such percent is expressed to the nearest 5 percent; and”.

(2) **COUNTRY OF ASSEMBLY.**—Section 32304(d) of title 49, United States Code, is amended by adding at the end the following: “A manufacturer may add to the label required under subsection (b) a line stating the country in which vehicle assembly was completed.”.

(3) **VEHICLE CONTENT PERCENTAGE BY ASSEMBLY PLANT.**—Section 32304 of title 49, United States Code, is amended by redesignating subsections (c) through (f) as subsections (f) through (i), respectively, and by adding after subsection (b) the following:

“(c) **VEHICLE CONTENT PERCENTAGE BY ASSEMBLY PLANT.**—A manufacturer may display separately on the label required by subsection (b) the domestic content of a vehicle based on the country in which the assembly plant is located. Such display shall occur after the matter required to be in the label by subsection (b)(1)(A).”.

(4) **SUPPLIERS FAILING TO REPORT.**—Section 32304 of title 49, United States Code, is amended by adding after subsection (c), as added by paragraph (3), the following:

“(d) **VALUE ADDED DETERMINATION.**—If a manufacturer or allied supplier requests information in a timely manner from one or more of its outside suppliers concerning the U.S./Canadian content of particular equipment, but does not receive that information despite a good faith effort to obtain it, the manufacturer or allied supplier may make its own good faith value added determinations, subject to the following:

“(1) The manufacturer or allied supplier shall make the same value added determinations as would be made by the outside supplier, that is, whether 70 percent or more of the value of equipment is added in the United States and/or Canada.

“(2) The manufacturer or allied supplier shall consider the amount of value added and the location in which the value was added for all of the stages that the outside supplier would be required to consider.

“(3) The manufacturer or allied supplier may determine that the value added in the United States and/or Canada is 70 percent or more only if it has a good faith basis to make that determination.

“(4) A manufacturer and its allied suppliers may, on a combined basis, make value added determinations for no more than 10 percent, by value, of a carline’s total parts content from outside suppliers.

“(5) Value added determinations made by a manufacturer or allied supplier under this paragraph shall have the same effect as if they were made by the outside supplier.

“(6) This provision does not affect the obligation of outside suppliers to provide the requested information.”.

(5) ACCOUNTING FOR THE VALUE OF SMALL PARTS.—Section 32304 of title 49, United States Code, is amended by adding after subsection (d), as added by paragraph (4), the following:

“(e) SMALL PARTS.—The country of origin of nuts, bolts, clips, screws, pins, braces, gasoline, oil, blackout, phosphate rinse, windshield washer fluid, fasteners, tire assembly fluid, rivets, adhesives, grommets, and any system, subassembly, or component installed in a vehicle shall be considered to be the country in which such parts were included in the final assembly of such vehicle.”.

(f) STUDY.—The National Highway Traffic Safety Administration shall conduct a study of the benefits to motor vehicle drivers of a regulation to require the installation in a motor vehicle of an interior device to release the trunk lid. Not later than 18 months after the date of the enactment of this Act, the Administration shall submit a report on the results of the study to the Committee on Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate.

SEC. 9. IMPORTATION OF MOTOR VEHICLE FOR SHOW OR DISPLAY.

(a) IMPORTATION OF NONCOMPLYING MOTOR VEHICLES.—Section 30114 of title 49, United States Code, is amended by striking “or competitive racing events” and inserting “competitive racing events, show, or display”.

(b) TRANSITION RULE.—A person who is the owner of a motor vehicle located in the United States on the date of enactment of this Act may seek an exemption under section 30114 of title 49, United States Code, as amended by subsection (a) of this section, for a period of 6 months after the date regulations of the Secretary of Transportation promulgated in response to such amendment take effect.

PURPOSE AND SUMMARY

H.R. 2691, the National Highway Traffic Safety Administration Reauthorization Act of 1998, reauthorizes and improves the operations of the National Highway Traffic Safety Administration (NHTSA). The legislation authorizes appropriations, places a restriction on the ability of the Agency to lobby State and local legislators, directs the Agency to publicize information regarding the risks and benefits of safety equipment, provides decision criteria for occupant protection standards, authorizes certain activities to harmonize domestic and international motor vehicle safety standards, amends the American Automobile Labeling Act (49 U.S.C. § 32304), and also makes other miscellaneous and technical amendments to the NHTSA’s authorizing statutes.

BACKGROUND AND NEED FOR LEGISLATION

In 1966, Congress enacted the National Traffic and Motor Vehicle Safety Act (P.L. 89–563) to reduce traffic accidents, and the deaths and injuries resulting from those accidents. As part of that mission, the Secretary of Transportation was given authority to establish appropriate motor vehicle safety standards. In 1970, Congress enacted the Federal Highway Act of 1970 (P.L. 91–605), which formally established the National Highway Traffic Safety Administration, the agency with the day-to-day responsibility for reducing the deaths, injuries, and economic losses resulting from motor vehicle accidents.

There continue to be an average of approximately 40,000 fatalities each year involving motor vehicles. There are approximately another 1,650 injuries per 100,000 registered vehicles each year. These injuries and fatalities continue to place a strain on both public and private emergency and medical resources.

NHTSA currently has 625 full-time equivalents (FTEs) and an annual budget for Fiscal Year 1997 of just over \$300 million. NHTSA was last authorized in the 1991 Conference Report on the Intermodal Surface Transportation Efficiency Act (ISTEA) (H. Rpt. 102-404; P.L. 102-240). That authorization expired at the end of Fiscal Year 1995.

Since 1991, motor vehicle safety has become an increasingly important issue to American consumers. The ability of vehicles to protect occupants in crashes—and to avoid crashes altogether—has become progressively more important to consumers as they make purchasing decisions about motor vehicles. Where once safety features were an afterthought, manufacturers are now actively competing on the basis of the ability of their cars to protect occupants from injury.

One of the ways in which the 1991 ISTEA Conference Report attempted to address this desire for safety was a provision requiring that by September 1, 1997, all new passenger cars must be equipped with air bags on both the passenger and the driver side, and that by September 1, 1998, all new multipurpose passenger vehicles, such as sport utility vehicles and minivans, must be similarly equipped. As of February 1, 1998, NHTSA estimates that 2,844 people have been saved by air bags in motor vehicle crashes. Tragically, however, there have also been 91 deaths associated with air bag deployments, including 51 children. Of the 40 adults killed by air bag deployments, only 12 were properly restrained. And of the 51 children, 12 were in rear-facing child seats positioned in front of the passenger side air bag; of the other 39, not one was properly restrained by a seat belt or child seat.

