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

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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE.

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

SEC. 2. IMPROVED INTERNATIONAL COOPERATION CONCERNING SAFETY-RELATED DEFECTS.

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

“§ 30106. International cooperation

“(a) In General.—The Secretary of Transportation may cooperate with the transportation authorities of foreign countries to enhance motor vehicle and traffic safety by exchanging information with those authorities related to motor vehicle and motor vehicle equipment safety defects, noncompliance with motor vehicle safety and motor vehicle equipment standards and regulations.

“(b) Confidential Information.—The Secretary may authorize the disclosure of confidential commercial information submitted to the National Highway Traffic Safety Administration, or incorporated in agency-prepared records, to a foreign governmental agency that performs functions similar to those performed by the National Highway Traffic Safety Administration as part of cooperative law enforcement or regulatory efforts if—
“(1) the Secretary determines that disclosure would be in the interest of improved motor vehicle safety; and

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

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

“(B) commits the foreign governmental agency not to disclose any such information provided to it under this subsection without the written permission of the person to whom the information relates or a written confirmation from the National Highway Traffic Safety Administration that the information has ceased to qualify as confidential commercial information under United States law.

“(c) NONPUBLIC INFORMATION.—The Secretary may authorize the disclosure of nonpublic, pre-decisional documents concerning regulations or other regulatory requirements of the National Highway Traffic Safety Administration or other Federal agencies, and other nonpublic information relevant to agency activities, to a foreign governmental agency that performs functions similar to those performed by the National Highway Traffic Safety Ad-
ministration as part of cooperative law enforcement or
regulatory activity if—

“(1) the Secretary determines that disclosure is
reasonably necessary to facilitate motor vehicle safety
related cooperative law enforcement or regulatory
activity; and

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

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

“(B) commits the foreign governmental
agency not to disclose any document or inform-
ation provided to it under this subsection
without a written confirmation from the Na-
tional Highway Traffic Safety Administration
that it has no objection to disclosure of the doc-
ument or that the information has ceased to
qualify as nonpublic information under United
States law.

“(d) LIMIT ON DISCLOSURE.—Notwithstanding any
other provision of law, a document or information dis-
closed under subsection (b) or (e) to a foreign govern-
mental agency is not required to be disclosed to the public
under section 552 of title 5, United States Code, or any
other provision of law, unless the information has ceased
to qualify as confidential commercial information under
United States law.”.

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

“30106. International cooperation”.

SEC. 3. INTERNATIONAL AGREEMENT FOR RECALLS OF
MOTOR VEHICLES OR MOTOR VEHICLE
PARTS.

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

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

(c) Guidelines.—The international agreement ne-
gotiated under subsection (a) should incorporate the fol-
lowing provisions:
(1) Each signatory will designate a competent authority within its national government as the responsible authority for disseminating, to the public and to other foreign authorities, information about recalls of motor vehicles or motor vehicle equipment.

(2) Each signatory will cooperate at the international level through its designated authorities through information exchange, communication, and joint action.

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

(A) The name, title, and contact information for the competent authority for motor vehicle or motor vehicle equipment recalls.

(B) The names of any motor vehicle or motor vehicle equipment manufacturer in its jurisdiction that has issued a recall, the company’s contact information, and the specific motor vehicle or motor vehicle equipment that is the subject of a recall.

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

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

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

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

(d) **GUIDELINES FOR ENTERPRISES ENGAGED IN**

**TRADE.**—The international agreement negotiated under
subsection (a) should incorporate the following guidelines
on recalls for manufacturers engaged in exporting motor
vehicles or motor vehicle equipment or manufacturing
motor vehicle equipment for inclusion in motor vehicles to
be exported:

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

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

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

SEC. 4. COMPLIANCE REQUIRED FOR CERTIFICATION.

Section 30115 of title 49, United States Code, is
amended by adding at the end the following: “A person
may not affix a certification label or tag to a motor vehicle
or an item of motor vehicle equipment under this section
unless that person has established, through testing or engineering analyses, that the vehicle or equipment complies with all applicable motor vehicle safety standards prescribed under this chapter.”.

