

Calendar No. 839106TH CONGRESS
2^D SESSION**S. 3059****[Report No. 106-423]**

To amend title 49, United States Code, to require motor vehicle manufacturers and motor vehicle equipment manufacturers to obtain information and maintain records about potential safety defects in their foreign products that may affect the safety of vehicles and equipment in the United States, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 15, 2000

Mr. MCCAIN (for himself, Mr. GORTON, and Mr. SPECTER) introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

SEPTEMBER 27 (legislative day, SEPTEMBER 22), 2000

Reported by Mr. MCCAIN, with an amendment

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

A BILL

To amend title 49, United States Code, to require motor vehicle manufacturers and motor vehicle equipment manufacturers to obtain information and maintain records about potential safety defects in their foreign products that may affect the safety of vehicles and equipment in the United States, 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 “Motor Vehicle and
5 Motor Vehicle Equipment Defect Notification Improve-
6 ment Act”.

7 **SEC. 2. IMPROVED INTERNATIONAL COOPERATION CON-**
8 **CERNING SAFETY-RELATED DEFECTS.**

9 (a) IN GENERAL.—Subchapter I of chapter 301 of
10 title 49, United States Code, is amended by adding at the
11 end the following:

12 **“§ 30106. International cooperation**

13 “(a) IN GENERAL.—The Secretary of Transportation
14 may cooperate with the transportation authorities of for-
15 eign countries to enhance motor vehicle and traffic safety
16 by exchanging information with those authorities related
17 to motor vehicle and motor vehicle equipment safety de-
18 fects, noncompliance with motor vehicle safety and motor
19 vehicle equipment standards and regulations.

20 “(b) CONFIDENTIAL INFORMATION.—The Secretary
21 may authorize the disclosure of confidential commercial
22 information submitted to the National Highway Traffic
23 Safety Administration, or incorporated in agency-prepared
24 records, to a foreign governmental agency that performs
25 functions similar to those performed by the National

1 Highway Traffic Safety Administration as part of cooper-
2 ative law enforcement or regulatory efforts if—

3 “(1) the Secretary determines that disclosure
4 would be in the interest of improved motor vehicle
5 safety; and

6 “(2) the foreign governmental agency provides
7 a statement in writing to the Secretary that—

8 “(A) establishes the agency’s authority to
9 protect confidential commercial information
10 from public disclosure; and

11 “(B) commits the foreign governmental
12 agency not to disclose any such information
13 provided to it under this subsection without the
14 written permission of the person to whom the
15 information relates or a written confirmation
16 from the National Highway Traffic Safety Ad-
17 ministration that the information has ceased to
18 qualify as confidential commercial information
19 under United States law.

20 “(c) NONPUBLIC INFORMATION.—The Secretary may
21 authorize the disclosure of nonpublic, pre-decisional docu-
22 ments concerning regulations or other regulatory require-
23 ments of the National Highway Traffic Safety Administra-
24 tion or other Federal agencies; and other nonpublic infor-
25 mation relevant to agency activities; to a foreign govern-

1 mental agency that performs functions similar to those
2 performed by the National Highway Traffic Safety Ad-
3 ministration as part of cooperative law enforcement or
4 regulatory activity if—

5 “(1) the Secretary determines that disclosure is
6 reasonably necessary to facilitate motor vehicle safe-
7 ty related cooperative law enforcement or regulatory
8 activity; and

9 “(2) the foreign governmental agency provides
10 a statement in writing to the Secretary that—

11 “(A) establishes the foreign governmental
12 agency’s authority to protect the document or
13 information from public disclosure; and

14 “(B) commits the foreign governmental
15 agency not to disclose any document or infor-
16 mation provided to it under this subsection
17 without a written confirmation from the Na-
18 tional Highway Traffic Safety Administration
19 that it has no objection to disclosure of the doc-
20 ument or that the information has ceased to
21 qualify as nonpublic information under United
22 States law.

23 “(d) LIMIT ON DISCLOSURE.—Notwithstanding any
24 other provision of law, a document or information dis-
25 closed under subsection (b) or (c) to a foreign govern-

1 mental agency is not required to be disclosed to the public
 2 under section 552 of title 5, United States Code, or any
 3 other provision of law, unless the information has ceased
 4 to qualify as confidential commercial information under
 5 United States law.”.

6 (b) CLERICAL AMENDMENT.—The chapter analysis
 7 for subchapter I of chapter 301 of title 49, United States
 8 Code, is amended by adding at the end the following:

“30106. International cooperation”.

9 **SEC. 3. INTERNATIONAL AGREEMENT FOR RECALLS OF**
 10 **MOTOR VEHICLES OR MOTOR VEHICLE**
 11 **PARTS.**

12 (a) INTERNATIONAL AGREEMENT.—The President is
 13 authorized and requested to initiate, within 60 days after
 14 the date of the enactment of this Act, negotiations for an
 15 international agreement governing the recall by manufac-
 16 turers of motor vehicles and motor vehicle equipment with
 17 safety-related defects.

18 (b) PURPOSE.—The purpose of these negotiations
 19 shall be to establish an international agreement under
 20 which government officials agree to cooperate in fur-
 21 thering global transparency with respect to motor vehicle
 22 and motor vehicle equipment recalls so as to promote con-
 23 sumer safety and to enhance consumer confidence.

1 (c) GUIDELINES.—The international agreement ne-
2 gotiated under subsection (a) should incorporate the fol-
3 lowing provisions:

4 (1) Each signatory will designate a competent
5 authority within its national government as the re-
6 sponsible authority for disseminating, to the public
7 and to other foreign authorities, information about
8 recalls of motor vehicles or motor vehicle equipment.

9 (2) Each signatory will cooperate at the inter-
10 national level through its designated authorities
11 through information exchange, communication, and
12 joint action.

13 (3) Each signatory will make available, to the
14 public and to other governments, through an Inter-
15 net site, at a minimum, the following information:

16 (A) The name, title, and contact informa-
17 tion for the competent authority for motor vehi-
18 cle or motor vehicle equipment recalls.