In response to the injuries attributed to air bags, the Committee on Commerce gathered information about air bag deployments and the potential for injury, as well as NHTSA's response to the problem. In doing so, the Committee received testimony from experts associated with the Administration, consumer groups, the insurance industry, and automobile manufacturers.

The Committee found that the consensus among the experts is that the single best protection against injuries from air bags is a driver who ensures that he or she and all passengers are properly restrained and positioned. All vehicle occupants must wear seat belts and children must be secured in an appropriate child restraint. All children under 12 years of age should ride in the back of the vehicle, and a child in a rear-facing child restraint should never be placed in front of an active air bag. Front seat passengers and drivers should both sit at least 10 inches back from an air bag. The evidence indicates that when these simple rules are followed, the risk of injury from an air bag deployment is minimal.

However, there were two areas that the Committee found sufficiently troubling to warrant direct attention. The first is a widespread impression among the public that air bags deployed in a manner that posed no risk of injury to occupants. While the infor-

mation regarding the risk of injury from an air bag deployment has been available for some time, it is clear that this information has not been readily accessible to consumers. In order to mitigate this problem in the future, particularly as NHTSA works with manufacturers to develop the next generation of passive restraint technology, the legislation directs NHTSA to begin disclosing to the public the reasonable risks and benefits of various major safety devices or systems intended to protect occupants.

The second area of concern is the allegation that the motor vehicle safety standard (MVSS) governing air bags was unintentionally placing belted occupants at a greater risk of injury in order to protect unbelted occupants. The current testing standard contained in MVSS 208 requires that two tests be performed to ensure that air bag systems meet the performance standard. The first test requires that a dummy representing an average-sized male be protected while the dummy is restrained by a properly fastened seat belt. The second test requires that a dummy representing an average-sized male be protected in a crash while completely unrestrained. Some argued that the second test requires an air bag to deploy with such force that it inadvertently increases the risk of injury to some properly belted passengers.

The Committee has consistently emphasized the importance of seat belts to the safety of motor vehicle occupants. The Committee was concerned that, in an effort to maximize protection for unrestrained occupants, the current standard had the unintentional effect of increasing the risk to occupants who took the affirmative step of wearing a seat belt. This is not an acceptable trade-off. Therefore, the Committee has included language directing the Secretary of Transportation (the Secretary) to maximize protection of unbelted occupants only to the extent that such protection would not substantially increase the risk of injury to belted occupants.

In reviewing NHTSA's operations since the last time the Agency was reauthorized, the Committee also noted other areas of concern. For instance, the Committee obtained a copy of a contract from NHTSA which purchased services to "produce a media package that presents the injury prevention and economic benefits of enacting mandatory motorcycle helmet laws for all riders, entitled 'Motorcycle Helmet Legislative Technical Assistance'" (Contract No. DTNH22-96-C-05128, dated Sep. 23, 1996, issued by DOT/NHTSA). In Section C of the aforementioned contract, NHTSA stated that an objective of the contract was to develop information that would "be used to provide technical assistance *in order to defeat repeal efforts of existing laws.*" (emphasis added)

Currently, 18 U.S.C. § 1913 prohibits the use of

money appropriated by any enactment of Congress * * *
to pay for [any activity] intended or designed to influence
in any manner any Member of Congress, to favor or oppose,
by vote or otherwise, any legislation or appropriation
by Congress. * * *

This provision was enacted in 1919 to prohibit the use of taxpayer dollars for lobbying elected Federal officials. While NHTSA has an important responsibility to ensure that legislators at the Federal, State, and local levels all have complete information about the ben-

efits of particular safety policies, the Committee believes that taxpayers are no more inclined to permit Federal agencies to lobby independently elected State and local officials than they are to permit those same agencies to lobby Members of Congress.

Given the language contained in the aforementioned contract, the Committee believed that it was necessary to clearly delineate acceptable and unacceptable activities for NHTSA. To that end, the Committee included language in H.R. 2691 which restricts the use of funds authorized by the legislation for activities intended to urge a State or local legislator to vote one way or another. The Committee intends that NHTSA apply the same standards to its dealings with State and local legislators that it currently must follow in its dealings with the Congress.

The Committee granted the Administration authority it requested to engage in activities to harmonize U.S. motor vehicle safety standards with safety standards established by other countries and international bodies. The Committee intends that this authority be used both to improve the level of motor vehicle safety in the United States and the competitiveness of U.S. manufacturers abroad, two goals which are not mutually exclusive. The Committee notes that this process should be carried out in conjunction with manufacturers, consumer groups, and others who have a stake in the safety of U.S. motor vehicles. The Committee included language to ensure that the Agency conducts this process in an open and transparent manner.

The Committee also considered the performance of the American Automobile Labeling Act (AALA; 49 U.S.C. §32304), a measure adopted in 1992 without any formal action on the part of this Committee.¹ Originally intended to provide consumers with accurate information about the domestic content used in the production of new cars, flaws in the AALA formula produced results which may not have accurately reflected the domestic content in the car.

Under the AALA, the label must list the following: (1) the U.S. and Canadian parts content of the vehicle; (2) the top two source countries of origin for the vehicle parts in a car line where 15 percent or more of the vehicle's parts content comes from a country other than the U.S. or Canada; (3) the location of assembly; and (4) the country of origin of the engine and transmission parts. While the categories of information required on the label are straightforward, the manner in which that information is determined is not. For instance, the current AALA formula used a "roll-up/roll-down" formula for computing the domestic content of parts produced by suppliers which were not wholly owned subsidiaries of the manufacturer, while suppliers owned by the manufacturer were permitted to use the actual value of the domestic content in the AALA calculation. This "roll-up/roll-down" formula requires that any part manufactured by such a supplier where the U.S./Canadian content of a part was less than 70 percent be counted as having zero percent domestic content for purposes of the AALA calculation. Likewise, if a part manufactured by an outside supplier had 70 percent or more domestic content, it is counted as having

¹The AALA was adopted by the Senate as an amendment to H.R. 5518, the Department of Transportation and Related Agencies Appropriations Act for Fiscal Year 1993 (P.L. 102-388) by voice vote. The House never held a hearing or a markup on this provision.

