

Union Calendar No. 571

106TH CONGRESS
2D SESSION

H. R. 5164

[Report No. 106-954]

To amend title 49, United States Code, to require reports concerning defects in motor vehicles or tires or other motor vehicle equipment in foreign countries, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 13, 2000

Mr. UPTON (for himself, Mr. TAUZIN, Mr. MARKEY, Mrs. WILSON, Mr. BOUCHER, Mr. WHITFIELD, Mr. GREEN of Texas, Mr. ROGAN, Mr. WAXMAN, Mr. BILBRAY, Mr. FOSSELLA, Mr. GORDON, Ms. DEGETTE, Mr. LUTHER, Ms. ESHOO, and Ms. MCCARTHY of Missouri) introduced the following bill; which was referred to the Committee on Commerce

OCTOBER 10, 2000

Additional sponsors: Mr. DINGELL, Mrs. CUBIN, Mr. GREENWOOD, Mr. EHRLICH, Ms. SLAUGHTER, Mr. CAMP, Mr. PHELPS, Mr. REYNOLDS, Mr. FROST, Mr. BARRETT of Wisconsin, Ms. RIVERS, Ms. BERKLEY, Mr. BLUNT, Mr. BOEHLERT, Mr. GEORGE MILLER of California, Mr. LAFALCE, Mr. WYNN, Mrs. THURMAN, Mr. TERRY, Mrs. ROUKEMA, Mr. MOORE, Mr. DEUTSCH, Mr. SHIMKUS, Mr. LATOURETTE, Mr. KLINK, and Mr. GILLMOR

OCTOBER 10, 2000

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on September 13, 2000]

A BILL

To amend title 49, United States Code, to require reports concerning defects in motor vehicles or tires or other motor vehicle equipment in foreign countries, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Transportation Recall*
5 *Enhancement, Accountability, and Documentation*
6 *(TREAD) Act”.*

7 **SEC. 2. REPORTING REQUIREMENTS.**

8 *(a) DEFECTS IN FOREIGN COUNTRIES.—Section*
9 *30166 of title 49, United States Code, is amended by adding*
10 *at the end the following:*

11 *“(l) REPORTING OF DEFECTS IN MOTOR VEHICLES*
12 *AND PRODUCTS IN FOREIGN COUNTRIES.—*

13 *“(1) REPORTING OF DEFECTS, MANUFACTURER*
14 *DETERMINATION.—Not later than 5 working days*
15 *after determining to conduct a safety recall or other*
16 *safety campaign in a foreign country on a motor ve-*
17 *hicle or motor vehicle equipment that is identical or*
18 *substantially similar to a motor vehicle or motor ve-*

1 *hicle equipment offered for sale in the United States,*
2 *the manufacturer shall report the determination to*
3 *the Secretary.*

4 “(2) *REPORTING OF DEFECTS, FOREIGN GOVERN-*
5 *MENT DETERMINATION.*—*Not later than 5 working*
6 *days after receiving notification that the government*
7 *of a foreign country has determined that a safety re-*
8 *call or other safety campaign must be conducted in*
9 *the foreign country on a motor vehicle or motor vehi-*
10 *cle equipment that is identical or substantially simi-*
11 *lar to a motor vehicle or motor vehicle equipment of-*
12 *fered for sale in the United States, the manufacturer*
13 *of the motor vehicle or motor vehicle equipment shall*
14 *report the determination to the Secretary.*

15 “(3) *REPORTING REQUIREMENTS.*—*The Sec-*
16 *retary shall prescribe the contents of the notification*
17 *required by this subsection.”.*

18 (b) *EARLY WARNING REPORTING REQUIREMENTS.*—
19 *Section 30166, of title 49, United States Code, is amended*
20 *by adding at the end the following:*

21 “(m) *EARLY WARNING REPORTING REQUIREMENTS.*—

22 “(1) *RULEMAKING REQUIRED.*—*Not later than*
23 *120 days after the date of enactment of the Transpor-*
24 *tation Recall Enhancement, Accountability, and Doc-*
25 *umentation (TREAD) Act, the Secretary shall ini-*