19 (B) The names of any motor vehicle or
20 motor vehicle equipment manufacturer in its ju-
21 risdiction that has issued a recall, the com-
22 pany's contact information, and the specific
23 motor vehicle or motor vehicle equipment that
24 is the subject of a recall.

1 (C) The country in which the recall is in
2 effect, and the date of the recall.

3 (4) ~~Each signatory, in the interest of getting all~~
4 relevant information to its competent authority and
5 having the authority share it with the competent au-
6 thorities of other countries, will disseminate widely
7 the final guidelines negotiated to all relevant govern-
8 mental departments, agencies, and branches of gov-
9 ernment.

10 (5) ~~Each signatory that is an advanced indus-~~
11 trialized country will seek to assist other countries
12 that are signatories to implement the agreement,
13 and to aid efforts by those countries to ensure com-
14 pliance with the agreement.

15 (6) ~~Each signatory will establish a framework~~
16 to conduct regular oversight and review to assess the
17 operation and effectiveness of the agreement and to
18 create a forum in which each signatory can share
19 with other signatories the laws and regulations it
20 has adopted to implement the agreement.

21 (d) ~~GUIDELINES FOR ENTERPRISES ENGAGED IN~~
22 ~~TRADE.—~~The international agreement negotiated under
23 subsection (a) should incorporate the following guidelines
24 on recalls for manufacturers engaged in exporting motor
25 vehicles or motor vehicle equipment or manufacturing

1 motor vehicle equipment for inclusion in motor vehicles to
2 be exported:

3 (1) ~~TRANSPARENCY AND DISCLOSURE.~~—Each
4 such manufacturer should disclose all relevant infor-
5 mation regarding any recall it undertakes to the
6 competent authority in the country in which it initi-
7 ates the recall and to the competent authority in the
8 country in which it is incorporated. The information
9 should be extensive enough to facilitate public notice
10 described in subsection (c)(3).

11 (2) ~~CONSUMER INTERESTS.~~—Each such manu-
12 facturer should be cognizant of the fact that con-
13 sumers cross international borders and often take
14 vehicles with them, and should, to the greatest ex-
15 tent practical, make consumers aware of recalls of
16 its motor vehicles or motor vehicle equipment, par-
17 ticularly in countries that border or are in proximity
18 to a country in which the recall was initiated.

19 (3) ~~COOPERATION WITH REGULATORY AU-~~
20 ~~THORITIES.~~—Each such manufacturer should co-
21 operate promptly with the national authorities in
22 any country that is requesting information about a
23 motor vehicle or motor vehicle equipment recall in
24 an effort to safeguard consumer safety.

1 **SEC. 4. COMPLIANCE REQUIRED FOR CERTIFICATION.**

2 Section 30115 of title 49, United States Code, is
 3 amended by adding at the end the following: “A person
 4 may not affix a certification label or tag to a motor vehicle
 5 or an item of motor vehicle equipment under this section
 6 unless that person has established, through testing or en-
 7 gineering analyses, that the vehicle or equipment complies
 8 with all applicable motor vehicle safety standards pre-
 9 scribed under this chapter.”.

10 **SEC. 5. DEFECT AND NONCOMPLIANCE NOTIFICATION FOR**
 11 **OEM EQUIPMENT; ACCIDENT DATA.**

12 (a) **IN GENERAL.**—Section 30118 of title 49, United
 13 States Code, is amended—

14 (1) by striking “motor vehicle or replacement
 15 equipment” in subsections (a), (b), and (c) and in-
 16 serting “motor vehicle, original equipment, or re-
 17 placement equipment”;

18 (2) by redesignating subsections (d) and (e) as
 19 subsections (e) and (f); and

20 (3) by inserting after subsection (e) the fol-
 21 lowing:

22 “(d) **REVIEW OF SAFETY-RELATED DATA.**—A manu-
 23 facturer of a motor vehicle, original equipment, or replace-
 24 ment equipment shall review and consider information re-
 25 garding accidents and incidents involving motor vehicles
 26 or equipment manufactured by that manufacturer (or a

1 related party) that resulted in fatalities, serious injuries,
 2 or fires, including information about such accidents and
 3 incidents outside the United States, and notify the Sec-
 4 retary if the manufacturer has reason to believe that the
 5 vehicle or equipment involved has a safety-related defect
 6 or fails to comply with any motor vehicle safety standard
 7 prescribed under this chapter.”.

8 (b) **EFFECTIVE DATE.**—The amendments made by
 9 subsection (a) take effect 180 days after the date of enact-
 10 ment of this Act.

11 **SEC. 6. EXTENSION OF TIME FOR NO-CHARGE REMEDIES.**

12 Section 30120(g)(1) of title 49, United States Code,
 13 is amended—

14 (1) by striking “8 calendar years,” and insert-
 15 ing “10 calendar years,”; and

16 (2) by striking “3 calendar years,” and insert-
 17 ing “5 calendar years,”.

18 **SEC. 7. USED MOTOR VEHICLES.**

19 Section 30126 of title 49, United States Code, is
 20 amended—

21 (1) by inserting “(a) **IN GENERAL.**—” before
 22 “To ensure”; and

23 (2) by adding at the end the following:

24 “(b) **SALES OF USED MOTOR VEHICLES FOR WHICH**
 25 **NOTICE HAS ISSUED.**—

1 “(1) IN GENERAL.—A dealer may not sell a
2 used motor vehicle, except for purposes other than
3 resale, or lease a used motor vehicle to another, un-
4 less the dealer—

5 “(A) informs the purchaser or lessee of
6 any notification of a defect or noncompliance
7 under section 30118(b) or (c) with respect to
8 that vehicle that has not been remedied; and

9 “(B) either—

10 “(i) offers to remedy the defect or
11 noncompliance (within the meaning of such
12 term as used in section 30120); or

13 “(ii) obtains from the purchaser or
14 lessee a signed statement in writing ac-
15 knowledging receipt of a document that de-
16 scribes the defect or noncompliance (in-
17 cluding any relevant information from such
18 a notification) and the offer.