100 percent U.S./Canadian content for purposes of the AALA calculation. This led NHTSA to conclude that "The same car, with identical parts, could have a U.S./Canadian parts content as high as 53% or as low as 11% * * *" (92 Fed. Reg. 54353).

The Committee also found that the AALA discriminated against certain suppliers and manufacturers in other ways. It computes U.S./Canadian parts value for an entire carline regardless of country of assembly, so that the domestic content of cars manufactured in the United States is averaged with cars in the same carline which are manufactured overseas. It excludes final assembly labor and the value of numerous parts produced in-house by manufacturers. Further, the AALA represents a third, separate calculation of domestic content bearing no resemblance to either the existing domestic content formulas required under the Combined Average Fuel Economy (CAFE) standards or the North American Free Trade Agreement (NAFTA), which results in increased costs to manufacturers and further confusion for consumers. The language adopted by the Committee addresses some of these concerns and mitigates some of the negative effects of the original AALA formula.

The Committee also addressed a number of other miscellaneous problems which had become apparent since the last time the Agency was authorized. The legislation makes certain changes to the odometer disclosure statute; restores a provision relating to the importation of certain limited-production vehicles for show or display that was accidentally deleted during the recodification of title 49, United States Code; and eliminates or reduces certain statutory notice and reporting requirements which were of limited usefulness.

Finally, the Committee would like to note the importance of NHTSA's ongoing research activities. Work on the development of more life-like crash test dummies, including dummies which better measure the effects of crashes on children and adults of differing stature, should continue. Likewise, the Agency should continue to investigate ways in which mobile phones and vehicle crash sensors might be better integrated to ensure that authorities are able to appropriately respond to injuries in motor vehicle crashes.

The Committee believes that enactment H.R. 2691 will improve the operations of NHTSA, reduce injuries resulting from motor vehicle crashes, and improve motor vehicle safety in general.

HEARINGS

The Subcommittee on Telecommunications, Trade, and Consumer Protection held a hearing on H.R. 2691, the National Highway Traffic Safety Administration Reauthorization Act, on October 29, 1997 (Serial No. 105-52). The Subcommittee received testimony from the following witnesses: The Honorable Philip R. Recht, Deputy Administrator, National Highway Traffic Safety Administration; Mr. Barry Felrice, Director, Regulatory Affairs Department, American Automobile Manufacturers Association; Mr. George Parker, Vice-President, Engineering Affairs, Association of International Automobile Manufacturers; and The Honorable Joan Claybrook, Program Co-Chair, Advocates for Highway and Auto Safety.

The Subcommittee also held two oversight hearings in preparation for the legislation. On April 28, 1997, the Subcommittee held a hearing on Air Bags, Car Seats, and Child Safety (Serial No. 105-16) at which the Subcommittee received testimony from the following witnesses: The Honorable Ricardo Martinez, Administrator, National Highway Traffic Safety Administration accompanied by Mr. James Hedlund, Associate Administrator, Traffic Safety Programs, National Highway Traffic Safety Administration and Mr. Robert Shelton, Associate Administrator, Safety Performance Standards, National Highway Traffic Safety Administration; The Honorable Philip R. Recht, Deputy Administrator, National Highway Traffic Safety Administration; Mr. Ralph Hitchcock, Acting Associate Administrator, Research and Development, National Highway Traffic Safety Administration; Ms. Susan M. Cischke, Executive Director, Vehicle Certification, Compliance and Safety Affairs, Chrysler Corporation; Mr. Bob Lange, Engineering Director, Vehicle Methodology, Development and Labs, General Motors Corporation; Mr. Lou W. Camp, Executive Director, Automotive Safety and Engineering Standards Office, Ford Motor Company; Mr. Philip A. Hutchinson, Jr., President and CEO, Association of International Automobile Manufacturers accompanied by Mr. George Parker, Vice President, Engineering Affairs, Association of International Automobile Manufacturers; Mr. Ramsay Gillman, President, National Automobile Dealers Association; Ms. Heather Paul, Executive Director, Safe Kids Campaign accompanied by Ms. Angela Mickalide, Program Director, Safe Kids Campaign; and Ms. Janet Dewey, Executive Director, Air Bag Safety Campaign.

On May 22, 1997, the Subcommittee held a hearing on the Reauthorization of the National Highway Traffic Safety Administration (Serial No. 105-30). The Subcommittee received testimony from the following witnesses: The Honorable Andrew H. Card, Jr., President, American Automobile Manufacturers Association; Mr. George Parker, Vice President, Engineering Affairs, Association of International Automobile Manufacturers; Mr. Stephen L. Oesch, Senior Vice President, Insurance Institute for Highway Safety; Mr. Sam Kazman, Competitive Enterprise Institute; The Honorable Joan Claybrook, Program Co-Chair, Advocates for Highway and Auto Safety; The Honorable Ricardo Martinez, Administrator, National Highway Traffic Safety Administration accompanied by The Honorable Philip R. Recht, Deputy Administrator, National Highway Traffic Safety Administration.

COMMITTEE CONSIDERATION

On October 29, 1997, the Subcommittee on Telecommunications, Trade, and Consumer Protection met in open markup session and approved H.R. 2691 for Full Committee consideration, amended, by a voice vote. On March 25, 1998, the Full Committee met in open markup session and ordered H.R. 2691 reported to the House, amended, by a voice vote, a quorum being present.

ROLL CALL VOTES

Clause 2(1)(2)(B) of rule XI of the Rules of the House requires the Committee to list the recorded votes on the motion to report legis-

lation and amendments thereto. A motion by Mr. Bliley to order H.R. 2691 reported to the House, amended, was agreed to by a voice vote, a quorum being present. The following is the recorded vote, including the names of those Members voting for and against, and the voice votes taken on amendments offered to H.R. 2691.

COMMITTEE ON COMMERCE -- 105TH CONGRESS
ROLL CALL VOTE #51

BILL: H.R. 2691, National Highway Traffic Safety Administration Reauthorization Act of 1998

AMENDMENT: Amendment to the Bliley Amendment in the Nature of a Substitute by Mr. Klink re: amend the formula for Domestic Content Labeling under the American Automobile Labeling Act.