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

(a) In General.—Section 30118 of title 49, United States Code, is amended—

(1) by striking “motor vehicle or replacement equipment” in subsections (a), (b), and (c) and inserting “motor vehicle, original equipment, or replacement equipment”;

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

(3) by inserting after subsection (c) the following:

“(d) REVIEW OF SAFETY-RELATED DATA.—A manufacturer of a motor vehicle, original equipment, or replacement equipment shall review and consider information regarding accidents and incidents involving motor vehicles or equipment manufactured by that manufacturer (or a related party) that resulted in fatalities, serious injuries, or fires, including information about such accidents and incidents outside the United States, and notify the Secretary if the manufacturer has reason to believe that the
vehicle or equipment involved has a safety-related defect or fails to comply with any motor vehicle safety standard prescribed under this chapter.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect 180 days after the date of enactment of this Act.

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

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

(1) by striking “8 calendar years,” and inserting “10 calendar years,”; and

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

SEC. 7. USED MOTOR VEHICLES.

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

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

(2) by adding at the end the following:

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

“(1) IN GENERAL.—A dealer may not sell a used motor vehicle, except for purposes other than resale, or lease a used motor vehicle to another, unless the dealer—
“(A) informs the purchaser or lessee of any notification of a defect or noncompliance under section 30118(b) or (c) with respect to that vehicle that has not been remedied; and

“(B) either—

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

“(ii) obtains from the purchaser or lessee a signed statement in writing acknowledging receipt of a document that describes the defect or noncompliance (including any relevant information from such a notification) and the offer.

“(2) DEFINITIONS.—In this subsection:

“(A) DEALER.—Notwithstanding section 30102(a)(1), the term ‘dealer’ means a person who sold at least 10 motor vehicles to purchasers for purposes other than resale within the 12 months preceding the sale of the vehicle referred to in paragraph (1). For purposes of this subparagraph, the term motor vehicle does not include a motor vehicle sold for parts or scrap as a junk automobile (as defined in sec-
tion 30501(4)) or a motor vehicle that is a sal-
vage vehicle (as defined in section 30501(7)).

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

SEC. 8. SCHOOL BUSES.

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

“(d) OPERATION AFTER NOTIFICATION.—

“(1) In general.—A person who owns or leases
a school bus who receives a notice of a defect or
noncompliance for that school bus under section
30118(b) or (c) may not operate the school bus as
a school bus for more than 30 days after receipt of
the notice unless the defect or noncompliance is rem-
edied (within the meaning of that term as used in
section 30120) or the Secretary grants a waiver.
The Secretary may grant a waiver from the prohibi-
tion in the preceding sentence, or extend the 30-day
period, if the Secretary, in the Secretary’s sole dis-
cretion, finds that the waiver or extension is in the
public interest.”.
SEC. 9. COMMERCIAL PASSENGER VEHICLES.

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

“§ 30128. Commercial passenger vehicles

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

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

“30128. Commercial passenger vehicles”.

SEC. 10. PENALTIES.

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

“(a) IN GENERAL.—A person that violates any of sections 30112, 30115, 30117 through 30122, 30123(d), 30125(c) or (d), 30126(b), 30127, 30128, 30141 through 30147, or 30166, or a regulation prescribed thereunder, is liable to the United States Government for a civil penalty of not more than $5,000 for each violation. A separate violation occurs for each motor vehicle or item of motor
vehicle equipment and for each failure or refusal to allow
or perform an act required by any of those sections. The
maximum penalty under this paragraph for a related se-
ries of violations is $15,000,000, except that no such max-
imum applies in the case of a willful and intentional viola-
tion.”.

(b) Criminal Penalties.—

(1) In general.—Subchapter IV of chapter
301 of title 49, United States Code, is amended by
adding at the end the following:

“§ 30170. Criminal penalties

“(a) Defects That Cause Grievous Bodily
Harm.—It is unlawful for a manufacturer to introduce
a motor vehicle or motor vehicle equipment into interstate
commerce with a safety-related defect that causes grievous
bodily harm to an individual if the manufacturer knows
of the defect at the time the vehicle or equipment is intro-
duced into interstate commerce.

“(b) Defects That Cause Fatalities.—It is un-
lawful for a manufacturer to introduce a motor vehicle or
motor vehicle equipment into interstate commerce with a
safety-related defect that causes the death of an individual
if the manufacturer knows of the defect at the time the
vehicle or equipment is introduced into interstate com-
merce.
“(c) Penalties.—Violation of subsection (a) is punishable by fine of not more than $10,000, imprisonment for not more than 5 years, or both. Violation of subsection (b) is punishable by a fine of not more than $50,000, imprisonment for not more than 15 years, or both.”.