19 “(2) DEFINITIONS.—In this subsection:

20 “(A) DEALER.—Notwithstanding section
21 30102(a)(1), the term ‘dealer’ means a person
22 who sold at least 10 motor vehicles to pur-
23 chasers for purposes other than resale within
24 the 12 months preceding the sale of the vehicle
25 referred to in paragraph (1). For purposes of

1 this subparagraph, the term motor vehicle does
 2 not include a motor vehicle sold for parts or
 3 scrap as a junk automobile (as defined in sec-
 4 tion 30501(4)) or a motor vehicle that is a sal-
 5 vage vehicle (as defined in section 30501(7)).

6 “(B) USED MOTOR VEHICLE.—The term
 7 ‘used motor vehicle’ means a motor vehicle that
 8 has previously been purchased for purposes
 9 other than resale.”.

10 **SEC. 8. SCHOOL BUSES.**

11 Section 30125 of title 49, United States Code, is
 12 amended by adding at the end the following:

13 “(d) OPERATION AFTER NOTIFICATION.—

14 “(1) In general.—A person who owns or leases
 15 a school bus who receives a notice of a defect or
 16 noncompliance for that school bus under section
 17 30118(b) or (c) may not operate the school bus as
 18 a school bus for more than 30 days after receipt of
 19 the notice unless the defect or noncompliance is rem-
 20 edied (within the meaning of that term as used in
 21 section 30120) or the Secretary grants a waiver.
 22 The Secretary may grant a waiver from the prohibi-
 23 tion in the preceding sentence, or extend the 30-day
 24 period, if the Secretary, in the Secretary’s sole dis-

1 cretion, finds that the waiver or extension is in the
2 public interest.”.

3 **SEC. 9. COMMERCIAL PASSENGER VEHICLES.**

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

7 **“§ 30128. Commercial passenger vehicles**

8 “A person who owns or leases a motor vehicle used
9 to transport passengers for compensation who receives a
10 notice of a defect or noncompliance for that motor vehicle
11 under section 30118(b) or (c) may not operate the motor
12 vehicle for that purpose until the defect or noncompliance
13 is remedied (within the meaning of that term as used in
14 section 30120).”.

15 (b) **CLERICAL AMENDMENT.**—The chapter analysis
16 for subchapter H of chapter 301 of title 49, United States
17 Code, is amended by adding at the end the following:

“30128. Commercial passenger vehicles”.

18 **SEC. 10. PENALTIES.**

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

21 “(a) **IN GENERAL.**—A person that violates any of
22 sections 30112, 30115, 30117 through 30122, 30123(d),
23 30125(c) or (d), 30126(b), 30127, 30128, 30141 through
24 30147, or 30166, or a regulation prescribed thereunder,
25 is liable to the United States Government for a civil pen-

1 alty of not more than \$5,000 for each violation. A separate
 2 violation occurs for each motor vehicle or item of motor
 3 vehicle equipment and for each failure or refusal to allow
 4 or perform an act required by any of those sections. The
 5 maximum penalty under this paragraph for a related se-
 6 ries of violations is \$15,000,000, except that no such max-
 7 imum applies in the case of a willful and intentional viola-
 8 tion.”.

9 (b) CRIMINAL PENALTIES.—

10 (1) IN GENERAL.—Subchapter IV of chapter
 11 301 of title 49, United States Code, is amended by
 12 adding at the end the following:

13 **“§ 30170. Criminal penalties**

14 “(a) DEFECTS THAT CAUSE GRIEVOUS BODILY
 15 HARM.—It is unlawful for a manufacturer to introduce
 16 a motor vehicle or motor vehicle equipment into interstate
 17 commerce with a safety-related defect that causes grievous
 18 bodily harm to an individual if the manufacturer knows
 19 of the defect at the time the vehicle or equipment is intro-
 20 duced into intrastate commerce.

21 “(b) DEFECTS THAT CAUSE FATALITIES.—It is un-
 22 lawful for a manufacturer to introduce a motor vehicle or
 23 motor vehicle equipment into interstate commerce with a
 24 safety-related defect that causes the death of an individual
 25 if the manufacturer knows of the defect at the time the

1 vehicle or equipment is introduced into interstate com-
 2 merce.

3 “(c) PENALTIES.—Violation of subsection (a) is pun-
 4 ishable by fine of not more than \$10,000, imprisonment
 5 for not more than 5 years, or both. Violation of subsection
 6 (b) is punishable by a fine of not more than \$50,000, im-
 7 prisonment for not more than 15 years, or both.”

8 (2) CLERICAL AMENDMENT.—The subchapter
 9 analysis for subchapter IV of chapter 301 of title
 10 49, United States Code, is amended by adding at
 11 the end the following:

“30170. Criminal penalties”.

12 **SEC. 11. RECORDS AND REPORTS.**

13 (a) RECORDKEEPING AND REPORTING REQUIRE-
 14 MENTS.—Section 30166(c) of title 49, United States
 15 Code, is amended to read as follows:

16 “(c) RECORDS AND REPORTS.—

17 “(1) IN GENERAL.—The Secretary of Transpor-
 18 tation is authorized to require a manufacturer of a
 19 motor vehicle or motor vehicle equipment to keep
 20 records, and a manufacturer, distributor, or dealer
 21 to make reports, to enable the Secretary to decide
 22 whether the manufacturer, distributor, or dealer has
 23 complied or is complying with this chapter or a regu-
 24 lation prescribed or order issued under this chapter.
 25 This subsection does not impose a recordkeeping re-

1 requirement on a distributor or dealer in addition to
2 those imposed under subsection (f) of this section
3 and section 30117(b) or a regulation prescribed or
4 order issued under subsection (f) or section
5 30117(b).

6 “(2) ACCIDENTS AND INCIDENTS.—The Sec-
7 retary of Transportation shall require a manufac-
8 turer of a motor vehicle or motor vehicle equipment
9 to keep records and to make reports if the manufac-
10 turer has received information with regard to acci-
11 dents or other incidents involving motor vehicles or
12 equipment manufactured by that manufacturer (or a
13 related party) that resulted in fatalities, serious inju-
14 ries, or fires. The Secretary is authorized to require
15 that the reports be made when the information is re-
16 ceived by the manufacturer, periodically, or in re-
17 sponse to an order or request by the Secretary.