DISPOSITION: **AGREED TO**, by a roll call vote of 21 yeas to 20 nays.

| REPRESENTATIVE | YEAS | NAYS | PRESENT | REPRESENTATIVE | YEAS | NAYS | PRESENT |
|----------------|------|------|---------|----------------|------|------|---------|
| Mr. Bliley | | X | | Mr. Dingell | X | | |
| Mr. Tauzin | | X | | Mr. Waxman | | | |
| Mr. Oxley | | X | | Mr. Markey | X | | |
| Mr. Bilirakis | X | | | Mr. Hall | X | | |
| Mr. Schaefer | | X | | Mr. Boucher | | | |
| Mr. Barton | | | | Mr. Manton | X | | |
| Mr. Hastert | | | | Mr. Towns | | | |
| Mr. Upton | | X | | Mr. Pallone | X | | |
| Mr. Stearns | | | | Mr. Brown | X | | |
| Mr. Paxon | | X | | Mr. Gordon | | X | |
| Mr. Gillmor | | X | | Ms. Furse | X | | |
| Mr. Klug | | X | | Mr. Deutsch | X | | |
| Mr. Greenwood | | X | | Mr. Rush | X | | |
| Mr. Crapo | | X | | Ms. Eshoo | X | | |
| Mr. Cox | | X | | Mr. Klink | X | | |
| Mr. Deal | X | | | Mr. Stupak | X | | |
| Mr. Largent | X | | | Mr. Engel | | | |
| Mr. Burr | | X | | Mr. Sawyer | X | | |
| Mr. Bilbray | | X | | Mr. Wynn | X | | |
| Mr. Whitfield | | X | | Mr. Green | X | | |
| Mr. Ganske | | X | | Ms. McCarthy | X | | |
| Mr. Norwood | | X | | Mr. Strickland | X | | |
| Mr. White | | X | | Ms. DeGette | X | | |
| Mr. Coburn | | | | | | | |
| Mr. Lazio | | | | | | | |
| Mrs. Cubin | | X | | | | | |
| Mr. Rogan | | | | | | | |
| Mr. Shimkus | | X | | | | | |

3/25/98

VOICE VOTES

Bill: H.R. 2691, National Highway Traffic Safety Administration Reauthorization Act of 1998.

Amendment: Amendment in the Nature of a Substitute by Mr. Bliley.

Disposition: Agreed to, amended, by a voice vote.

Amendment: Amendment to the Bliley Amendment in the Nature of a Substitute by Ms. Furse re: permit the importation of motor vehicles for show or display.

Disposition: Agreed to by a voice vote.

Amendment: Amendment to the Bliley Amendment in the Nature of a Substitute by Mr. Stupak re: require the National Highway Traffic Safety Administration to complete a study of interior trunk latch releases.

Disposition: Agreed to by a voice vote.

Motion: Motion by Mr. Bliley to order H.R. 2691 reported to the House, amended.

Disposition: Agreed to by a voice vote, a quorum being present.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 2(l)(3)(A) of rule XI of the Rules of the House of Representatives, the Committee held both legislative and oversight hearings and made findings that are reflected in this report.

COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

Pursuant to clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives, no oversight findings have been submitted to the Committee by the Committee on Government Reform and Oversight.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 2(l)(3)(B) of rule XI of the Rules of the House of Representatives, the Committee finds that H.R. 2691, the National Highway Traffic Safety Administration Reauthorization Act of 1998, would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 2(l)(3)(C) of rule XI of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 30, 1998.

Hon. TOM BLILEY,
*Chairman, Committee on Commerce,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2691, the National Highway Traffic Safety Administration Reauthorization Act of 1998.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Clare Doherty (for federal costs), and Jean Wooster (for the private-sector impact).

Sincerely,

JUNE E. O'NEILL, *Director.*

Enclosure.

H.R. 2691—National Highway Traffic Safety Administration Reauthorization Act of 1998

Summary: H.R. 2691 would authorize appropriations totaling \$262 million over fiscal years 1999 through 2001 for the National Highway Traffic Safety Administration's (NHTSA's) operations and research program. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply. H.R. 2691 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA) and would impose no costs on state, local, or tribal governments. H.R. 2691 would impose new private-sector mandates, as defined by UMRA. CBO is unable to determine whether the costs of those mandates would exceed the statutory threshold.

Estimated cost to the Federal Government: H.R. 2691 would authorize the appropriation of \$87.4 million each year from 1999 through 2001 for the NHTSA operations and research program. For purposes of this estimate, CBO assumes that the entire amounts authorized in the bill will be appropriated by the start of each fiscal year. Outlay estimates are based on historical spending rates for NHTSA.

The bill would require NHTSA to complete a rulemaking on publicizing information on the risks and benefits of motor vehicle equipment and conduct a study of the benefits of a device inside the trunk to release the lid. Funding for these activities would come from amounts authorized in H.R. 2691.

The estimated budgetary impact of H.R. 2691 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

| | By fiscal years, in millions of dollars— | | | | | |
|-------------------------------------|--|------|------|------|------|------|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
| Spending Subject to Appropriation | | | | | | |
| Spending Under Current Law: | | | | | | |
| Budget Authority ¹ | 75 | 0 | 0 | 0 | 0 | 0 |
| Estimated Outlays | 91 | 45 | 23 | 13 | 6 | 5 |
| Proposed Changes: | | | | | | |
| Authorization Level | 0 | 87 | 87 | 87 | 0 | 0 |
| Estimated Outlays | 0 | 51 | 74 | 83 | 37 | 13 |

| | By fiscal years, in millions of dollars— | | | | | |
|--|--|------|------|------|------|------|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
| Spending Under H.R. 2691: | | | | | | |
| Authorization Level ¹ | 75 | 87 | 87 | 87 | 0 | 0 |
| Estimated Outlays | 91 | 96 | 97 | 96 | 43 | 18 |

¹ The 1998 level is the amount appropriated for that year.

Pay-as-you-go considerations: None.

Estimated impact on State, local, and tribal governments: H.R. 2691 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Estimated impact on the private sector: H.R. 2691 would impose new private-sector mandates, as defined by UMRA, on manufacturers and retailers of motor vehicle equipment and on domestic and foreign automobile manufacturers.

The bill would prohibit retailers of motor vehicle equipment from selling or leasing a product when a manufacturer has sent them a defect notice related to motor vehicle safety. Motor vehicle equipment includes a variety of products, ranging from child safety seats to car jacks and brake fluid. Retailers include any seller who sells such products, ranging from toy stores to auto parts stores. Because of the lack of reliable information on current retail practices, CBO is unable to estimate the direct cost of complying with this mandate.