1 *tiate a rulemaking proceeding to establish early*
2 *warning reporting requirements for manufacturers of*
3 *motor vehicles and motor vehicle equipment to en-*
4 *hance the Secretary's ability to carry out the provi-*
5 *sions of this chapter.*

6 *“(2) DEADLINE.—The Secretary shall issue a*
7 *final rule under paragraph (1) not later than June*
8 *30, 2002.*

9 *“(3) REPORTING ELEMENTS.—*

10 *“(A) WARRANTY AND CLAIMS DATA.—As*
11 *part of the final rule promulgated under para-*
12 *graph (1), the Secretary shall require manufac-*
13 *turers of motor vehicles and motor vehicle equip-*
14 *ment to report, periodically or upon request by*
15 *the Secretary, information which is received by*
16 *the manufacturer derived from foreign and do-*
17 *mestic sources to the extent that such informa-*
18 *tion may assist in the identification of defects re-*
19 *lated to motor vehicle safety in motor vehicles*
20 *and motor vehicle equipment in the United*
21 *States and which concerns—*

22 *“(i) data on claims submitted to the*
23 *manufacturer for serious injuries (including*
24 *death) and aggregate statistical data on*
25 *property damage from alleged defects in a*

1 *motor vehicle or in motor vehicle equip-*
2 *ment; and*

3 “(ii) *customer satisfaction campaigns,*
4 *consumer advisories, recalls, or other activ-*
5 *ity involving the repair or replacement of*
6 *motor vehicles or items of motor vehicle*
7 *equipment.*

8 “(B) *OTHER DATA.*—*As part of the final*
9 *rule promulgated under paragraph (1), the Sec-*
10 *retary may, to the extent that such information*
11 *may assist in the identification of defects related*
12 *to motor vehicle safety in motor vehicles and*
13 *motor vehicle equipment in the United States,*
14 *require manufacturers of motor vehicles or motor*
15 *vehicle equipment to report, periodically or upon*
16 *request of the Secretary, such information as the*
17 *Secretary may request.*

18 “(C) *REPORTING OF POSSIBLE DEFECTS.*—
19 *The manufacturer of a motor vehicle or motor*
20 *vehicle equipment shall report to the Secretary,*
21 *in such manner as the Secretary establishes by*
22 *regulation, all incidents of which the manufac-*
23 *turer receives actual notice which involve fatali-*
24 *ties or serious injuries which are alleged or prov-*
25 *en to have been caused by a possible defect in*

1 *such manufacturer’s motor vehicle or motor vehi-*
2 *cle equipment in the United States or a foreign*
3 *country when the possible defect is in a motor*
4 *vehicle or motor vehicle equipment that is iden-*
5 *tical or substantially similar to a motor vehicle*
6 *or motor vehicle equipment offered for sale in the*
7 *United States.*

8 *“(4) HANDLING AND UTILIZATION OF REPORTING*
9 *ELEMENTS.—*

10 *“(A) SECRETARY’S SPECIFICATIONS.—In re-*
11 *quiring the reporting of any information re-*
12 *quested by the Secretary under this subsection,*
13 *the Secretary shall specify in the final rule pro-*
14 *mulgated under paragraph (1)—*

15 *“(i) how such information will be re-*
16 *viewed and utilized to assist in the identi-*
17 *fication of defects related to motor vehicle*
18 *safety;*

19 *“(ii) the systems and processes the Sec-*
20 *retary will employ or establish to permit*
21 *such information to be reviewed and uti-*
22 *lized; and*

23 *“(iii) the manner and form of report-*
24 *ing such information, including in elec-*
25 *tronic form.*

1 “(B) *INFORMATION IN POSSESSION OF MAN-*
2 *UFACTURER.*—*The regulations promulgated by*
3 *the Secretary under paragraph (1) may not re-*
4 *quire a manufacturer of a motor vehicle or motor*
5 *vehicle equipment to maintain and submit*
6 *records respecting information not in the posses-*
7 *sion of the manufacturer.*

8 “(C) *DISCLOSURE.*—*None of the informa-*
9 *tion collected pursuant to the final rule promul-*
10 *gated under paragraph (1) shall be disclosed*
11 *pursuant to section 30167(b) unless the Sec-*
12 *retary determines the disclosure of such informa-*
13 *tion will assist in carrying out sections 30117(b)*
14 *and 30118 through 30121.*