18 “(3) WARRANTY, CLAIM, AND OTHER INFORMA-
19 TION.—The Secretary of Transportation is author-
20 ized to require a manufacturer of a motor vehicle or
21 motor vehicle equipment to keep records and to
22 make reports with regard to warranty or adjustment
23 information, consumer complaints, consumer satis-
24 faction campaigns, lawsuits (but only with respect to
25 lawsuits for which the manufacturer has been named

1 as a defendant in 3 or more lawsuits with respect to
2 the same defect), personal injury claims, and other
3 safety-related information relating to actual or po-
4 tential defects. The Secretary is authorized to re-
5 quire a manufacturer of motor vehicle equipment to
6 provide information to the Secretary related to the
7 number, or other identifying characteristic, of equip-
8 ment made or sold by that manufacturer. The Sec-
9 retary is authorized to require that the reports be
10 made when the information is received by the manu-
11 facturer, periodically, or in response to an order or
12 request by the Secretary.

13 “(4) ACCESS TO DEFECT AND RECALL DEALER
14 COMMUNICATIONS.—The Secretary of Transpor-
15 tation is authorized to require a manufacturer of a
16 motor vehicle or motor vehicle equipment to provide
17 reasonable access to the manufacturer’s communica-
18 tions related to defects and recalls to the same ex-
19 tent and in the same manner as provided to the
20 manufacturer’s dealers.

21 “(5) INSURORS.—The Secretary of Transpor-
22 tation is authorized to require a person in the busi-
23 ness of providing automobile insurance or resolving
24 claims under insurance policies to keep records or to
25 make reports, upon receiving information, periodi-

1 eally, or in response to an order or specific request
 2 to make a report regarding accidents or incidents in
 3 vehicles and equipment that result in fatalities, seri-
 4 ous injuries, or fires. The information required may
 5 include the vehicle identification number, the in-
 6 sured's name, address, and telephone number. The
 7 Secretary shall treat any such information with re-
 8 spect to an insured person as confidential informa-
 9 tion.”.

10 (b) COMMUNICATIONS ABOUT DEFECTS AND NON-
 11 COMPLIANCE.—Section 30166(f) of title 49, United States
 12 Code, is amended by striking “communication to” and in-
 13 serting “communication to, or made available to,”.

14 (c) DEFINITIONS.—Section 30166(a) of title 49,
 15 United States Code, is amended to read as follows:

16 “(a) DEFINITIONS.—Notwithstanding section
 17 30102(a), in this section:

18 “(1) MOTOR VEHICLE ACCIDENT.—The term
 19 ‘motor vehicle accident’ means an occurrence associ-
 20 ated with the maintenance or operation of a motor
 21 vehicle or motor vehicle equipment resulting in per-
 22 sonal injury, death, or property damage.

23 “(2) DEALER.—The term ‘dealer’ means a per-
 24 son selling and distributing new motor vehicles or
 25 motor vehicle equipment, inside or outside the

1 United States, primarily to purchasers that in good
 2 faith purchase the vehicles or equipment other than
 3 for resale.

4 “(3) DISTRIBUTOR.—The term ‘distributor’
 5 means a person primarily selling and distributing
 6 motor vehicles or motor vehicle equipment, inside or
 7 outside the United States, for resale.

8 “(4) MANUFACTURER.—The term
 9 ‘manufacturer’—

10 “(A) means a person—

11 “(i) manufacturing or assembling
 12 motor vehicles or motor vehicle equipment;
 13 or

14 “(ii) importing motor vehicles or
 15 motor vehicle equipment for resale; and

16 “(B) includes—

17 “(i) a person incorporated within or
 18 with its principal place of business in the
 19 United States and its direct and indirect
 20 domestic and foreign subsidiaries and af-
 21 filiates;

22 “(ii) a person with its principal place
 23 of business in a foreign country, including
 24 its direct or indirect domestic and foreign
 25 subsidiaries and affiliates, any of which ex-

1 ports motor vehicles or motor vehicle
2 equipment into the United States; and

3 “(iii) a person with its principal place
4 of business in a foreign country, including
5 its direct or indirect domestic and foreign
6 subsidiaries and affiliates, any of which
7 manufactures or assembles motor vehicles
8 or motor vehicle equipment in the United
9 States.

10 “(5) OWNER.—The term ‘owner’ means an
11 owner inside or outside the United States.

12 “(6) PURCHASER.—The term ‘purchaser’
13 means a purchaser inside or outside the United
14 States.

15 “(7) PERSON.—The term ‘person’ means any
16 manufacturer, distributor, or dealer and any other
17 person within the United States that may have in-
18 formation related to this chapter.”.

19 (d) EFFECTIVE DATE.—The amendments made by
20 this section take effect 180 days after the date of enact-
21 ment of this Act.

22 **SEC. 12. INCREASE IN ODOMETER PENALTIES.**

23 (a) CIVIL PENALTY.—Section 32709(a)(1) of title
24 49, United States Code, is amended—

1 (1) by striking “\$2,000” and inserting
2 “\$5,000”; and

3 (2) by striking “\$100,000.” and inserting
4 “\$1,000,000.”.

5 (b) PRIVATE CIVIL ACTIONS.—Section 32710(a) of
6 title 49, United States Code, is amended by striking
7 “\$1,500,” and inserting “\$10,000.”.

8 **SEC. 13. REVISED TIRE SAFETY STANDARDS.**

9 Within 30 days after the date of enactment of this
10 Act, the Secretary of Transportation shall initiate a rule-
11 making proceeding to review and revise as necessary the
12 motor vehicle safety standards for pneumatic tires pre-
13 scribed under chapter 301 of title 49, United States Code.
14 The Secretary shall complete the rulemaking no later than
15 June 1, 2001.

16 **SEC. 14. IMPROVED TIRE SIDEWALL MARKINGS.**

17 Within 30 days after the date of enactment of this
18 Act, the Secretary of Transportation shall initiate a rule-
19 making proceeding to improve the labelling of tires re-
20 quired by section 30123 of title 49, United States Code,
21 to facilitate improved public understanding of load limits
22 and appropriate tire inflation levels. The Secretary shall
23 also take whatever additional action is appropriate to en-
24 sure that the public is aware of the importance of observ-

1 ing motor vehicle tire load limits and maintaining proper
 2 tire inflation levels to the safe operation of a motor vehicle.