The bill would also change the formula that is used to determine the domestic content of automobiles. That content must be shown on a label attached to the automobile. Based on information from both domestic and foreign automobile manufacturers, CBO estimates that this mandate would not impose any additional costs.

Estimate prepared by: Federal costs: Clare Doherty; impact on the private sector: Jean Wooster.

Estimate approved by: Paul N. Van de Water, Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 2(1)(4) of rule XI of the Rules of the House of Representatives, the Committee finds that the Constitutional authority for this legislation is provided in Article I, section 8, clause 3, which grants Congress the power to regulate commerce with foreign nations, among the several States, and with the Indian tribes.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or

accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

This section provides the short title for the legislation, the “National Highway Traffic Safety Administration Reauthorization Act of 1998.”

Section 2. Authorization of appropriations

This section authorizes funds for those NHTSA functions within the jurisdiction of the Committee on Commerce. For Fiscal Years 1999 through 2001, the legislation authorizes \$81.2 million each year for motor vehicle safety activities, and \$6.2 million for motor vehicle information activities. These amounts are equivalent to the Administration’s budget request.

Section 3. Restriction on lobbying activities

This section prohibits the use of funds authorized by the legislation for the purpose of urging a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any State or local legislature. The provision is not intended to prohibit the Agency from informing State or local legislators about the prudence of a particular policy choice, but rather is intended to limit the Agency’s ability to endorse or oppose a particular piece of legislation before a State or local legislature. Thus, under this provision, NHTSA could continue to testify before any State or local legislative body and inform State and local officials about the merits of a particular course of action. A NHTSA official could even appear before a committee of a State legislature to testify that NHTSA believes that enactment of primary enforcement seat belt laws results in fewer highway fatalities. NHTSA could, in fact, testify that it favors general efforts to enact primary enforcement seat belt laws and opposes general efforts to repeal such laws. However, a NHTSA official could not ask an individual State or local legislator, or any group of State or local legislators, to vote for or against a particular pending measure.

The language in section 3 is patterned after the Federal criminal statute prohibiting the use of appropriated funds for the purpose of lobbying Congress (18 U.S.C. §1913). The Committee intends that the Agency and its officials follow the same criteria in dealing with State and local legislators as the Agency would apply under 18 U.S.C. §1913 in its dealings with the United States Congress.

Section 4. Risk and benefit disclosure

Section 4 directs the Secretary, within one year of the date of enactment, to begin communicating to the public information regarding the reasonable risks and benefits of any major device or element of design to be installed in a motor vehicle pursuant to a MVSS and which is important to the protection of motor vehicle occupants. Subsection (b) requires that the Secretary conduct a rule-making to determine the extent to which such information can be communicated in a manner which is scientifically objective and re-

lies to the extent possible on scientific findings, and the extent to which such information may be communicated in a clear and easily understandable format through such methods as the Internet and public libraries. Subsection (c) prohibits the Secretary from requiring any manufacturer or dealer to provide such information directly to the consumer, unless the Secretary first determines that doing so is essential to ensuring motor vehicle safety.

In determining the extent to which any major device or element of design is “important to the protection of motor vehicle occupants,” the Committee intends that the Secretary consider the degree to which such device or element is directly related to occupant protection. For instance, the Committee intends such devices as seat belts and air bags to be considered important to the protection of motor vehicle occupants. However, the Committee does not consider devices such as headlamps and windshield wipers to fall within the same category.

Section 5. Occupant protection preferences

Section 5 requires that the Secretary, when prescribing a new MVSS relating to motor vehicle occupant protection or revising an existing standard, design that standard in such a way as to protect improperly restrained and positioned occupants only to the extent that doing so would not substantially increase the risk of injury to occupants who are properly restrained and positioned. This provision is intended to maximize the protection for improperly restrained and positioned occupants, but only to the extent that doing so does not substantially increase the risk of injury to properly restrained and positioned occupants.

Section 6. Odometers

Subsection (a) is intended to eliminate the need for two odometer disclosures in certain transactions involving rental car companies, dealers, and automobile manufacturers by exempting the transfer of new motor vehicles from a manufacturer jointly to a dealer and a rental car company. Subsection (b) responds to several recent Federal District Court decisions holding that NHTSA does not have authority to exempt vehicles from the odometer disclosure requirements, even when the purchasers of such vehicles rely on service records rather than odometers to indicate wear and tear, such as in the case of heavy trucks. This subsection specifically grants NHTSA such authority.

Section 7. International harmonization

This provision, requested by the Administration, creates a new section in title 49, United States Code, giving the Secretary the authority to engage in activities designed to encourage harmonization of motor vehicle safety standards globally. Subsection (a), “Activities,” would authorize the Secretary, in consultation with the Secretaries of State and Commerce where appropriate, to engage in activities that improve worldwide motor vehicle safety through various activities. Such activities would include: (1) promoting the adoption of international and national vehicle standards that are harmonized with, functionally equivalent to, or compatible with United States vehicle standards; (2) participating in efforts to fos-

ter an international acceptance of globally harmonized and/or functionally equivalent or compatible motor vehicle regulations and standards to otherwise improve international highway and motor vehicle safety; (3) promoting international cooperative programs for conducting research, development, demonstration projects, training, and other forms of technology transfer and exchange, including safety conferences, seminars, and/or expositions to enhance international motor vehicle safety; and (4) providing technical assistance to other countries relating to their adoption of United States vehicle regulations or standards functionally equivalent to U.S. vehicle standards.

Subsection (b), “Cooperation,” would authorize the Secretary, in carrying out the activities described in subsection (a), to cooperate with appropriate United States government agencies, any State or local agency, and any authority, association, institution, corporation (profit or nonprofit), foreign government, multinational institution, or any other organization or person.

Subsection (c), “Consideration,” would direct the Secretary, in carrying out the activities described in subsection (a), to ensure that these activities maintain or improve the level of safety of motor vehicles and motor vehicle equipment sold in the United States. Accordingly, the Secretary’s harmonization activities would be pursued without any diminution of U.S. safety performance standards.

Subsection (d), “Public Meetings and Information,” requires that the Secretary hold public meetings at least quarterly to receive comments on pending international harmonization matters and make available to the public any relevant documents to pending international harmonization matters.