15 “(D) *BURDENSOME REQUIREMENTS.*—*In*
16 *promulgating the final rule under paragraph*
17 *(1), the Secretary shall not impose requirements*
18 *unduly burdensome to a manufacturer of a*
19 *motor vehicle or motor vehicle equipment, taking*
20 *into account the manufacturer’s cost of com-*
21 *plying with such requirements and the Sec-*
22 *retary’s ability to use the information in a*
23 *meaningful manner to assist in the identifica-*
24 *tion of defects related to motor vehicle safety.*

1 “(5) *PERIODIC REVIEW*.—As part of the final
2 rule promulgated pursuant to paragraph (1), the Sec-
3 retary shall specify procedures for the periodic review
4 and update of such rule.”.

5 (c) *SALE OR LEASE OF DEFECTIVE OR NONCOMPLIANT*
6 *TIRE*.—Section 30166 of title 49, United States Code, as
7 amended by subsection (b), is amended by adding at the
8 end the following:

9 “(n) *SALE OR LEASE OF DEFECTIVE OR NONCOMPLI-*
10 *ANT TIRE*.—

11 “(1) *IN GENERAL*.—The Secretary shall, within
12 90 days of the date of this subsection, issue a final
13 rule requiring any person who knowingly and will-
14 fully sells or leases for use on a motor vehicle a defec-
15 tive tire or a tire which is not compliant with an ap-
16 plicable tire safety standard with actual knowledge
17 that the manufacturer of such tire has notified its
18 dealers of such defect or noncompliance as required
19 under section 30118(c) or as required by an order
20 under section 30118(b) to report such sale or lease to
21 the Secretary.

22 “(2) *DEFECT OR NONCOMPLIANCE REMEDIED OR*
23 *ORDER NOT IN EFFECT*.—Regulations under para-
24 graph (1) shall not require the reporting described in

1 *paragraph (1) where before delivery under a sale or*
2 *lease of a tire—*

3 *“(A) the defect or noncompliance of the tire*
4 *is remedied as required by section 30120; or*

5 *“(B) notification of the defect or noncompli-*
6 *ance is required under section 30118(b) but en-*
7 *forcement of the order is restrained or the order*
8 *is set aside in a civil action to which section*
9 *30121(d) applies.”.*

10 *(d) INSURANCE STUDY.—The Secretary of Transpor-*
11 *tation shall conduct a study to determine the feasibility and*
12 *utility of obtaining aggregate information on a regular and*
13 *periodic basis regarding claims made for private passenger*
14 *automobile accidents from persons in the business of pro-*
15 *viding private passenger automobile insurance or of adjust-*
16 *ing insurance claims for such automobiles. Not later than*
17 *120 days after the date of enactment of this Act, the Sec-*
18 *retary shall transmit the results of such study to the Com-*
19 *mittee on Commerce of the House of Representatives and*
20 *the Committee on Commerce, Science, and Transportation*
21 *of the Senate.*

22 **SEC. 3. REMEDIES WITHOUT CHARGE.**

23 *Section 30120(g)(1) of title 49, United States Code, is*
24 *amended by—*

1 (1) *striking “8 calendar years” and inserting*
 2 *“10 calendar years”; and*
 3 (2) *striking “3 calendar years” and inserting “5*
 4 *calendar years”.*

5 **SEC. 4. PENALTIES.**

6 (a) *CIVIL PENALTIES.*—Section 30165(a) of title 49,
 7 *United States Code, is amended to read as follows:*

8 “(a) *CIVIL PENALTIES.*—

9 “(1) *IN GENERAL.*—A person that violates any of
 10 sections 30112, 30115, 30117 through 30122,
 11 30123(d), 30125(c), 30127, or 30141 through 30147,
 12 or a regulation prescribed thereunder, is liable to the
 13 United States Government for a civil penalty of not
 14 more than \$5,000 for each violation. A separate viola-
 15 tion occurs for each motor vehicle or item of motor ve-
 16 hicle equipment and for each failure or refusal to
 17 allow or perform an act required by any of those sec-
 18 tions. The maximum penalty under this subsection for
 19 a related series of violations is \$15,000,000.