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Motor Vehicle and Motor
 5 Vehicle Equipment Defect Notification Improvement Act”.*

6 **SEC. 2. IMPROVED INTERNATIONAL COOPERATION CON-
 7 CERNING SAFETY-RELATED DEFECTS.**

8 *(a) IN GENERAL.—Subchapter I of chapter 301 of title
 9 49, United States Code, is amended by adding at the end
 10 the following:*

11 **“§ 30106. International cooperation**

12 *“(a) IN GENERAL.—The Secretary of Transportation
 13 may cooperate with the transportation authorities of foreign
 14 countries to enhance motor vehicle and traffic safety by ex-
 15 changing information with those authorities related to
 16 motor vehicle and motor vehicle equipment safety defects,
 17 and noncompliance with motor vehicle safety and motor ve-
 18 hicle equipment standards and enforcement of regulations.*

19 *“(b) CONFIDENTIAL INFORMATION.—The Secretary
 20 may authorize the disclosure of confidential commercial in-
 21 formation submitted to the National Highway Traffic Safe-
 22 ty Administration, or incorporated in agency-prepared
 23 records, to a foreign governmental agency that performs
 24 functions similar to those performed by the National High-*

1 way Traffic Safety Administration as part of cooperative
2 law enforcement or regulatory enforcement efforts if—

3 “(1) the Secretary determines that disclosure
4 would be in the interest of improved motor vehicle
5 safety; and

6 “(2) the foreign governmental agency provides a
7 statement in writing to the Secretary that—

8 “(A) establishes the foreign governmental
9 agency’s authority to protect confidential com-
10 mercial information from public disclosure; and

11 “(B) commits the foreign governmental
12 agency not to disclose any such information pro-
13 vided to it under this subsection without the
14 written permission of the person to whom the in-
15 formation relates or a written confirmation from
16 the National Highway Traffic Safety Adminis-
17 tration that the information has otherwise been
18 made available to the public in the United
19 States.

20 “(c) *NONPUBLIC INFORMATION.*—The Secretary may
21 authorize the disclosure of nonpublic, pre-decisional docu-
22 ments concerning regulations or other regulatory require-
23 ments of the National Highway Traffic Safety Administra-
24 tion or other Federal agencies, and other nonpublic infor-
25 mation relevant to agency activities, to a foreign govern-

1 *mental agency that performs functions similar to those per-*
2 *formed by the National Highway Traffic Safety Adminis-*
3 *tration as part of cooperative law enforcement or regulatory*
4 *activity if—*

5 “(1) *the Secretary determines that disclosure is*
6 *reasonably necessary to facilitate motor vehicle safety*
7 *related cooperative law enforcement or regulatory ac-*
8 *tivity; and*

9 “(2) *the foreign governmental agency provides a*
10 *statement in writing to the Secretary that—*

11 “(A) *establishes the foreign governmental*
12 *agency’s authority to protect the document or in-*
13 *formation from public disclosure; and*

14 “(B) *commits the foreign governmental*
15 *agency not to disclose any document or informa-*
16 *tion provided to it under this subsection without*
17 *a written confirmation from the National High-*
18 *way Traffic Safety Administration that it has*
19 *no objection to disclosure of the document or that*
20 *the information has otherwise been made avail-*
21 *able to the public in the United States.*

22 “(d) *LIMIT ON DISCLOSURE.—Notwithstanding any*
23 *other provision of law, a document or information disclosed*
24 *under subsection (b) or (c) to a foreign governmental agency*
25 *is not required to be disclosed to the public under section*

1 552 of title 5, United States Code, or any other provision
 2 of law, unless the information has otherwise been made
 3 available to the public in the United States.”.

4 (b) *CLERICAL AMENDMENT.*—The chapter analysis for
 5 subchapter I of chapter 301 of title 49, United States Code,
 6 is amended by adding at the end the following:

“30106. *International cooperation*”.

7 **SEC. 3. INTERNATIONAL AGREEMENT FOR RECALLS OF**
 8 **MOTOR VEHICLES OR MOTOR VEHICLE**
 9 **PARTS.**

10 (a) *INTERNATIONAL AGREEMENT.*—The President is
 11 authorized and requested to initiate, within 60 days after
 12 the date of the enactment of this Act, negotiations for an
 13 international agreement governing the dissemination of in-
 14 formation about the recall by manufacturers of motor vehi-
 15 cles and motor vehicle equipment with safety-related defects.
 16 Any such agreement may not enter into force with respect
 17 to the United States unless it has been ratified by the
 18 United States Senate.

19 (b) *PURPOSE.*—The purpose of these negotiations shall
 20 be to establish an international agreement under which gov-
 21 ernment officials agree to cooperate in furthering global
 22 transparency with respect to motor vehicle and motor vehi-
 23 cle equipment recalls so as to promote consumer safety and
 24 to enhance consumer confidence.

1 (c) *GUIDELINES.*—*The international agreement nego-*
2 *tiated under subsection (a) should incorporate the following*
3 *provisions:*

4 (1) *Each signatory will designate a competent*
5 *authority within its national government as the re-*
6 *sponsible authority for disseminating, to the public*
7 *and to other foreign authorities, information about re-*
8 *calls of motor vehicles or motor vehicle equipment.*

9 (2) *Each signatory will cooperate at the inter-*
10 *national level through its designated authorities*
11 *through information exchange, communication, and*
12 *joint action.*

13 (3) *Each signatory will make available, to the*
14 *public and to other governments, through an Internet*
15 *site, at a minimum, the following information:*

16 (A) *The name, title, and contact informa-*
17 *tion for the competent authority for motor vehi-*
18 *cle or motor vehicle equipment recalls.*

19 (B) *The names of any motor vehicle or*
20 *motor vehicle equipment manufacturer in its ju-*
21 *risdiction that has issued a recall, the company's*
22 *contact information, and the specific motor vehi-*
23 *cle or motor vehicle equipment that is the subject*
24 *of a recall.*