Section 8. Miscellaneous amendments

This section makes several miscellaneous changes to title 49, United States Code, with respect to NHTSA’s authorizing statutes. These changes in subsections (a) through (d) were requested by the Administration. Subsection (a) permits the Secretary to streamline the regulatory process and reduce paperwork by granting the Secretary discretion in requiring notice and comment when (1) deciding that a defect or noncompliance is inconsequential to motor vehicle safety, or (2) granting a manufacturer’s exemption from section 30118’s notification requirements.

Subsection (b) closes a loophole which allows auto parts stores and retailers to continue to sell defective equipment even though motor vehicle dealers would be prohibited from selling the same item. This provision includes retailers of motor vehicle equipment in the prohibition on selling defective items of equipment.

Subsection (c) amends 49 U.S.C. 30123 (“Tires”), to repeal subsections (a) (“Labeling Requirement”), (b) (“Contents of Label”), and (c) (“Additional Information”). Under section 30123(a), the Secretary must require manufacturers of pneumatic tires to “permanently and conspicuously” label their tires with specified information under section 30123(b) about the construction of the tires and the identity of the manufacturer. Section 30123(c) gives the Secretary discretionary authority to require that additional safety information be disclosed to a purchaser when a tire is sold.

Subsection (d) amends 49 U.S.C. 30127(g) to increase the reporting interval on the effectiveness of occupant restraint systems from every six months to annually. The Administration expressed concern that the six-month interval was too short a time frame in which to provide meaningful data to Congress.

Subsection (e) amends the American Automobile Labeling Act (49 U.S.C. § 30204) to make certain changes in the labeling requirement and the domestic content calculations. Subparagraph (1)(A) provides that the labor value of engine and transmission production is also included in the engine and transmission origin determination and subparagraph (1)(B) codifies certain regulations which permit labor costs of parts manufactured at the same location as final vehicle assembly to be included in the vehicle's overall content calculation, provided it does not occur during vehicle assembly. Subparagraph (1)(C) institutes a tiered system for accounting for the domestic content of parts manufactured by outside suppliers. Under this subparagraph, suppliers would report content to the nearest five percent. For instance, 38 percent would be reported to the manufacturer as 40 percent, rather than zero as under current law.

Paragraph (2) permits vehicle manufacturers to voluntarily add a line to the label stating the country in which vehicle final assembly took place. Paragraph (3) permits manufacturers, on a voluntary basis, to separately display the domestic content of a particular vehicle, based on its assembly plant. This information must be reported in addition to the carline average percentage. Paragraph (4) codifies existing regulations permitting manufacturers to estimate, based upon best available information, the content of no more than 10 percent of the vehicle's parts, when suppliers fail to report such information. Paragraph (5) permits manufacturers to default the value of certain small parts, such as nuts, bolts, clips, screws, and pins, to the country of manufacture.

Subsection (f) directs NHTSA to conduct a study of the benefits to motor vehicle drivers of a regulation to require the installation of a device in the trunk compartment to release the trunk lid.

Section 9. Importation of motor vehicle for show or display

Section 9 reinstates NHTSA's authority to exempt certain motor vehicles imported for the purpose of show or display from certain applicable motor vehicle safety standards. Such authority was deleted when title 49, United States Code was recodified in 1988.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 49, UNITED STATES CODE

* * * * *

SUBTITLE VI—MOTOR VEHICLE AND DRIVER PROGRAMS

* * * * *

PART A—GENERAL

CHAPTER 301—MOTOR VEHICLE SAFETY

SUBCHAPTER I—GENERAL

Sec.

30101. Purpose and policy.

* * * * *

30105. *Restriction on lobbying activities.*

* * * * *

SUBCHAPTER III—IMPORTING NONCOMPLYING MOTOR VEHICLES AND EQUIPMENT

* * * * *

30148. *International motor vehicle safety outreach.*

* * * * *

SUBCHAPTER I—GENERAL

* * * * *

§ 30104. Authorization of appropriations

【The following amounts may be appropriated to the Secretary of Transportation for the National Highway Traffic Safety Administration to carry out this chapter:

 【(1) \$71,333,436 for the fiscal year ending September 30, 1993.

 【(2) \$74,044,106 for the fiscal year ending September 30, 1994.

 【(3) \$76,857,782 for the fiscal year ending September 30, 1995.】

§ 30104. Authorization of appropriations

There is authorized to be appropriated to the Secretary \$81,200,000 for the National Highway Traffic Safety Administration to carry out this part in each fiscal year beginning in fiscal year 1999 and ending in fiscal year 2001.

§ 30105. Restriction on lobbying activities

No funds appropriated to the Secretary pursuant to section 30104 or 32102 may be available for any activity specifically designed to urge a State or local legislator to favor or oppose the adoption of any specific legislative proposal pending before any State or local legislature.

SUBCHAPTER II—STANDARDS AND COMPLIANCE

§ 30111. Standards

(a) * * *

* * * * *

(f) *SPECIAL CONSIDERATIONS RELATING TO OCCUPANT PROTECTION.*—When prescribing or revising a motor vehicle safety standard under this section or section 30127 relating to the protection of motor vehicle occupants under this chapter, the Secretary shall, to the extent relevant and practicable, design such standard to protect improperly restrained and positioned occupants only to the extent that such a design would not substantially increase the risk of injury to properly restrained and positioned occupants.

* * * * *

§ 30114. Special exemptions

The Secretary of Transportation may exempt a motor vehicle or item of motor vehicle equipment from section 30112(a) of this title on terms the Secretary decides are necessary for research, investigations, demonstrations, training, [or competitive racing events] *competitive racing events, show, or display.*

* * * * *

§ 30118. Notification of defects and noncompliance

(a) * * *

* * * * *

(d) *EXEMPTIONS.*—On application of a manufacturer, the Secretary shall exempt the manufacturer from this section if the Secretary decides a defect or noncompliance is inconsequential to motor vehicle safety. [The Secretary may take action under this subsection only after notice in the Federal Register and an opportunity for any interested person to present information, views, and arguments.]

* * * * *

§ 30120. Remedies for defects and noncompliance

(a) * * *

* * * * *

(h) *EXEMPTIONS.*—On application of a manufacturer, the Secretary shall exempt the manufacturer from this section if the Secretary decides a defect or noncompliance is inconsequential to motor vehicle safety. [The Secretary may take action under this subsection only after notice in the Federal Register and an opportunity for any interested person to present information, views, and arguments.]

(i) *LIMITATION ON SALE OR LEASE.*—(1) If notification is required by an order under section 30118(b) of this title or is required under section 30118(c) of this title and the manufacturer has provided to a dealer (*including retailers of motor vehicle equipment*) notification about a new motor vehicle or new item of replacement equipment in the dealer's possession at the time of notification that contains

a defect related to motor vehicle safety or does not comply with an applicable motor vehicle safety standard prescribed under this chapter, the dealer may sell or lease the motor vehicle or item of replacement equipment only if—

(A) * * *

* * * * *

§ 30123. Tires

[(a) LABELING REQUIREMENT.—The Secretary of Transportation shall require that a pneumatic tire subject to a motor vehicle safety standard prescribed under this chapter be labeled permanently and conspicuously with safety information the Secretary decides is necessary to carry out section 30101 of this title.

[(b) CONTENTS OF LABEL.—Labeling required on a tire under subsection (a) of this section shall include—

[(1)(A) identification of the manufacturer;

[(B) for a retreaded tire, identification of the retreader; or

[(C) for a tire containing a brand name (other than the name of the manufacturer), a code mark allowing a seller to identify the manufacturer to the purchaser;

[(2) the composition of material used in the ply of the tire;

[(3) the number of plies in the tire;

[(4) the maximum allowable load for the tire; and

[(5)(A) a statement that the tire complies with minimum safe performance standards prescribed under this chapter; or

[(B) a mark or symbol the Secretary prescribes for use by a manufacturer or retreader complying with those standards.

[(c) ADDITIONAL INFORMATION.—The Secretary may require that additional safety information be disclosed to a purchaser when a tire is sold.]

[(d)] (a) REGROOVED TIRE LIMITATIONS.—(1) In this subsection, “regrooved tire” means a tire with a new tread produced by cutting into the tread of a worn tire.

* * * * *

[(e)] (b) UNIFORM QUALITY GRADING SYSTEM, NOMENCLATURE, AND MARKETING PRACTICES.—The Secretary shall prescribe through standards a uniform quality grading system for motor vehicle tires to help consumers make an informed choice when purchasing tires. The Secretary also shall cooperate with industry and the Federal Trade Commission to the greatest extent practicable to eliminate deceptive and confusing tire nomenclature and marketing practices. A tire standard or regulation prescribed under this chapter supersedes an order or administrative interpretation of the Commission.

[(f)] (c) MAXIMUM LOAD STANDARDS.—The Secretary shall require a motor vehicle to be equipped with tires that meet maximum load standards when the vehicle is loaded with a reasonable amount of luggage and the total number of passengers the vehicle is designed to carry. The vehicle shall be equipped with those tires by the manufacturer or by the first purchaser when the vehicle is first bought in good faith other than for resale.

* * * * *

§ 30127. Automatic occupant crash protection and seat belt use

(a) * * *

* * * * *

(g) REPORT.—(1) On October 1, 1992, and [every 6 months] *annually* after that date through October 1, 2000, the Secretary of Transportation shall submit reports on the effectiveness of occupant restraint systems expressed as a percentage reduction in fatalities or injuries of restrained occupants compared to unrestrained occupants for—

(A) * * *

* * * * *

SUBCHAPTER III—IMPORTING NONCOMPLYING MOTOR VEHICLES AND EQUIPMENT

* * * * *

§ 30148. International motor vehicle safety outreach

(a) *ACTIVITIES.*—*The Secretary is authorized, in consultation with the Secretaries of State and Commerce where appropriate, to engage in activities that improve worldwide motor vehicle safety through appropriate activities. Such activities may include—*

(1) *promoting the adoption of international and national vehicle standards that are harmonized with, functionally equivalent to, or compatible with United States vehicle standards;*

(2) *participating in efforts to foster an international acceptance of globally harmonized or functionally equivalent or compatible motor vehicle regulations and standards to otherwise improve international highway and motor vehicle safety;*

(3) *promoting international cooperative programs for conducting research, development, demonstration projects, training, and other forms of technology transfer and exchange, including safety conferences, seminars, and expositions to enhance international motor vehicle safety; and*

(4) *providing technical assistance to other countries relating to their adoption of United States vehicle regulations or standards functionally equivalent to United States vehicle standards.*

(b) *COOPERATION.*—*The Secretary may carry out the authority granted by this section, in cooperation with appropriate United States Government agencies, any State or local agency, and any authority, association, institution, corporation (profit or nonprofit), foreign government, multinational institution, or any other organization or person.*

(c) *CONSIDERATION.*—*When engaging in activities to improve worldwide motor vehicle safety, the Secretary shall ensure that these activities maintain or improve the level of safety of motor vehicles and motor vehicle equipment sold in the United States.*

(d) *PUBLIC MEETINGS AND INFORMATION.*—*To ensure public awareness of, and opportunity to comment on, decision-making meetings concerning the adoption of a globally harmonized motor vehicle regulation or standard, described in subsection (a)(2), by an*

international body or representatives of any foreign nation the Secretary shall—

(1) not less than quarterly, provide notice of, and hold a public meeting to receive comments on the subject matter of, any decision-making meetings scheduled to be held with an international body or representatives of any foreign nation before the next public meeting required to be held under this paragraph; and

(2) make available to the public any relevant information and records, including any proposed text, concerning the matter of any decision-making meetings scheduled with an international body or representatives of any foreign nation as those materials become available.

* * * * *

PART C—INFORMATION, STANDARDS, AND REQUIREMENTS

CHAPTER 321—GENERAL

* * * * *

§ 32102. Authorization of appropriations

[The following amounts may be appropriated to the Secretary of Transportation for the National Highway Traffic Safety Administration to carry out this part:

[(1) \$6,731,430 for the fiscal year ending September 30, 1993.

[(2) \$6,987,224 for the fiscal year ending September 30, 1994.

[(3) \$7,252,739 for the fiscal year ending September 30, 1995.]

§ 32102. Authorization of appropriations

There is authorized to be appropriated to the Secretary \$6,200,000 for the National Highway Traffic Safety Administration to carry out this part in each fiscal year beginning in fiscal year 1999 and ending in fiscal year 2001.

