

McSarrow, who worked with me a while, and now works with Senator COVERDELL, swept her off her feet and now off to Arizona. I will never quite get over what he has done to me. They are a great and wonderful couple. Alison has come to be one of my most trusted aides. She is so competent. I have always been able to rely on her. I will miss her tremendously. I wanted to have an expression of my appreciation in the RECORD for her.

My counsel, Steve Seale, will be going downtown to work with a law firm, which will remain nameless for now. He is a close friend from my own State of Mississippi. He was a naval officer and he was a State Senator and had an outstanding law practice. He left that to come and work for me over the past 3 years. He has done an outstanding job. I wish him the very best in the future.

Last but not least, I want to especially recognize our Sergeant at Arms, Gregg Casey. Gregg had worked for, of course, our policy chairman, LARRY CRAIG. He did a great job with him as Chief of Staff. He is a very close friend of DIRK KEMPTHORNE, the other Senator from Idaho. He came to my aid when I became majority leader to try to help me get my office organized, as I was putting 3 separate staffs into one. He has a real talent for organization and getting an office set up where it can be administered properly. I had another emergency on my hands. We had a need for a new Sergeant at Arms and he agreed to not go back with Senator CRAIG and go into this position of Sergeant at Arms. Over the past 2, 2½ years, he has done a great job in my Senate office and as Sergeant at Arms. It has been difficult in many respects because there were problems that needed to be dealt with. He stepped up to the task.

Of course, we had the very trying experience when we had two of our own security people here in the Capitol killed. That week, I'm sure, is one that has been indelibly marked in Gregg Casey's mind—the horror of it and all that went on. Actually, through it all, a family atmosphere came out of it, and everybody felt a closeness. He did a great job in the aftermath of that and provided real leadership. I know he is going to have many great opportunities in the future. I thank Gregg Casey for a job well done as Sergeant at Arms. This place is better because of the service he has given.

#### THE NATIONAL SALVAGE MOTOR VEHICLE CONSUMER PROTECTION ACT OF 1998

Mr. LOTT. Mr. President, I am very disappointed that there was an objection to the final passage of the National Salvage Motor Vehicle Act of 1998. This bipartisan consumer measure would have combated the growing and costly fraud of selling rebuilt salvage vehicles as undamaged used cars. This small, but important package would

have saved consumers and automobile dealers more than \$4 billion annually and would have kept millions of structurally unsafe vehicles off America's roads and highways.

As my colleagues are aware, the practice of selling salvage vehicles without disclosing their damage history has become a serious national problem—aided by titling requirements that vary from state to state. A significant number of our colleagues in this chamber recognized that the status quo simply is not working. Something needed to be done to protect used car buyers and automobile dealers all across America from title washing. This Congress took action to quell this anti-consumer plague that has preyed on unsuspecting victims for far too long. Unfortunately, the Administration killed this much needed consumer protection measure.

Mr. President, the House of Representatives, under the stewardship of Chairman TOM BLILEY of the House Commerce Committee, and Congressman RICK WHITE, the author of the House companion bill, passed most of the Senate's legislation on October 10 with bipartisan support. The House wisely chose to exclude a federal overlay system in addition to existing state branding procedures. This duplicative approach was strongly opposed by the American Association of Motor Vehicle Administrators which represents the very people who would administer the provisions of any auto salvage legislation.

Removing the proposed federal overlay was not taken lightly. The House took a serious look at a recent letter from the AAMVA which strongly objected to the concept of dual federal and state branding systems. Based on its analysis, the House concluded that the proposed federal overlay scheme would have created greater consumer confusion instead of achieving the legislation's intended purpose of enhancing information disclosure. At this time Mr. President, I ask unanimous consent to have printed in the RECORD the October 5, 1998 letter from the American Association of Motor Vehicle Administrators to House Commerce Committee Chairman TOM BLILEY.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN ASSOCIATION OF  
MOTOR VEHICLE ADMINISTRATORS,  
*Arlington, VA, October 5, 1998.*

Hon. TOM BLILEY,  
Chairman, House Commerce Committee, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN BLILEY: On October 2, the Senate passed Bill 852, the National Motor Vehicle Safety, Anti-Theft, Title Reform, and Consumer Protection Act of 1997. Senate 852 incorporates the Levin amendment, which specifies a federal overlay of salvage terms and procedures. Under the federal overlay approach, a state which chooses to adopt the federal standards is free to also retain its current, inconsistent definitions and procedures with respect to salvage vehicles.