1 (C) *The country in which the recall is in ef-*
2 *fect, and the date of the recall.*

3 (4) *Each signatory, in the interest of getting all*
4 *relevant information to its competent authority and*
5 *having the authority share it with the competent au-*
6 *thorities of other countries, will disseminate widely*
7 *the final guidelines negotiated to all relevant govern-*
8 *mental departments, agencies, and branches of gov-*
9 *ernment.*

10 (5) *Each signatory that is an advanced industri-*
11 *alized country will seek to assist other countries that*
12 *are signatories to implement the agreement, and to*
13 *aid efforts by those countries to ensure compliance*
14 *with the agreement.*

15 (6) *Each signatory will establish a framework to*
16 *conduct regular oversight and review to assess the op-*
17 *eration and effectiveness of the agreement and to cre-*
18 *ate a forum in which each signatory can share with*
19 *other signatories the laws and regulations it has*
20 *adopted to implement the agreement.*

21 (d) *GUIDELINES FOR ENTERPRISES ENGAGED IN*
22 *TRADE.—The international agreement negotiated under*
23 *subsection (a) should incorporate the following guidelines*
24 *on recalls for manufacturers engaged in exporting motor*
25 *vehicles or motor vehicle equipment or manufacturing*

1 *motor vehicle equipment for inclusion in motor vehicles to*
2 *be exported:*

3 (1) *TRANSPARENCY AND DISCLOSURE.—Each*
4 *such manufacturer should disclose all relevant infor-*
5 *mation regarding any recall it undertakes to the com-*
6 *petent authority in the country in which it initiates*
7 *the recall and to the competent authority in the coun-*
8 *try in which it is incorporated. The information*
9 *should be extensive enough to facilitate public notice*
10 *described in subsection (c)(3).*

11 (2) *CONSUMER INTERESTS.—Each such manu-*
12 *facturer should, to the greatest extent practical, make*
13 *consumers aware of recalls of its motor vehicles or*
14 *motor vehicle equipment.*

15 (3) *COOPERATION WITH REGULATORY AUTHORI-*
16 *TIES.—Each such manufacturer should cooperate*
17 *promptly with the national authorities in any coun-*
18 *try that is requesting information about a motor vehi-*
19 *cle or motor vehicle equipment recall in an effort to*
20 *safeguard consumer safety.*

21 (e) *PROVISIONS RELATED TO THE UNITED STATES.—*

22 (1) *IN GENERAL.—The Secretary of Transpor-*
23 *tation shall be the competent authority for the United*
24 *States.*

1 (2) *COORDINATION.*—*In carrying out the role of*
2 *competent authority, the Secretary shall coordinate*
3 *with and draw on the expertise of the Department of*
4 *State, the Office of the United States Trade Rep-*
5 *resentative, and the National Highway Traffic Safety*
6 *Administration.*

7 (3) *INTERNET AVAILABILITY.*—*Until the Presi-*
8 *dent concludes the negotiations authorized by this sec-*
9 *tion and there is an international Internet database*
10 *that contains the information described in subsection*
11 *(c)(3), the Secretary shall establish an official Depart-*
12 *ment of Transportation website on the Internet pro-*
13 *viding that information to the greatest extent possible*
14 *when a recall involves motor vehicles or motor vehicle*
15 *equipment that is offered for sale inside and outside*
16 *the United States, and shall post information pro-*
17 *vided to the Secretary by United States embassies*
18 *about recalls of motor vehicles or motor vehicle equip-*
19 *ment in the country in which the embassy is located*
20 *that is offered for sale in the United States.*

21 (4) *COORDINATED FEDERAL STRATEGY.*—*The*
22 *Secretary of State shall establish procedures by which*
23 *United States embassies and consular offices abroad*
24 *will inform the Secretary of Transportation whenever*
25 *the Ambassador, commercial attache, or other rep-*

1 (2) by striking “3 calendar years,” and inserting
2 “5 calendar years,”.

3 **SEC. 6. ENHANCED INFORMATION REPORTING.**

4 Section 30118 of title 49, United States Code, is
5 amended—

6 (1) by redesignating subsections (d) and (e) as
7 subsections (e) and (f); and

8 (2) by inserting after subsection (c) the fol-
9 lowing:

10 “(d) *ENHANCED REPORTING OF INFORMATION.*—

11 “(1) *RULEMAKING REQUIRED.*—No later than
12 120 days after the date of enactment of the Motor Ve-
13 hicle and Motor Vehicle Equipment Defect Notifica-
14 tion Improvement Act, the Secretary of Transpor-
15 tation shall initiate a rulemaking proceeding to estab-
16 lish increased reporting requirements and record re-
17 tention for manufacturers of motor vehicles and motor
18 vehicle equipment to enhance the Secretary’s ability
19 to carry out the provisions of this chapter.

20 “(2) *DEADLINE.*—The Secretary shall issue a
21 final rule under paragraph (1) not later than June
22 30, 2002.

23 “(3) *DATA COVERED.*—

24 “(A) *REQUIRED DATA.*—In carrying out
25 this subsection, the Secretary shall require man-

1 *ufacturers to collect and report to the Secretary*
2 *periodically, or upon request by the Secretary,*
3 *the following information derived from domestic*
4 *and foreign sources:*

5 *“(i) Accidents or incidents, or trends*
6 *or patterns of accidents or incidents, involv-*
7 *ing motor vehicles, motor vehicle equipment,*
8 *or motor vehicle equipment components or*
9 *systems manufactured by that manufacturer*
10 *that result in fatalities, serious injuries, or*
11 *fires.*

12 *“(ii) Any 3 or more lawsuits in which*
13 *the manufacturer is a defendant involving*
14 *the same, or a substantially similar, alleged*
15 *defect.*

16 *“(iii) Customer satisfaction cam-*
17 *paigns, consumer advisories, recalls, or*
18 *other activity involving the repair or re-*
19 *placement of motor vehicles or items of*
20 *motor vehicle equipment.*