20 “(2) *SECTION 30166.*—A person who violates sec-
 21 tion 30166 or a regulation prescribed under that sec-
 22 tion is liable to the United States Government for a
 23 civil penalty for failing or refusing to allow or per-
 24 form an act required under that section or regulation.
 25 The maximum penalty under this paragraph is

1 \$5,000 per violation per day. The maximum penalty
 2 under this paragraph for a related series of daily vio-
 3 lations is \$15,000,000.”.

4 **(b) CRIMINAL PENALTIES.—**

5 **(1) IN GENERAL.—**Subchapter IV of chapter 301
 6 of title 49, United States Code, is amended by adding
 7 at the end the following:

8 **“§ 30170. Criminal Penalties.**

9 **“(a) CRIMINAL LIABILITY FOR FALSIFYING OR WITH-**
 10 **HOLDING INFORMATION.—**

11 **“(1) GENERAL RULE.—**A person who violates
 12 section 1001 of title 18 with respect to the reporting
 13 requirements of section 30166, with the specific inten-
 14 tion of misleading the Secretary with respect to motor
 15 vehicle or motor vehicle equipment safety related de-
 16 fects that have caused death or grievous bodily harm
 17 to an individual, shall be subject to criminal pen-
 18 alties of a fine under title 18, United States Code, or
 19 imprisoned for not more than 15 years, or both.

20 **“(2) SAFE HARBOR TO ENCOURAGE REPORTING**
 21 **AND FOR WHISTLE BLOWERS.—**

22 **“(A) CORRECTION.—**A person described in
 23 paragraph (1) shall not be subject to criminal
 24 penalties under this subsection if such person

1 *corrects any improper reports or failure to re-*
 2 *port within a reasonable time.*

3 “(B) *REASONABLE TIME AND SUFFICIENCY*
 4 *OF CORRECTION.*—*The Secretary shall establish*
 5 *by regulation what constitutes a reasonable time*
 6 *for the purposes of subparagraph (A) and what*
 7 *manner of correction is sufficient for purposes of*
 8 *subparagraph (A). The Secretary shall issue a*
 9 *final rule under this subparagraph within 90*
 10 *days of the date of enactment of this section.*

11 “(C) *EFFECTIVE DATE.*—*Subsection (a)*
 12 *shall not take effect before the final rule under*
 13 *subparagraph (B) takes effect.*

14 “(b) *COORDINATION WITH DEPARTMENT OF JUS-*
 15 *TICE.*—*The Attorney General may bring an action, or ini-*
 16 *tiate grand jury proceedings, for a violation of subsection*
 17 *(a) only at the request of the Secretary of Transportation.”.*

18 (2) *CLERICAL AMENDMENT.*—*The subchapter*
 19 *analysis for subchapter IV of chapter 301 of title 49,*
 20 *United States Code, is amended by adding at the end*
 21 *the following:*

“30170. Criminal penalties.”.

22 **SEC. 5. ACCELERATION OF MANUFACTURER REMEDY PRO-**
 23 **GRAM.**

24 *Section 30120(c) of title 49, United States Code, is*
 25 *amended by inserting at the end thereof the following:*

1 “(3) *If the Secretary determines that a manufacturer’s*
 2 *remedy program is not likely to be capable of completion*
 3 *within a reasonable time, the Secretary may require the*
 4 *manufacturer to accelerate the remedy program if the Sec-*
 5 *retary finds—*

6 “(A) *that there is a risk of serious injury or*
 7 *death if the remedy program is not accelerated; and*

8 “(B) *that acceleration of the remedy program*
 9 *can be reasonably achieved by expanding the sources*
 10 *of replacement parts, expanding the number of au-*
 11 *thorized repair facilities, or both.*

12 *The Secretary may prescribe regulations to carry out this*
 13 *paragraph.”.*