(2) Clerical Amendment.—The subchapter analysis for subchapter IV of chapter 301 of title 49, United States Code, is amended by adding at the end the following:

“30170. Criminal penalties”.

SEC. 11. RECORDS AND REPORTS.

(a) Recordkeeping and Reporting Requirements.—Section 30166(e) of title 49, United States Code, is amended to read as follows:

“(e) Records and Reports.—

“(1) In General.—The Secretary of Transportation is authorized to require a manufacturer of a motor vehicle or motor vehicle equipment to keep records, and a manufacturer, distributor, or dealer to make reports, to enable the Secretary to decide whether the manufacturer, distributor, or dealer has complied or is complying with this chapter or a regulation prescribed or order issued under this chapter. This subsection does not impose a recordkeeping requirement on a distributor or dealer in addition to those imposed under subsection (f) of this section.
and section 30117(b) or a regulation prescribed or
order issued under subsection (f) or section
30117(b).

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

“(3) WARRANTY, CLAIM, AND OTHER INFORMA-
TION.—The Secretary of Transportation is author-
ized to require a manufacturer of a motor vehicle or
motor vehicle equipment to keep records and to
make reports with regard to warranty or adjustment
information, consumer complaints, consumer satis-
faction campaigns, lawsuits (but only with respect to
lawsuits for which the manufacturer has been named
as a defendant in 3 or more lawsuits with respect to
the same defect), personal injury claims, and other
safety-related information relating to actual or potential defects. The Secretary is authorized to require a manufacturer of motor vehicle equipment to provide information to the Secretary related to the number, or other identifying characteristic, of equipment made or sold by that manufacturer. The Secretary is authorized to require that the reports be made when the information is received by the manufacturer, periodically, or in response to an order or request by the Secretary.

“(4) Access to defect and recall dealer communications.—The Secretary of Transportation is authorized to require a manufacturer of a motor vehicle or motor vehicle equipment to provide reasonable access to the manufacturer’s communications related to defects and recalls to the same extent and in the same manner as provided to the manufacturer’s dealers.

“(5) Insurers.—The Secretary of Transportation is authorized to require a person in the business of providing automobile insurance or resolving claims under insurance policies to keep records or to make reports, upon receiving information, periodically, or in response to an order or specific request to make a report regarding accidents or incidents in
vehicles and equipment that result in fatalities, serious injuries, or fires. The information required may include the vehicle identification number, the insured’s name, address, and telephone number. The Secretary shall treat any such information with respect to an insured person as confidential information.’’.

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

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

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

“(1) MOTOR VEHICLE ACCIDENT.—The term ‘motor vehicle accident’ means an occurrence associated with the maintenance or operation of a motor vehicle or motor vehicle equipment resulting in personal injury, death, or property damage.

“(2) DEALER.—The term ‘dealer’ means a person selling and distributing new motor vehicles or motor vehicle equipment, inside or outside the United States, primarily to purchasers that in good
faith purchase the vehicles or equipment other than for resale.

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

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

“(A) means a person—

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

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

“(B) includes—

“(i) a person incorporated within or with its principal place of business in the United States and its direct and indirect domestic and foreign subsidiaries and affiliates;

“(ii) a person with its principal place of business in a foreign country, including its direct or indirect domestic and foreign subsidiaries and affiliates, any of which ex-
ports motor vehicles or motor vehicle equipment into the United States; and

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

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

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

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

(d) EFFECTIVE DATE.—The amendments made by this section take effect 180 days after the date of enactment of this Act.

SEC. 12. INCREASE IN ODOMETER PENALTIES.

(a) CIVIL PENALTY.—Section 32709(a)(1) of title 49, United States Code, is amended—
(1) by striking "$2,000" and inserting "$5,000"; and
(2) by striking "$100,000." and inserting "$1,000,000."

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

SEC. 13. REVISED TIRE SAFETY STANDARDS.

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

SEC. 14. IMPROVED TIRE SIDEWALL MARKINGS.

Within 30 days after the date of enactment of this Act, the Secretary of Transportation shall initiate a rule-making proceeding to improve the labelling of tires required by section 30123 of title 49, United States Code, to facilitate improved public understanding of load limits and appropriate tire inflation levels. The Secretary shall also take whatever additional action is appropriate to ensure 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.