21 *“(iv) Warranty or adjustment data re-*
22 *ceived by the manufacturer.*

23 *“(B) POTENTIAL DATA.—In carrying out*
24 *this subsection, the Secretary shall consider re-*
25 *quiring manufacturers to collect and report to*

1 *the Secretary periodically, or upon request by*
2 *the Secretary, the following information derived*
3 *from domestic and foreign sources:*

4 “(i) *Consumer complaints.*

5 “(ii) *Safety-related information relat-*
6 *ing to actual or potential defects not other-*
7 *wise collected or reported.*

8 “(iii) *The number or other identifying*
9 *characteristic for motor vehicle equipment*
10 *sold by that manufacturer.*

11 “(iv) *Communications between the*
12 *manufacturer and dealers, or other informa-*
13 *tion made available by the manufacturer to*
14 *dealers, relating to motor vehicle or motor*
15 *vehicle equipment safety-related defects or*
16 *recalls.*

17 “(4) *INSURANCE.—No later than 120 days after*
18 *the date of enactment of the Motor Vehicle and Motor*
19 *Vehicle Equipment Defect Notification Improvement*
20 *Act, the Secretary shall initiate a rulemaking pro-*
21 *ceeding to establish enhanced aggregate information*
22 *reporting requirements under this chapter for persons*
23 *in the business of providing motor vehicle insurance*
24 *or of adjusting motor vehicle insurance claims. The*

1 *Secretary shall issue a final rule under this para-*
2 *graph not later than June 30, 2002.*

3 “(5) *CONFIDENTIALITY.*—*Nothing in this sub-*
4 *section provides an exception from section 30167(a)*
5 *for information received by the Secretary under the*
6 *rulemaking required by this subsection.”.*

7 **SEC. 7. SCHOOL BUSES.**

8 *Section 30125 of title 49, United States Code, is*
9 *amended by adding at the end the following:*

10 “(d) *SUSPENSION OF OPERATIONS FOR IMMINENT*
11 *HAZARD.*—*The Secretary may issue an order directing any*
12 *person that operates a school bus to suspend operation of*
13 *the school bus as a school bus if the Secretary determines*
14 *that there is a defect or noncompliance that presents an*
15 *imminent hazard to passenger safety if the school bus con-*
16 *tinues operation before the defect or noncompliance is rem-*
17 *edied.”.*

18 **SEC. 8. COMMERCIAL PASSENGER VEHICLES.**

19 (a) *IN GENERAL.*—*Subchapter II of chapter 301 of*
20 *title 49, United States Code, is amended by adding at the*
21 *end thereof the following:*

22 “§ **30128. Commercial passenger vehicles**

23 “*The Secretary of Transportation may issue an order*
24 *directing any person that operates a motor vehicle used to*
25 *transport passengers for compensation to suspend operation*

1 *of the vehicle to transport passengers for compensation if*
 2 *the Secretary determines that there is a defect or noncompli-*
 3 *ance that presents an imminent hazard to passenger safety*
 4 *if the vehicle continues such operation before the defect or*
 5 *noncompliance is remedied.”.*

6 (b) *CLERICAL AMENDMENT.*—*The chapter analysis for*
 7 *subchapter II of chapter 301 of title 49, United States Code,*
 8 *is amended by adding at the end the following:*

“30128. Commercial passenger vehicles”.

9 **SEC. 9. PENALTIES.**

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

12 “(a) *IN GENERAL.*—*A person that violates any of sec-*
 13 *tions 30112, 30115, 30117 through 30122, 30123(d),*
 14 *30125(c) or (d), 30126(b), 30127, 30128, 30141 through*
 15 *30147, or 30166, or a regulation prescribed thereunder, is*
 16 *liable to the United States Government for a civil penalty*
 17 *of not more than \$5,000 per day for each violation. A sepa-*
 18 *rate violation occurs for each motor vehicle or item of motor*
 19 *vehicle equipment and for each failure or refusal to allow*
 20 *or perform an act required by any of those sections. The*
 21 *maximum penalty under this paragraph for a related series*
 22 *of violations is \$15,000,000, except that no such maximum*
 23 *applies in the case of a willful and intentional violation.”.*

24 (b) *CRIMINAL PENALTIES.*—

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

4 **“§ 30170. Criminal penalties**

5 “(a) *ACTS PROHIBITED.*—It is unlawful for a director,
6 officer, or agent of a manufacturer that introduces a motor
7 vehicle or motor vehicle equipment into interstate commerce
8 to authorize, order, or ratify the introduction if the director,
9 officer, or agent knew that—

10 “(1) at the time of introduction the manufac-
11 turer was in violation of section 30112(a) or 30118(c)
12 with respect to that motor vehicle or motor vehicle
13 equipment;

14 “(2) the condition of the motor vehicle or motor
15 vehicle equipment that is the subject of that violation
16 created a serious danger of death or grievous bodily
17 harm; and

18 “(3) the condition described in paragraph (2)
19 caused death or grievous bodily harm.

20 “(b) *PENALTIES.*—Violation of subsection (a) is pun-
21 ishable by—

22 “(1) a fine of not more than \$10,000, imprison-
23 ment for not more than 5 years, or both, if the viola-
24 tion resulted in grievous bodily harm; and

1 “(2) a fine of not more than \$50,000, imprison-
 2 ment for not more than 15 years, or both, if the viola-
 3 tion resulted in death.

4 “(c) *COORDINATION WITH DOJ.*—Before authorizing
 5 a United States Attorney to bring an action, or initiate
 6 grand jury proceedings, for a violation of subsection (a) or
 7 (b), the Attorney General shall consult with the Secretary
 8 of Transportation.”.

9 (2) *CLERICAL AMENDMENT.*—The subchapter
 10 analysis for subchapter IV of chapter 301 of title 49,
 11 United States Code, is amended by adding at the end
 12 the following:

“30170. Criminal penalties”.

13 **SEC. 10. RECORDS AND REPORTS.**

14 (a) *RECORDKEEPING AND REPORTING REQUIRE-*
 15 *MENTS.*—Section 30166(e) of title 49, United States Code,
 16 is amended to read as follows:

17 “(e) *RECORDS AND REPORTS.*—The Secretary of
 18 Transportation is authorized to require a manufacturer of
 19 a motor vehicle or motor vehicle equipment to keep records,
 20 and a manufacturer, distributor, or dealer to make reports,
 21 to enable the Secretary to decide whether the manufacturer,
 22 distributor, or dealer has complied or is complying with
 23 this chapter or a regulation prescribed or order issued under
 24 this chapter. This subsection does not impose a record-
 25 keeping requirement on a distributor or dealer in addition

1 *to those imposed under subsection (f) of this section and*
 2 *section 30117(b) or a regulation prescribed or order issued*
 3 *under subsection (f) or section 30117(b).”.*

4 (b) *DEFINITIONS.—Section 30166(a) of title 49,*
 5 *United States Code, is amended to read as follows:*

6 “(a) *DEFINITIONS.—Notwithstanding section*
 7 *30102(a), in this section:*

8 “(1) *MOTOR VEHICLE ACCIDENT.—The term*
 9 *‘motor vehicle accident’ means an occurrence associ-*
 10 *ated with the maintenance or operation of a motor*
 11 *vehicle or motor vehicle equipment resulting in per-*
 12 *sonal injury, death, or property damage.*

13 “(2) *DEALER.—The term ‘dealer’ means a per-*
 14 *son selling and distributing new motor vehicles or*
 15 *motor vehicle equipment, inside or outside the United*
 16 *States, primarily to purchasers that in good faith*
 17 *purchase the vehicles or equipment other than for re-*
 18 *sale.*

19 “(3) *DISTRIBUTOR.—The term ‘distributor’*
 20 *means a person primarily selling and distributing*
 21 *motor vehicles or motor vehicle equipment, inside or*
 22 *outside the United States, for resale.*

23 “(4) *MANUFACTURER.—The term*
 24 *‘manufacturer’—*

25 “(A) *means a person—*

1 “(i) *manufacturing or assembling*
2 *motor vehicles or motor vehicle equipment;*
3 *or*

4 “(ii) *importing motor vehicles or*
5 *motor vehicle equipment for resale; and*

6 “(B) *includes—*

7 “(i) *a person incorporated within or*
8 *with its principal place of business in the*
9 *United States and its direct and indirect*
10 *domestic and foreign subsidiaries and affili-*
11 *ates;*

12 “(ii) *a person with its principal place*
13 *of business in a foreign country, including*
14 *its direct or indirect domestic and foreign*
15 *subsidiaries and affiliates, any of which ex-*
16 *ports motor vehicles or motor vehicle equip-*
17 *ment into the United States; and*

18 “(iii) *a person with its principal place*
19 *of business in a foreign country, including*
20 *its direct or indirect domestic and foreign*
21 *subsidiaries and affiliates, any of which*
22 *manufactures or assembles motor vehicles or*
23 *motor vehicle equipment in the United*
24 *States.*

1 “(5) *OWNER*.—The term ‘owner’ means an owner
2 inside or outside the United States.

3 “(6) *PURCHASER*.—The term ‘purchaser’ means
4 a purchaser inside or outside the United States.

5 “(7) *PERSON*.—The term ‘person’ means any
6 manufacturer, distributor, or dealer and any other
7 person within the United States that may have infor-
8 mation related to this chapter.”.

9 (c) *EFFECTIVE DATE*.—The amendments made by this
10 section take effect 180 days after the date of enactment of
11 this Act.

12 **SEC. 11. INCREASE IN ODOMETER PENALTIES.**

13 (a) *CIVIL PENALTY*.—Section 32709(a)(1) of title 49,
14 United States Code, is amended—

15 (1) by striking “\$2,000” and inserting “\$5,000”;

16 and

17 (2) by striking “\$100,000.” and inserting
18 “\$1,000,000.”.

19 (b) *PRIVATE CIVIL ACTIONS*.—Section 32710(a) of
20 title 49, United States Code, is amended by striking
21 “\$1,500,” and inserting “\$10,000,”.

22 **SEC. 12. REVISED TIRE SAFETY STANDARDS.**

23 Within 30 days after the date of enactment of this Act,
24 the Secretary of Transportation shall initiate a rulemaking
25 proceeding to review and revise as necessary the motor vehi-

1 cle safety standards for pneumatic tires prescribed under
2 chapter 301 of title 49, United States Code. The Secretary
3 shall complete the rulemaking no later than June 1, 2002.

4 **SEC. 13. IMPROVED TIRE SIDEWALL MARKINGS.**

5 *Within 30 days after the date of enactment of this Act,*
6 *the Secretary of Transportation shall initiate a rulemaking*
7 *proceeding to improve the labelling of tires required by sec-*
8 *tion 30123 of title 49, United States Code, to facilitate im-*
9 *proved public understanding of load limits and appropriate*
10 *tire inflation levels. The Secretary shall complete the rule-*
11 *making not later than June 1, 2002. The Secretary shall*
12 *also take whatever additional action is appropriate to en-*
13 *sure that the public is aware of the importance of observing*
14 *motor vehicle tire load limits and maintaining proper tire*
15 *inflation levels to the safe operation of a motor vehicle.*

16 **SEC. 14. AUTHORIZATION OF APPROPRIATIONS.**

17 *Section 30104 of title 49, United States Code, is*
18 *amended to read as follows:*

19 **“§ 30104. Authorization of appropriations**

20 *“There are authorized to be appropriated to the Sec-*
21 *retary of Transportation, out of the Highway Account of*
22 *the Highway Trust fund, \$115,954,000 for the National*
23 *Highway Traffic Safety Administration to carry out this*
24 *chapter in fiscal year 2001.”.*

Calendar No. 839

106TH CONGRESS
2D SESSION

S. 3059

[Report No. 106-423]

A BILL

To amend title 49, United States Code, to require motor vehicle manufacturers and motor vehicle equipment manufacturers to obtain information and maintain records about potential safety defects in their foreign products that may affect the safety of vehicles and equipment in the United States, and for other purposes.

SEPTEMBER 27 (legislative day, SEPTEMBER 22), 2000

Reported with an amendment