14 **SEC. 6. SALES OF REPLACED TIRES.**

15 *Section 30120(d) of title 49, United States Code, is*
 16 *amended by adding at the end the following: “In the case*
 17 *of a remedy program involving the replacement of tires the*
 18 *manufacturer shall include a plan addressing how to pre-*
 19 *vent, to the extent reasonably within the control of the man-*
 20 *ufacturer, replaced tires from being resold for installation*
 21 *on a motor vehicle. The manufacturer shall include infor-*
 22 *mation about the implementation of such plan with each*
 23 *quarterly report to the Secretary about the progress about*
 24 *the notification and remedy campaign.”.*

1 **SEC. 7. SALES OF REPLACED EQUIPMENT.**

2 *Section 30112 of title 49, United States Code, is*
 3 *amended by adding at the end the following:*

4 *“(c) PROHIBITION ON SALES OF REPLACED EQUIP-*
 5 *MENT.—No person may sell any item of motor vehicle*
 6 *equipment (including a tire) for installation on a motor*
 7 *vehicle that is the subject of a decision under section*
 8 *30118(b) or a notice required under section 30118(c) or was*
 9 *removed from a motor vehicle as part of an action taken*
 10 *under section 30120(a) or 30120(b) in a condition that it*
 11 *may be used for its original purpose unless the item of*
 12 *motor vehicle equipment is no longer defective or is other-*
 13 *wise free of the condition that was the subject of the action*
 14 *taken under section 30120(a) or 30120(b).”.*

15 **SEC. 8. CERTIFICATION LABEL.**

16 *Section 30115 of title 49, United States Code, is*
 17 *amended by inserting “(a) IN GENERAL.—” before “A man-*
 18 *ufacturer” and by adding at the end the following:*

19 *“(b) CERTIFICATION LABEL.—In the case of the certifi-*
 20 *cation label affixed by an intermediate or final stage manu-*
 21 *facturer of a motor vehicle built in more than 1 stage, each*
 22 *intermediate or final stage manufacturer shall certify with*
 23 *respect to each applicable Federal motor vehicle safety*
 24 *standard—*

25 *“(1) that it has complied with the specifications*
 26 *set forth in the compliance documentation provided*

1 *by the incomplete motor vehicle manufacturer in ac-*
 2 *cordance with regulations prescribed by the Secretary;*
 3 *or*

4 *“(2) that it has elected to assume responsibility*
 5 *for compliance with that standard.*

6 *If the intermediate or final stage manufacturer elects to as-*
 7 *sume responsibility for compliance with the standard cov-*
 8 *ered by the documentation provided by an incomplete motor*
 9 *vehicle manufacturer, the intermediate or final stage manu-*
 10 *facturer shall notify the incomplete motor vehicle manufac-*
 11 *turer in writing within a reasonable time of affixing the*
 12 *certification label. A violation of this subsection shall not*
 13 *be subject to a civil penalty under section 30165.”.*

14 **SEC. 9. ENDURANCE AND RESISTANCE STANDARDS FOR**
 15 **TIRES.**

16 *The Secretary of Transportation shall conduct a rule-*
 17 *making to revise and update the tire standards published*
 18 *at 49 C.F.R. 571.109 and 49 C.F.R. 571.119. The Secretary*
 19 *shall complete the rulemaking under this section not later*
 20 *than June 1, 2002.*

21 **SEC. 10. IMPROVED TIRE INFORMATION.**

22 *(a) TIRE LABELING.—Within 30 days after the date*
 23 *of enactment of this Act, the Secretary of Transportation*
 24 *shall initiate a rulemaking proceeding to improve the label-*
 25 *ing of tires required by section 30123 of title 49, United*

1 *States Code to assist consumers in identifying tires that*
 2 *may be the subject of a recall by the manufacturer. The Sec-*
 3 *retary shall complete the rulemaking not later than June*
 4 *1, 2002.*

5 **(b) INFLATION LEVELS AND LOAD LIMITS.**—*In the*
 6 *rulemaking initiated under subsection (a), the Secretary*
 7 *may take whatever additional action is appropriate to en-*
 8 *sure that the public is aware of the importance of observing*
 9 *motor vehicle tire load limits and maintaining proper tire*
 10 *inflation levels to the safe operation of a motor vehicle. Such*
 11 *additional action may include a requirement that the man-*
 12 *ufacturer of motor vehicles provide the purchasers of the*
 13 *motor vehicles information on tire inflation levels and load*
 14 *limits if the Secretary determines that requiring such man-*
 15 *ufacturers to provide such information is the most appro-*
 16 *priate way such information can be provided.*