CHAPTER 323—CONSUMER INFORMATION

* * * * *

§ 32304. Passenger motor vehicle country of origin labeling

(a) DEFINITIONS.—In this section—

(1) * * *

* * * * *

(3) “country of origin”, when referring to the origin of an engine or transmission, means the country from which the largest share of the dollar value added to an engine or transmission has originated—

(A) * * *

(B) the estimate of the percentage of the dollar value shall be based on the purchase price of direct materials, as

received at individual engine or transmission plants, of engines of the same displacement and transmissions of the same transmission type, *plus the assembly and labor costs incurred for the final assembly of such engines and transmissions.*

* * * * *

(5) “final assembly place” means the plant, factory, or other place at which a new passenger motor vehicle is produced or assembled by a manufacturer, and from which the vehicle is delivered to a dealer or importer with all component parts necessary for the mechanical operation of the vehicle included with the vehicle, whether or not the component parts are permanently installed in or on the vehicle. *Such term does not include facilities for engine and transmission fabrication and assembly and the facilities for fabrication of motor vehicle equipment component parts which are produced at the same final assembly place using forming processes such as stamping, machining, or molding processes.*

* * * * *

(9) “of United States/Canadian origin”, when referring to passenger motor vehicle equipment, means—

[(A) for an outside supplier, passenger motor vehicle equipment whose purchase price contains at least 70 percent value added in the United States and Canada; and]

(A) *for an outside supplier—*

(i) *the full purchase price of passenger motor vehicle equipment whose purchase price contains at least 70 percent value added in the United States and Canada; or*

(ii) *that portion of the purchase price of passenger motor vehicle equipment containing less than 70 percent value added in the United States and Canada that is attributable to the percent value added in the United States and Canada when such percent is expressed to the nearest 5 percent; and*

* * * * *

(c) **VEHICLE CONTENT PERCENTAGE BY ASSEMBLY PLANT.**—A manufacturer may display separately on the label required by subsection (b) the domestic content of a vehicle based on the country in which the assembly plant is located. Such display shall occur after the matter required to be in the label by subsection (b)(1)(A).

(d) **VALUE ADDED DETERMINATION.**—If a manufacturer or allied supplier requests information in a timely manner from one or more of its outside suppliers concerning the U.S./Canadian content of particular equipment, but does not receive that information despite a good faith effort to obtain it, the manufacturer or allied supplier may make its own good faith value added determinations, subject to the following:

(1) *The manufacturer or allied supplier shall make the same value added determinations as would be made by the outside supplier, that is, whether 70 percent or more of the value of equipment is added in the United States and/or Canada.*

(2) *The manufacturer or allied supplier shall consider the amount of value added and the location in which the value was added for all of the stages that the outside supplier would be required to consider.*

(3) *The manufacturer or allied supplier may determine that the value added in the United States and/or Canada is 70 percent or more only if it has a good faith basis to make that determination.*

(4) *A manufacturer and its allied suppliers may, on a combined basis, make value added determinations for no more than 10 percent, by value, of a carline's total parts content from outside suppliers.*

(5) *Value added determinations made by a manufacturer or allied supplier under this paragraph shall have the same effect as if they were made by the outside supplier.*

(6) *This provision does not affect the obligation of outside suppliers to provide the requested information.*

(e) *SMALL PARTS.—The country of origin of nuts, bolts, clips, screws, pins, braces, gasoline, oil, blackout, phosphate rinse, windshield washer fluid, fasteners, tire assembly fluid, rivets, adhesives, grommets, and any system, subassembly, or component installed in a vehicle shall be considered to be the country in which such parts were included in the final assembly of such vehicle.*

[(c)] (f) *DEALER REQUIREMENT.—Each dealer engaged in the sale or distribution of a new passenger motor vehicle manufactured after September 30, 1994, shall cause to be maintained on that vehicle the label required to be attached to that vehicle under subsection (b) of this section.*

[(d)] (g) *FORM AND CONTENT OF LABEL.—The Secretary of Transportation shall prescribe by regulation the form and content of the label required under subsection (b) of this section and the manner and location in which the label is attached. The Secretary shall permit a manufacturer to comply with this section by allowing the manufacturer to disclose the information required under subsection (b)(1) on the label required by section 3 of the Automobile Information Disclosure Act (15 U.S.C. 1232), on the label required by section 32908 of this title, or on a separate label that is readily visible. A manufacturer may add to the label required under subsection (b) a line stating the country in which vehicle assembly was completed.*

[(e)] (h) *REGULATIONS.—In consultation with the Secretaries of Commerce and the Treasury, the Secretary of Transportation shall prescribe regulations necessary to carry out this section, including regulations establishing a procedure to verify the label information required under subsection (b)(1) of this section. Those regulations shall provide the ultimate purchaser of a new passenger motor vehicle with the best and most understandable information possible about the foreign content and United States/Canadian origin of the equipment of the vehicles without imposing costly and unnecessary burdens on the manufacturers. The Secretary of Transportation shall prescribe the regulations promptly to provide adequate lead time for each manufacturer to comply with this section. The regulations shall include provisions applicable to outside suppliers and allied suppliers to require those suppliers to certify whether passenger motor vehicle equipment provided by those suppliers is of*

United States origin, of United States/Canadian origin, or of foreign content and to provide other information the Secretary of Transportation decides is necessary to allow each manufacturer to comply reasonably with this section and to rely on that certification and information.

[(f)] (i) PREEMPTION.—(1) When a label content requirement prescribed under this section is in effect, a State or a political subdivision of a State may not adopt or enforce a law or regulation related to the content of vehicles covered by a requirement under this section.

* * * * *

CHAPTER 327—ODOMETERS

* * * * *

§ 32705. Disclosure requirements on transfer of motor vehicles

(a)(1) * * *

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(4)(A) *This subsection shall apply to all transfers of motor vehicles (unless otherwise exempted by the Secretary by regulation), except in the case of transfers of new motor vehicles from a vehicle manufacturer jointly to a dealer and a person engaged in the business of renting or leasing vehicles for a period of 30 days or less.*

(B) *For purposes of subparagraph (A), the term “new motor vehicle” means any motor vehicle driven with no more than the limited use necessary in moving, transporting, or road testing such vehicle prior to delivery from the vehicle manufacturer to a dealer, but in no event shall the odometer reading of such vehicle exceed 300 miles.*

(5) *The Secretary may exempt such classes or categories of vehicles as the Secretary deems appropriate from these requirements. Until such time as the Secretary amends or modifies the regulations set forth in 49 CFR 580.6, such regulations shall have full force and effect.*

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