We understand that the bill will now be considered by the House/Senate Conference

Committee. We believe that the federal overlay approach is unacceptable for three reasons:

1. It undercuts the important objective of uniformity in the handling of salvage vehicles;
2. Since participation in the federal standards is entirely voluntary for the states, the federal overlay approach serves no useful purpose, while undercutting the important goals of the bill; and

3. It creates an unworkable system.

Therefore, we request that the federal overlay system be stricken from the final bill so that the bill can achieve the important objectives which Congress, motor vehicle administrators, law enforcement, dealers and others have long worked toward. Even without the Levin amendment, Senate 852 already contains substantial compromises that address the concerns of proponents of the Levin amendment.

Specifically, the federal overlay approach creates problems including:

#### LACK OF UNIFORMITY

The federal overlay approach completely destroys the primary goal of the legislation: to move toward uniformity of definitions and procedures with respect to salvage vehicles. Such uniformity was the most fundamental of the recommendations of the Motor Vehicle Titling, Registration and Salvage Advisory Committee. In making this recommendation, the Advisory Committee was, in part, addressing Congress' mandate in the Anti Car Theft Act of 1992, which directed the Advisory Committee to "include an examination of the extent to which the absence of uniformity and integration of State laws regulating vehicle titling and registration and salvage of used vehicles allows enterprising criminals to find the weakest link to 'wash' the stolen character of the vehicle."

During the advisory committee's deliberations, it was estimated that there were approximately 65 different words and symbols used in the states to designate salvage and other damaged vehicles, a jumble of terms creating problems for motor vehicle administrators, law enforcement and the consumers they both serve. Rather than moving us toward uniformity, the federal overlay approach raises the specter of actually adding to these 65 terms and symbols.

#### LACK OF BENEFIT

The federal overlay approach is particularly disturbing in that, given constitutional constraints, participation in the federal standards is voluntary for the states. Since there is no mandate on the states and since a state has to voluntarily adopt the federal standards in order to be affected by them, it is especially troubling that Congress would set up a system in which a state would have two inconsistent programs in place.

#### PRACTICAL CONCERNS

In our view, the federal overlay poses an unworkable and unrealistic result. Some examples of these problems are as follows:

1. Because the federal definition and the state definition would not be the same, a vehicle could meet the federal definition but not the state definition, or could meet the state definition and not the federal definition. In such a common circumstance, what is the consumer to understand from a title which tells him or her "this vehicle is federal salvage but not state salvage" or "this vehicle is not federal salvage but is state salvage"?

2. If a vehicle is both federal salvage and state salvage, which procedures are to apply? These procedures include application, reporting timeframes, inspection, disclosures, branding, etc. and will, in almost all cases, be different under the federal standards than under the state standards.

3. If a vehicle is a "flood vehicle" under the federal standards, but is a "salvage vehicle" under the state standards (a very common result), do the flood procedures or the salvage procedures apply?

4. If an insurance company leaves a vehicle which meets both the federal salvage standard and the state salvage standard with the owner, which owner-retained procedure is to be followed?

5. Under the federal standard, a nonrepairable vehicle certificate is to be limited to two transfers. Most state laws do not contain a similar limitation. Does the federal standard or the state standard apply?

6. Under Senate 852, it is a crime not to apply for a federal salvage title. Under state laws, it is a crime not to apply for a state salvage title. How does an applicant avoid committing a crime if a vehicle is both a federal salvage vehicle and a state salvage vehicle?

#### ADMINISTRATIVE BURDEN

State departments of motor vehicles would be tasked with implementing many provisions of Senate 852 as amended. They would need to interpret this complex law and apply it consistently. Responsibilities would include determining the proper designations for state and/or federal branded vehicles, retitling the vehicles, explaining the dual designations to citizens, etc.

The burden of interpreting and maintaining two sets of standards could discourage states from even attempting to implement the federal provisions. For the states that do attempt to implement, it will cause a ripple effect of confusion and errors among states that do not implement.

The amended bill would also create a burden upon users of the National Motor Vehicle Title Information System. As additional variations of salvage brand codes increase, the possibility of misinterpretation would increase as well. The bill's provisions would also require modifications to technical system design, which would in turn require expenditures of resources by states, central file providers, service providers, and the system operator to accommodate.

There are dozens of other practical concerns with the federal overlay approach, but the above give a sense for the impracticality of the approach. The more difficult an approach is to administer and to understand, the easier it is for the unscrupulous to again "work the system" and for consumers to be defrauded.

If you would like additional information, please contact Larry Greenberg, Vice President, Vehicle Services, or Linda Lewis, Director, Public and Legislative Affairs, at 703/522-4200.

Sincerely,

KENNETH M. BEAM,  
President & CEO.

Mr. LOTT. The motor vehicle administrators, the real front line experts on this issue, carefully and thoughtfully outlined their practical concerns with the proposed federal overlay approach.

First, the AAMVA letter noted that a federal overlay along with a separate state branding process undercuts the important objective of uniformity in the handling of salvage vehicles.

Second, since participation in the federal standards is entirely voluntary for the states, the federal "overlay" approach serves no useful purpose.

And, third, the letter pointed out that the federal overlay would create an unworkable, unmanageable system.

The AAMVA also cautioned in its letter that "the burden of interpreting

and maintaining two sets of standards could discourage states from even attempting to implement the federal provisions. For the states that do attempt to implement, it will cause a ripple effect of confusion and errors among states that do not implement." In my view, these are compelling arguments against adopting the federal overlay approach that was added when the bill passed the Senate on October 2.

Since the legislation was reported by the Senate Commerce Committee in November of last year, a large number of changes were made to the bill in an effort to address expressed concerns. Again, I would emphasize that the final title branding legislation included a number of significant changes to make the bill even more pro-consumer and to provide states with maximum flexibility. It closed the gaps that exist between conflicting state vehicle titling laws that allow dishonest rebuilders to perpetuate their fraudulent schemes without the need for a complicated, redundant, and burdensome federal overlay framework.

The bipartisan compromise package included:

A salvage threshold that was lowered from 80 percent to 75 percent.

A provision that allows states to cover any vehicle, regardless of age.

A provision that grants state Attorneys General the ability to sue on behalf of citizens who are victimized by rebuilt salvage fraud and recover monetary judgments for damages that citizens may have suffered.

With respect to the bill's "prohibited acts," the Senate bill replaced the House's "knowingly and willfully" standard with a "knowingly" standard.

Two new prohibited acts, one related to making a flood disclosure and the other related to moving a vehicle or title in interstate commerce for the purpose of avoiding the bill's requirements.

Flexibility for the states to provide additional disclosures to their citizens regarding the damage history of vehicles; synonyms of the defined terms that a conforming state could not use in connection with a vehicle were deleted.

A provision that allows a state to establish a lesser percentage threshold for salvage vehicles if it so chooses. In other words, a state could set its threshold below the 75 percent level and still be in compliance with the provisions of the bill. Some consumer groups and some attorneys general advocated that states should be able to set their thresholds lower if they so desire. In the interest of compromise, we agreed to adopt that position.

The package that I just outlined clearly indicates that the supporters of the legislation proceeded in good faith to reach a reasonable compromise for an effective bill. A number of changes were adopted a long the way in effort to protect used car consumers from title laundering. Equally important, the changes preserved the right of the

states to determine what is in the best interests of their citizens.

While I commend my colleagues in both chambers and from both sides of the aisle for passing versions of this important consumer protection legislation, I again want to express my regret that the Administration chose to oppose the National Salvage Motor Vehicle Act.

Now, instead of improving the hodgepodge of state titling laws, the Administration allows unscrupulous auto rebuilders to launder car and truck titles so they bear no indication of a vehicle's damage history. Perpetuating a costly fraud. A \$4 billion annual consumer swindle.

Instead of endorsing this pro-disclosure measure and protecting Americans from title fraud, the Administration has allowed more wrecks on wheels to be put back on our roads and highways.

#### SUPERFUND RECYCLING EQUITY ACT

Mr. LOTT. Mr. President, I would like to express my personal disappointment that S. 2180, the Superfund Recycling Equity Act, was not enacted into law by this Congress.

The Lott-Daschle scrap recycling bill was cosponsored by 64 Senators and over 300 members of the House. It was strongly supported by the Administration, the environmental community and the scrap recycling industry.

Mr. President, the odds for success don't get much better than this.

S. 2180 would have provided much needed liability relief to those who collect scrap metal, paper, glass, plastic and textiles and arrange for it to be recycled. These are people who should not be held responsible for the pollution of a Superfund site. The Administration agrees. A majority in the Congress agrees. The environmental community agrees. This may be the one and only item within the scope of Superfund reform that has the unanimous support of all parties!

That's why, Mr. President, every comprehensive Superfund bill since 1994 has contained virtually the same language as is found in S. 2180. The same agreements, the same exemptions and the same relief.

I believe in recycling and in the American businesses that recycle. My colleagues on both sides of the aisle do too, and that's why we have come as far as we have towards bringing relief to this industry. No one in this Chamber would argue that it's better to make new aluminum cans than to recycle the old ones. No one would say that used cans should go to the county landfill while new resources go towards making new cans.

But that is just what this body is saying by failing to act on this legislation: Recyclers should be held liable for polluting a site because they provided the materials that created a product that someone else misused in