17 **SEC. 11. ROLLOVER TESTS.**

18 *Section 30117 of title 49, United States Code, is*
 19 *amended by adding at the end the following:*

20 **“(c) ROLLOVER TESTS.**—

21 **“(1) DEVELOPMENT.**—*Not later than 2 years*
 22 *from the date of enactment of this subsection, the Sec-*
 23 *retary of Transportation, acting through the National*
 24 *Highway Traffic Safety Administration, shall—*

1 “(A) develop a dynamic test on rollovers by
 2 motor vehicles for the purposes of a consumer in-
 3 formation program; and

4 “(B) carry out a program of conducting
 5 such tests.

6 “(2) *TEST RESULTS*.—As the Secretary develops
 7 a test under paragraph (1)(A), the Secretary, acting
 8 through the National Highway Traffic Safety Admin-
 9 istration, shall conduct a rulemaking to determine
 10 how best to disseminate test results to the public.

11 “(3) *MOTOR VEHICLES COVERED*.—This sub-
 12 section applies to passenger cars, multipurpose pas-
 13 senger vehicles, and trucks with a gross vehicle weight
 14 rating of 10,000 pounds or less. A motor vehicle de-
 15 signed to provide temporary residential accommoda-
 16 tions is not covered.”.

17 **SEC. 12. TIRE PRESSURE WARNING.**

18 Not later than one year after the date of enactment
 19 of this Act, the Secretary of Transportation, acting through
 20 the National Highway Traffic Safety Administration, shall
 21 complete a rulemaking for a regulation to require a warn-
 22 ing system in a motor vehicle to indicate to the operator
 23 when a tire is significantly under inflated. Such require-
 24 ment shall become effective not later than 2 years after the
 25 date of the completion of such rulemaking.

1 **SEC. 13. IMPROVING CRITERIA USED IN A RECALL.**

2 (a) *REVIEW OF STANDARDS AND CRITERIA USED IN*
3 *OPENING A DEFECT INVESTIGATION.*—*The Secretary shall,*
4 *not later than 30 days after the date of enactment of this*
5 *Act, undertake a comprehensive review of all standards, cri-*
6 *teria, procedures, and methods, including data management*
7 *and analytical capabilities, used by the National Highway*
8 *Traffic Safety Administration in determining whether to*
9 *open a defect investigation pursuant to subchapter II or*
10 *IV of chapter 301 of title 49, United States Code, and shall*
11 *undertake such steps as may be necessary to update and*
12 *improve such standards, criteria, procedures, or methods,*
13 *including data management and analytical capabilities.*

14 (b) *REPORT TO CONGRESS.*—*Not later than 1 year*
15 *after the date of enactment of this Act, the Secretary shall*
16 *transmit to the Committee on Commerce of the House of*
17 *Representatives and the Committee on Commerce, Science,*
18 *and Transportation of the Senate a report describing the*
19 *Secretary's findings and actions under subsection (a).*

20 **SEC. 14. FOLLOW-UP REPORT.**

21 *One year after the date of enactment of this Act, the*
22 *Administrator of the National Highway Traffic Safety Ad-*
23 *ministration shall report to the Congress on the implemen-*
24 *tation of the amendments made by this Act and any rec-*
25 *ommendations for additional amendments for consumer*
26 *safety.*

1 **SEC. 15. AUTHORIZATION OF APPROPRIATIONS.**

2 *In addition to any sums authorized to be appropriated*
3 *by sections 30104 or 32102 of title 49, United States Code,*
4 *there is authorized to be appropriated to the Secretary of*
5 *Transportation for the National Highway Traffic Safety*
6 *Administration for fiscal year 2001 \$9,100,000 to carry out*
7 *this Act and the amendments made by this Act. Such funds*
8 *shall not be available for the general administrative ex-*
9 *penses of the Secretary or the Administration.*

Union Calendar No. 571

106TH CONGRESS
2D SESSION

H. R. 5164

[Report No. 106-954]

A BILL

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OCTOBER 10, 2000

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed